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METaverse GAMING AND ITS LEGAL ASPECTS

By: Krishna K.G

“With the metaverse, we are transitioning from viewing a 2D world looking at the Internet to living inside the Internet in a 3D world- Dave Waters”

METaverse

A few years ago, it was practically impossible to consider the possibility of a thriving metaverse or a virtual platform.

Thousands of people have spent hours and millions of dollars on online virtual platforms that allow them to engage with other users globally. The architects of these virtual worlds have built platforms that allow their programmes to closely resembles the actual world. Users are given little limits on what they may do in these virtual worlds in order to achieve this aim, and they are encouraged to generate their own material on these online platforms.

Users' acts in the virtual world have invariably resulted in potential legal issues in the actual world. What has happened, however, Since our legal system wasn't ready for welcoming of a well advance virtual world, the legal remedies in existence appear to be a poor fit for the legal issues in the virtual world.

The metaverse is a persistent, online environment that integrates numerous virtual spaces. It can be compared to a future and very advanced version of the internet. Users will be able to collaborate, meet, play games, and socialise in these virtual environments. Although the metaverse does not yet exist in its entirety, metaverse-like platforms or the elements of it can be found on various platforms. At present, video games is what that gives the closest metaverse experience available. By holding in-game events and building virtual economies, developers have pushed the boundaries of what a game can be.

Metaverse has been more like a linear evolution and so, it can't be considered as an entirely new concept. multi-player gaming worlds like The Sims or Second Life, which have been around for nearly 20 years and players spend an average of 20 hours in these gaming platforms. The games that are popular today such as Minecraft, and Fortnite, have millions of players and growing economies. Speaking from a social standpoint, more immersive virtual experiences are assisting people in forming communities based on shared values and expressing themselves in more authentic ways.

It was the pandemic, COVID-19 that brought in this trend at a faster pace, it advanced our lives' digitization and normalised multi-purpose online interaction and communication. This rapid growth of interest in the metaverse is mainly due to a fair combination of issues related to technology, society, and economy.

METaverse GAMING; A NEW CONCEPT

“Gaming has begun to be a new toast of the times during this pandemic, with almost everyone moving to the digital bandwagon” - Sai Sushant Samudrala

Video games are perhaps the most obvious application of the metaverse. New-age games like Fortnite, Microsoft's Minecraft, and Roblox are already available in VR and they allow the users to connect with others online in a virtual world. AR is already being used in other games to digitally improve reality.

Pokémon Go, for example, that took the world by storm, allowed the players to find and "capture" Pokémon using their smartphones. This was the beginning of virtual world or the metaverse coming into our lives. In-app payments have already become the most popular monetization method for mobile apps, and the coming of metaverse may bring in even more options for businesses to use this method to sell virtual products or services online.

Since the world is still new to this concept of metaverse. There still exists a negative perception of video games and let's say Sports i.e., eSports. People find it difficult to accept the fact that you can be a sports player while sitting in your chair playing video games on a PC, or smartphone. When this became an issue, XR bought in a concept that allows its users to experience the full-body motion and interaction that we usually associate with traditional sports. As a result, the users will have greater activity, for making it more acceptable and realistic. This would also increase the number of engagement possibilities. At taking an Extended reality, that is, the users may watch eSports not only at home, but also at a café or a stadium.

Talking about virtual reality, It basically provides gamers the capacity to control their assets in games like in blockchain and DeFi's gaming applications and, because the blockchain is expandable and never sleeps, these assets are far more liquid than one has ever seen in the history of video games.

METaverse GAMING IN INDIA

In the global innovation chart, India has risen almost 40 places since 2015, currently ranked 46th in the world. Even the culture of entrepreneurship has experienced a significant growth.

The country has seen a lot of development and economic growth by welcoming new technologies with the mobile phone revolution being a very popular example that started in the late 1990s.

In addition to that, video streaming and gaming in India has also been increasing at a higher rate, with reports showing that the country's gaming market will be more than 7 billion dollars by 2026. This growth in gaming has also enhanced the popularity of virtual experiences, especially through the pandemic.

As of now, Metaverse is seeing its most widespread application in the gaming sector. And the number of use cases is expanding. In the next years, the global retail industry will see more use cases as a result of the metaverse movement which keeps growing.

India, interestingly, is expected to play an important role in the development and advancement of metaverse technology. Apart from its engineering skills, the country has a massive user base for video games, social media networks, and e-commerce. The country is among the top five global markets in terms of user base, with 440 million gamers, or 16 percent of the global gamers total of 2.7 billion.

METaverse GAMING AND LAW

One of the most difficult aspects of any effort to form an online community of any kind is defining the rules that define distinct roles in a way that everyone can follow.

With privacy being the fundamental right and data becoming the new turmoil, Platform owners will face a set of new legal challenges, that includes digital security and privacy.

Virtual gaming communities on the internet are becoming a very fascinating phenomena, encouraging law professionals to study the legal challenges associated with, because online virtual worlds are made up of ongoing, digital interactions between millions of people, it's only logical that legal system has to keep up with and look into how personal information is collected and used in this virtual environment.

Virtual worlds, being somewhat a new concept, are highly unregulated. Traditionally, Internet activity has been governed by either individual website terms of service agreements or Internet-related statutory laws. These strict and broad-sweeping rules, on the other hand, may not be fit for the Metaverse. Domestic statutes may not be acceptable as governing bodies for virtual worlds because the Internet is not centred in a single jurisdiction. Traditional conceptions of Internet regulation are not applicable for the virtual world because they tend to regulate the flow of information, but the virtual world offers the one-of-a-kind opportunity to own property that's far different from the real world.

