

Actual condition of design creation and protection in Web 3.0

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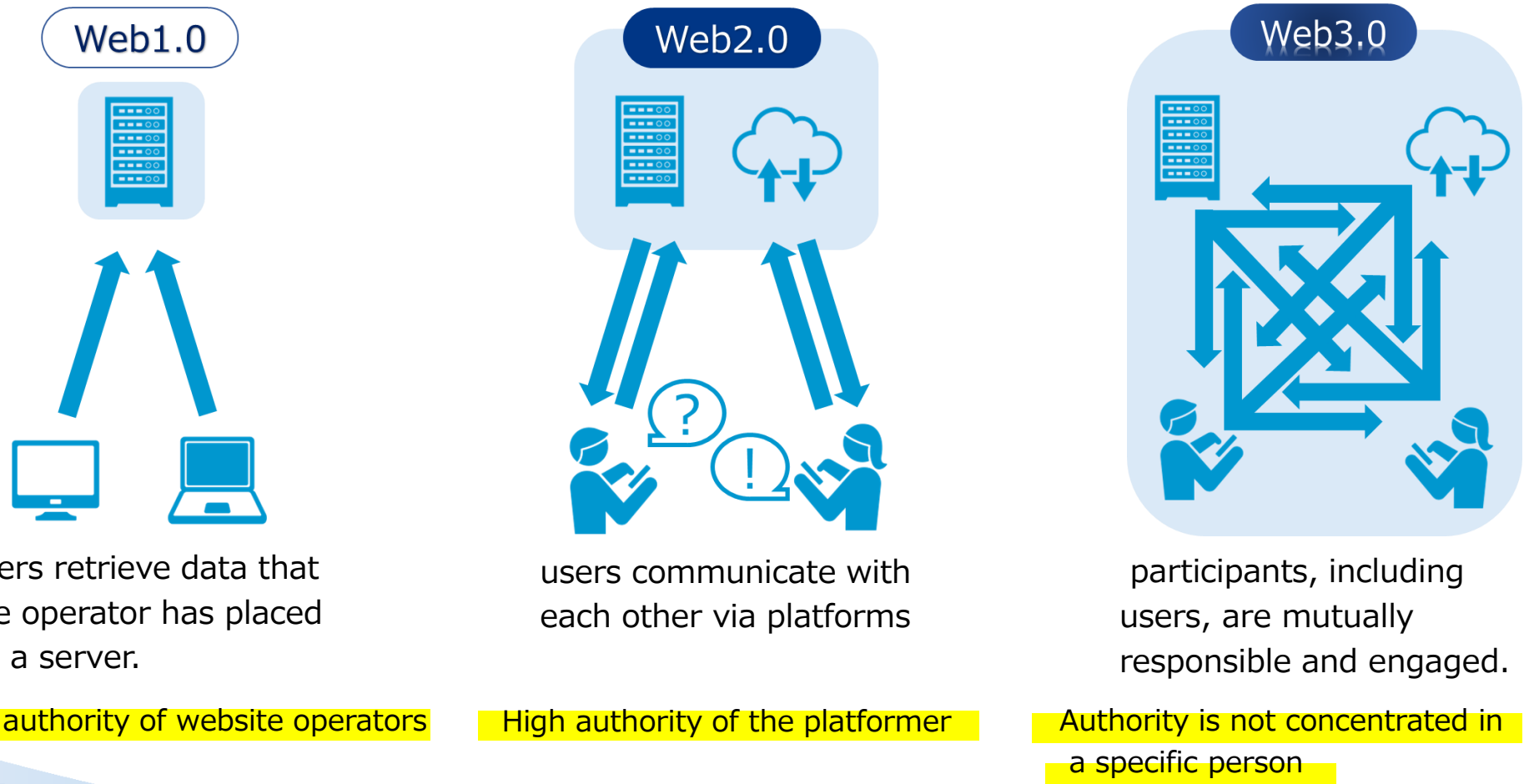
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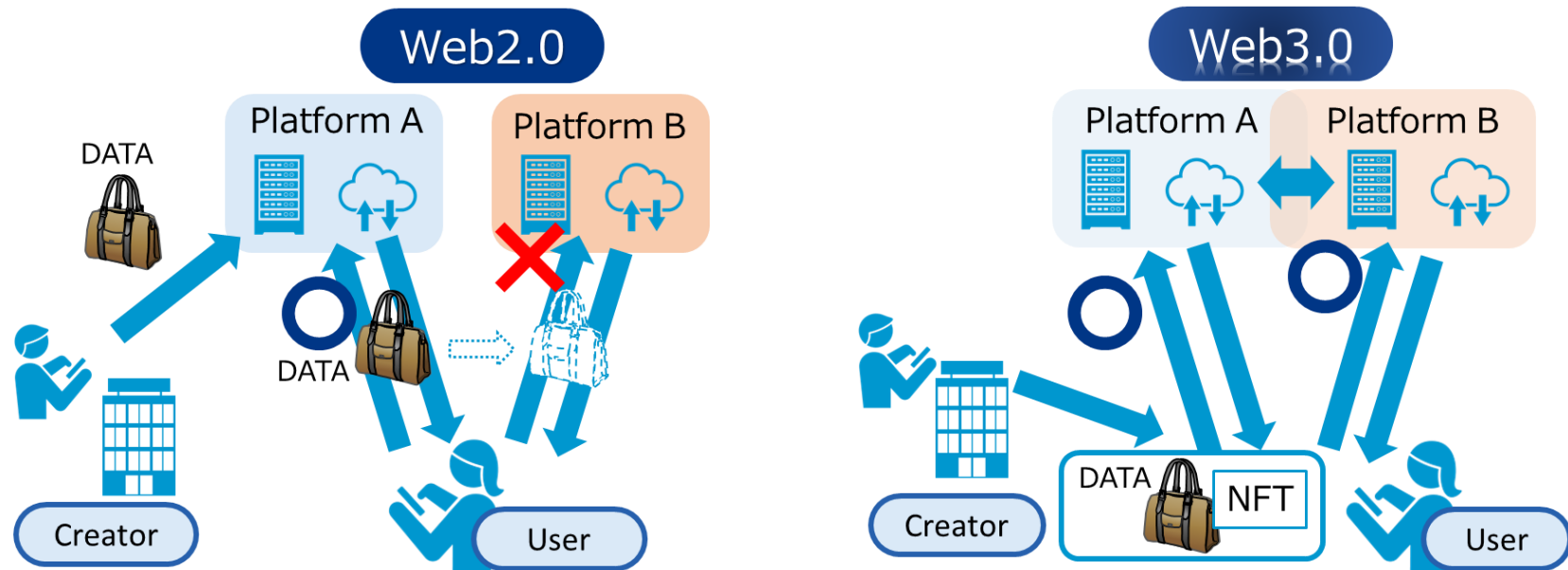
Web3.0

