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DISPUTES RESOLUTION IN THE METAVERSE: A CRITICAL ANALYSIS OF THE UKJT DIGITAL DISPUTE RESOLUTION RULES AND ITS "ARBITRATING MECHANISM" IN THE METAVERSE

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Abstract
This work explores the evolving landscape of dispute resolution within the Metaverse, focusing on the implications of technological advancements on legal practices. It examines the UKJT Digital Dispute Resolution Rules and their potential to reshape traditional arbitration processes through the integration of Alternative Dispute Resolution (ADR) mechanisms. The work highlights the challenges and opportunities presented by cross-border e-disputes, particularly the complexities surrounding applicable laws and compliance. By using the doctrinal research method and analyzing the findings from various research initiatives, including the eBay experiment, the work underscores the significance of a robust legal framework that accommodates the unique characteristics of virtual environments. Ultimately, this work provides a comprehensive overview of the methodologies for resolving disputes in the Metaverse, offering insights into the future of legal practice in an increasingly digital world.

1.0 Introduction

The dispute resolution industry has changed dramatically over the years, from traditional courtroom battles to more sophisticated and approachable means of settlement. At the core of this development is Alternative Dispute Resolution (Herein referred to as "ADR"), a set of methods designed to resolve conflicts outside of the conventional judicial systems. Arbitration, mediation, and negotiation are only a few of the techniques that fall under the broad category of ADR and offer a less formal, more conciliation-focused approach to conflict resolution. With legal disputes becoming as complex and varied as the civilizations from which they originate, there is a growing recognition of the need for more efficient, flexible, and reasonably priced dispute resolution processes, which is reflected in the shift toward alternative dispute resolution (Santosh, 2024).

With the advent of technology-and particularly the Metaverse-and the disputes that arise from it, it necessitated the advent of the United Kingdom Jurisdiction Taskforce ("UKJT") Digital Disputes Rules. The Metaverse presents a plethora of new factual and legal issues, even though some of the problems resulting from the use of virtual environments are not at all new and entirely novel. Therefore, the next development in the fight for more accessible justice is called "Digital Disputes Resolution," which uses digital technologies

and the internet to either fully or partially handles the dispute settlement process. This invention has proven especially important in the contemporary digital era, as the number of online interactions, transactions, and conflicts has increased dramatically and therefore a law to govern the arbitration of such disputes is imperative which remains the core focus of the UKJT digital disputes rules.

By the foregoing this work will consider how the UKJT digital disputes rules can be applied to conflict in the metaverse-this is to put in context the terms (dispute resolution, Metaverse, litigation, alternative disputes resolution, digital disputes resolution amongst others) as will be used within this work; legal framework for disputes resolution in the Metaverse alongside the prospects and challenges associated with the legal framework for disputes resolution in the Metaverse.

2.0 Concept Clarification

Within the context of this work, certain terms will be consistently used. Hence, there is necessary need to define and put all of this term within the context that they should appear and how they can be construed and also provide the synonymous term or its nearest where it is necessary.

2.1 Disputes Resolution

As per the Cambridge Dictionary, Dispute Resolution refers to a collection of procedures that an organization employs to resolve conflicts (Cambridge Dictionary, 2024). Moreover, Harvard University defines it as the process of settling a disagreement or conflict by attending to the needs and interests of all parties involved, at least in part. Hence, the contexts of the two definitions are extremely similar. They both define disputes resolution as a process or means of resolving conflicts, and they also perceive it as a means of addressing all or a portion of the interests of each party. The key point is that a conflict is typically an emphasis on a party's interest or grievance, which calls for a remedy or other means of easing the party's grievance.

The dispute resolution clause is a crucial component to carefully consider when examining or creating an agreement. This will specify the venue and method of hearing disputes, thus it is critical to confirm that the clauses are appropriate and enforceable in the applicable jurisdiction (World Bank, 2024). Alternative dispute resolution (ADR) and litigation were the two methods of resolving disagreements prior to the invention of technology.

2.2 Litigation

Contextually, it means "The process of carrying out a lawsuit" by the Black's Law Dictionary which defines "litigation" so. Despite being brief, this definition falls short of capturing the full meaning of litigation. Litigation typically involves multiple parties, each of which is represented separately, and it usually encompasses a wide range of factual and legal issues before a court of law. Depending on the nation, there are two types of litigation: adversarial and inquisitorial. As nations, the United Kingdom, Nigeria, and other commonwealth nations have an adversarial system in which two advocates, depending on the relevant laws, the rules of evidence, and court procedural law, present the litigants' argument or viewpoint before an impartial judge or judges. The judges determine the truth by placing the evidence on imaginary scales (Akeredolu & Umeche, 2017).

