Jus Corpus Law Journal

Open Access Law Journal – Copyright © 2026 – ISSN 2582-7820

Editor-in-Chief – Prof. (Dr.) Rhishikesh Dave; Publisher – Ayush Pandey

Trademarks as Digital Assets

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Received 03 June 2026; *Accepted* 03 July 2026; *Published* 06 July 2026

The rapid growth of digital technologies has transformed the role and importance of trademarks. Initially being regarded as indicators of the source and quality of goods and services, trademarks have evolved into valuable digital assets that include brand reputation, consumer trust and commercial goodwill. The expansion of e-commerce, social media platforms, search engine advertising, virtual environments, artificial intelligence, and blockchain-based technologies has created new challenges for brand development, including exposing trademark owners to novel forms of infringement and misuse. This article examines the evolution of trademark protection in the digital age, tracing the transition from conventional trademarks to non-traditional marks and analysing the challenges posed by cybersquatting, online counterfeiting, social media misuse, keyword advertising and AI-generated branding. It further explores the Indian legal framework governing trademark protection and highlights the role of judicial and regulatory developments in addressing technology-driven disputes. The article demonstrates that trademarks have become strategic business assets whose protection is essential to maintaining trust and authenticity in an increasingly interconnected digital economy.

Keywords: *trademark law, digital assets, intellectual property rights, e-commerce, cybersquatting.*

INTRODUCTION

The digital revolution has changed the way companies do their business, talk to people and build relationships with customers. In the past, a company's reputation was built through advertisements on television, or through physical brochures being distributed randomly to people around or by word of mouth, i.e. people telling their friends about it. Nowadays, one post on media, a review on the internet, a video or a picture made by a generative AI can change how people think about a brand in just a few seconds. Due to this digital reform, trademarks have now become more important than ever.

Traditionally, trademarks served as a source identifier, which helped customers to identify the service provider or the manufacturer of the product.[1] This helped customers to differentiate the goods and services of one company from those of another. Although the fundamentals of trademark remain the same, they now play a much broader role. They are not just logos or brand names or packaging anymore. They are digital assets that represent a company's reputation, consumer trust, goodwill, and market value.

Now that companies do a lot of business on the internet, trademarks are a part of their strategy. Companies talk to customers through their websites, social media, online stores, phone apps and computer systems. So, protecting trademarks is not only about protecting them in the real world but also on the internet, where people can copy them and share them all around the world in seconds. This article is about how trademarks have changed in the growing digital world, the problems that come with doing business on the internet, how artificial intelligence is affecting trademark rights and what companies can do to keep their brands safe in a world where everything is connected.

THE EVOLUTION OF TRADEMARKS

The idea of trademarks has been around for a long time. People who manufactured goods or provided services used signs and symbols to give an identity to their products or services to help the consumer identify the origin of the same. Traditionally, trademarks were largely confined to conventional marks such as words, brand names, logos, labels, packaging designs, signatures, and combinations thereof.[2]

Over time, the way we protect trademarks has changed a lot. This is because the way we market and sell things is always changing. Now businesses are seeking protection over non-conventional marks like sounds, colours, motions, multimedia and hologram marks. These include sound marks, such as the MGM lion's roar and the Intel start-up chime. There are

[1] Dr S Venkateswaran, *Trade Marks and Passing-Off* (vol I, 7th edn, LexisNexis 2018) 20–24
[2] The Trade Marks Act 1999, ss 2(1)(m), 2(1)(zb)

also colour marks, such as the Tiffany Blue that Tiffany & Co uses and the purple colour that Cadbury uses for chocolates in some places. Then there are shape marks, such as the shape of the Coca-Cola bottle. Businesses also use motion marks, like the animated Lamborghini bull logo that we see in advertisements. Some multimedia marks combine visuals and audio to identify a brand. Then there are hologram marks that are used in advanced branding and to make sure things are real.[3]

Unconventional trademarks are getting more attention these days, and it's easy to see why. Business isn't just done on street corners anymore; it happens online, on social media, in digital stores. Companies need new ways to stand out. So now, branding isn't just about a name or a logo. It's about sounds, colours, unique shapes, and even multimedia elements that give customers a distinct feel when they interact with a brand. The fact that we recognise these unconventional trademarks shows that trademark law can change with time and with the way businesses work. This shows that trademark law is changing to fit the needs of businesses that are always evolving.

