Policy implications of the development of virtual worlds – civil, company, commercial and intellectual property law issues

2023/2062(INI) - 17/01/2024 - Text adopted by Parliament, single reading

The European Parliament adopted by 491 votes to 106, with 35 abstentions, a resolution on policy implications of the development of virtual worlds – civil, company, commercial and intellectual property law issues.

Noting that the concepts of ‘metaverse’ and ‘virtual world’ currently lack consolidated definitions, Members welcomed the proposal included in the Commission communication for a **definition focusing on the main features of virtual worlds**. Stressing that many of the technologies referred to as ‘virtual worlds’ have existed for years, Parliament underlined that a future European strategy should be anchored in research, scientific evidence and societal relevance.

An appropriate ethical and legal framework

Parliament stressed that virtual worlds accessible in the EU should respect ethical values, principles and fundamental rights, namely on data privacy, security and safety standards, data sharing, content moderation, the fight against harassment and hate speech, cybersecurity, workers’ rights, consumers’ and child protection, accessibility requirements, respect for intellectual property rights, the protection of know-how and trade secrets, the prevention of online abuse and fraud, and on contestable and fair markets.

Virtual worlds should be developed and deployed in line with the general principle that what is **illegal offline should be illegal online**.

The resolution highlighted the importance of regularly monitoring compliance and ensuring effective enforcement of the applicable legal instruments in force. The Commission should conduct regular fitness checks of the applicable legal instruments in force, namely regarding a possible review of the Unfair Commercial Practices Directive, Consumer Rights Directive and the Unfair Contract Terms Directive.

Recent research has shown that virtual reality sensor data is as uniquely identifiable as a fingerprint scan and can be used to gain deep insights into users’ personality and infer a variety of attributes such as age, gender, income, ethnicity, disability status, state of mind and emotions. Members believe that this raises significant ethical and legal concerns, in particular in connection with **targeted behavioural advertising**, that should be addressed.

To address these ethical concerns around the collection of vast amounts of personal data, including sensitive user data such as biometric and behavioural data, emotional reactions and haptic information, Members stated that users should be made aware of the data being collected and that **consent** for the collection of such data is not obtained only at the time of entry to the virtual world, but for each use case.

Private international law

The resolution stressed that certain traditional territorial principles on applicable law and jurisdiction might prove inadequate to virtual worlds. The Commission is called on to take into account these and other potentially problematic situations and to assess the appropriateness of the existing provisions of private international law applicable in the EU, proposing appropriate amendments, where necessary, to

guarantee that citizens and businesses **do not have to systematically litigate in foreign courts or under foreign laws** in order to enforce their rights.

Civil law

Given that the number and economic relevance of commercial transactions within virtual worlds is expected to increase over the next decade, Members stressed the need to ensure that providers of virtual goods and services can be **identified and held liable** for any harm caused by their products.

Parliament recalled that the liability rules should fully apply to virtual worlds and underlined the importance of putting in place effective measures to prevent and address any form of harmful behaviour and enforce the law in line with fundamental rights in virtual worlds, including, where appropriate and without prejudice to the right of seeking judicial redress, the establishment of reporting and dispute resolution mechanisms.

Intellectual property law

The resolution stressed that the development of virtual worlds poses new challenges when it comes to intellectual property enforcement, identification of infringers and issues concerning the conflict-of-law rules on applicable law and jurisdiction.

Members recalled that platforms operators, service providers and users in virtual worlds are under the obligation to respect right holders' exclusive rights and their right to fair remuneration. They highlighted that the use of content protected by intellectual property rights (IPR), including in digital form in an electronic medium, such as an NFT, requires authorisation through licensing or assignment, unless it is covered by any exception or limitation to IPR protection. They reiterated the importance in this regard of providers ensuring transparency as to the scope of licences.

Moreover, under the current rules, the **outputs autonomously generated by AI systems** might not be eligible for copyright protection, as the principle of originality is linked to a natural person and the concept of 'intellectual creation' presupposes the author's personality. Members welcomed the commitment set out in the IP Action Plan for the Commission to engage in stakeholder discussions on how to address the challenges raised by AI-assisted inventions and creations; calls on the Commission to consider broadening the scope for this dialogue in order to largely cover AI-related issues, including generative AI.

Accessibility and digital literacy

Emphasising that virtual worlds may provide opportunities for the provision of public services of general interest, to the wider benefit of citizens, Parliament underlined, however, that inclusion of and accessibility for all users in the EU must be ensured both in terms of cost and use of hardware and the understanding of software.

Accessibility is particularly important when it comes to ensuring that vulnerable population groups such as elderly people, persons with disabilities, children and people living in rural and remote areas acquire the essential digital skills to participate in virtual worlds and should take into consideration aspects such as geographical location, gender, level of educational attainment and socio-economic background.