2.3 Alternative Disputes Resolution

The nature of law is dynamic. Similar to how English law changed from Common Law to Equity, litigation is progressively changing into Alternative Dispute Resolution. In simple terms, it is "a procedure for settling disputes by means other than litigation" as posed by Black's Law Dictionary. ADR includes any alternative legally permissible methods of resolving disputes outside litigation. Despite the fact that

this description is frequently used, supporters of alternative dispute resolution (ADR) may take issue with it since it appears to favor litigation by suggesting that other methods are abnormal or deviant and litigation is the regular or conventional technique of dispute resolution. But as ADR gains greater traction and acceptance in a wider swath of society, it is progressively assuming the role of the standard.

2.4 Digital Disputes Resolution

The definition of "disputes" in the Black Law Dictionary is a controversial, particularly one that has given rise to a specific litigation, rather than a co-joined term "Disputes Resolution". It is pertinent to note that the term “Digital Disputes Resolution” has been co-related with “Online Disputes Resolution” as they mean almost the same thing (Stipanowich, 2001). For context, online disputes resolution is the application of information and communications technology to the task of resolving disputes with the use of various technologies which is used to enhance or transform face-toface alternative dispute resolution (ADR) processes into a more wireless approach (Kimei 2023).

Digital disputes resolution further refers to disagreements that were started in cyberspace and are either entirely or partially resolved online. It takes advantage of the Internet's capabilities to improve these procedures when applied to offline conflict resolution as well as to use them in the online setting (Katsh/Rifkin, 2001). Hence, in the course of this work, both Digital Disputes Resolution and Online Disputes Resolution will be used conjunctively, as they bear the same meaning and are just synonymous by virtue of both “Digital” and “Online”.

2.5 Metaverse

The Metaverse refers to a virtual environment that integrates elements of augmented reality (AR), virtual reality (VR), social media, online gaming, and cryptocurrency to facilitate virtual user interaction. To improve the user experience, augmented reality applies visual components, audio, and other sensory input to real-world environments. Virtual reality, on the other hand, is fully virtual and improves made-up realities. The Metaverse is also regarded as a prototype for the internet's functionality in the future. An enhanced digital environment known as a "Metaverse" will allow users to effortlessly switch between work, play, shopping, socializing, and creative expression all inside one virtual environment (Harriet, Majorie, and John, 2022).

2.5 The UK Jurisdiction Taskforce Disputes Resolution Rules

In 2021, the UK Jurisdiction Taskforce of the Lawtech Delivery Panel (“UKJT”), released Version 1.0 of the Digital Dispute Resolution Rules (also known as "the Rules") was released. This organization was headed by the Master of the Rolls and appointed by the Secretary of State for Justice. The purpose of these arbitration rules, which are governed by the laws of England and Wales, is to assist parties involved in business disputes, specifically those pertaining to "cryptoassets, cryptocurrency, smart contracts, distributed ledger technology, and fintech applications" in online platforms and virtual worlds such as the Metaverse.

2.6 Research Methodology

This work employs a doctrinal research methodology, which is primarily focused on analyzing existing legal frameworks, principles, and rules governing dispute resolution in the Metaverse. The doctrinal approach involves a comprehensive review of relevant legal texts, including statutes, case law, and established arbitration rules, particularly the UKJT Digital Dispute Resolution Rules. By systematically examining these legal instruments, the work aims to identify the principles that govern digital dispute resolution and assess their applicability to the unique

challenges posed by virtual environments. This method allows for a critical evaluation of the effectiveness and efficiency of current legal mechanisms in addressing disputes arising from digital transactions and interactions. It is imperative to note that unlike other research method that deals with data collection or analysis, the doctrinal research method does not adopt this approach

In addition to doctrinal analysis, the research incorporates a comparative element by examining case studies and examples from various jurisdictions that have implemented digital dispute resolution frameworks. This comparative analysis provides insights into best practices and innovative approaches that can inform the development of a cohesive legal strategy for the Metaverse. Therefore, by synthesizing findings from both doctrinal and comparative perspectives, the study aims to contribute to the ongoing discourse on the legal implications of the Metaverse, offering recommendations for enhancing the efficacy of dispute resolution processes in this rapidly evolving digital landscape.

2.0 Legal Framework for Digital Disputes Resolution in the Metaverse

It is important to draw a line and declare categorically that dispute resolution in the Metaverse deals with three issues that deal with the relationship between the Metaverse and arbitration: (i) arbitrating disputes arising in the Metaverse; (ii) arbitrating real-world disputes in the Metaverse; and (iii) arbitrating on chain. This will help us better understand the legal framework for resolving disputes in the Metaverse. However, for the purpose of this work the focus will be on arbitrating disputes arising in the Metaverse.