Web 3.0 will usher in a world where participants, including users, are cross-informed, mutually responsible and engaged, eliminating dependence on a specific platform.



NFT (Non-Fungible Token)

- NFT (Non-Falsifiable Token): A tamper-proof and decentralized token using blockchain technology
- NFTs enable the return of profits to creators not only at initial transaction but also at secondary transactions
- Due to the NFT attribution proof, data on the web, which used to be similar to usage rights for each platform, is now expected to become similar to ownership rights and can be available on any platform. The data has become the object of high value transactions, especially for those that require scarcity value.



On April 22, 2021, 1SEC was put out for sale for 5ETH (about 1,4 million yen at the rate of April 23, 2021) the first virtual sneaker (NFT) in Japan, "AIR SMOKE 1". It was sold out immediately in about 9 minutes.

<https://www.wwdjapan.com/articles/1206292>

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Fast-growing Metaverse Market

While methods for estimating the size of the market vary, the global market for metaverse has been growing at a rapid rate of about 30% per year. The market has attracted increasing attention as a place to do business.

Estimates of the global metaverse market size

Bloomberg*¹

2020: 479.7B\$ → 2024: 783.3B\$

Emergen*²

2021: 63.08B\$ → 2030: 1607.12B\$

Citi*³

2030: 8 ~ 13trillion\$



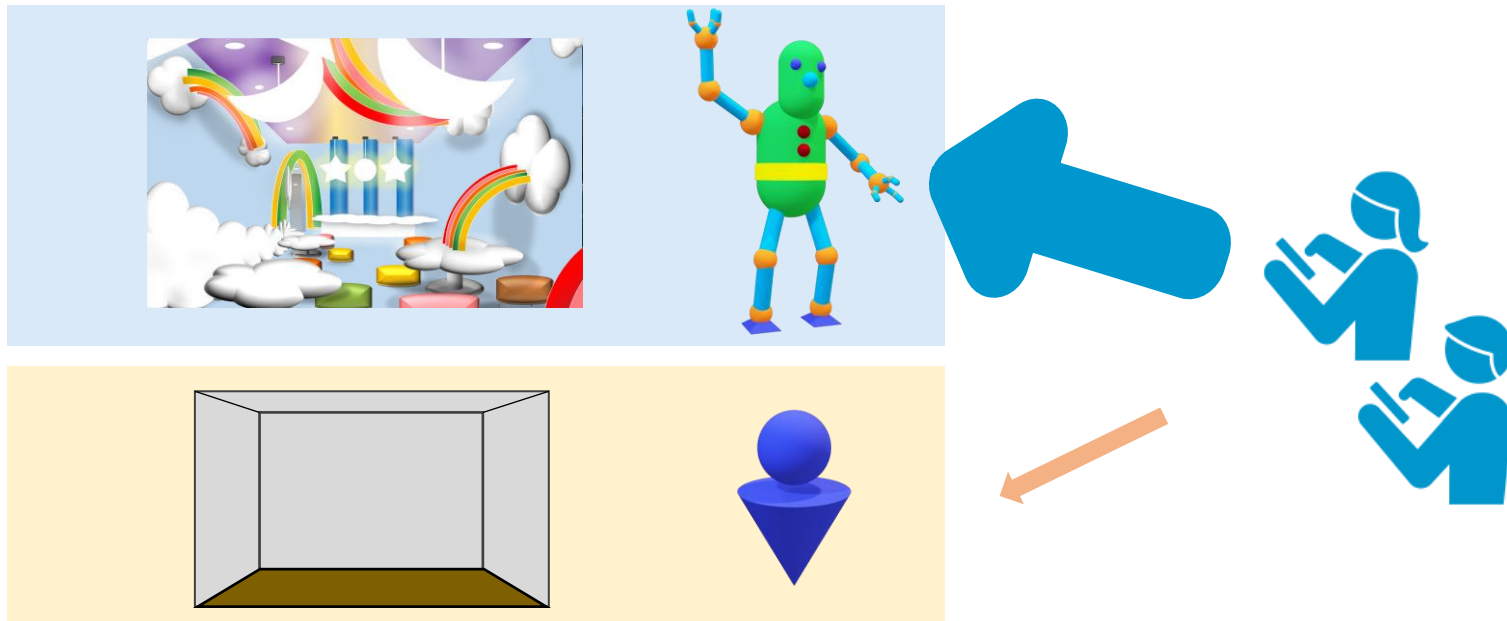
*1 <https://about.bloomberg.co.jp/blog/metaverse-may-be-800-billion-market-next-tech-platform/>

*2 <https://www.emergenresearch.com/press-release/global-metaverse-market>

*3 https://icg.citi.com/icghome/what-we-think/citigps/insights/metaverse-and-money_20220330

Importance of Design in the Metaverse

- New creations unique to the metaverse that cannot be realized in the real world are being generated by utilizing the properties of the metaverse, which is not bound by the laws of physics
- Avatars and their own spaces (rooms), as incarnations of themselves in the metaverse, are the interface between users and the world and a means of self-expression for users.
- **Design and branding are important** to realize your identity, something you like, something you want, who you are now and who you want to be



