

Kluwer Arbitration Blog

Arbitration Tech Toolbox: Lessons from the First Ever International Arbitration Gathering in Virtual Reality

Elizabeth Chan (MetaverseLegal) and Graham Rhodes (Longriver Investment Partners) · Sunday, February 6th, 2022

A lot has been said about virtual reality (VR) and the metaverse in recent months, but what is it like to actually use it? With one of the authors having recently organised the first-ever gathering in VR for international arbitration practitioners, we share some thoughts on the potential and limitations of this new medium for international dispute resolution. As we spend more time and money in the digital world, important questions arise about the disputes that may arise there and how they should be resolved.

The Metaverse, VR and their relevance to international dispute resolution

There is growing excitement about the metaverse. [Bloomberg](#) predicts that the “global Metaverse revenue opportunity could approach \$800 billion in 2024”. There are “business opportunities for participants in every sector, from consumer-driven industries, such as retail and events, to manufacturing, construction and beyond”.

But what is the metaverse? Investor and writer Matthew Ball describes it as a persistent, live, digital experience in which we each have an individual “presence”. What this means exactly is contested. Some argue that the metaverse is already here because the internet itself already meets Ball’s definition, as do many open-world digital games played today.

But advances in VR technology seem to herald a new chapter in the metaverse’s evolution. As Meta (formerly Facebook) Founder Mark Zuckerberg explains, “we’ve gone from desktop to web to mobile; from text to photos to video”; the next platform “will be even more immersive – an embodied internet where you’re in the experience”.

While it is still early days, VR does make you feel like you are in the experience. The authors have been using an Oculus Quest 2 (a Meta product) for the past few weeks to explore this new, immersive digital world through our avatars – our digital selves. We flew over Mount Everest using [YouTube VR](#). We met strangers in [Horizon Venues](#), where we could talk and attend shared experiences. And we fought zombies in [The Walking Dead](#), and put motion to music in [Beat Saber](#).

Yes, VR is a bit rough around the edges today. But as the technology improves, we envision people’s digital lives becoming an even more important part of their real lives. This matters to

international dispute resolution because disputes arise everywhere there are commercial transactions – including the digital world. This is already happening: for example, [Hermès has sued an artist selling non-fungible tokens \(NFTs\) similar to Hermès’ line of physical Birkin bags for trademark infringement](#). In turn, this raises interesting questions of law: which forum will have jurisdiction over virtual disputes? Could there be investment treaty disputes? Are [digital assets covered investments under a bilateral investment treaty](#)? Etc.

Practically speaking, VR is an advance in communication not dissimilar to smartphones, email and video-conferencing – each making it more convenient and cheaper to conduct international commerce or to manage complex legal proceedings across countries and time zones. So could VR be used to facilitate alternative dispute resolution (ADR) proceedings?

There was only one way to find out.

The First Ever International Arbitration Gathering in VR

On 27 January 2022, I (Lizzie) hosted the first ever gathering for international arbitration practitioners in VR, with support from [ArbTech](#). The purpose was to see what it was like organising an event in VR.

It was straightforward. I used [Horizon Workrooms](#), a customisable VR meeting room. I decorated the room with my own posters as you will see from the short video clip below.

<https://arbitrationblog.kluwarbitration.com/wp-content/uploads/sites/48/2022/02/First-Virtual-Reality-International-Arbitration-Gathering-the-Party-Room-3.mp4>

This was a “hybrid” event, where participants could join as avatars (if they had VR headsets) or by video-link (if they did not).

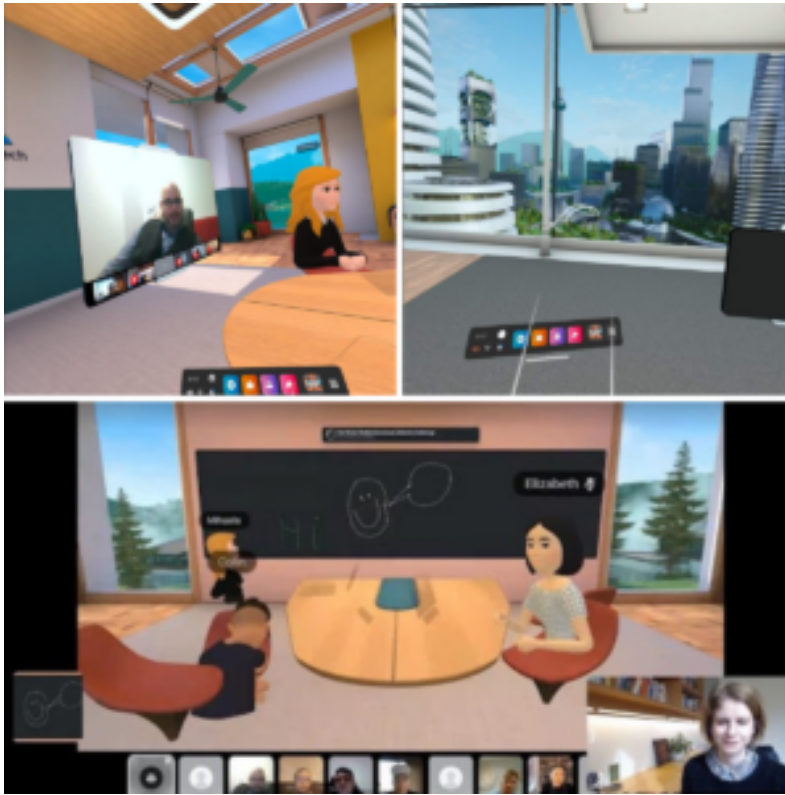


The event

Around 10 participants joined, with three avatars and everyone else by video.



