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## Benesch gets Meta

Law firm hops aboard the rocket ship and plants flag in the expanding Metaverse



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If you are going to be a leader in data technology, blockchain and other internet-related matters, you must dive right in when a new platform gains traction.

That's what Chicago partner Ryan Sulkin and Cleveland partner Michael Stovsky had to do with the exponentially growing online Metaverse. A July 18th Time magazine article describes the Metaverse as a "parallel virtual plane of existence that spans all digital technologies and will even come to control much of the physical world." A simpler description may be a "3D internet" space.

"It's still very challenging for a lawyer to advise a client on their use of various social media platforms, whether it's an older or newer platform,"

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Sulkin states. "It's difficult to advise a client on the issues if you yourself are not a user of that platform. If you don't appreciate the functionality, the features, how data is collected and moved — all of those issues correlate to legal matters."

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And for Sulkin and Stovsky, there's this data point from the same Time article. "In this first six months of 2022, the word metaverse appeared in regulatory filings more than 1,100 times." In 2021, "metaverse" was only mentioned 260 times in SEC filings, the article noted.

"Just like how social media has completely revolutionized the way the internet works and used for all kinds of purposes, that's what (the Metaverse) is going to do," Stovsky said. "Except to me, it'll happen on steroids."

You can find Stovsky, Sulkin and other Benesch attorneys working in the Metaverse at LawCity.com's Unitas Tower, specifically located at 37,-58 in Decentraland. Stovsky notes it is the anchor tenant of Unitas Tower and Benesch represents LawCity. A plot of "land" in the Metaverse is now being sold in seven-figure deals, according to the Benesch attorneys.

Companies want in on the Metaverse and they need lawyers to be ready to provide counsel on it fast. But, clients who choose to work within the Metaverse must be legally compliant despite the Metaverse still being in its infancy. Adoption of the Metaverse, according to Stovsky, is happening faster because of 30 years of legal infrastructure put in place since the commercial internet launched.

Stovsky, who chairs Benesch's Metaverse team of 10 lawyers, helped write an Ohio law that officially recognized smart contracts as "writings" under state law, according to the firm. "We now have an entire generation of people who get it," Stovsky said. "When the internet went from a government thing to something for the masses, it took a lot of explaining (because) no one knew what it was. Now, there isn't a human being alive that doesn't know what the internet is and what it can be used for. It's now a lot easier to talk to (businesses)."

The Benesch pair say legal challenges will come, especially in the area of jurisdiction, and they will be prevalent. But this really isn't new territory, according to Stovsky.

"Where are you in the Metaverse if you commit a tort or breach a contract? What jurisdiction are you in?" Stovsky asks. "But remember... we had those same issues when the internet became a reality. The courts and legislatures had to deal with them and they did over time. (It's) going to be a unique process where we learn what issues exist and then there will be changes in the law on how to adapt."

Sulkin believes the Chicago business world can become a leader in the Metaverse and help shape new laws that will apply in the future.

"There will be a lot of data collection that happens in the Metaverse that goes well beyond what's being collected when you go to a website today," he said. "There will be a lot of debate around permitted use, sale (and) monetization of that data collected in the Metaverse."

Illinois's Biometric Information Privacy Act, Sulkin said, is going to be a "hot topic" because the equipment used to access the Metaverse can collect information that is certainly covered by BIPA. And those tools may even go beyond what BIPA considers.

“(It’s) going to be a source of regulation that will not just be relevant in Illinois, but in other places,” Sulkin said.

Stovsky added: “Illinois has been at the forefront of biometrics. You’re going to see a significant use of biometrics in connection with the Metaverse.”