



COMMITTEE REPORT

Copyright Committee, Artificial Intelligence
Subcommittee

Copyright Developments Concerning NFTs and Metaverses

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COPYRIGHT COMMITTEE, ARTIFICIAL INTELLIGENCE SUBCOMMITTEE REPORT ON COPYRIGHT DEVELOPMENTS CONCERNING NFTS AND METAVERSES¹

I. INTRODUCTION

This piece focuses on copyright issues and developments pertaining to copyrightable works associated with non-fungible tokens (“NFTs”) and what we will call metaverses, as opposed to The Metaverse for reasons described below. We chose to address NFTs and metaverses together because NFTs are expected to play a central role in digital worlds, and some of the NFT-associated-works’ value is expected to come from their utility in those metaverses. The INTA publication *NFTs, Brands and the Metaverse*² illustrates the confluence of NFTs and the Metaverse and identifies some of the significant participants. Our report is limited to four territories: China, the EU, Latin America and the United States, because those are the territories for which we were able to gather information.

To prepare this piece we conducted research of our own, surveyed members, and drew upon a number of works already published by INTA membership, most notably INTA’s April 2023 Non-Fungible Tokens White Paper and the Emerging Issues Committee’s Trademarks section in the April 2023 Metaverse White Paper. Results of the completed surveys we received are included in Appendix B with our thanks to those who completed them. A list of all the INTA works consulted appears in Appendix A. Where appropriate, we have undertaken to update certain information previously presented pertaining to NFTs and metaverses generally but otherwise sought to refrain from unnecessary repetition.

When we started our work, the market for NFTs was predicted to grow exponentially and the possibility of a single Metaverse in which users could travel and interact almost in all the same ways as in the physical world was expected to be on the horizon. Neither prediction has been realized and both now seem unlikely to materialize anytime soon. We think, nevertheless, that there will be markets and uses for NFTs and metaverses, such that this report may be useful to INTA membership.

¹ This report is current as of late May 2025.

² <https://www.inta.org/perspectives/features/nfts-brands-and-the-metaverse/>

II. KEY ATTRIBUTES OF METAVERSES AND NFTS INFORMING APPLICATION OF COPYRIGHT

NFT – A non-fungible token “NFT” is a unique cryptographic token, the ownership of which is recorded on a blockchain or other distributed ledger system. An NFT can provide the owner rights in or access to one or more assets or entitlements, which can include digital artwork, video, music or any other creative work that would be the subject of copyright.³ An NFT is not the associated asset itself, although it is so generally referenced that way that for purposes of this paper we use the term NFT to reference both the cryptographic token and the creative work to which the token grants access. Significantly, NFTs and their associated works can be stored both “on chain” and “off chain” and in bits and pieces, meaning that the actual properties may reside in parts on servers in multiple territories of the physical world and all aspects of copyright, including authorship, publication, and infringement, may cross national borders. Anyone can “mint” an NFT and upload an associated work, regardless of copyright ownership.

Metaverse - The long-term, aspirational goal for the Metaverse is to develop a single, seamless virtual environment that allows users to move across different digital experiences while remaining in a virtual world. Purveyors envisage a world of digital assets and experiences that persist across different platforms and even allow interactions between the virtual and physical worlds. In May 2023 INTA’s Emerging Issues Committee suggested the following on of “Metaverse”:

a grouping of persistent and interconnected virtual reality and/or augmented reality worlds, including but not limited to video games and gaming, but extending far beyond it to include business communications and transactions, education, and buying and selling of virtual (and potentially real world) goods and services, featuring the ability to exchange, transfer, or communicate in a seamless manner the outcomes, assets, and information from one such world to another, and allowing a single human user to develop and use the same avatar and virtual assets across multiple digital worlds, likely through the use of NFTs.⁴

As of the date of this report, no Metaverse exists. What we have instead are “metaverses”, which we define as “*disconnected* virtual reality and/or augmented reality worlds, primarily limited to video games and gaming, some of which permit buying and selling of virtual and real-world goods and services.” There has been some expansion into broader social experiences (for example VR meeting places), but there is not yet widespread metaverse use beyond gaming.

One significant and distinguishing attribute of both NFTs and metaverses is that they exist and may be created, stored, used and abused across borders. Their very nature does not conform to the physical world. This presents a challenge with respect to copyright because although influenced by international treaties, copyright laws are territorial. A second key aspect of both

³ <https://www.copyright.gov/policy/nft-study/Joint-USPTO-USCO-Report-on-NFTs-and-Intellectual-Property.pdf>

⁴ https://www.inta.org/wp-content/uploads/public-files/advocacy/board-resolutions/INTA-Board-Resolution-on-New-Digital-Ecosystems_202305.pdf

metaverses and NFTs is that they are governed by contract, and in some cases only by smart contract, which may not address copyright issues. A third important aspect, for NFTs, is that they are typically tied to a blockchain, which is designed to be immutable, meaning that records, whether true or false, cannot be destroyed, but underlying works, if stored “off-chain” may be changed or deleted with or without entry on the NFT blockchain.

III. MARKETPLACE/STATE OF AFFAIRS

A. Metaverse

A 2023 Berkley Research Group report⁵ found that estimates as to how many metaverses exist varied greatly, with some suggesting the number of the virtual worlds available and developing may be in the tens of thousands. BRG predicted that “[a]s is typically the case in any fledgling industry, the vast majority are unlikely to survive as standalone platforms. These will either be acquired and incorporated by larger competitors or will discontinue activities, having failed to achieve critical mass and meet the operational costs involved.” The BRG report went on to identify that the key to metaverse value would likely be interoperability, explain that “in the event a particular platform fails to generate momentum, the value of the assets hosted on that platform will be sustainable only if the user can protect its ownership rights and move its assets to other platforms. As such, the interoperability between metaverses and next steps in its development is a pressing question in the context of metaverse economics.” As of the date of this report interoperability between metaverse has not been achieved and one wonders whether vendors in the largest metaverse market, online gaming, even will share that goal, or whether they will prefer to maintain and grow their own “sandboxes” to gain competitive advantage.

