## POLITICO

### Crimefighting in the metaverse

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#### Who will protect you in the metaverse?

As more people flock to virtual spaces — interacting, spending money, even <u>buying land</u> — that question will become ever more relevant. It directly touches companies and policymakers alike, to say nothing of users, many of whom are kids.

There are already a few concerning signs about crime in the virtual world. NFTs, the blockchainbased form of property seen by many as key to the <u>"interoperability" of virtual worlds</u>, have already proven themselves <u>highly susceptible to theft</u>. Researchers have <u>warned of the</u> <u>potential</u> for a virtual "Silk Road," an immersive new version of the notorious "dark web" market for drugs and crime.

But none of these potential legal issues are as urgent as personal harassment and abuse.

As anyone who lives in a city knows, the more people you pack into a given space, the higher the likelihood that some of them will start doing bad things to each other. And once those people are online — well, social media offers an obviously cautionary tale about how some of them behave.

Crime might seem like a fake issue to the promoters of the metaverse — the kind of thing waved around by skeptics who "don't get it." But consumers are already thinking about it, and so is the industry.

In a <u>recent Morning Consult poll</u> 70 percent of respondents said virtual abuse was either a "major" or "minor" problem. Reports of sexual harassment have dogged Facebook's Horizon Worlds platform <u>since its inception</u>.

The XR Association, the industry's leading trade group, raised the question more gingerly in a new <u>report published today</u>, suggesting that "existing laws and policies need to be reviewed to see whether they should be modernized and if any policy gaps exist."

The report, written by the Bipartisan Policy Center, also flagged the possible implications for tort law, labor discrimination, worker safety and civil rights as people migrate more of their lives to virtual spaces. "The intensity of the experience, like anything else, can be taken to a negative area as well," said Joan O'Hara, the association's director of public policy. "What's the line, when it comes to the law, between actual physical contact and virtual contact when the virtual feels so real?"

**Right now, the responsibility of playing cop mostly falls on companies.** Meta has already put guardrails in place to prevent harassment incidents in Horizon Worlds, including a <u>virtual</u> <u>bubble</u> that prevents users from coming too near to each other (which was mandatory at first, but is <u>now optional</u>. Roblox, by far the biggest currently-operating virtual space, has been combating <u>inappropriate content on its platform</u> (which is largely populated by children) for years.

As for the role of "real" courts and law enforcement in a virtual space? That's still an open question within our current, two-dimensional internet infrastructure — consider the harrowing legal battles over cyberstalking or revenge porn, which weren't addressed seriously until long after they had become major problems, and then only at the state level.

The law hasn't necessarily caught up to the current version of cybercrime. The recent highprofile arrest of the thieves behind a \$3.6 million bitcoin heist was for their <u>money laundering</u> <u>and evasion efforts</u>, not the actual theft itself. And even an "old" problem like cyberstalking still remains stubbornly difficult to fit into our current legal framework — leaving victims like, in a recent case, the Olympic runner Emily Infeld to <u>struggle through a patchwork</u> of state, local and federal law enforcement to gain relief.

The legal experts thinking about where this all goes have some mind-opening ideas for what might be needed in the future, if users demand a legal regime that extends some of their rights into virtual landscapes: "Do we need to talk about legal personhood for avatars as well, and say that it might be an extension of the person that operates that avatar?" said Pin Lean Lau, a Brunel Law School lecturer at Brunel University London who has extensively researched the <u>legal</u> implications of emerging tech.

For now, it may be impossible to understand the metaverse's unique legal quirks, until some unsuspecting metaverse denizen finds him or herself in the unwanted role of "precedent."

"It's always a question of what will be the first politically salient incident to involve a new technology," said Will Duffield, a policy analyst at the Cato Institute. "Beyond that, it's hard to tell."

<u>Take a closer look</u> at the Morning Consult poll we mentioned above: It shows that among potential users' anxiety about the metaverse, two subjects reign supreme: The misuse of personal data, and online abuse. The findings are part of a wider report on public opinion about the metaverse that touches on everything from to what kind of events <u>attract the biggest crowds</u> to which <u>demographics which might find it most appealing</u>. — *Derek Robertson* 

# Potential metaverse users worry about data, abuse

How much of a concern is each topic in using the metaverse?

