

Metaverse will still need real-world laws



As the metaverse develops, issues such as privacy concerns may arise. For example, virtual reality devices such as headsets may become a new way to harvest users' personal data, by tracking things like their eye movements to infer likes and dislikes. The solution is not necessarily to make new laws, but to rigorously apply the regulations already in place, says the writer. PHOTO: ISTOCKPHOTO

Potential challenges include market dominance, identity theft, harassment such as virtual 'groping'

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It's the new "world" everyone is talking about – the metaverse. It is envisaged to be an interconnected network of virtual spaces.

Users will be able to seamlessly "port" their digital identities from space to space. Some virtual spaces will feature "avatars" that are visual representations of individual users in those virtual spaces.

Today, virtual reality technology is primarily used for entertainment in video games like Beat Saber and for socialising, in virtual reality chat rooms like those in the VRChat app.

As the metaverse develops and new opportunities arise, expect a proliferation of virtual spaces for business or professional purposes, and to deliver services like

counselling and training. Amid the possibilities, however, an age-old issue remains: a range of potential regulatory problems.

MARKET CONCENTRATION

First, from an antitrust perspective, there is the concern that the metaverse will experience the same kinds of market concentration that we see in the Internet today, where there are a few powerful platforms with monopolistic status.

Monopolisation of the metaverse is made more likely by the current state of the Internet. This is because the dominant market players can leverage their current strength for it.

Monopolisation of the metaverse can occur indirectly. For instance, if the interconnection between virtual spaces in the metaverse is done through a single intermediary

platform, then this will effectively be the gatekeeper to the metaverse, even if it does not operate any virtual spaces.

This platform will have the power to unilaterally set standards, to exclude potential competitors, and to set high prices for its services.

Monopolisation of the metaverse can also occur if an undertaking uses its control over one part of the market to exclude competitors from other parts. For example, if one undertaking has a monopoly over virtual reality equipment, it can exclude competing virtual space developers.

PRIVACY CONCERNS

Second, data privacy issues also arise in the metaverse. For example, virtual reality devices such as headsets may become a new way to harvest users' personal data, by tracking things like their eye movements to infer likes and dislikes. This information can then be used for targeted advertising or user manipulation.

Another privacy concern is personality theft. This could be a problem in "immersive" virtual

spaces that allow users to create photorealistic avatars. For example, just as deepfake technology has already been abused to produce pornography of unsuspecting victims, photorealistic avatars could similarly be used to generate simulated pornography featuring the likeness of the victim.

It is important to stress that such personality theft can be problematic even if no one is fooled.

When a victim is "made" to perform degrading or embarrassing acts, whether on deepfake video or in an immersive virtual space, it is a violation of the human dignity of the victim.

Further, if the performance is recorded and publicised, it can cause the victim reputational damage, humiliation and emotional distress.

REGULATING THE METAVERSE

Third, the metaverse may give rise to new forms of harassment and anti-social conduct. In particular, virtual harassment has already been reported in virtual spaces, with victims subject to "groping"

and other forms of offensive behaviour.

Certainly, one logical response to such misconduct is simply for the victim to stop engaging in the metaverse.

However, if the metaverse does eventually take root and become an inescapable part of how the victim lives and works, this solution may not always be tenable.

Regulating the metaverse is a challenging prospect. This is primarily because it remains unclear what the metaverse will look like, or if it will even materialise at all in the form that we envisage today. This makes it difficult to predict the regulatory issues that will have to be dealt with.

Still, forward-looking regulation requires that we anticipate the issues that we will need to address. Although the metaverse may be an attractive economic prospect, we should approach it with an eye on the problems that it may cause.

For the most part, it is likely that existing regulations will be sufficient to address these problems. For example, antitrust concerns can be addressed through competition law which, among

other things, prohibits businesses from abusing their dominant market positions.

Likewise, data privacy issues and problems with harassment fall under Singapore's data protection and anti-harassment rules.

The solution to the potential problems of the metaverse is not necessarily to make new laws, but to rigorously apply the regulations already in place.

The onus is on metaverse undertakings to be proactive. These include equipment manufacturers, virtual space developers and metaverse intermediaries. These undertakings should identify and resolve the problems caused by their activities, and design their products with a view to compliance.

If they fail in this, then regulatory intervention may be called for.

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