The most significant metaverse market to date is online gaming. That business has shifted to subscription models and, although puzzle type games remain the most popular, so-called ‘sandbox games’ which involve vast virtual worlds with no defined objectives (such as Minecraft and Roblox) are becoming more and more popular, with an estimated 10% of gamers involved with some form of sandbox product. It is now common for in-game transactions to drive significant revenues. A 2022 Deloitte study of online gaming estimated that the market for in game (metaverse) spending may be worth upwards of \$300 billion by 2025.⁶ Deloitte estimated that at least a third of all gamers have bought in-game content, with the types of transactions expanding further. Brands and platforms continue to explore web3 opportunities and there is a steady increase in transactions for purely cosmetic items such as digital skins or digital assets. Deloitte predicted that over the next 5 years the value of metaverse transactions could more than triple.

⁵ https://media.thinkbrg.com/wp-content/uploads/2023/06/23071532/02520_BRG_A4_Report_The-Metaverse_06.23.2023.pdf (last visited May 15, 2025).

⁶ <https://www.deloitte.com/content/dam/assets-zone2/uk/en/docs/industries/technology-media-telecommunications/2023/deloitte-uk-digital-consumer-trends-2022-gaming1.pdf> (last visited May 15, 2025).

B. NFTS

The market for digital artwork tied to NFTs has declined from a height in 2022. “NFTs were the plat du jour in 2022 amongst the more speculative crypto investors, but as hype and liquidity withered away so did asset prices. Trading volume on NFT exchange OpenSea topped \$2.7 billion in a single day in 2022, whilst [in December 2024] it has struggled to top \$30 million.”⁷ Using trading on OpenSea as a proxy for identifying the size of the NFT market may be somewhat unscientific because in intervening years markets such as Magic Eden and Blur seem to have overtaken Open Sea in volume and monetary value of transactions⁸, but consensus exists that the NFT market has been in decline rather than ascension.

A market remains nevertheless. Some NFTs still have sold for high prices on the web and at major auction houses.⁹ Some digital artwork creators have managed to expand into the physical world, raising questions concerning how legal rights pertaining to NFTs will transition. NFT Pudgy Penguin NFTs, for example, can be purchased using the Pudgy Penguin crypto currency PENGU, but Pudgy Panda offerings have expanded to include a Pudgy Penguin YouTube channel, Pudgy Penguin cartoons and Pudgy Penguin plush toys sold at Wal-Mart and on Amazon.¹⁰

IV. GENERAL STATE OF AFFAIRS – LEGAL

A. Unresolved Issues

Copyright issues pertaining to NFTs and metaverses remain almost entirely unaddressed and unresolved. Those include:

1. What territories’ laws will govern authorship and creation, maintenance, and enforcement and how will choice of law and forum be decided?
2. Do existing licenses that do not address NFT and metaverse allow use in metaverses and/or for NFTs? Do existing license geographic restrictions apply to or in a metaverse? How can transfers and sublicenses best be addressed? What are best practices for future licenses? If the license explicitly includes digital uses or rights (like "all digital media," "future technologies," or similar broad language), it seems more likely that it might cover NFT and metaverse use. If the license is narrow and specifically names formats or methods of use (e.g., "for physical publication" or "on a website"), then it seems less likely that NFT and

⁷ O. Knight, *Pudgy Penguins PENGU Token Debuts at \$2.3B Market Cap*, Dec. 17 2024 (last visited May 15, 2025).

⁸ M. Goldberg, *There Is No Spoon: IP Licensing of NFTs, Decentralized Disney, and the SEC’s Jurisdiction Over Investment Contracts* Published: October 29, 2024 <https://harris-slioski.com/blog/there-is-no-spoon-ip-licensing-of-nfts-decentralized-disney-and-the-secs-jurisdiction-over-investment-contracts> (last visited May 15, 2025).

⁹ See S. Kurtz, *The NFT is Dead. Long Live the NFT?* New York Times Dec. 4. 2024. <https://www.nytimes.com/2024/12/05/style/nft-boom-crash-prices.html?smid=nytcore-ios-share&referringSource=articleShare>

¹⁰ <https://pudgypenguins.com/>

metaverse rights would be included. But none of that has been definitively resolved.

3. How will discrepancies between terms of use and copyright laws be resolved?
4. How will smart contract or other restrictions imposed on expired copyrights and non-copyrightable works be addressed? How can they be given the immutability of blockchain?
5. How will platform liability be addressed? Are U.S. DMCA requirements applicable and enforceable?
6. Exactly which of the copyright owner's exclusive rights are implicated when an NFT is minted, marketed and used? Reproduction? Display? Distribution? Performance?
7. Do smart contracts suffice as "writings" for purposes of transferring ownership or exclusive rights?
8. How and when will the first sale doctrine apply, if at all? Will contractual "resale rights" trump first sale?
9. Will blockchain records be trusted and trustworthy as to the original source of the NFT? How can they be verified?
10. Do termination and reversionary rights exist in NFTs and metaverse-created works? If so, how will they be exercised and enforced?

B. Absence of Significant Legislation

We are unaware of any statutes or regulations enacted in any country of the world that specifically address copyrightable works tied to NFTs or existing in a metaverse. Absent increased participation in metaverses and wider adoption of NFTs as a means for accessing copyrighted works, the likelihood of further legislation in the near term, outside of China, seems minimal. With the exception of China, consensus seems to be that application of existing laws and principles will suffice. That certainly is the attitude in the United States. The most significant U.S. think piece to date, the March 2024 Joint Report of the Copyright Office and the USPTO on Non-Fungible Tokens and Intellectual Property concluded:

While many stakeholders raised concerns about copyright and trademark infringement associated with NFTs, most believed that current intellectual property laws are adequate to deal with infringement. Moreover, many expressed concern that NFT-specific legislation would be premature at this time and could impede the development of new NFT applications, given the evolving nature of the technology. The Offices agree with these assessments and do not believe that changes to intellectual property laws, or to the Offices' registration

and recordation practices, are necessary or advisable at this time.¹¹

A 2023 WIPO-commissioned report similarly concluded that “the existing legal framework—as interpreted by courts in several jurisdictions in relation to the Web 2.0 scenarios—appears to offer sufficiently robust guidance for the localization of IPR infringements, including those committed through the metaverse(s).”¹² The WIPO report noted, however, that “challenges might arise in terms of retrieving evidence to tie IPR infringements to a particular territory”, and “variations in remedies and enforcement options across jurisdictions may warrant considering broader harmonization of applicable laws and jurisdictional determinations.”