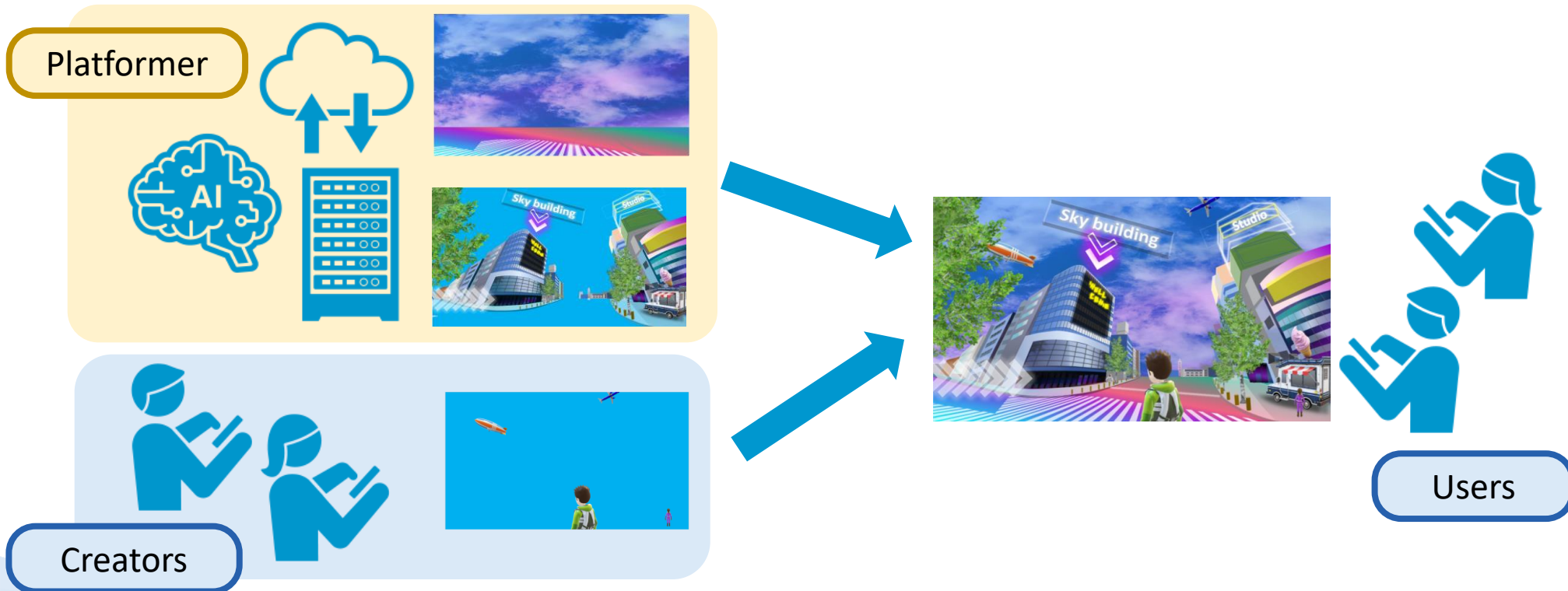
Some creators make as much as ¥400,000 to ¥800,000 per month by selling delicious-looking 3D CG novelties

<https://toyokeizai.net/articles/-/514012>

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The relationship between creators and the metaverse ushered in by Web 3.0 and NFT

- In order to realize the metaverse, creators have expanded their fields of activity including the creation of items and contents, and new creations that can only be realized in the metaverse are being shaped
- NFT is expected to increase revenue by adding a rarity to excellent designs and by changing the transaction pattern.
- Creation by creators is one of the important aspects for the development of the economic sphere of the Metaverse.



Changes Driven by Web 3.0

Meanwhile...

