Welcome to the Metaverse

What could possibly go wrong?

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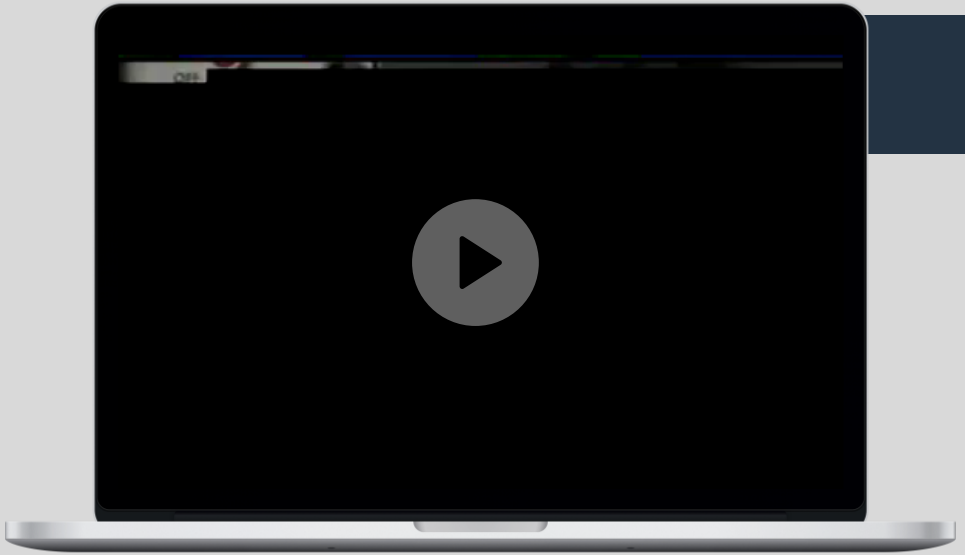
Introduction



You will either be **blown away by the metaverse**
Or, you will just wonder what those young people see in this.

**But just like rock and roll –
this is not a fad that will fade away.**

- Facebook did not change its name to Meta for no good reason.
- We are spending more time in digital spaces daily
  - Zoom, video games
- Those digital spaces are becoming more interactive and immersive (AR/VR)
- It's OK if you do get why people spend time in the metaverse.
- Today is about the what, the how and the potential problems and issues that may arise.
  And, maybe along the way, we'll talk a bit about the why?

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Discussion Roadmap

1. **Web2 vs. Web3**
2. What is “The Metaverse”
3. Your Presence in the Metaverse
4. What Do You Do There?
5. Why NFTs Matter?
6. What Could Possibly Go Wrong ? Areas of Conflict, Liability
7. Other Legal Issues

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What is “Web3” and Why All The Excitement?

Web1

Refers to the original version of the Internet, full of static HTML brochure-like pages.

Web2

Refers to the version of the internet most of us know today, the internet of social platforms and dynamic and interactive content. But an internet dominated and controlled by companies – like Facebook, Google, Amazon - that provide services in exchange for your personal data.
(“Log in with Facebook”)

Web3

Refers to an internet of decentralized apps running on the blockchain, which allow anyone to participate without monetizing their personal data. Interactive. Decentralized. Immersive. **Every user has their own wallet and controls their own data**
and money individually.
(self-custody of ownership)

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What is “Web3” and Why All The Excitement?

Web Comparison Chart™

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	Web 1 1991-2004	Web 2 2004-2021	Web 3 2022-?
Motto	*They create.* *They own.*	*We create.* *They own.*	*We create.* *We own.*
Access	Desktop	Mobile	Wearable
Assets	Physical	Digital	NFTs
Benefit	Informational	Social	Experiential
Byproduct	Information Gathering	Data Mining	Open Source
Component	Advertising	Algorithms	Artificial Intelligence
Control	Decentralized	Centralized	Decentralized
Currency	Credit Cards	Payment Aggregators	Cryptocurrencies
Danger	Phishing	Hacking	Deepfaking
Economy	Information	Attention	Creator
Experience	Static	Dynamic	Interactive
Extreme	Dot-Com Bubble	*The Social Dilemma*	Transhumanism
Function	Reading	Writing	Executing
Governance	Individuals	Big Tech	DAOs
Image	Clip Art	Videos	Gaming Engines
Intellectual Property	Copyright / Trademark Patent	Digital Signature	Easy IP™
Legal	Physical Contract	Digital Contract	Smart Contract
Login	Username / Password	Social	Web3 Wallet
Reality	Physical Reality	Augmented Reality	Mixed Reality
Technology	No Blockchain	Private Blockchain	Public Blockchain
Venue	Sites	Platforms	Metaverses

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The Metaverse is Coming

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4. What Is the Metaverse?

met·a·verse

/ˈmedəˌvərs/
noun

Computing

1. a virtual-reality space in which users can interact with a computer-generated environment and other users.