C. Minimal Case Law

Courts in China and Colombia have experimented with court hearings in metaverses, but none involving copyright.¹³ Similarly, there is a dearth of court copyright cases involving NFTs or metaverses. Cases to date, still not many, have involved primarily financial regulation and of course there is the MetaBirkins trademark case discussed by other committees.

In February 2023, a U.S. jury indeed found the MetaBirkins NFTs infringed Hermès’ trademark rights, confirming that existing trademark laws apply in the NFT context. However, no parallel decision has yet addressed a copyright claim involving NFTs.

V. State of Affairs in Specific Territories

A. China

Governmental and non-governmental actors in China have taken more action than those in other territories to create rules specific to metaverses and NFTs.¹⁴ The focus in China, however, has not been on copyright, but rather on industrial applications (e.g., smart manufacturing, healthcare), aligning metaverse growth with national digital economy goals, and protecting the public from NFT scams and bad actors online. Chinese regulators refer to NFTs as “digital collections” (数字藏品) to emphasize their use as unique virtual cultural assets while prohibiting cryptocurrency-based NFT trading and speculative resales¹⁵. Multiple state-sponsored initiatives (for example, a “China Digital Asset Trading Platform” announced in 2022)

¹¹ <https://www.copyright.gov/policy/nft-study/Joint-USPTO-USCO-Report-on-NFTs-and-Intellectual-Property.pdf>

¹² THE LOCALIZATION OF INTELLECTUAL PROPERTY INFRINGEMENTS IN THE ONLINE ENVIRONMENT: FROM WEB 2.0 TO WEB 3.0 AND THE METAVERSE
https://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_16/wipo_ace_16_10.pdf

¹³ <https://www.tellerreport.com/life/2022-11-15-guangzhou-arbitration-commission-sets-up-metaverse-arbitration-court-to-handle-cases-involving-virtual-worlds.SydVVt-Ut.html> ;
<http://fj.people.com.cn/n2/2022/0923/c181466-40137243.html>; <https://university.open.ac.uk/open-justice/blog/digital-justice-metaverse-now-being-used-hold-virtual-court-hearings>

¹⁴ See Beijing is Coming for the Metaverse <https://www.politico.eu/article/china-beijing-designing-metaverse-proposal-social-credit-system-un-itu/>

¹⁵ <https://www.asiaiplaw.com/sector/enforcement/what-we-should-know-from-the-first-nft-infringement-case-in-china#:~:text=From%20the%20perspective%20of%20economics%2C,be%20bought%20and%20sold%20online>

aim to standardize metaverse development and curb fraud without introducing new copyright statutes.

There have, however, been some copyright developments as reported in the Joint USPTO-USCO Report on NFTs and Intellectual Property. In one case, a Chinese court held that an NFT transaction was not a publication, but the minting of an NFT based on an existing physical artwork constituted reproduction and network dissemination under the Chinese Copyright Law. In another case, the Hangzhou Internet Court ruled that an NFT platform was not eligible for China's online service provider safe harbor because it failed to exercise an adequate duty of care in monitoring its platform for infringement. The court concluded that the NFT platform had a higher duty of care than traditional online platforms because it could conduct an *ex ante* review of the digital works on its platform without incurring additional cost and because it received direct economic benefits by collecting gas fees when minting NFTs and commissions on every transaction.

These judicial decisions illustrate how Chinese courts are actively interpreting existing law for NFTs. For instance, treating the minting of an NFT from a prior work as an infringing reproduction and dissemination underscores that normal copyright rules apply even in these novel contexts. Likewise, by denying safe harbor to an NFT platform, the court imposed a higher duty of care on such platforms to police content proactively. Notably, the Hangzhou court also clarified that the first sale doctrine (exhaustion of rights) does not apply to NFT sales, since an NFT transfer does not involve transferring possession of the underlying work¹⁶. Enforcement measures ordered in that case included sequestering the infringing NFT in a blockchain "black hole" address (making it non-transferable) to effectively stop further transactions, an innovative remedy highlighting the challenges of copyright enforcement on immutable ledgers.

B. Europe and Turkey

In the European Union, there are currently no specific laws or regulations exclusively addressing NFTs or metaverses. Existing legal frameworks, such as copyright and contract laws, are considered adequate.¹⁷ NFTs are generally believed to be governed by existing laws related to intellectual property, financial regulation, and consumer protection. There have not, however, been any significant judicial decisions applying those laws to NFTs or metaverses. From a copyright perspective it is important to note that not all aspects of copyright law have been harmonized through EU law, yet. Thus, one must identify whether EU Regulation/ EU Directive or national law will apply.

The evolving regulatory landscape for cryptocurrencies and digital assets in the EU will likely

¹⁶ <https://www.asiaiplaw.com/sector/enforcement/what-we-should-know-from-the-first-nft-infringement-case-in-china#:~:text=From%20the%20perspective%20of%20economics%2C,be%20bought%20and%20sold%20online>

¹⁷ European Crypto Initiative, *Regulation of Non-Fungible Tokens under the EU Law* <https://eu.ci/regulation-of-non-fungible-tokens-under-the-eu-law/> (last visited May 15, 2025); J Katalpa, *NFT Regulations in Europe: Challenging Traditional Tax Frameworks* updated Feb. 7, 2024 <https://www.cryptopolitan.com/nft-regulations-in-europe/> (last visited May 15, 2025).

influence how NFTs are treated. The EU is working on broader regulations for cryptocurrencies, which may indirectly impact NFTs. For instance, the Markets in Crypto-Assets (MiCA) regulation aims to provide a comprehensive framework for crypto-assets but does not specifically cover NFTs.¹⁸ In fact, MiCA explicitly excludes crypto-assets that are “unique and not fungible” from its scope (see MiCA Article 2(3)), although if an NFT is issued as part of a large series or has fungible characteristics, it could still be regulated as a crypto-asset under MiCA¹⁹.