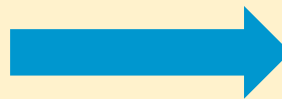
- How to protect new creations for the metaverse?
- 3D NFT data imitating designs and brands of actual products are sold by parties other than IPRs holders
- Weakening platform authority also makes it difficult to correct unfavorable acts such as copying, which poses a challenge to maintaining a healthy business environment and order

Creation for the Metaverse



Converting real products into 3D data

(actual) bag

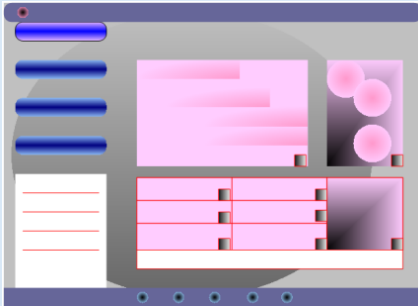


3D Data



(FYR) Designs registered under the current Design Act

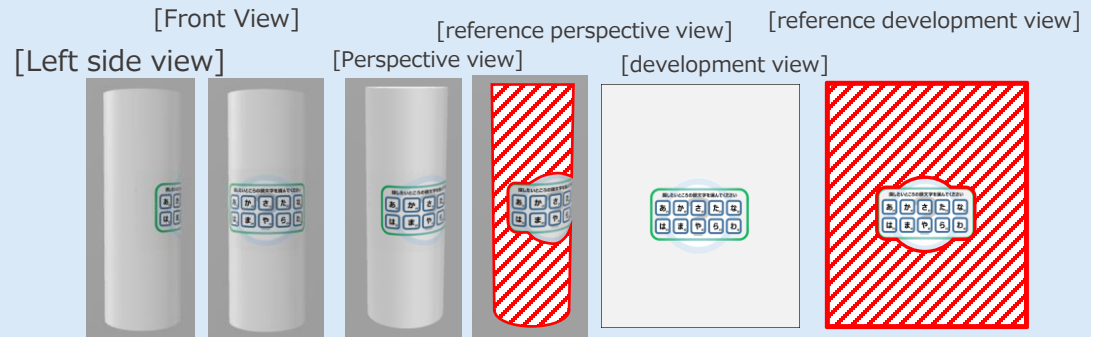
Examples of images used to operate equipment



Purchase Image
(Website Image)



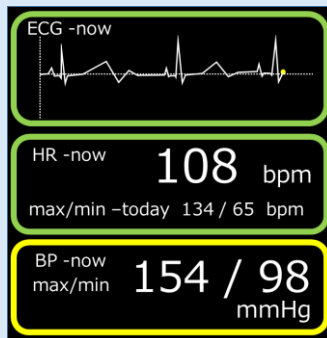
Iconic image
(Control button for start-up the software when clicked on)



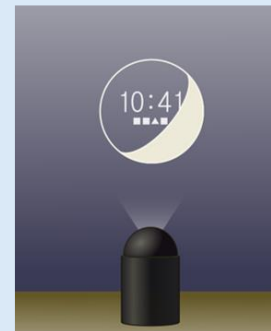
Guidance Image

“Description of the articles of design”
The image is shown unfolded in the image development view.
The areas hatched in red in the image reference perspective view and the image reference development view are transparent

Examples of images displayed as a result of equipment demonstrating performance of its functions



Display image of medical measurement results



Time display image
(*Projected image)

Implications for the Future

- Considering new creation and rule making tailored to the business environment may be necessary.
- The following points should be taken into consideration
 - Weighing fully the advantages and disadvantages of protection and determining the needs of the relevant industries
 - Consideration should be given to avoid chilling effect on creators' creative activities
 - Discussions on the protection of designs in the digital space have been initiated in other jurisdictions, such as copyright law and unfair competition prevention law, and the trends of such other laws should be closely monitored
 - Consideration of how image designs should be protected under the existing design system, discussion should be conducted on how best to deal with this issue from a broad perspective that is not bound by the existing framework, as it is a unique problem in the new digital space

Thank you for your attention!

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