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**Savouring
the metaverse:
Are you Ready?**

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Savouring the metaverse: Are You Ready?

While many F&B businesses are hungry for a slice of the “metaverse pie”, businesses must be careful not to bite off more than they can chew. It is paramount for businesses to avoid venturing into the metaverse with half-baked strategies without fully understanding the regulatory landscape.

The metaverse, defined by its interoperability and interconnectivity, presents boundless opportunities for food and beverage (F&B) businesses to overcome physical boundaries and grow their pool of customers.

Expansion to the metaverse is seen as a way to accelerate the growth of an F&B business, as businesses seek to diversify sales channels, provide immersive advertising opportunities and connect with potential customers.

However, along with the entry into the metaverse comes a slew of potential regulatory requirements. Such regulatory issues include compliance with advertising regulations and guidelines - general and specific claims that are prohibited, health and nutrition claims, claims that may need to be approved and/or notified to the regulatory authorities.

Given the global reach, activities on the metaverse may attract heightened scrutiny from regulators around

the world. This translates to a higher risk of regulatory breach.

Apart from compliance with industry-specific regulations, F&B businesses must also protect their brands and intellectual property when expanding to the metaverse. The lack of defined borders in the metaverse muddies the waters in relation to jurisdictional issues, such as which local regulations apply and which laws to enforce one's legal rights under.

The metaverse enhances the commercialisation of intellectual property rights, especially with the use of cryptocurrencies and the sale of non-fungible tokens (NFTs). However, this also provides fertile ground for infringers to take unfair advantage of established brands.

F&B businesses must not only be aware of the potential benefits of expansion to the metaverse, but also the potential pitfalls when navigating through uncharted waters.

Key Issues

As your F&B business embraces this new frontier, it is paramount to ensure that all campaigns in the metaverse are in compliance with various applicable regulations to minimise the risks of legal liability. It is equally important to have in place measures and strategies to protect your brand and intellectual property rights in the virtual space.

To assess your level of readiness for the metaverse, you may consider the following issues:

Jurisdiction

- Which countries' regulations and industry codes apply to my marketing claims in relation to my F&B products and/or business in the metaverse, and am I in compliance with such regulations?
- In situations where my marketing claims are not permitted in certain countries, is it possible to restrict the countries in which I want to market my products in the metaverse?
- If other users in the metaverse infringe upon my intellectual property rights, am I aware of which country's regulations apply if I want to enforce my legal rights against the infringer? Are my intellectual property rights protected in that country?

Advertising and marketing

- Are there any prohibited claims in relation to my food products, such as false and misleading claims, or prohibited nutrition and health claims?
- Are there any representations that my food products can prevent, alleviate or cure any human disease or condition?
- Are there any nutrition claims, nutrient function claims or health claims and if so, are they permitted and phrased appropriately?
- Are there any nutrient specific diet-related health claims that need to be applied or notified to the relevant regulatory authority?
- Are there any restrictions or limitations on the content and audience of my advertisements and promotional materials?

Brand management

- Are my intellectual property rights adequately protected in the metaverse?
- What are the intellectual property rights subsisting in my NFTs?
- What should I consider when determining the rights accompanying the sale of my NFTs?

Brand enforcement

- How do I detect and address infringement of my intellectual property rights in the metaverse?
- What are the terms and conditions that should be incorporated within my NFTs to reinforce my brand enforcement strategies?

Licensing and franchising

- Do my existing contracts with third parties adequately safeguard my intellectual property rights in the metaverse?
- Are my current licensing and franchising agreements broad enough to include my activities and operations in the metaverse?

Data protection / cybersecurity

- Do I have in place defensible data protection and cybersecurity measures?
- Am I aware of my data protection obligations and whether there are mandatory breach reporting obligations in the markets that I am operating in?
- Do I have in place standard operating procedures / response plans for threatened and actual cyberattacks?

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Contact Us

We would be happy to have a chat with you to see how we can assist your business with these issues.



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