

SOMETHING BORROWED, SOMETHING BLUE: THE BEST OF BOTH WORLDS IN METAVERSE- RELATED DISPUTES

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ABSTRACT

This article brings to light enforcement issues in the context of metaverse-related disputes which are resolved by arbitration or processes resembling arbitration, including blockchain arbitration and decentralized justice platforms, such as Kleros, Aragon and Jur (referred to as on-chain Alternative Dispute Resolution (ADR)).

The metaverse is a massively-scaled network of persistent digital worlds, in which we each have an individual presence. Put simply, it is the internet in 3D. The metaverse is at the heart of web 3.0, the new generation of the internet. Web 3.0 is based on, among other things, decentralisation, i.e., the idea that the internet is owned by many and no single actor can own or control it.

New technology brings opportunities and challenges for the resolution of disputes. The rapid development of virtual reality technology offers users new immersive experiences, with potential applications beginning with the billion-member gaming industry but going far beyond it. Also utilising blockchain technologies, such as cryptocurrencies and non-fungible tokens (NFTs), these metaverses bring potential new markets, new types of property and new transactions. In this article, we refer to the “metaverse” collectively

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as the digital worlds accessed by all such platforms, even if interoperability between platforms has not yet been achieved. The metaverse also introduces new actors and players and new ways of organizing collectively such as Decentralized Autonomous Organisations. The interaction of these novel elements will likely lead to disputes and require new paradigms for resolving them.

As yet, there are few commercial disputes that have arisen directly out of the metaverse. However, there have already been numerous examples of disputes involving digital assets, which are key building blocks or elements of the metaverse. In order to put enforcement issues in context, we will describe some of the disputes likely to arise between users and platforms, among metaverse users, and between users and non-users, and the options for resolving such disputes.

International arbitration may be a dispute resolution tool of choice for metaverse-related disputes of the future, among other things due to the global enforceability of an arbitral award under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (hereinafter “New York Convention”). However, recourse to arbitration is not a given. The authors will highlight some of the challenges and solutions for enforcing metaverse-related decisions under the New York Convention.

KEYWORDS: *metaverse, blockchain, enforcement, digital, New York Convention, virtual reality, arbitration*