Additionally, anti-money laundering (AML) legislation is being updated to include NFT platforms and companies offering NFT-related services.²⁰ The European Union Intellectual Property Office (EUIPO) has issued guidelines on the use of NFTs as unique digital certificates registered in a blockchain²¹ (for instance, in EU trademark classification, virtual goods authenticated by NFTs are viewed as distinct from the digital content itself). These guidelines treat NFTs as a record of authenticity or ownership for digital items, rather than the digital asset itself, aligning with the approach that existing IP principles (e.g., that buying an NFT of a digital artwork doesn’t by itself transfer the artwork’s copyright) remain unchanged.

For report and analysis of treatment of NFTs in Turkey, please see *What Copyright and Trademark Owners Should Know About the Approach to NFTs in the Republic of Türkiye*²², which draws similar conclusions to those drawn above with respect to the EU, namely that specific legislation has not been enacted and general legal principles are expected to apply.²³

C. Latin America

We found no legislation in force in Latin America that specifically governs either NFTs or the Metaverse. As in other regions, legal authorities in Latin America have generally applied existing intellectual property and civil laws to NFT-related disputes in the absence of bespoke rules.

The Brazilian Congress is currently reviewing one bill that aims at regulating business and asset trading related to the metaverse (PL 2175/2023), while a few regulations have been enacted in the country focusing primarily on regulation of digital currency and securities related to virtual assets as they are viewed to impose higher consumer risks.

Brazilian courts have addressed copyright infringement within the metaverse. In decisions rendered by the Paraná Court of Appeals in October 2024, and subsequently confirmed in February 2025, a marketing project involving the creation of an environment within the game “Avakin Life” was found not to qualify as a copyright-protected work due to a lack of requisite

¹⁸ *NFT Regulations in Europe: Challenging Traditional Tax Frameworks*.

¹⁹ <https://www.fma.gv.at/en/cross-sectoral-topics/markets-in-crypto-assets-regulation-micar/non-fungible-tokens-nfts/#:~:text=The%20evaluation%20of%20crypto,asset%20as%20unique%20and%20non>

²⁰ *NFT Regulations in Europe: Challenging Traditional Tax Frameworks*.

²¹ EUIPO Guidelines – Europa.

²² <https://www.inta.org/perspectives/features/what-copyright-and-trademark-owners-should-know-about-the-approach-to-nfts-in-the-republic-of-turkiye/>

²³ <https://www.inta.org/perspectives/features/what-copyright-and-trademark-owners-should-know-about-the-approach-to-nfts-in-the-republic-of-turkiye/>

originality. Expert evidence presented to the court indicated that the project primarily involved the rearrangement of existing elements and the utilization of pre-existing resources available on the platform. Furthermore, the court concluded that the project constituted a mere idea, which is not subject to copyright protection under Brazilian law. This Brazilian case suggests that traditional copyright criteria (such as originality and the idea-expression dichotomy) apply equally in virtual environments, simply designing a space or experience in a metaverse without original creative choices will not receive protection, just as in the physical world.

In Argentina, a new regulatory framework²⁴ that aims at regulating virtual asset service providers (VASPs) has recently been implemented and while the full regulatory framework will take effect only on December 31, 2025, VAPs are required to observe specific registration deadlines throughout the year.

In Colombia, a bill reintroduced in March 2025 to regulate the cryptocurrency market²⁵ aims at creating a mandatory licensing and registration regime for VASPs²⁶. If the bill is approved, it will subject NFT marketplaces and metaverse platforms to supervisory oversight, similar to crypto exchanges.

D. United States

In the United States, no legislation has been enacted specifically, or even tangentially, addressing copyright in NFTs or metaverses. The Joint Report of the U.S. Copyright Office and U.S. Patent and Trademark Office concluded that no specific legislation is needed at this time with respect to NFTs and enactment of such legislation seems unlikely in the foreseeable future.

None of the copyright questions identified at the beginning of this report have been resolved by U.S. courts either. Cases that have raised issues, but not resolved them are:

FireSabre Consulting LLC v. Sheehy, No. 11-CV-4719 CS, 2013 WL 5420977 (S.D.N.Y. Sept. 26, 2013) - The court assumed that works created in the Second Life metaverse were governed by U.S. copyright law, but in that case all the parties and actions involved were in the U.S.

Princeton UAB "Planner 5D" v. Facebook, Inc., No. 19-CV-03132-WHO, 2019 WL 6219223 (N.D. Cal. Nov. 21, 2019) - The court dismissed with leave to replead for failure to secure a U.S. copyright registration because although plaintiff alleged its virtual reality designs were created by authors ex-U.S., plaintiff failed to adequately allege that the works were not simultaneously published in the U.S. when posted on the Web. The case identifies questions that arise when

²⁴ <https://www.argentina.gob.ar/noticias/regulacion-de-los-proveedores-de-servicios-de-activos-virtuales-psav>

²⁵ <https://www.elcolombiano.com/negocios/regulacion-criptomonedas-en-colombia-que-es-y-como-funciona-GH26743599>.

²⁶ <https://congresovisible.uniandes.edu.co/proyectos-de-ley/ppor-la-cual-se-regulan-los-proveedores-de-servicios-de-activos-virtuales-psav-y-se-dictan-otras-disposiciones-regulacion-de-las-criptomonedas/14405/>

multi-nationals jointly create works in a metaverse even if one accepts that a particular physical territory's law applies.

Doe v. Roblox Corp., 602 F. Supp. 3d 1243, 1252 (N.D. Cal. 2022) - Plaintiff alleged that Roblox unlawfully deleted user-created, in-game avatar items and Roblox defended that its terms permitted the deletions. The case settled without the court resolving the issue.

Earlier published INTA reports have addressed court decisions regarding trademark and securities law issues pertaining to NFTs.ⁱ In each case U.S. courts have applied existing U.S. law to NFTs, as opposed to identifying any exceptions or special considerations that should govern.

VI. Conclusion

Aspirational goals for a single Metaverse in which digital assets tied to NFTs can be as important and valuable as assets the physical world remain aspirational. Since work on this project began, changes in metaverse and NFT markets can better be described as regress than progress. Correspondingly, little progress has been made toward defining the legal “rules of the road” for copyright in the digital world. Consensus seems to have emerged not only that existing laws and precedents will suffice to govern copyright in the digital sphere, but that examination of possible idiosyncratic aspects of digital copyright law need not be a priority. The result is that practitioners must continue to adapt and apply general copyright principles to digital worlds for the foreseeable future.

