

# The Wild West of LawCity, Web3 and the Metaverse

Welcome to LawCity, the newest legal frontier town online at the intersection of Future, Innovation, Technology and Commerce. Much like the towns that sprung up in the "Wild West," LawCity offers exciting new opportunities for law firms doing business in the metaverse.

But what is the metaverse? Is it a game? Is it virtual reality? Is it AI? Let's put aside any scoffing that the metaverse is simply a gaming environment for teenagers to play in. We need to accept the real-world legalities and practicalities that law firms today have to understand about how they, and the next generations of their lawyers, will be conducting business.

## Defining the metaverse

Before we enter the metaverse, let's briefly define some terms that may be unknown to many people over age 25.

**The metaverse:** According to ChatGPT, "the metaverse is a fully immersive virtual world that is part of the internet. It is essentially a collective virtual shared space where users can engage in a range of activities, such as socializing, gaming, education, work, and commerce. It is envisioned as a seamless integration of virtual and physical worlds."

**NFT:** Non-fungible token. A one-of-a-kind digital asset; ownership is verified on a blockchain.

**Decentraland:** This 3D virtual world is a browser-based platform where LawCity is established in the metaverse. Users may buy virtual plots of land as NFTs, purchase wearables for avatars, play games, exchange collectibles and interact.

**Blockchain:** A digital ledger that securely and permanently records transactions. Each block in the chain contains a list of transactions that cannot be updated, deleted or tampered with after a block is added to the chain.

**DeFi:** Decentralized finance. According to ChatGPT, "A new financial system that is built on blockchain technology and operates in a decentralized manner, without the need for traditional financial intermediaries like banks or brokerages." Users conduct purchases in the metaverse with cryptocurrencies linked to DeFi and NFTs.

**LawCity.com:** As the first legal district, legal directory and legal search engine in the metaverse and Web 3.0, LawCity will be the starting point for every avatar's legal journey in the metaverse. LawCity intends to continue to purchase, develop and build immersive 3D worlds specifically designed for the legal industry and their unique use cases.



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## Let's get phigital

Who are (and will be) the consumers and businesses engaging with the metaverse?

Gen Z (born between 1995–2009) makes up almost 30% of the world's population, with 2 billion people globally. By some estimates, Gen Z will comprise 27% of the workforce by 2025.

The following generation, Gen Alpha (those born 2010–2024), is projected to number at least 2 billion globally by 2025. They will begin to enter the workforce by the end of this decade.

These generations are phigital (or phygital): those who are comfortable with being in both the physical and digital worlds. Given that these two generations make up about 50% of our world's population, their expectations about how organizations – their current and future employers – should function will influence how companies operate.

## What is Web3?

This topic was the focus of one of the most fascinating programs at the 2023 Legal Marketing Association annual conference in April, delivered by Lance Wyllie, marketing director at Grungo Colarulo, LLC, in N.J., and CMO (chief metaverse officer) of LawCity, and Julie Gurney, director of marketing and client development at Benesch. Wyllie leads the growth of LawCity, which was created by Richard Grungo, a personal injury trial lawyer who founded Grungo Colarulo.

Wyllie and Gurney are pioneers among legal marketers as early explorers of legal implications in the metaverse. They are going boldly where no law firm marketer has gone before, with a great sense of adventure, risk and willingness to help educate others along their way. They shared their knowledge, experience and insights about how the metaverse is affecting the legal industry.

"A tsunami of technology is coming our way," said Wyllie. "Think blockchain, metaverse, cryptocurrencies, smart contracts, augmented reality, virtual reality, NFTs, quantum computing, the internet of things, AI, nuclear fusion, gaming and much more."

"The challenge for the legal industry is how do we position ourselves in Web3, because this is new territory," Wyllie said. "The solution has to be a mindset shift, and then you have to educate yourself and others around you, and then execute on a strategy." Definitions vary about what exactly Web 3.0, or Web3, is, but many agree that the next evolution of the internet includes blockchain technologies, decentralization and token-based economics, as well as privacy, machine learning and AI.

"Think about reading paper maps and how that business was eliminated almost immediately when the iPhone dropped," Wyllie said. "Now think about how these technologies can and will change entire industries almost instantly."