Trademark law is catching up. It's not just protecting words and logos now; it's branching out to cover these new identifiers. This isn't just about helping businesses protect their reputation, either. It's about making sure customers know what they're getting and who they're buying from, so they don't get mixed up. Business keeps changing, and trademark law has to keep changing too, making sure there is solid protection for everyone involved.

TRADEMARKS AS VALUABLE DIGITAL ASSETS

Nowadays, trademarks aren't just legal tools or labels but one of the most valuable intangible assets that a company owns.[4] A trademark isn't just about being a source identifier but also represents the goodwill, reputation and trust that the business has built over time. Well-known trademarks often hold a greater commercial value in the market because such marks stand for quality, reliability and innovation.

Due to the growing e-commerce trading, trademarks matter even more. That is because, while purchasing goods online, consumers often tend to rely on the brand reputation and

[3] 'Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT)' (*World Intellectual Property Organization*) <https://www.wipo.int/en/web/sct> accessed 24 May 2026
[4] Venkateswaran (n 1) 8

not on the physical quality of the goods since no physical inspection of the goods can be done at the time of purchasing. Therefore, due to such advancements, trademarks not only serve as a source identifier, but also as a reliability tool for the purchasing public. Trademarks have turned into serious commercial assets. Companies license them, start franchises, partner up for collaborations, sell merchandise, and even move into digital goods and services, all by leveraging the strength of their brands. Protecting the trademark isn't just a box to check for legal reasons anymore. It's a core business strategy, a way to pull ahead of the market competition and stack up long-term value for the company.

DIGITAL TECHNOLOGY AND THE TRANSFORMATION OF TRADEMARK PROTECTION

The internet and digital tech have completely changed how trademarks work. Now, businesses aren't limited by borders; they can connect with customers all over the world in just a few clicks. But there's a flip side: protecting trademarks has become a lot trickier. In the past, most trademark problems stayed local. Now, someone can violate a trademark online, and that violation can spread instantly across countries. So trademark owners have to deal with a whole new set of challenges. Keeping the brand name safe and making sure consumers aren't confused online means you need better, faster ways to enforce your rights, which means it's not enough just to act in response anymore, but you also have to stay one step ahead.

DOMAIN NAME DISPUTES AND CYBERSQUATTING

Back when the internet really started to take off, people ran into a big problem with domain names. Brands discovered that these web addresses weren't just technical details; they became the face of a business online. Scammers caught on fast. Some started snapping up domain names that were identical or suspiciously close to famous trademarks, even though they had no real connection to those businesses. The main goal of these scammers is to sell the names back to the trademark owners for heavy profits, draw in unsuspecting customers, or encash the reputation of big brands. That's cybersquatting. It's a trick that confuses people and makes them think a site is legit or linked to a trusted company when it's just not. Beyond just grabbing web traffic meant for someone else, cybersquatting hurts brands; it can damage a company's reputation, open the door to scams and generally make a mess for consumers and businesses alike.

To crack down on this, organisations rolled out rules like the Uniform Domain Name Dispute Resolution Policy (UDRP). This policy gives trademark owners a way to fight back. If someone registers a domain name in bad faith, the UDRP process lets trademark holders get those domains transferred or shut down, without having to wade through a long court battle.

India has been paying close attention to all this, too. In February 2025, the Reserve Bank of India took an extra step to keep digital banking safe. They rolled out a new ".bank.in" domain, specifically for banks.[5] The intention behind this was to make it harder for scammers to trick people with fake banking sites and make online banking feel safer. Such actions establish the importance of domain names for building trust online and how laws and regulations keep adapting to protect consumers.