VII. Unresolved Legal Questions and Comparative Gaps

This report highlights many unanswered legal questions, and significant gaps remain in the comparative analysis across jurisdictions. One notable unresolved issue is choice of law: given the borderless nature of NFTs and metaverses, it is unclear how courts will determine which country's copyright law applies when creative content is made, sold, or infringed across multiple territories. International copyright treaties (like the Berne Convention and TRIPS) harmonize certain substantive rights but do not provide clear rules on jurisdiction or applicable law for digital assets. Another gap lies in the treatment of moral rights and resale royalties in the NFT context. Jurisdictions with strong moral rights (e.g., France or Mexico) or statutory artist resale rights (e.g., EU member states) have not yet addressed whether selling a work as an NFT implicates those rights, for example, if an NFT of a digital artwork is resold, can the original artist claim a resale royalty, and can they prevent derogatory modifications of the digital work? Such questions remain unanswered. Additionally, differences in legal approach are emerging: China's active regulatory and enforcement stance contrasts with the U.S. reliance on existing case law and the EU's financial regulation focus (MiCA/AML) for now, while Latin America is concentrating on virtual asset frameworks for marketplace oversight. These divergent approaches point to a broader global trend: legislative efforts related to NFTs so far concentrate on financial risks and consumer protection (securities, fraud, money laundering) rather than on copyright specifics. Bodies like WIPO are monitoring these developments and have suggested that greater international harmonization may eventually be needed to address evidentiary and enforcement challenges in the metaverse. Going forward, keeping INTA

members informed of emerging norms, from court decisions in various countries to any future international guidelines or treaties on digital assets, will be key. Until then, lawyers must fill the gaps by analogizing from existing law and coordinating across jurisdictions to manage the complex copyright issues presented by NFTs and metaverses.

APPENDIX B

U.S. Leslie Skinner - Intel

1. Current status of domestic business engagements in NFTs²⁷ and Metaverse²⁸.
 - a. The sale value of NFTs has dropped significantly from when the first Bored Ape images were introduced. For example, according to cryptocurrency market tracker CoinGecko, the the Ape NFTs can 38,885 (as of Oct 13,2023) compared to May 2022, when the cheapest would have cost collectors over \$400,000.

That said, in March 2023, Ticketmaster launched Token-Gated Sales enabling “Artists to Reward Fans with Prioritized Ticket Access and Concert Experiences” such as special presales, prime seats, and other concert experiences.

- b. So far, the Metaverse is predominantly used for gaming in the US (see e.g.: Roblox, Epic Games-Fortnite, Sandbox, Decentraland). However, companies are promoting the use of their metaverse systems in business. For example, Meta Quest and Apple Vision Pro are promoted to business to provide training and enable meetings and collaboration.
2. Current status of any government policy statements, draft laws, judgments, etc.... on NFTs and the Metaverse referring to copyright or virtual asset regulation.

To date, we are not aware of any specific legislation or policy regarding NFTS or the Metaverse referring to copyrights. See response to Section 4.

The copyright office has requested comments as part of an NFT study
<https://www.copyright.gov/policy/nft-study/>.

3. Whether the monetization of virtual assets in NFTS and the Metaverse are reliant on the value of copyrights.
4. Development of Virtual Asset Regulation in the US.

²⁷ NFT (Non-Fungible Token) is a unique digital asset recorded on a blockchain used to certify ownership and authenticity. The ownership of an NFT is recorded in the blockchain and can be transferred by the owner, allowing NFTs to be sold and traded. NFTs may include images and or trademarks and the unique tokens on blockchain networks can be used to verify ownership of digital art.

²⁸ Metaverse is defined as a virtual space or spatial computing that provides digital experiences as an alternative to or a replica of the real world. It allows for social interactions, currency, trade, economy, and property ownership using blockchain technologies, virtual reality (VR), augmented reality (AR), artificial intelligence (AI), the Internet of Things (IoT).

To date, cases have been brought against NFTs for trademark infringement, SEC violations, false advertising and defrauding the consumer by inflating value by celebrity spokespeople.

In its decision of June 2023, the court of the Southern District of New York held that NFTs displaying Hermes bag artwork (aka MetaBirkin) violated Hermes trademarks and enjoined the further sale of such NFTs. Despite defendant's argument that the NFTs were artistic works protected by the First Amendment, the court held that the scheme was to mislead consumers into believing that Hermes endorsed the NFTs which would not insulate defendant from liability (Hermes International v. Rothschild, U.S. District Court for the Southern District of New York).

In February 2021, Nike sued StockX for trademark infringement, false designation of origin, and counterfeiting based on NFTs sold by StockX bearing Nike trademarks in association with the sale of Nike sneakers purportedly "Verified" as authentic. Though StockX argues fair use because the NFT is in connection with the sale of a physical asset, Nike argues that the NFTs are distinct assets that can be sold independently, which in some cases sold for more than the sneaker itself.

In charges filed in August 2023 against Impact Theory, the SEC argued that the NFTs were sold as investment contracts and therefore securities such that Impact violated federal security laws by offering and selling the crypto assets to the public in an unregistered offering that was not exempt for registration. Impact agreed to the cease and desist and paid damages. In September 2023, the SEC brought an enforcement action against Stoner Cats 2 for raising about \$8 million through an unregistered offering of NFTs the SEC alleged were securities because the NFTs were sold to the public not just as part of the Company's marketing campaign but with an option to resell in a secondary market such that the Company would receive a 2.5% royalty for each transaction. The SEC alleged that the Company "led investors to expect profits from their entrepreneurial and managerial efforts, because a successful web series could cause the resale value of the Stoner Cats NFTs to rise in the secondary market."²⁹ As a result, the Company violated Sections 5(a) and 5(c) of the Securities Act of 1933, which generally prohibits the offering and selling of securities to the public in an unregistered offering. The Company did not admit or deny the SEC's allegations but agreed to cease and desist, destroy any NFTs in its possession and pay a civil penalty of \$1 million.³⁰

On a related note, a group of investors is suing Sotheby's and several celebrities over a 2021 auction and promotion of the Bored Ape Yacht Club NFTs following a price collapse for the celebrity endorsed collectibles. The plaintiffs claim the auction house "misleadingly promoted" the NFTs and colluded to inflate their price and the celebrities

²⁹ <https://www.sec.gov/newsroom/press-releases/2023-178>

³⁰ <https://www.sec.gov/newsroom/press-releases/2023-178>

failed to disclose their financial links. The FTC is also probing crypto firms for false advertising.