Major concern 🧧 Minor concern 📃 Not a concern at all				
Tracking and misuse of personal data	55%		24%	21%
Online abuse and cyberbullying	44%	26	%	30%
Personal safety	39%	28%		33%
Sexual harassment	38%	23%		39%
Moderation of offensive or damaging behavior	37%	29%		34%
Impacts on mental health	35%	27%		38%
Motion sickness from virtual reality headsets	29%	31%		41%
The environmental impact from energy consumption	28%	32%		40%

Percentage of adults polled by Morning Consult. Poll in field March 3-5, 2022, with a 1 percent margin of error.

Source: Morning Consult

Derek Robertson / POLITICO

#### **REGULATORS, MOUNT UP**

**POLITICO's Emily Birnbaum reported <u>today for Pro subscribers</u> that <u>Washington's</u> <u>favorite Big Tech executive</u>, Microsoft President Brad Smith, supports the idea of a new federal agency that would be devoted solely to regulating the industry.** 

"The tech sector needs to mature, and we need to lean in to help make a new era of regulation work," he said at the International Association of Privacy Professionals conference today in Washington.

Tech leaders have expressed a <u>cautious openness</u> to the idea in the past, including Mark Zuckerberg, who told a March 2021 congressional hearing that a new agency could be "very effective and positive." Which makes sense, seeing as tech-focused antitrust legislation is one of the few things in Washington for which there's bipartisan support.

Yes, this could just be the classic industry-DC dynamic: When something in Washington seems inevitable, the private sector has a funny way of warming up to government.

But the prospect of a tech-focused regulatory agency is something tech-watchers and skeptics in Washington have desired since long before this consensus existed, including Tom Wheeler, the former FCC chairman who wrote an <u>extensive report on the idea</u> last year for the Brookings Institution. I called him up to get his thoughts, and he was audibly thrilled to hear about Smith's support:

"It's the responsible thing to do," Wheeler said, pointing out that it often takes a disastrous "breakthrough event" for Washington to invest in serious protections, as it did after 9/11, or the financial crisis. ""We've had n-plus-one congressional hearings that have documented tech's adverse effects, and still the companies have been successful in blocking any action. The fact that Microsoft now steps up and says 'this makes sense,' perhaps this can add a pebble sliding down the hill, and start something."

There's an obvious tension between the growing momentum behind tech regulation and the argument from free-marketeers and hobbyists who claim, not without credible examples, that the internet's greatest successes have come from its historically <u>unfettered Wild West-ness</u>. Crypto, the metaverse, and advanced machine learning and AI technologies are all in relatively early stages; it's impossible to know whether they'd benefit from a longer period free from oversight. What is certain is that Washington has learned some hard lessons from the <u>"Web2"</u> era that they're clearly far more prepared to bring to bear on tech's next generation. — *Derek Robertson* 

#### AFTERNOON SNACK

**Fake lights, fake camera, (semi-)real action**: Having arisen from the primordial soup of the gaming industry, metaverse tech is now already changing the way cinema works. Last week for The Conversation, a pair of academics <u>wrote about the applications</u> for VR and AR in film and television.

There's the work already being done — like creating virtual workspaces for fully animated films like the recent <u>"Lion King" remake</u>, or using powerful machine learning technology to <u>merge physical and digital worlds</u> — but the authors also cite future applications that could fully cross over into the realm of sci-fi, like digital avatars that are indistinguishable from human actors. The authors also cite Microsoft's Mesh functionality for its Teams meeting software, which uses mixed-reality tech to create a holographic, hybrid workspace, something that could be especially valuable given the number of production workers involved in creating our biggest-scale blockbusters.

While we're at it, let's spare a thought for how far we've come in not only virtual reality's use in cinema, but its depiction: We've come a long way from <u>"The Lawnmower Man"</u> to the thoughtfulness and elegance of something like Alex Garland's <u>"Devs" miniseries</u>. If nothing else, we humans maintain our advantage when it comes to screenwriting <u>for now</u>. <u>Derek</u> *Robertson*