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4. What Is the Metaverse?

Aren't Virtual Worlds Supposed to Be the Metaverse?

- The metaverse is not just any single virtual world you experience with VR technology.
- On the contrary, it will be a shared and persistent virtual world complementing the real world.

In the metaverse, you would not be just a device requesting information from web servers.

Metaverse users can access online content and the virtual spaces as a person in the form of digital avatars.

Users can participate in various experiences in the metaverse as a virtual avatar, which resides in the virtual space.

The metaverse would actually serve as a massive, shared virtual world where users don't have any restrictions.

For example, you don't have to log out of a game to visit a virtual museum in the metaverse.

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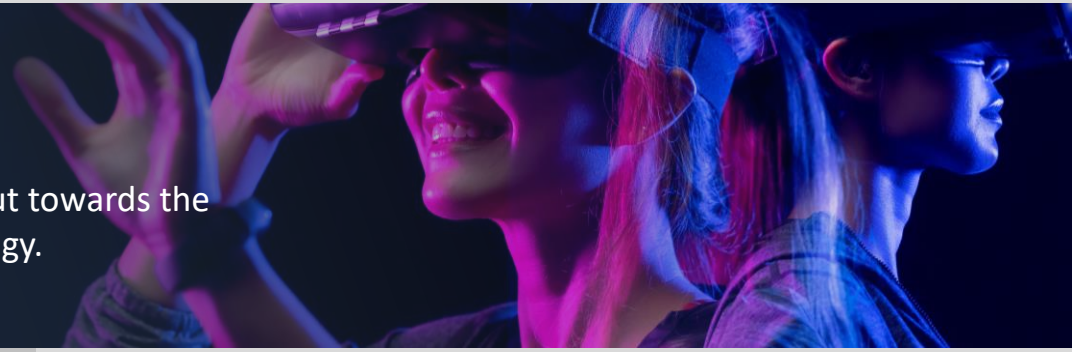
4. What Is the Metaverse?

What is Virtual Reality?

Virtual Reality or VR, as the name implies, points out towards the creation of virtual environments driven by technology.



VR refers to a three-dimensional environment generated by computers.

An individual could explore the virtual reality experience and interact with it in an immersive and engaging environment.

- Users are immersed in the environments and can manipulate the objects or carry out different tasks in the VR environments.
- The definition of VR obviously blurs the line of difference between metaverse and virtual reality to an extent.
- However, it is important to understand that VR can offer access only to walled experiences or restricted virtual worlds.

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Examples

Minecraft

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Other examples

OtherSide

People are buying virtual “land” in the metaverse

The Otherside metaverse is a virtual world developed as an online multiplayer game associated profoundly with the Bored Ape Yacht Club ecosystem.

Hilton HOTELS & RESORTS

Hilton Hotels is doing training in metaverse, VictoryXR – virtual university

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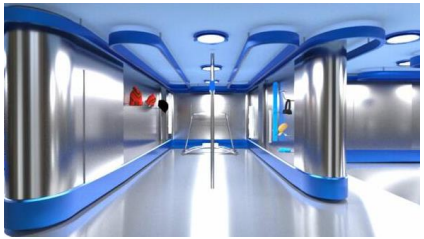
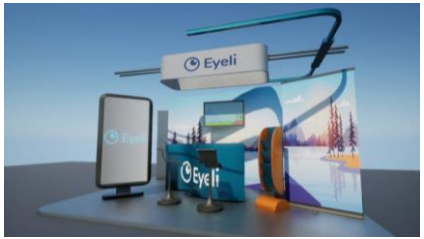
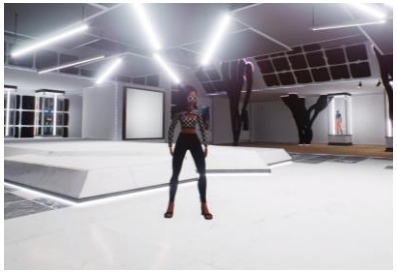
Other examples: The Omniverse City