COUNTERFEIT GOODS IN ONLINE MARKETPLACES

The expansion of the e-commerce market has increased the counterfeiting of goods.[6] Fraudulent sellers imitate the goods of well-known trademarks by making an exact replica of the original products, which leads to tricking the buyers by making it difficult for them to differentiate between the two similar products. Such fraudulent acts not only affect the brand's reputation of the well-known trademarks but also ruin the trust that the businesses have built over the years, in addition to the financial losses being suffered by them. In areas like medicine, cosmetics and electronics, counterfeit products may be dangerous as they would lack the prescribed health and safety measures and prescribed quality standards.

Due to this increasing issue, a lot of e-commerce platforms now have trademark protection systems, so trademark owners can report and take down listings that violate their rights. But it's still tough to enforce trademark rights online. These platforms have millions of products and plenty of sellers hidden behind fake profiles, and it's very easy for them to create new accounts after their listing has been removed. So, fighting online counterfeiting really comes

[5] 'Circular – Migration to '.bank.in' domain' (*Reserve Bank of India*, 22 April 2025) <https://www.gujfed.com/circular/2025-Circular/22.4.2025%20Circular%20-%20Migration%20to%20'.bank.in'%20domain.pdf> accessed 24 May 2026

[6] Tran Minh Duc, 'Trademark management model in the digital environment: Singapore's experience and its applicability in Vietnam' (2025) 5(2) International Journal of Civil Law and Legal Research <https://www.civillawjournal.com/article/170/5-2-43-316.pdf> accessed 24 May 2026

down to teamwork. Trademark owners, e-commerce sites, and regulators all need to work together to make any real progress.

Indian courts have also stepped in to tackle trademark infringement on e-commerce platforms. In the Christian Louboutin SAS v Nakul Bajaj case,[7] the Delhi High Court made it clear that online marketplaces can't dodge responsibility and claim complete immunity if they're actively involved in promoting or selling infringing goods. The Court held that these platforms need to take responsibility to stop trademark violations and block the sale of counterfeits. With online shopping growing fast, decisions like this enhance consumer protection and make sure to protect the rights of the trademark owners.

SOCIAL MEDIA IMPERSONATION

Social media is not only a way for businesses to promote their products and connect with people, but it has also opened the door for all sorts of trademark misuse. You see fake accounts, impersonated profiles and unofficial pages using well-known brand names without any authorisation, which mislead the purchasing public to believe that they are the honest proprietors. This kind of misuse leaves people confused, ruins brand reputations and damages the goodwill of the trademark. Given how fast a post spreads online, one misleading post can reach thousands before the brand even notices it.[8] Therefore, the trademark owners need to keep a close eye on social media, monitor such activities and take immediate action against these impersonations quickly, failing which they may end up risking their hard-earned reputation and goodwill.

SEARCH ENGINE ADVERTISING AND KEYWORD USE

Another bigger challenge these days is how trademarks get used in search engine advertising. Companies often bid on their competitors' trademarks as keywords, so when you look up a brand, their advertisements pop up instead. While this gives them more exposure and can pull in more customers, it also confuses people, and people searching for a trusted brand might view these advertisements as somehow connected to the trademark

[7] *Christian Louboutin SAS v Nakul Bajaj and Ors* AIRONLINE 2018 Del 1962
[8] Aiswarya C K et al., 'Trademark Protection in the Digital Age: Legal Challenges and Enforcement Mechanisms on Social Media Platforms' (2025) 7(6) Indian Journal of Law and Legal Research 4168, 4169 <https://www.ijllr.com/post/trademark-protection-in-the-digital-age-legal-challenges-and-enforcement-mechanisms-on-social-media> accessed 24 May 2026

owner. This whole issue has sparked plenty of legal debate around the world. Different courts land on different decisions, usually depending on how likely it is that the purchasing public will get confused and how the advertisements actually look. At the end of the day, it leaves everyone wrestling with bigger questions: How do you protect trademark rights while still encouraging healthy competition and honest advertising online?

