

All Eyes on *Hermès Int'l. v. Rothschild*

By Andrea Lim

The fashion world seems to be at constant battle with the metaverse. This new digital landscape has given individuals the opportunity to blur the line of what exactly is allowed before hitting a trademark or copyright wall.¹ As more fashion v. metaverse litigation rise, the more we understand how to navigate this new world. Most notably, all eyes are on the ongoing trial of *Hermès Int'l. v. Rothschild*.

Back in December 2021, Hermès sent artist Mason Rothschild a cease-and-desist letter stating that he infringed on the luxury brand's trademark for the Birkin bag.² The issue revolves around a line of nonfungible tokens ("NFTs") depicting the famous Birkin bag in fur-covered digital art, which was first sold online for \$42,000.³ Rothschild markets these "MetaBirkins" on his website.⁴ The artist first claimed his artwork was a "tribute" to Hermès and the Birkin.⁵ He has since changed his purpose stating the MetaBirkins are "a commentary on fashion's history of animal cruelty, and its current embrace of fur-free initiatives and alternative textiles."⁶

Rothschild attempted to avoid the possible trademark infringement by placing a disclaimer on the MetaBirkin website, which says "We are not affiliated, associated, authorized, endorsed by, or in any way officially connected with HERMÈS, or any of its subsidiaries or its affiliates"⁷ However, Hermès believes this would only confuse customers as the disclaimer unnecessarily links Rothschild's work with the luxury company.⁸ Hermès argues Rothschild was acting in bad faith with the intention to create an association between Hermès and his NFTs.⁹

Rothschild's biggest defense revolves around the First Amendment, stating that the MetaBirkins are "creative [expressions] protected by the First Amendment," and to defeat this argument, Hermès must prove that the NFTs have absolutely no artistic relevance or, in the case that there is, that the NFTs mislead consumers of the source of the work.¹⁰

Meanwhile, the United States Patent and Trademark Office (USPTO) has received many trademark applications for the metaverse.¹¹ Back in August, the USPTO rejected two trademark applications submitted by trademark squatters attempting to register Gucci's and Prada's

¹ See *Development Of Fashion Laws In The Metaverse*, FASHION & LAW JOURNAL (May, 2022), <https://fashionlawjournal.com/development-of-fashion-laws-in-the-metaverse/>.

² *Hermès v. Rothschild: A Timeline of Developments in a Case Over Trademarks, NFTs*, THE FASHION LAW (Jan. 31, 2023), <https://www.thefashionlaw.com/hermes-v-rothschild-a-timeline-of-developments-in-a-case-over-trademarks-nfts/>.

³ Robert Williams, *Hermès Sues NFT Creator Over 'MetaBirkin' Sales*, BUSINESS OF FASHION (Jan. 17, 2022), <https://www.businessoffashion.com/news/luxury/hermes-sues-nft-creator-over-metabirkin-sales/>.

⁴ METABIRKINS, <https://metabirkins.com/> (Last visited Feb. 6, 2023).

⁵ *Hermès v. Rothschild: A Timeline of Developments in a Case Over Trademarks, NFT*, *supra* note 2.

⁶ *Id.*

⁷ METABIRKINS, *supra* note 4.

⁸ *As the MetaBirkins Case Goes to Trial, a Dive into Some of the Key Issues*, THE FASHION LAW (Jan. 30, 2023), <https://www.thefashionlaw.com/as-the-metabirkins-case-goes-to-trial-a-dive-into-some-of-the-key-issues/>.

⁹ *Hermès v. Mason Rothschild: The MetaBirkins Trial in Brief*, THE FASHION LAW (Jan. 27, 2023), <https://www.thefashionlaw.com/hermes-v-rothschild-the-metabirkins-trial-in-brief/>.

¹⁰ *Id.*

¹¹ *As the MetaBirkins Case Goes to Trial, a Dive into Some of the Key Issues*, *supra* note 7.

trademarks in the metaverse.¹² However, those applications were to register already existing real-world goods. On the contrary, Rothschild could argue that the MetaBirkin is something wholly different.

Although there is evidence of growing contentions between trademark squatters and fashion brands in the metaverse, there has yet to be a lawsuit as prominent as this one.¹³ Many in the legal industry believe this decision could set precedent for trademarks and NFTs relating to fair use and free speech.¹⁴ It will be interesting to see how the courts rule on the MetaBirkin, but until then, all eyes are on *Hermès Int'l. v. Rothschild*.

¹² *No Metaverse Registration? No Problem, USPTO Shuts Down Gucci, Prada Squatters*, THE FASHION LAW (Sep. 1, 2022), <https://www.thefashionlaw.com/no-metaverse-trademark-registration-no-problem-says-uspto-over-gucci-prada-applications/>.

¹³ *Hermès vs. MetaBirkins: The NFT Case That Could Have Major Trademark and Artistic Consequences*, WEB3 (Feb. 6, 2023), <https://www.coindesk.com/web3/2023/02/06/hermes-vs-metabirkins-the-nft-case-that-could-have-major-trademark-and-artistic-consequences/>.

¹⁴ *Id.*