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Metaverse Observers Expect 'Huge Wave Of Litigation'

By **Sarah Martinson**

Law360 (October 27, 2022, 4:19 PM EDT) -- The metaverse touches on many legal issues that are going to lead to a "huge wave of litigation" in the areas of intellectual property and data privacy, speakers at Relativity Fest in Chicago said.

At a panel titled "Discovery and Compliance in the Metaverse" on Wednesday, speakers from business consulting giant PwC and law firms Brown Rudnick LLP, ArentFox Schiff LLP and Nixon Peabody LLP discussed emerging legal issues in virtual reality and online gaming platforms collectively known as the metaverse.

Dan Jasnow, an associate at ArentFox Schiff, said sports teams were starting to build digital arenas in the metaverse where fans can watch games, which implicates the issue of broadcasting rights and whether they extend to virtual reality platforms.

"There's a huge wave of litigation coming over those types of issues," Jasnow said.

Eliana Torres, an intellectual property associate at Nixon Peabody LLP, added that the metaverse also presented many privacy issues, including identity theft, impersonations and data leaks.

"There's a bunch of laws that are being infringed upon daily" in the metaverse, Torres said.

She said navigating legal issues in the metaverse is tricky because there is so far no case law to guide attorneys.

But Jeff Karas, an associate at Brown Rudnick, added that despite the lack of case law, attorneys could draw parallels between the metaverse and internet-based technology for guidance.

Karas said privacy issues that arise when virtual reality headset companies collect users' biometric data were similar to the problems that Apple and Fitbit faced when storing users' biometric data.

"There are a lot of pieces that you can draw parallels to, and thank goodness, because we don't actually have a case law for this stuff yet in the metaverse," he said.

Metaverse-related litigation has already emerged over digital products resembling physical goods, a user's avatar being sexually harassed and the use of a celebrity's likeness, according to the panelists.

Torres said that even though the metaverse brought up many legal issues, companies and attorneys shouldn't shy away from it because virtual reality and online gaming platforms were not going away.

"Just because we have a lot of issues that we talked about doesn't mean that we're not going to eventually solve them and this is going to move forward," she said. "This is not going anywhere."

--Editing by Karin Roberts.

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