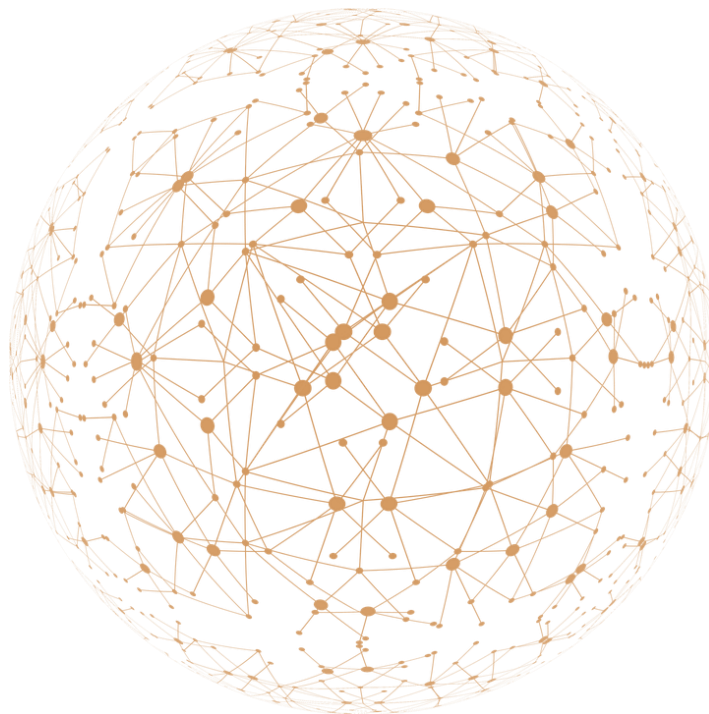




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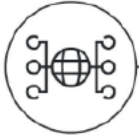
Metaverse

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26/04/2023

What is Metaverse?



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The metaverse is a predicted next wave of the internet, characterised by 3D computing, immersive technologies, interconnection and changes to how users interact with the internet.



At its core, the metaverse is 3D, incorporating 3D graphics, artificial virtual worlds, augmented reality and digital twins.



Immersive technologies such as VR and AR could be transformative – but they are not essential to all metaverse use cases.



The metaverse is not a place or a single virtual world – or even a single platform. The metaverse is expected to be a network of experiences supported by a complex underlying ecosystem.



Although the metaverse is not all about games, the gaming industry is at the vanguard and driving a significant amount of the investment and technological advances in this space.

Core attributes of Metaverse



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Key trends of Metaverse



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Key Features

- Persistent, immersive & massive
- Synchronous
- Both Digital & Real
- Economy
- Interoperable



Activities in the Metaverse

- Work
- Socialise
- Create
- Play
- Produce Value



4 Converging Critical Enablers

- **Technology** (computing power, AR/VR, bandwidth)
- **Decentralised Economy** (NFTs, digital currencies, content/services/assets)
- **Digital Social Life** (Acceptability & user behaviors, habits)
- **Huge investments** (in tech and acquisitions of platforms)

Challenges

- Protection of personal data and privacy
- Safety/Security and jurisdiction/territoriality
- Democracy and values
- Social model, Work, Health
- Consumer protection, intellectual property, litigation and taxation
- Climate & environment
- Competition for standards setting



"The Metaverse is a massively-scaled, persistent, interactive, and interoperable real-time platform comprised of interconnected virtual worlds where people can socialize, work, transact, play, and create"
(M. Ball)

- In Europe, and potentially worldwide, the regulation of the metaverse is being spearheaded by the European Commission:
 - **EC Call for evidence on virtual worlds (metaverse) until May 3rd, 2023**: to develop a vision for emerging virtual worlds (e.g. metaverses), based on respect for digital rights and EU laws and values” such that “open, interoperable and innovative virtual worlds ... can be used safely and with confidence by the public and businesses
 - **EC Consultation for the future of the electronic communications and its infrastructure until May 19, 2023** : to gather views on the changing technological and market landscape and how it may affect the sector for electronic communications. It also touches upon the types of infrastructure and amount of investments that Europe needs to lead the digital transformation in the coming years → Cloud data storage, the transition to edge computing, the usability of the Metaverse, artificial intelligence, virtual reality and more.

Regulation in the EU - Initiatives



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- **European Parliament** initiative on Virtual worlds: opportunities, risks and policy implications for the Single Market (2022/2198 INI) - ongoing
- 2030 Digital Compass (improving the digital skills of EU citizens, transforming the digital infrastructure landscape of the EU, improving cybersecurity and data storage in the EU)
- Digital Services Act
- Digital Markets Act
- Markets in Crypto-Assets Regulation (MiCA)

Legal issues – Trademarks and copyright



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- Tokenisation and selling of goods in the metaverse
- Brands might revise their categories of goods and submit new trademark applications
- Purchase of tokenised works (e.g. NFTs for digital works) may infringe copyright
- Challenges in the detection and enforcement of infringements

- Users engage with their virtual environment to a greater extent in the metaverse, a larger amount of personal data is produced from their activities.
- Data protection rights of users shall be ensured (e.g. access to data, requesting copy of the data).
- GDPR: right to the correction, erasure of their personal data – provides challenges in the (immutable) blockchain technology.
- Prevention of cyber attacks.

Other Legal issues



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- Licensing agreements
- Distribution agreements
- Labour law / service agreement
- MIFID? Reverse solicitation
- Dispute / jurisdiction

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