TRADEMARKS IN VIRTUAL ENVIRONMENTS AND THE METAVERSE

Virtual worlds, online games and immersive digital experiences have opened up brand-new ways for trademarks to appear. The metaverse, in particular, imagines a network of connected digital spaces where people interact as avatars, buy virtual goods, and run all kinds of businesses. Brands now show up everywhere in these spaces; one can see their logos on virtual clothing, digital accessories, collectables, virtual real estate and even sponsored events that bring new legal challenges. Lawyers and courts are now dealing with questions like: Does trademark protection for something in the real world automatically cover its virtual version? If someone uses a trademark in a virtual environment without permission, is that really infringement? And how do you decide if consumers are actually confused when the products exist purely online? Brands care a lot about these questions as they try to protect their reputation and image in virtual markets.

Non-Fungible Tokens (NFTs) are one-of-a-kind digital items stored on blockchains. They can be anything from art and collectables to virtual goods or other digital creations. Lately, more companies are putting their trademarks on NFT-based products and in virtual marketplaces, and that's led to plenty of challenges. Some people have started using famous trademarks in their own NFT projects without permission, sparking legal debate. For example, in the case of Nike, Inc. v StockX LLC.[9] StockX launched 'Vault NFTs' tied to physical Nike sneakers stored in its vaults, utilising Nike's trademarks without permission. Nike argued this misled consumers into believing the digital assets were authorised by Nike. As businesses pour resources into virtual assets and digital economies keep growing, trademark law has to change, too, to handle the new realities in the metaverse and beyond.

[9] *Nike Inc v StockX LLC* [2025] No 1:22-cv-00983

ARTIFICIAL INTELLIGENCE AND TRADEMARK RIGHTS

Artificial Intelligence (AI) is one of the most important technological developments, which is also greatly influencing intellectual property law in the digital age.[10] Modern AI systems can easily generate logos, slogans, advertisements, and marketing materials within seconds, which poses advantages to businesses by reducing costs, increasing efficiency and updating the creative process. As a result, more and more companies are turning to AI to help build and sharpen their brands. However, relying on Artificial Intelligence to generate content introduces some real trademark challenges. Since AI systems learn from enormous piles of existing data. Some of that data includes copyrighted images, registered trademarks, and intellectual property that belongs to someone else. As a result of this, AI ends up creating a logo or name that looks a little too much like an existing brand, which is very risky. Such AI-Generated marks may accidentally cause trademark infringement, confusing your brand with another business and also make the branding feel generic instead of unique.

Moreover, as AI takes a bigger role in branding, a bigger question has come before the Courts, the Registry, and the Lawyers: Who actually owns these new trademarks? Is it the person who typed in the prompts, the developer who built the AI, or the company that's running the show behind the scenes? What happens if someone copies these AI-Generated marks? With trademarks, rights usually come from using and registering the brand, not from creating it. It's a new frontier, and the legal world is still figuring it all out. Courts and lawmakers will need to sort out these questions, so companies and consumers can navigate branding without ending up in legal tangles.

TRADEMARK ENFORCEMENT IN THE DIGITAL ERA

Trademark enforcement looks very different in today's digital world. Progressively, businesses have started operating online through e-commerce sites, social media, mobile apps, and even virtual spaces, which means protecting trademarks has gotten a lot more complicated. Those older enforcement methods, such as sending cease-and-desist letters, filing lawsuits, and going through administrative channels, are important, but they are not

[10] 'Artificial Intelligence and Intellectual Property' (*World Intellectual Property Organization*) <https://www.wipo.int/en/web/frontier-technologies/artificial-intelligence/index> accessed 24 May 2026

sufficient. To keep the brand name safe, businesses must constantly monitor digital platforms and take immediate action as soon as any infringing activity appears.

A huge part of enforcement now is monitoring online. Brand owners need to constantly watch websites, e-commerce marketplaces, social media, mobile apps and new virtual platforms for unauthorised uses of their trademarks. Information spreads fast online, and even a small infringement can blow up overnight and reach people everywhere. Spotting issues early means brand owners can slash confusion, head off reputation hits, and act before things spiral out of control.