The necessity for laws and regulations was not immediately realise when platforms like Second Life and other comparable virtual worlds were founded. However, as these virtual worlds became more advanced and complicated, the necessity for legal regulation has become the need of the hour.

In the sense that they are accessed through a gaming console or a computer and allow for user-program interaction, virtual world platforms are very similar to video games. Video games have always been pre-programmed. When multiple users access the same video game, they will have parallel interactions.

Virtual worlds have given us the impression that online places can have their own rules and regulations, though some operate in a specific way.

Real-world locations have always been linked to specific sets of rules: churches, courthouses, residences, stadiums, military bases, restaurants, and so on. As bandwidth improves and computer graphics become more advanced, providing visual differences required to distinguish one online location from another becomes far easier. These areas are frequently offered by non-governmental organisations. This has a modest but significant impact on the kind of rules that apply to online activity.

The metaverse, like any other technical advancement, will generate new and challenging legal issues. With advancements in technology, the metaverse's practical applications will lead to more evolved legal and regulatory problems that leads to a complicated field of play.

For example, Patents are expected to be discussed in relation to the Metaverse. It will be critical for its economic success that interfaces are standardised and that communication between the various virtual worlds is possible. Although the Metaverse will mostly be built on software, technological features here, are unavoidable and are a condition for patent protection in general. The growing number of cyber implemented patents granted by patent offices all over the world shows that this is no longer a major issue.

Another issue faced on the metaverse is with Brands, Brand protection in the Metaverse is one issue that has already created a chaos in the legal system. Consumers are increasingly identifying with their avatars, so it's no longer surprising that they'd spend real money on virtual accessories and trendy products on the Metaverse. For example, a virtual Gucci handbag was sold for USD 4,100 (more than the store price of the real-life item) on Roblox, a virtual gaming platform. This has businesses asking if trademarks registered for physical items are automatically protected against third-party use for virtual goods. Some of the legal difficulties aren't entirely new. There is some previous case law dealing with cyber space infringements based on the earlier virtual realities. A case had been filed by the luxury brand Hermès for an infringement claim in the U.S. against a third party in the virtual space offering digital assets branded as "Meta-birkins" which was a digital representation of their famous Birkin bag.

These issues are nothing new for digital businesses or the platform, which are under constant scrutiny of both regulators and users. However, data in the metaverse will become tenfold more valuable than it currently is and technology have more involvement in consumers lives in more number of ways than it presently has. Existing rules will be put to the test as a result of this evolving technology, since most of them are not fit for the virtual world, and legal system and its regulators will be under constant pressure to keep up with the technological advancements.

Furthermore, if operated by different entities, a single metaverse will necessitate the ability to exchange and make use of the information standards that segmented metaverses will not. Given the vulnerabilities involved when data is exchanged from one application to another, user information will be exposed to exploitation, and platform operators will need contractually strong agreements to regulate information security standards, data transfers and data breaches, which could cause even more chaos in the future than they do today.

The worry over data privacy or the lack of it has brought in attention in the context of the cyber space or internet. While collection of personal data by business entities is common in the offline world, this data usually relates to a single transaction and so there is a limit to it. Website operators, on the other hand, can track and record every activity taken by a user online. Major technology businesses are already subjected to increased antitrust scrutiny and regulation around the world, and the metaverse's expansion may result in even more scrutiny and action from antitrust bodies.

Interoperability between these virtual platforms, which is often regarded as a critical

component of the metaverse, relies on industry standards to function properly, and apart from this cooperative agreements and industry standards run the risk of constraining output and, if not properly tailored to their pro-competitive goal, can violate antitrust laws.

As big technology corporations work to develop the metaverse's infrastructure, they may face antitrust claims and increased enquiry from antitrust authorities and legislators.

HOW WILL THE TRADITIONAL (OFFLINE) LAW REACT?

Traditional ownership and the nomination of specified officials with certain powers are still required by most of the corporation statutes. These laws do not account for emergent decision-making by a group whose members are constantly changing. The law recognises a variety of unincorporated associations as well, but they might lack the required ability to launch a lawsuit to safeguard jointly owned property rights. I believe the law will need to change to account for new ways of controlling and owning the final product of our new technological manufacturing processes and to fit into the virtual space.

We won't be dealing with legal fictions or mere games, for example: Groups that plan actions online can also take action that has an impact in the real world. The rise of smart mobs shows how the internet can be used to coordinate real-world collective action. Individual contributors' increased stake in the online enterprise will make it easier to enforce whatever regulations are necessary to enable this new type of collaborative output.

CONCLUSION

Any new invention wave goes through different phases and so will metaverse. Billions of dollars are flowing into metaverse platform currently. But return on investment still remains a factor of concern for the investors. Similarly, the usual challenges regarding privacy, cyber breach, stealing of virtual identity, financial transactions and confidentiality also come up in metaverse when the mankind moves into the virtual space. Therefore, governments across the world are in for a period where they may face challenges for appropriate rules and regulations. There's no doubt that the metaverse is real and is here to stay, with the popularity increasing globally. But only with time will we will be able to decide the form and context of its existence and interestingly, India will play a larger role in deciding the fate of Metaverse.

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