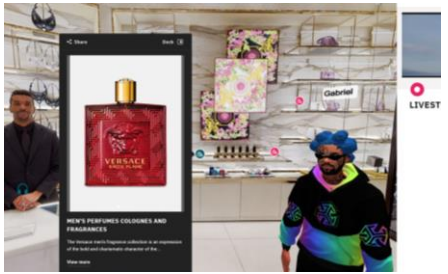
Meeting Spaces

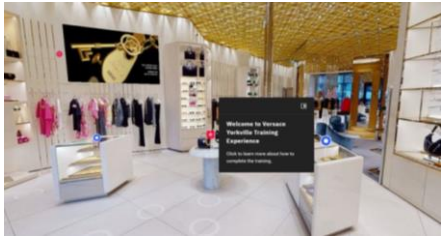




Galleries and Retail Spaces







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Other examples

Law firms are opening offices

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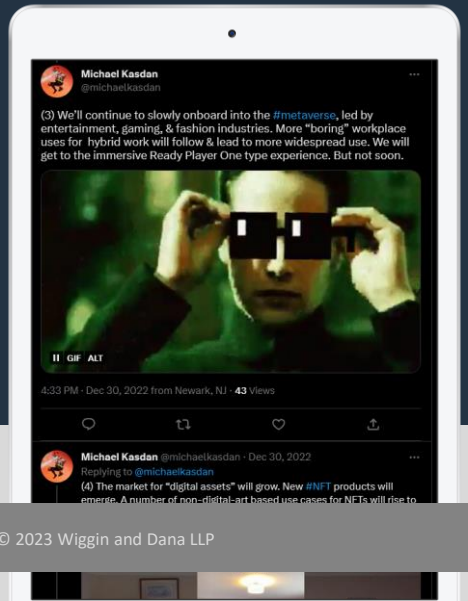
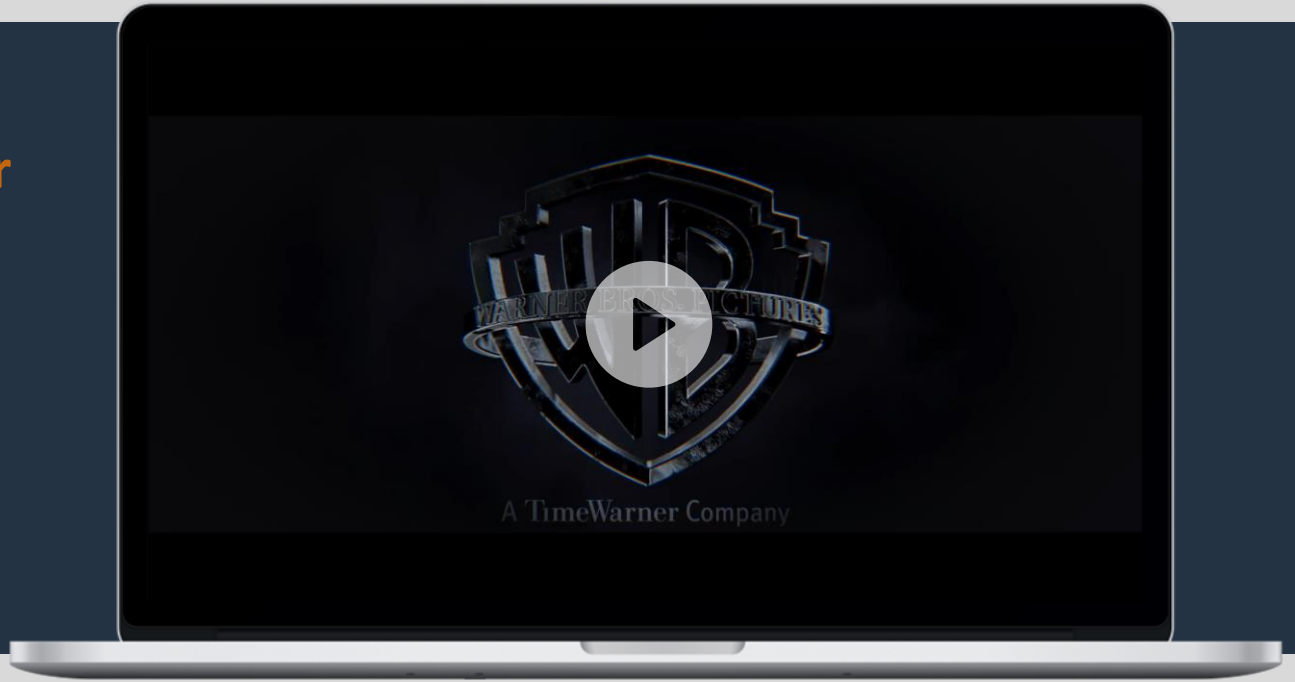
How do I get there?

Total immersion with headset is not necessary, but …

Your presence – Avatar





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Existing in the metaverse

Create and exist in the metaverse

What can you do?