Similarly, FTX crypto investors are suing celebrities such as Steph Curry, Larry David, Shaquille O'Neal, Tom Brady, David Ortiz and Naomi Osaka for deceptively marketing FTX's crypto products. The suit accuses the celebrities of driving "adoption of the Deceptive FTX Platform" and selling accounts to "unsuspecting and unwitting retail consumers."

BRAZIL – FERNANDA MAGALHAES (KASZNAR LEONARDOS) AND VANESSA FERRO:

1. Current status of domestic business engagements in NFTs and Metaverse:

NFT:

Brazilians are known as heavy users of technology, especially of social media platforms and videogames.³¹The country has been an early adopter of NFTs – according to Statista,³² Brazil ranked in 2022 as the fifth global market for NFT owners with 4% of its adult population owning NFTs.

In this context, local brands have promoted their products or services in metaverse platforms³³ while artists have used virtual platforms to promote their work through immersive events at FortNite, GTA (Grand Theft Auto) and Roblox³⁴.

2. Current status of any government policy statements, draft laws, judgments, etc., on NFTs and Metaverse, where they may have referred to copyright or virtual assets regulation:

NFT:

The global interest in the market for digital assets, especially cryptocurrency, has gotten the attention of the Brazilian Government and in December 2022, the Virtual Assets Law (nº14478/22) was passed into law which provides guidelines for virtual asset service providers. While it does not address copyright or IP related matters, it defines virtual assets as a digital representation of value that can be traded or transferred through electronic means and used for payments or investment purposes, other than national currency and foreign currencies; electronic money; instruments that provide their holder access to specified products or services or benefits derived from those products or services, such as points and rewards from loyalty programs; and representations of assets whose issuance, accounting, trading, or settlement is provided for by law or regulation, such as securities and financial assets.

Metaverse:

As to metaverse, the Brazilian Congress is currently reviewing one Bill which aims at regulating business and asset trading related to the metaverse (PL 2175/2023³⁵). The

³¹ [Social media usage in Brazil | Statista](#)

³² [NFT ownership, by country 2022 | Statista](#)

³³ [Metaverso é foco de empresas que buscam se aproximar de clientes - 09/07/2022 - Seminários Folha - Folha \(uol.com.br\)](#) and [De olho em metaverso, Lacta lança loja virtual 3D | Exame](#)

³⁴ [Emicida: como foi feito o primeiro show de um brasileiro no Fortnite - Forbes](#)

³⁵ PL 2175/2023 <https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=2358606>

Bill is in its early stage of committee reviews and in essence proposes to establish general principles for the regulation, organization and functioning of interconnected virtual environments, aiming to ensure protection of users' rights, copyright and intellectual property, among other issues.

In the meantime, the metaverse issue has already been subject to judicial scrutiny by a Brazilian court regarding copyright infringement in the metaverse. In its decisions rendered in October 2024 —and subsequently confirmed in February 2025 —the Paraná Court of Appeals held that a marketing project (specifically, the creation of a marketing environment within the game “Avakin Life”) did not qualify as a copyright-protected work, as it lacked the requisite originality. Expert evidence revealed that the project merely involved reordering existing elements and utilizing pre-existing resources available on the platform. Moreover, the court concluded that the project essentially amounted to a mere idea, which, under Brazilian copyright law, is not subject to legal protection.

3. Whether it can be said about your jurisdiction that – predominantly the monetization of virtual assets in NFT and Metaverse – is reliant on the value resulting from copyrights:

NFT and Metaverse:

Relevant national artists and celebrities have leveraged not only their copyrights but also their trademark and personality rights to monetize on NFTs and metaverse platforms.³⁶ Overall, the monetization of virtual assets seems not exclusively dependent on copyright but rather copyright seems to serve as a contributing factor to increase value of a digital asset.

4. What are the developments on Virtual Assets Regulation in your jurisdiction?

NFT and Metaverse:

Government seems to be focusing primarily on digital currency and securities regulations related to the virtual platforms as they impose higher consumer risks. In this context, a number of regulations have been issued recently on the matter³⁷, and the Brazilian Securities and Exchange Commission³⁸ is also working on regulation of securities represented digitally by tokens.

³⁶ [Anitta no Free Fire: conjunto “A Poderosa” está disponível | free fire | ge \(globo.com\)](#) and [Neymar no Warzone: skin é lançada com voz do jogador; ouça | call of duty | ge \(globo.com\)](#)

³⁷ Law nº 14.478/22 [Portal da Câmara dos Deputados \(camara.leg.br\)](#) and [DECRETO Nº 11.563, DE 13 DE JUNHO DE 2023 - DECRETO Nº 11.563, DE 13 DE JUNHO DE 2023 - DOU - Imprensa Nacional \(in.gov.br\)](#)

³⁸ [Publicado Decreto sobre Ativos Virtuais — Comissão de Valores Mobiliários \(www.gov.br\)](#)

TASK FORCE OF COPYRIGHT COMMITTEE ON NFTs/METVERSE

ARGENTINA – ALEJANDRA AOUN (ESTUDIO AOUN)

1. Current status of domestic business engagements in NFTs and Metaverse:

In order to answer this question, we consider it is important to analyze the relationship between creativity and technology. In this sense, and with regard to creativity, Argentina was among the ten most creative countries in the world in a new edition of the Gunn Report 100, the global ranking that highlights the most creative ideas. This list ranked agencies, networks, holding companies, brands, advertisers and countries by their score, based on more than 40 local, regional and global awards. Argentina climbed to 8th place among the most creative countries in the world, with 1152.3 points. It was right between Japan (1632.41) and Thailand (1045.7). It is the only Latin American country on the list, along with Brazil. Globally, Gunn Report highlighted the industry is marked by three key trends: brands with a purpose, the innovative use of emerging technologies, and emotional films with high-level production. Along these lines, the Argentine creative industry also entered the ranking of the best agencies in the world with Mercado McCann, which came in 10th place, with 234.8 points.