Facebook (now called Meta), Roblox, Epic Games (Fortnite), Citigroup, J.P. Morgan, Microsoft, Minecraft and Nvidia are just a few big names that are investing in,

establishing and creating Web3. "It's a massive market that estimates value in the *trillions* of dollars," Wyllie said. "This is going to impact every facet of law, and it's here whether you like it or not. Web3 is here now."

## Who is in the metaverse and what are they doing?

Wyllie identified several ways companies are revolutionizing the metaverse. Fashion's biggest brands have staked claims there, catering to individuals with an interest in collecting and wearing their favorite brands online, for example.

They are also setting legal precedents with lawsuits, such as the one that Hermès won earlier this year against an artist whose collection of NFT versions of Birkin bags was found by a jury to violate the company's trademark.

A Nike lawsuit against StockX over NFTs and fake sneakers is not yet decided, but cases like this should make law firms take note and understand how the metaverse will become more mainstream for brands and in the courts.

Digital twins, which IBM defines as "a virtual representation of an object or system that spans its lifecycle, is updated from real-time data, and uses simulation, machine learning and reasoning to help decision making," also have revolutionary implications for industries.

"Transportation systems, engines, remote medical procedures and so much more are being built and tested in the metaverse before being done in the real world, saving money and helping prevent mistakes," said Wyllie.

User experience is another target for innovative companies in the metaverse, such as the Golden State Warriors becoming the first professional sports team to launch an NFT collection. Buyers of their NFTs receive exclusive access to benefits such as riding on the team's championship float, playoff tickets, autographed memorabilia and more. Starbucks Odyssey offers users community and coffee experiences such as access to unique merchandise, events and trips.

## Benesch breaks ground

At the conference, Gurney shared insights about working with Benesch's leadership, educating them about the metaverse and persuading the firm that establishing an online presence would benefit its tech transactions attorneys.

Gurney led Benesch to become the first AmLaw firm to establish space as an anchor tenant in LawCity.

Benesch's Metaverse/Web 3.0, Blockchain & Smart Contracts Practice is at the forefront of this burgeoning field, helping to create and define state laws about this new territory for clients in financial services, real estate, entertainment, retail, architecture and more.

"We are doing a lot of IP work, content licensing, data protection and security, technology transactions, and also setting up legal entities in the metaverse," Gurney said. "We are

also dabbling with creating an immersive 3D firm website, which is where the future of websites is headed. While immersive 3D websites may not be commonplace in the immediate future, businesses looking for attorneys to help guide them in Web 3 do appreciate the fact that we understand the technology."

Wyllie echoed this idea, predicting that all flat websites and social media are eventually going to be immersive. "With these 3D worlds, you will just go to the URL and actually walk in, and instead of reading and scrolling, you will enter and interact. We're seeing that the time spent on these sites is double or triple what a normal website has. We are just testing this and we have a lot of data to collect, but these are the things that we are experimenting with and that will affect the future of law firm marketing."

## Going global

"The legal world is moving online in other countries and the U.S. is falling behind," Wyllie noted. He pointed out that Colombia held the world's first metaverse court hearing in February this year, and that judges in Brazil are trying to find out how to bring their entire caseloads into the metaverse.

In other usage around the world, Japan's government is exploring healthcare applications with the metaverse; the National University of Singapore has created a virtual campus in the metaverse for students; and China has been at the forefront of using the metaverse for virtual conferences, product launches and concerts.

According to Wyllie, uniformity is essential to the metaverse's mainstream adoption and interoperability – in other words, how your digital self and digital assets move from world to world. "For example, the Nikes purchased in one world go with you into various other worlds, like Minecraft and Fortnite," he said. "Many ethical and jurisdictional issues are still unknown, such as when firms have an office in both the metaverse and in real world regions."

The USPTO, several state bar associations (including New York and Florida), the Metaverse Bar Association, and industry groups have created resources such as webinars, task forces, white papers and more to offer guidance and help make sense of the new technologies.

"The adoption rate increases every day, and the changes in technology are mind-blowing, such as ChatGPT," said Wyllie. "Think about the companies and firms that were slow to adopt the internet or social media. They lost huge market share. If your firm doesn't understand Web3, your clients will move to the next law firm that does. It's real and the future is now."

"We want to show our clients in these industries that we know their business," said Gurney. "It's been an exciting differentiator for us."

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