



Our Thoughts on the Metaverse

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About JIPA

- JIPA is a non-profit, non-governmental organization with 1,347 member companies.
- JIPA represents industries and users of the intellectual property (IP) system, and provides related institutions all around the world with well-timed, suitable opinions on improvement of their IP systems and their utilization.
- JIPA contributes to its member companies' business opportunities and promote the sound progress of technology and development of industries.



Our Considerations for the Metaverse



- Discussing IP related issues on the Metaverse (&FT) from a cross-sectional legal perspective such as...
 - (1) What are main characteristics of the Metaverse?
 - (2) What legal issues arise from those characteristics of the Metaverse?
 - (3) What attitude should we take regarding legal issues in the Metaverse?

Digital Policy Project

Frontier technology study team

Copyright Committee

Trademark Committee

Design Committee

Antitrust & Unfair competition Committee

Planning to make policy recommendations

Japanese Government (Cabinet Office)

Public-Private Partnership Conference on New Legal Issues regarding the Metaverse

※ Under consideration to compile an interim report



Our Considerations for the Metaverse

1. What are main characteristics of the Metaverse? (Our View)

(1) High level of connectivity with reality

—The Metaverse is considered to have a high level of connectivity with the real world, through incorporation of the real world into virtual spaces and other means. The user's sensory experience is treated in the same way as in the real world.

(2) High level of self-expression

—The Metaverse enables various expressive activities by placing avatars or other representations of the user's self-identity.

(3) High level of creativity through multiple participants

—The Metaverse generates economic ecosystems by allowing diverse players, including individuals and companies, to create content.



Our Considerations for the Metaverse

2. What legal issues arise from those characteristics of the Metaverse? (Our View)

(1) High level of connectivity with reality

(2) High level of self-expression

(3) High level of creativity through multiple participants

Possible Direction	Issues
Soft law and/or architecture	<ul style="list-style-type: none">•Necessity of developing terms of use by platforms and/or guidelines to prevent right infringement
Clarification of interpretation of current law	<ul style="list-style-type: none">•Whether or not permission is required when incorporating real space into virtual space (e.g the scope of the copyright limitation/exception)
Institutional consideration	<ul style="list-style-type: none">•Applicability of trademark rights for real goods to virtual spaces•Dealing with those who free-ride on the customer goodwill, such as selling products that are only sold in real space in virtual space without permission•Establishment of an environment that allows appropriate registration of trademarks corresponding to virtual space.•Necessity of extension of the scope of design rights of real products to virtual space



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Possible Direction	Issues
Soft law and/or architecture	<ul style="list-style-type: none">• Ensure freedom in setting avatars as a form of self-expression• Promote interoperability of avatars
Clarification of interpretation of current law	<ul style="list-style-type: none">• How avatar motions can be protected by copyright and/or performers' rights?
Institutional consideration	<div><ul style="list-style-type: none">• How to deal with inappropriate use of avatars (especially when the avatar is not connected to the personality of a natural person)• How to deal with the act of creating items such as accessories and clothes to be equipped by avatars based on products for which design rights have been set on real products</div>



Our Considerations for the Metaverse

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- Important to strike a balance between ensuring user convenience and proper protection of rights
- Though we also pay attention to NFT, which functions as a tool to activate the economic sphere in the metaverse, we think the future situation needs to be assessed as to what kind of institutional development is necessary given that it is an early stage.
- At least, private efforts to prevent the minting of NFTs by unauthorized persons are welcome



Our Considerations for the Metaverse

3. What attitude should we take regarding legal issues in the Metaverse?

- In principle, **solving the problems through technology and/or soft law is preferable** rather than hastily revising laws given that there are still many fluid aspects of the technology and business regarding the Metaverse.
- However, in cases where **prevention of high-risk behavior or hindering the development of a healthy market is not possible** without institutional measures, it is desirable to **consider clarifying the scope of existing laws and exploring institutional responses** where they do not apply.

Thank you for your attention!

