



An Overview of the Metaverse and Its Legal Implications

With new technical capability and accelerated cultural shift to online due to the COVID-19 crisis, the metaverse is emerging as a buzzword which is increasingly relevant in all areas of the society. The word “metaverse” is a portmanteau of the prefix “meta” (meaning beyond) and “universe”. It typically refers to the merging of physical, augmented and virtual reality in a shared cyberspace. You can interact with other people and places using avatars in the world of the metaverse. This interactive cyberspace where content, platform, commerce and networking are linked together is creating innovation that transcends time and space. As such, the metaverse is becoming a go-to playground for companies in various industries including gaming, entertainment, education, shopping and design. At the same time, the metaverse also presents legal challenges.

In an effort to provide innovative and practical guidance to legal issues that the rise of the metaverse may create, the New Technology Practice Group of Yoon & Yang will be offering a series of newsletters on some of the key issues. As a first step, this newsletter provides an overview of the industry and policy trends concerning the metaverse and legal issues that will be covered in more detail in subsequent newsletters.

1. Industry and Policy Trends Concerning the Metaverse

The metaverse is creating a new economic ecosystem driven by various fourth industrial revolution technologies such as IoT, 5G, content, mobility, virtual reality, cryptocurrencies, social media, live-streaming and video-conferencing. Many companies in various industries, particularly technology companies both at home and abroad, see the benefits of users being immersed in a virtual world and are actively advancing into the metaverse market. For instance, Zepeto, Naver Z’s metaverse platform, has attracted more than 200 million users globally, which is approximately the same as the number of Netflix subscribers. Roblox, a metaverse game platform, is known to be used by 70% of American children. Recently, companies also offer new product promotions and virtual experience services on the metaverse with increasing permeability with the real world.

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The Korean government is paying attention to the metaverse as a driving force for the industrial innovation and economic growth. The government has included the development of open metaverse platforms and related technologies as one of the tasks to be implemented under the Korean New Deal 2.0. In April this year, the government launched the New Industry Strategic Support Task Force to support new technology-based industries, selecting the metaverse as one of the five core tasks to be addressed. In May this year, the Metaverse Alliance led by the private sector with the government support was launched to vitalize the metaverse industry ecosystem.

On the legislative side, a member of the Science, Technology, Information and Broadcasting Committee of the National Assembly is preparing a bill on the development and support of the metaverse. The bill is known to contain a concept of “interim standards” which may temporarily apply as proposed by metaverse service providers in the absence or uncertainty of the law and regulations regarding the development, production, release, sale, and distribution of metaverse services.

2. Legal Challenges Created by the Metaverse

As do many technological advances, the metaverse also presents legal challenges to be overcome. With the explosion of interest in the metaverse, there is demand for legal advice on how the real world laws are translated into the virtual world, in particular in areas such as intellectual property, data protection and privacy. In our upcoming newsletters, we will further cover the following issues:

- Trademark Issues in the Metaverse
- Legal Responsibilities of Metaverse Platform Operators
- Metaverse & NFT/Virtual Assets
- Legal Challenges and Implications Surrounding Digital Twins
- Copyright Issues Concerning AI-Generated Works
- Privacy Protection of Metaverse Users
- Crimes using Avatars
- Platform Regulations in the Metaverse Era

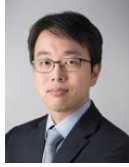
Yoon & Yang’s New Technology Practice Group continues to monitor the changing legal and regulatory landscape concerning the metaverse and will provide timely updates to address legal issues created in all areas of the industry. If you have any questions, please do not hesitate to contact us.

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