The internet doesn't care about borders, so brands can't, either. Online activity can shove your trademark into markets you've never even thought of, putting you at risk worldwide. That's why it's smart to lock down trademark rights in every country that matters for your business, or where you might grow. The Madrid System[11] from WIPO makes it easier. As per this system, you file one application and get protection in a bunch of countries, all at once. It's a lot more efficient and gives you wider coverage.

Digital platforms themselves now play a big role in enforcement. Amazon, Instagram, Facebook, and the like all have systems where you can report trademark violations and get the infringed listings taken down. But to use these tools well, businesses need to be organised, set up clear ways to spot problems, collect evidence, file complaints, and follow up on enforcement actions. Speed is key here. Waiting lets counterfeit goods or fake ads circulate and do real damage to a brand's reputation.

It's not just about external enforcement measures, either. Companies need strong internal policies for how their trademarks get used and protected. That means writing clear rules around licensing, digital marketing, using AI for branding, and even setting standards for social media posts. When everyone in the companies on the same page, it's a lot easier to keep the brand consistent and nip internal issues in the bud.

Technology keeps changing, and trademark enforcement has to keep up. In the future, brands will need to mix legal actions, high-tech monitoring, platform partnerships, and big-

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[11] 'Madrid System – The International Trademark System' (*World Intellectual Property Organization*) <https://www.wipo.int/en/web/madrid-system> accessed 25 May 2026

picture management. The brands that stay alert and cover all the bases will be the ones that hold onto customer trust and keep their edge in the digital marketplace.

THE INDIAN LEGAL FRAMEWORK

In India, the Act governing the protection of trademarks is the Trade Marks Act 1999, which grants registered proprietors the exclusive right to use their trademarks in relation to the goods and services for which they are registered. The Act provides remedies such as infringement, passing off, rectification and others.[12] As per Section 29, if you own a registered trademark, you get the exclusive right to use it for the goods or services it covers. If someone tries to copy your brand or harm its reputation, the Act gives you the tools to fight back. Even though lawmakers wrote this law before the digital age really took off, its broad language has let the courts handle everything from domain name disputes to trademark problems on social media.

Indian Courts have really stepped up, stretching old trademark rules to fit new online realities. They have made important decisions about things like counterfeit products sold on the internet, fake social media accounts, online advertisements using someone else's trademark and e-commerce sites selling knock-offs. The courts have reiterated it's vital to stop consumers from getting confused and to protect a brand's reputation while also keeping trademark law flexible enough to keep up with the technological changes. The way the judiciary has handled these cases shows the willingness to evolve, applying familiar principles to digital situations without blocking fair competition or ignoring what's best for buyers.

CONCLUSION

Trademarks have undergone a major transformation in the digital age. Trademarks were primarily viewed as source identifiers, but they now function as valuable digital assets that encompass reputation, goodwill, consumer trust and economic value. The rise of e-commerce, social media, virtual environments, NFTs, and artificial intelligence has expanded both the opportunities and risks associated with trademark ownership. While technology

[12] Trade Marks Act 1999, ss 28, 29

enables businesses to reach large numbers of audiences more effectively, it also creates a larger scope for infringement, counterfeiting, impersonation and consumer confusion.

The growing use of AI-generated branding further complicates traditional legal principles by raising questions regarding ownership, liability and originality. Virtual marketplaces and digital assets challenge existing understandings of trademark use and enforcement. In this evolving landscape, businesses must adopt strategies to protect their trademarks. Registration, monitoring, enforcement, and adaptation to technological developments are no longer optional but an essential component of brand management.

Ultimately, trademarks remain rooted in a simple yet powerful principle: trust. Consumers rely on trademarks to identify authentic goods and services, while businesses depend on them to preserve reputation and distinguish themselves in competitive markets. As technology continues to reshape commerce, effective trademark protection will remain critical to maintaining consumer confidence and supporting innovation. The organisations that successfully safeguard their trademarks in both physical and digital environments will be best positioned to thrive in the future economy.