Meet other people

You can walk to McDonalds, Wendy's, etc., order food, and shortly thereafter it will be delivered.

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Brands existing the metaverse

Brands are/will be there and are there.

Transactions are taking place there.

Relationships, communication, meetings are taking place there.

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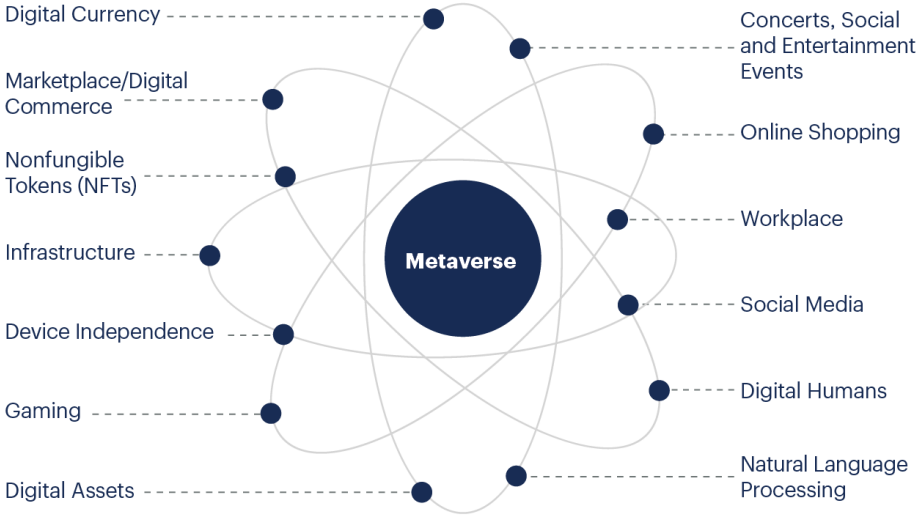
Elements of a Metaverse



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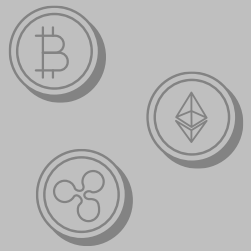
NFTs and Blockchain Technology

"Non-Fungible Tokens"



Non-Fungible Tokens
vs. Fungible Tokens

Money or fiat currencies are fungible assets. Similarly, Bitcoin and Ether are fungible tokens

NFTs are unique/scarce "tokens" that represent ownership of (or access to) any object that can be digitized (a new and broad class of digital assets)

e.g., art (GIFs, videos, audio clips, memes, Tweets), collectibles (trading cards, badges) tickets, clothes or weapons for your online avatar, a piece of property inside a video game or virtual world

Think of them as digital assets. Once converted to representation as a token ("tokenized") they can be bought and sold using cryptocurrency or fiat currency

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NFTs and Blockchain Technology

"Non-Fungible Tokens"

Implementation

- Creation process of a new non-fungible token is called "minting" (tokenization)
- Stored on a blockchain, an immutable distributed ledger that is visible to all
- Rules defined and automatically enforced by "smart contracts"

OpenSea

Bought and sold using crypto-currency on market exchanges like OpenSea where they can also be resold on secondary market

https://www.cbinsights.com/research/what-is-blockchain-technology/

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NFTs and Blockchain Technology

“Smart Contracts”:

Digital contracts stored on a blockchain that are automatically executed when predetermined terms and conditions are met.

Self-enforcing rule-sets allow for all sorts of flexible innovations, autonomous, secure, fast transactions and governance structures.

- Smart contracts work by following simple **“if/when…then…”** statements that are written into code on a blockchain.
- **A network of computers executes the actions when predetermined conditions have been met and verified.**
  These actions could include releasing funds to the appropriate parties, registering a vehicle, sending notifications, or issuing a ticket.
- **The blockchain is then updated when the transaction is completed.**
  That means the transaction cannot be changed, and only parties who have been granted permission can see the results.

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NFTs and Smart Contracts

Examples – Automatic life insurance

1. Two users create smart contract
2. All contract terms are written as a code
3. Smart contract is stored in blockchain
4. Smart contract executes itself when events are triggered

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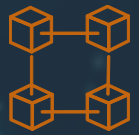
NFTs

What are they?