<https://www.argencon.org/argentina-entre-los-diez-pases-ms-creativos-del-mundo/>

On the other hand, with regard to technology, it is worth mentioning that Argentina was positioned among the vanguard countries in terms of innovation and is ahead of its neighbors in the region, according to the recent conclusions of the Global Skills Index study, prepared by the online education platform Coursera. According to this survey, the country is the most talented in the world in the Technology category.

The study analyzes the activity and performance of users in the system that was founded in 2012 and allows access to university training and training courses in various areas and languages. The report takes into account 60 countries, and takes as reference their performance in 10 industries within the Business, Technology and Data Science categories.

According to their conclusions, Argentina obtained the best score in the Technology category, and was followed by the Czech Republic, Austria, Spain and Poland.

In the other segments, the country achieved good performance and joined the group of “competitive” markets. In the Business category it placed 25th, while it placed 22nd in the Data Science category.

<https://www.lanacion.com.ar/economia/empleos/la-argentina-es-pais-mayor-talento-tecnologia-nid2237809/>

Decentraland’s NFT ArtWeek, is an event in which a new exhibition was held in the UXArt house museum in the NFT Metaverse. On this occasion, UXArt became the only museum representing Argentina and Latin America at this year’s event.

INTA Copyright Committee

NFT – Metaverse Report for China, Europe and Turkey, Latin America and the United States

Team: [Vanessa Ferro](#), [Timo Goetting](#), [Fernanda Magalhaes](#), [Eric Osterberg](#), [James Whymark](#)

The Web 3.0 community was able to explore this space curated by outstanding masters who have taken art to new forms of dialogue and interaction with the viewer. All this through the simple use of their avatars. In this special edition, UXArt collaborated with two Argentine masters to create new pieces of generative art, which were hosted on the IBM Cloud.

At the moment UXArt is the only museum representing Argentina and Latin America in events of this magnitude. Such a feat reinforces the visibility of local artists and the relevance of the region in the emerging NFT market. By promoting and exhibiting generative art and unique digital works, new avenues of income are being created for artists. At the same time, the possibility of monetizing their work is democratized through the use of blockchain technology.

The exhibition in the metaverse included works by prominent artists such as Marta Minujín, Gyula Kosice, Eduardo Mac Entyre, Miguel Ángel Vidal, Eduardo Rodríguez and Rogelio Polesello.

<https://es.beincrypto.com/argentina-ibm-lanza-primer-museo-nft-metaverso-latinoamerica/>

Among the most important platforms that were launched at the end of 2021 are Enigma and the BAG-Blockchain Art Gallery, which plans to add other business units of NFT experiences in music, shows and festivals to take art to new dimensions, as well as Aura dedicated to visual artists with curated content and pieces by Antonio Berni, the Madí art of Carmelo Arden Quin, Luis Fernando Benedit and Ernesto Deira.

On the other hand, the Labitconf held the second edition of the B-Arte Prize that awarded Bitcoin and a virtual exhibition, and featured artistic activities to “promote and stimulate creation within the framework of the technological revolution that we are experiencing” – according to the NGO Bitcoin Argentina – because “Web3, NFTs and digital art are transforming the way artistic production is valued, strengthening the generation of a horizontal and collaborative community”; and what emerges from the accumulation of statements is that NFTs ensure the circulation of works.

The ArteBA fair had NFT works for the first time with Franco Paliuff presented by Aura VTV, as well as the Exploring the Abyss cycle that brought together projects oriented to digital and NFT formats. For its part, the BADA fair was present in August in La Rural, continuing its commitment to digital art and resources arising from new technologies that cross its artistic proposal based on the diagnosis that “the NFT market is consolidating,” they indicated.

August added the presentation of the theme with a first exploration by the convening forum “Art in NFT code: opportunities and challenges for art in the digital space”, organized by the National Fund for the Arts (FNA) together with Meridiano - Cámara Argentina of Contemporary Art Galleries and the Friends of Fine Arts Association, a proposal that was established due to “the impact of technology on the ownership and distribution of works of art.”

<https://www.infobae.com/cultura/2023/01/03/la-escena-argentina-de-los-nft-crece-e-impulsa-el-vinculo-entre-arte-y-tecnologia/>

2. Current status of any government policy statements, draft laws, judgments, etc., on NFTs and Metaverse, where they may have referred to copyright or virtual assets regulation:

In Argentina, all the works of art can be registered at the National Copyright Office. Although this registration is not mandatory, it is convenient as evidence of the fact that the person that registered the work of art is its author/rightholder.

On the other hand, they are perfectly transferable by way of assignment, as long as they are within the private domain. This also applies to purely digital works, it being understood that the alienation of the medium – even digital – does not imply the transfer of the intellectual rights related to the work, unless said transfer has been expressly agreed between the parties to transfer the intellectual property rights such as reproduction, public communication and transformation of the artistic work. These rights are perfectly transferable by way of assignment. This also applies to purely digital works, it being understood that the alienation of the support – even digital – does not imply the transfer of the intellectual rights related to the work, unless said transfer had been expressly agreed between the parties. In other words, whoever acquires a physical or digital work does not in principle acquire the right to reproduce, transform or publicly communicate said work, unless the artist or the owner of the intellectual right has expressly permitted it.

<https://www.eseade.edu.ar/wp-content/uploads/2022/07/El-impacto-de-la-Blockchain...-version-18-03-ok-listo.pdf>

3. Whether it can be said about your jurisdiction that – predominantly the monetization of virtual assets in NFT and Metaverse – is reliant on the value resulting from copyrights:

Regarding Argentina, we consider that monetization of virtual assets in NFT and Metaverse is predominantly reliant on the value resulting from copyrights.

4. What are the developments on Virtual Assets Regulation in your jurisdiction?

There are no important developments regarding Virtual Assets regulation so far.

Argentina recently implemented a new regulatory framework for virtual asset services. It requires individuals and companies providing these services to register with the National Securities Commission (CNV). The full regulatory framework will take effect on December 31, 2025, with specific deadlines for the registration of virtual asset service providers throughout 2025. <https://www.argentina.gob.ar/noticias/regulacion-de-los-proveedores-de-servicios-de-activos-virtuales-psav>

TASK FORCE OF COPYRIGHT COMMITTEE ON NFTS/METaverse

Contributor for China – Wency Yu, Partner, Anjie Broad Law Firm

1 - Current status of domestic business engagements in NFTs and Metaverse.

