
MEPs warn about legal challenges of the virtual worlds

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- Virtual worlds in the EU should be based on ethical values and principles
 - Commission to assess preparedness of EU regulatory framework, including liability and intellectual property protection
 - Public awareness, digital skills and accessibility key in ensuring use of virtual worlds for public good
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EU strategy for virtual worlds needs to be both sustainable and human-centric.

MEPs of the [Legal Affairs Committee](#) approved with 15 votes for, 1 against and 2 abstentions an own-initiative report outlining virtual worlds' challenges for private international, civil and intellectual property law.

Making the EU law ready

According to MEPs, digital sovereignty is a key to guarantee the EU's ability to shape and enforce legislation in the digital environment. They welcome the Commission's definition of virtual worlds as "persistent, immersive environments, based on technologies including 3D and extended reality (XR), which make it possible to blend physical and digital worlds in real time for variety of purposes" and highlight the importance of ethical values their development should respect, including data privacy, fight against hate speech or child protection and emphasize that what is illegal offline should be equally illegal online. They insist that to ensure enforcement of legal instruments, the European Commission should develop guidelines and best practices clarifying legal obligations and responsibilities of all stakeholders in the virtual worlds, including platform operators, service providers and developers. They also insist that collection of personal and biometric data e.g. virtual reality sensor data raise ethical concerns and should require

repeated consent for each use and purpose limitation. They warn that territoriality principle is not applicable in the virtual worlds and call on the Commission to ensure that the EU regulatory framework is ready to cope with this challenge by assessing existing provisions and proposing necessary amendments bearing in mind the risk of forum shopping, notably on the part of non-EU companies.

Ensuring liability

MEPs stress that liability rules should fully apply to virtual worlds and that it is key to ensure that providers of virtual goods and services can be identified and held liable for any harm caused by their products. They are particularly concerned about the use of avatars and decentralised autonomous organisations (DAOs), such as those built on blockchain technology and call for effective identity management systems to combat fake identities and to ensure identification of those using the avatars. They express concern about advertising techniques used when selling so-called virtual real estate, which might be confusing for users and stress that the applicable terms and conditions must always be transparent and easy to understand.

Protecting intellectual property

MEPs underline that EU law on the protection of intellectual and industrial property rights fully applies to virtual worlds, including trade marks, patents or trade secrets and the authorisation through licencing is therefore necessary and must be transparent. They stress the need to avoid confusion, e.g. between the right to the token itself and the right to the underlying protected content. MEPs believe that fair remuneration of authors for assets under continuous resale via blockchain should be ensured. They also mention regulatory challenges caused by AI-generated creations and call on the Commission to engage in expert discussions on how to address them. MEPs understand that legislation will only be able to address part of the existing challenges and stress the need for raising awareness, improving digital skills and increasing users' access to key technologies reducing digital divide. They put particular emphasis on inclusion and accessibility for all EU users and stress the importance of effective education measures in order for virtual worlds to provide opportunities to be used for public benefit.

Quotes

Following the committee vote, corapporteur [Axel Voss \(EPP, DE\)](#) said: “We have created a good basis for the legal assessment of the rapidly developing virtual worlds. We could see that existing rules and legal instruments, particularly in civil, corporate, commercial and IP law, are absolutely appropriate and should be applied. What we now need from the Commission are guidelines and best practices clarifying the legal obligations and responsibilities of the various stakeholders involved in virtual worlds and regular fitness checks of the applicable legal provisions.

Corapporteur [Ibán García del Blanco \(S&D, ES\)](#) noted: “Virtual worlds will be very soon present in our daily lives and thus, we need to consider the challenges ahead. In my opinion, it is key to

safeguard citizen's rights like we do in the offline world, building virtual worlds according to our European values. Moreover, we cannot dismiss the urgent need to close digital gaps in society and facilitate an equal access to virtual worlds by promoting skills and literacy among citizens.”

Next steps

Committee report will now have to be voted on by the European Parliament plenary at one of its upcoming plenary sessions.

Background

This own-initiative report represents a European Parliament reaction to the [Commission communication of 11 July 2023 on virtual worlds](#). While experts say it might still take 10 to 15 years for the virtual worlds to reach their full potential, its deployment has already attracted the attention of public authorities. Once fully developed, virtual worlds are expected to significantly impact the digital landscape, bringing both opportunities and risks, some of which are outlined in this report.

Further information

[Procedure file](#)

[Think Tank EP: Metaverse: Opportunities, risks and policy implications \(24.6.2022\)](#)

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