Digital coins
(fungible tokens)

Anything else that can be tokenized – NFTs



Blockchain

Your digital identity

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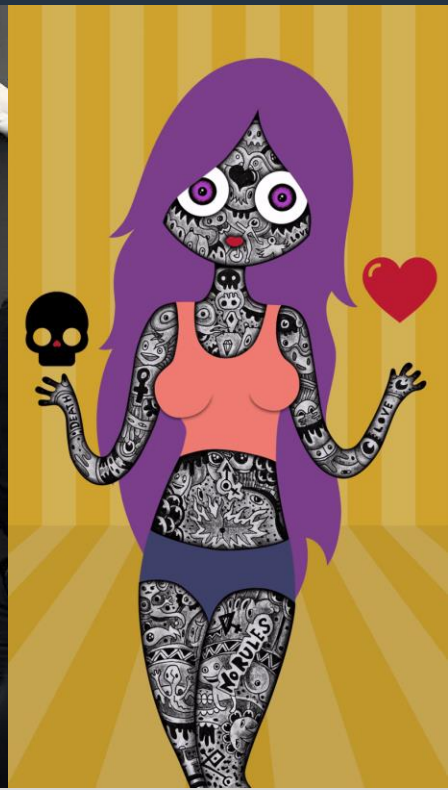
Ownership in the metaverse

Art

Some examples of metaverse art include:

- Hackatao, the Archetype image - $500K
- Love is in the Bin image by Banksy



Other things to “own”

- Avatar
- Accessories

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Digital Wallets

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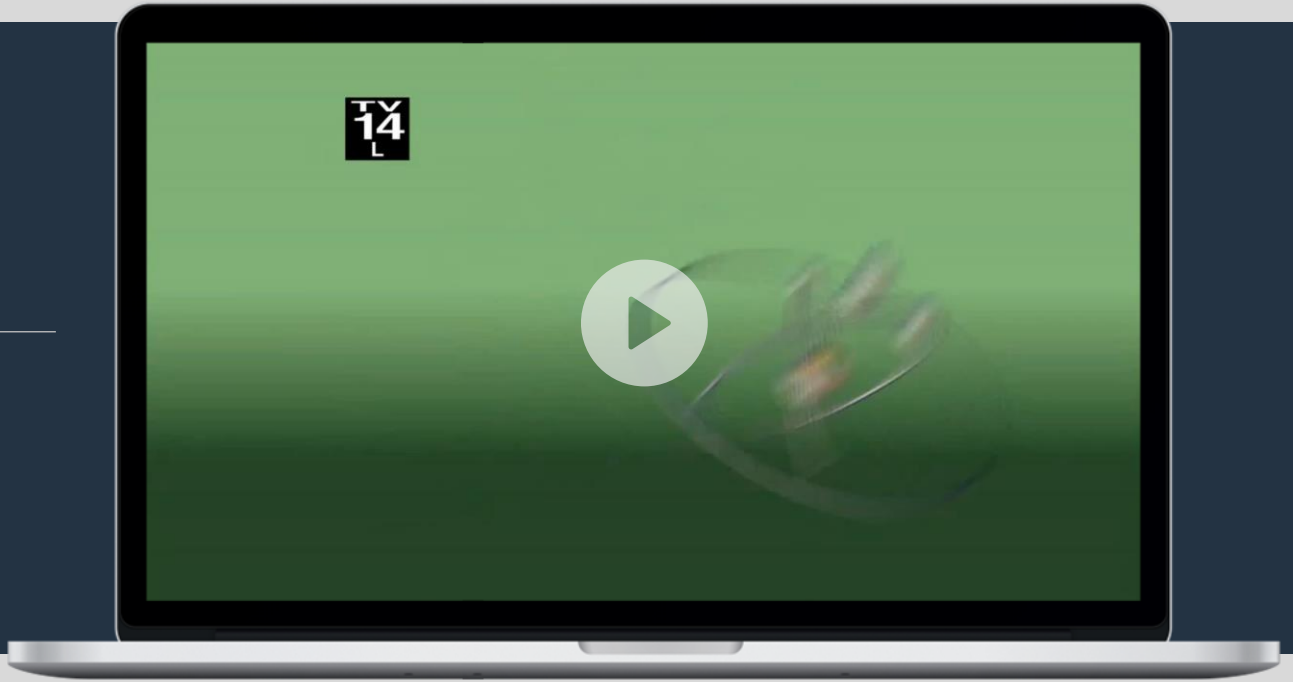
What Could Possibly Go Wrong

Theft of property –

Big Bang Theory

What is bitcoin?

Is it property, money, securities?



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Information Governance

Data from the metaverse

E-discovery

Privacy breaches

New vectors for breach, holding customer data

BIPA?

(facial recognition)

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Intellectual Property

- Ownership
- Infringement
- Theft

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Physical injury

- GL exclusions
- Physical damage to tangible property
- Coverage B?

Claims of undue influence on teens/children?

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Questions/ Discussion

Hands-on/Heads-in Metaverse Experience

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