The top image shows a video participant's perspective. Video participants could see the avatars, as well as my shared screen. The bottom left image is from my perspective, where I could see video participants on a screen. The bottom right image is how another avatar saw me.



In the top right, you see the view out the window. The options are cityscape, cabin and lake. In the bottom image, you can see an avatar drawing on the blackboard.

The VR experience

The good

VR makes you feel like you are there in person, like being in the same room as someone in the physical world. In some ways, it feels more natural than seeing people in 2D on Zoom.

Avatars, while cartoonish, feel “real” because they reflect the physical person’s body movement and gestures. You can also tailor your avatar’s appearance, down to its body shape, skin colour, clothes and eyebrows.

You can also connect your computer to see and use your screen in VR. This allows you to take notes, share presentations and even check your emails – just like you would in a meeting in the physical world.

The less good

At this point, the technology is glitchy. Some of us had difficulties pairing our headsets to the Oculus app on our laptop/phones and others had difficulties accessing someone else's workroom. I had trouble figuring out how to draw on the virtual blackboard.

Horizon Workrooms are only accessible in VR to those with Oculus headsets as both are made by Meta. This excludes those with other branded headsets.

The avatars are not entirely natural. No one has legs! Only floating torsos. And as a friend commented, it's hard to make your avatar look older than twelve years old.

It takes a while to get used to your avatar self. One attendee ended up sitting on the floor for a couple of minutes without knowing how to return to her chair. At one point, I was muted and only realised when someone else noticed that I had been vigorously gesturing for several minutes without saying anything. In my "test run" for this event, my friend had not properly configured his physical desk so his virtual seat almost touched the floor.

While you can stand to write on the virtual blackboard, you have to stay in your designated physical play area because your system will otherwise disengage for your safety.

It can get tiring wearing the headset.

And a VR headset is not cheap, with an Oculus Quest 2 retailing for USD299.

The Video Experience

Joining by video-link works well but it is a limited and somewhat artificial experience.

The good

It is easy to join via a desktop link. Many video-link participants felt envious seeing us avatars though, and immediately wanted to buy their own VR headsets!

The less good

Joining by video-link where the action is focused on the avatars can make you feel like you are a bystander.

Lessons for international dispute resolution

VR technology today is analogous perhaps to where smartphones were with the iPhone 2. So what will the iPhone 13 of VR look like?

In the meantime:

Hybrid events for participants with and without VR headsets are possible.

I think we can successfully use Horizon Workrooms to host small-scale presentations, panel discussions and even a mock arbitration. And while it would be better if everyone attended as avatars, it's not essential. Note though that Horizon Workrooms is not yet capable of hosting more than fifty participants.

It will take some time to get used to seeing avatars as a legitimate alternative self.

One participant thought it would be difficult to take an avatar seriously in a formal professional context. He was not sure he would appoint an arbitrator nominee if he had met them (only) in VR.

The issue of appearance raises questions too about **our identity (or identities) in the metaverse**. Will it become good etiquette for people's avatars to resemble their appearance in the physical world? And will we expect people to have a **single, consistent digital identity across all experiences** in the metaverse?

For now, it may be controversial for a witness to give testimony in VR through an avatar. It may therefore be more acceptable at this stage for only the tribunal and counsel to speak; for example, to deliver opening or closing submissions or to conduct a straightforward procedural conference.

There needs to be more flexibility to customise rooms so that they are fit for purpose.

For larger conferences especially with networking opportunities, being able to engage in spontaneous conversation is important. This is already possible in Horizon Venues, where the closer you get to other avatars, the more clearly you can hear (and overhear) them. Imagine if you could shake someone's hand and actually feel it; this could be reality soon thanks to **haptic gloves** being developed by Meta.

As for hearings, it would be important to customise rooms to the needs of the case, e.g. a U-shaped room with the required number of seats. There are specialists in customising virtual spaces, for example, Allseated.com and Remo.co.

And just how close can virtual spaces simulate real life? Will we be able one day to whisper to a colleague without everyone else overhearing?

Further posts on our Arbitration Tech Toolbox series can be found [here](#).

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The graphic features a black background with white text and a circular icon. The icon depicts a group of five stylized human figures, with a magnifying glass positioned over the central figure. The background is accented with horizontal lines in blue and green.

This entry was posted on Sunday, February 6th, 2022 at 8:05 am and is filed under [Arbitration Tech Toolbox](#), [Innovation](#), [Metaverse](#), [Online Dispute Resolution](#), [Technology](#), [Videoconferencing](#), [Virtual hearings](#)

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