Major tech giants like **Huawei, Alibaba, Tencent, and China Mobile** lead the charge, with Huawei topping the 2024 Hurun Metaverse potential list, emphasizing advancements in AI, VR, and 5G infrastructure.³⁹ State-owned enterprises (22% of top Metaverse firms) and private companies (78%) are driving integration across sectors such as software, media, and consumer electronics.

China Mobile established a Metaverse Industry Alliance in 2023, partnering with firms like iFlytek and HTC to develop industry standards and digital ecosystems, with pilot projects like a virtual Gulangyu Island. Regional hubs like Nansha (Guangzhou) are emerging as innovation clusters, leveraging policies and industrial funds to attract companies such as CloudWalk Technology and Pony.ai. Meanwhile, challenges persist: some ventures, like MultiMetaVerse, faced Nasdaq delisting in 2025 due to regulatory scrutiny and market volatility.⁴⁰

NFTs, while less explicitly highlighted, are indirectly supported through Metaverse-linked digital content and IP frameworks, though China maintains strict crypto regulations.

Overall, the focus remains on industrial applications (e.g., smart manufacturing, healthcare) and aligning Metaverse growth with national digital economy goals, backed by cross-sector collaboration and innovation-driven policies.

2 - Current status of any government policy statements, draft laws, judgments, etc. on NFT's and Metaverse, where they may have referred to copyright or virtual assets regulation.

In the past year, China has introduced policies and regulations addressing NFTs and the Metaverse, focusing on copyright and virtual asset management. Local governments, such

³⁹ <https://www.163.com/dy/article/JAP0P2910519D5IA.html>

⁴⁰ https://www.sohu.com/a/849309351_122014422

as Hefei⁴¹, Hangzhou (Qiantang District)⁴², and Beijing (Tongzhou District), have released plans to support metaverse development, emphasizing innovation in industries like education and healthcare while ensuring IP protection. Nationally, the Supreme People's Procuratorate highlighted NFT risks, including financialization and fraud, calling for stricter compliance⁴³. Additionally, the China Internet Finance Association issued guidelines to prevent NFT-related financial risks, banning centralized trading and emphasizing virtual asset regulation. These efforts aim to balance innovation with risk mitigation in emerging technologies.

3 - Whether it can be said about your jurisdiction that - predominantly the monetization of virtual assets in NFT and Metaverse - is reliant on the value resulting from copyrights.

In China, the monetization of virtual assets in NFTs and the Metaverse is partially reliant on the value derived from copyrights, but it is not the predominant factor. In China, NFTs are often tied to digital artworks, music, or other creative content, where copyright plays a significant role in establishing the value of these assets. The uniqueness and authenticity of NFTs are underpinned by their association with copyrighted works, which are protected under China's Copyright Law.

While copyright is a key factor, the market for NFTs and Metaverse assets in China is also driven by speculative investment, brand collaborations, and cultural trends.

4 - What are the developments on - Virtual Assets Regulation in your jurisdiction.

Recent development focuses on risk management and compliance. The China Internet Finance Association, along with other regulatory bodies, issued the "*Initiative on Preventing Financial Risks Related to NFTs*", which prohibits NFT trading platforms from offering centralized trading, standardized contract trading, and other services that could facilitate illegal financial activities.⁴⁴

Risk Management: The Supreme People's Procuratorate has emphasized the risks associated with NFTs, including their potential for financialization and securitization, which could lead to illegal fundraising and fraud. The government has committed to cracking down on illegal activities involving NFTs while promoting industry compliance.

⁴¹ <https://www.163.com/dy/article/J8OK47SR0556199Q.html>

⁴² https://www.163.com/dy/article/J3AIQPOG0538ASUC.html?spss=dy_author

⁴³ https://www.spp.gov.cn/llyj/202305/t20230515_614042.shtml

⁴⁴ <https://www.163.com/dy/article/JHBOE9FN0511A1Q1.html>

5 Comment on News

1. Beijing is coming for the metaverse

<https://www.politico.eu/article/china-beijing-designing-metaverse-proposal-social-credit-system-un-itu/>

Since 2022, China Mobile has been piloting a "Digital Identity" service in Jiangsu and other regions. This service is based on a super SIM card (embedded with a national cryptographic security chip) that stores users' electronic identity credentials. The service is connected to the Ministry of Public Security's "Internet + Trusted Identity Authentication Platform," enabling users to complete identity verification through their mobile phones.

This application has been described as "putting the ID card into the SIM card," with its functionalities primarily focused on real-world use cases. For instance, users can verify their identity with a simple tap in scenarios such as China Mobile service halls, airports, and hospitals. To conclude that this development is a step toward the metaverse or directly linked to other policies (such as the social credit system) would be speculative.

2. Digital Justice: The metaverse is now being used to hold virtual court hearings

<https://university.open.ac.uk/open-justice/blog/digital-justice-metaverse-now-being-used-hold-virtual-court-hearings>

The news is largely accurate. On September 23, 2022, the Xiamen Siming District People's Court in China conducted the country's first "metaverse" trial, presided over by Judge Lin Hong. The case involved two traffic accident insurance disputes, with the plaintiffs being the same insurance company and the defendants absent. The trial utilized 3D virtual courtroom technology to enhance efficiency and transparency, aligning with China's broader initiative to develop "smart courts" and integrate digital innovations into the judicial system.

3. China to launch NFT marketplace

<https://www.bitsofblocks.io/post/china-to-launch-nft-marketplace>

The news is partially credible. The "China Digital Asset Trading Platform," announced in late 2022, aims to regulate digital asset transactions, including NFTs, by providing a legal and compliant trading environment. Supported by national institutions, it focuses on

INTA METAVVERSE-NFT COPYRIGHT REPORT OUTLINE

copyright protection, market transparency, and technological innovation. However, China's strict regulations limit secondary market trading, emphasizing "digital collectibles" over speculative trading. The platform promotes digital economy growth while mitigating financial risks, but its current status and impact require verification from official sources.



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