

IP Law in the Metaverse

Creation and transfer of rights including by Web3 (blockchain) technologies

“The metaverse” is envisioned as a single, shared, immersive, persistent, 3D virtual space where humans experience life in ways they could not in the physical world. At the present, the term “metaverse” is often used to refer to virtual worlds, including massively multiplayer online games and a social network platform in which real-time, real-world business transactions are conducted by users represented through digital avatars and voices. These current offerings do not yet fulfill the metaverse vision of interoperable virtual worlds, where users can move between different systems while taking their identity and virtual property with them. Whether a “true” metaverse will be sustained in the future, enormous value is already being created and transacted in “proto-metaverses” involving intellectual property and related rights. Users in existing virtual worlds, such as real-world simulation Second Life, have been able to buy, sell, and trade digital entities such as avatars, digital fashion, tools, commodities, and virtual real estate for virtual and real-world currency. However, the service provider generally (through terms of use) is the holder of real-world rights over its virtual world.

Widely proposed for enabling transactions across virtual worlds are Web3 technologies, based on blockchain ledgers that disseminate transaction data via peer-to-peer networks as a subset of the Internet. Involving billions of dollars in commerce, Web3 technologies include digital assets such as cryptocurrencies (fungible tokens) and non-fungible tokens (NFTs) that authenticate ownership of other assets, ranging from digital art to rights in tangible art to interests in corporate entities or in real property. These tokens are minted and traded on various blockchains and coordinated in bridges with other blockchains and exchanges for real, “fiat” currency. The persistence (immutability) of and decentralized interaction with these blockchains make them models for effecting and recording transactions between interconnected virtual worlds.

As the boundaries between virtual and physical realities blur, the question of who owns what in the digital realm becomes paramount. It involves consideration of traditional intellectual property rights such as copyrights, patents, and trademarks, but also other proprietary claims arising from contract rights and privacy rights under data protection laws. It also includes consideration of the interplay of these interests with various components and layers of Web3 transactions. Our panel of experts discusses these and other issues associated with IP considerations in the metaverse.

Agenda

- The Features That Define the Metaverse and Web3, and How the Technology Differs from Prior Virtual Worlds, E-commerce and Popular Generalizations
- Basic Mechanisms of Digital Transactions and Data Transfers Between Relevant Systems and How Value Is Created and Transacted in Current “Metaverses” and Web3, Such as Minting of Content Based NFTs and Smart Contract Payment of Licensing Royalties
- Legal Framework, Business Challenges, and Opportunities for Holders of Traditional Intellectual Property Rights Presented by the Metaverse and Web3, Including Considerations Around Brand Use, User (and AI) Generated Content, and Data Privacy Laws
- Examine Current Litigations Surrounding Copyright and Trademark Rights Tied to Digital Content and the Unique Challenges Presented by the Metaverse and Web3
- Investigate the Potential for, and Current State of, Interoperability and Persistent Identity within the Metaverse Framework, and How It Impacts the Application and Enforcement of Intellectual Property Laws

Faculty

Stephen Y. Chow, Esq., CIPP/US, *Stephen Y. Chow, PC, Boston*; Jenna F. Karadbil, Esq., *Law Office of Jenna F. Karadbil, PC, New York, NY*; Scott M. Kelly, Esq., *Banner Witcoff, Washington, D.C.*; Joshua H. Lida, Esq., *Twig, Trade & Tribunal, Ft. Lauderdale, FL*

Dates & Location

Register at www.mcle.org

LIVE WEBCAST

Wednesday, February 7, 2024
2:00 pm–5:00 pm
Program # 2240006WBC

REBROADCAST

Thursday, February 22, 2024
1:00 pm–4:00 pm
Program # 2240006RB1

REBROADCAST

Friday, March 1, 2024
9:00 am–12:00 noon
Program # 2240006RB2

ON DEMAND WEBCAST

View after Friday, March 1, 2024
Program # 2240006WBA

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