This will be done in connection with the LawTech UK Joint Taskforce Digital Disputes Resolution Rules which in its opening section defines the rules to serve the purpose of:

> The purpose of these rules is to facilitate the rapid and cost-effective resolution of commercial disputes, particularly those involving novel digital technology such as crypto-assets, cryptocurrency, smart contracts, distributed ledger technology, and fintech applications

By the forgoing, the following being instruments used within the Metaverse, their disputing nature can thus be regulated by the use of the UKJT Disputes Resolution Rules. Whilst these digital instruments were defined by the rules to mean "digital assets" they are further given a wider meaning to include:

> a digital asset includes a cryptoasset, digital token, smart contract or other digital or coded representation of an asset or transaction; and a digital asset system means the digital environment or platform in which a digital asset exists;

Furthermore, as it concerns these digital assets they are largely used in a digital environment or platform which for the purpose of this work is the Metaverse. Hence, the applicative side of the rules deals directly with the digital assets as they will and should be used in the Metaverse.

3.0 The UKJT Disputes Resolution Rules and Disputes in the Metaverse

Most Metaverse platforms provide arbitration clauses in their terms of service. By way of example, section 18 of Decentraland terms of use contains a multi-tiered arbitration clause that establishes good faith negotiations as a condition precedent to arbitration under the ICC rules. Similarly, the arbitration clause contained in Binance's terms of use states that user-to-platform arbitration shall be administered by the Hong Kong International Arbitration Centre under the HKIAC Rules. Other platforms like Roblox, Oculus, and MetaMask opt for the AAA's Commercial

Arbitration Rules and Supplementary Procedures for Consumer Related Disputes (AAA). By virtue of the foregoing, it is within context to state that there is need to harmonize the fulfillment of class objectives in live within the faculty (Mokhinur, 2024). However, as already stated, the focus here will be on the UKJT Disputes Resolution Rules.

Going further, it is safe to state that international arbitration has already made an appearance in the new virtual marketplace and is ready to establish itself as the preferred means of resolving disputes involving user-to-platform Metaverse problems. However, whereas disagreements between users of different platforms are regulated by these explicit clauses, disagreements amongst users of the Metaverse lack a common resolution. According to the applicable laws, some conventional disagreements between users will undoubtedly be resolved in the real world in compliance with the guidelines developed for the Internet about matters like time and place.

It is commonly said that arbitration is a creature of contract, but can that contract be smart? In other words, is it legally and technically possible to program a smart contract to submit any dispute arising from the overall transaction to on-chain arbitration? And would such a clause meet the formal requirements of Art. II of the New York Convention? The UJTF being a legislation has made provision for the incorporation of its clause in any contract which involves the use of digital assets as it clearly state in clause 3 of the rules that:

> These rules may be incorporated into a contract, digital asset or digital asset system by including the text (which may be in electronic or encoded form) "Any dispute shall be resolved in accordance with UKJT Digital Dispute Resolution Rules" and, optionally, by specifying:
>
> a. whether any particular issue or type of dispute (an expert issue) should be resolved by expert determination instead of arbitration;
>
> b. any preferences as to the number, identity or qualifications of any persons to be appointed as arbitrators or experts;
>
> c. any preferences as to the procedure to be adopted for the resolution of a dispute, including as to form and timing of any decision or arbitral award (as applicable), recoverable costs and anonymity;
>
> d. any modifications to the application or operation of the rules.

By this, it establishes ground law or kinetic state of the UKJT Disputes Resolution Rules in contracts or activities in the Metaverse. There is the position of the rules as it governs digital assets. These assets notwithstanding are leveraged on in the universe which provides a clear cut room for the application of the rules as it relates to disputes resolution.

Furthermore, the prospect of bindingness of any outcome of an arbitration proceeding which lean on the mechanism provided by the rules. The UKJT rules stipulates in clause 4 states that the outcome of any automatic dispute resolution process shall be legally binding on the parties. This makes the process more trustworthy and useful. The necessity of justice is seen in the enforceable capacity of such judgment. Very close to this is the provision of clause 5 that commits in any dispute between interested parties they must be willing to submit to arbitration as it deals with relevant contract or digital asset; the said clause state that:

> Any dispute between interested parties arising out of the relevant

> contract or digital asset which was not the subject of an automatic dispute resolution process shall be submitted to arbitration in accordance with the version of these rules which is current at the time of submission; but any expert issue shall be determined by an appointed expert acting as such and not as an arbitrator.

Hence, by the following it becomes expedient and clear that parties must first be willing to submit to the adjudicatory power of the rules which would lead to the bindingness of the judgment on the interested parties. An important aspect of the rules as it relates to the bindingness and effectiveness of the rules is the provision of clause 16 which provides that there is no right to appeal any award gotten through the rules on a point of law basis. However, where there is any appeal outside a point of law, this will and should be done with the framework of the Arbitration Act of 1996. The juridical seat for the arbitration or any arbitration under the UKJT Disputes Resolution Rules is England and Wales and this is subject to any further agreement by the parties.

With regards to digital assets in the metaverse, the rules empowers the tribunal presiding over any dispute brought before it to inspect or identify any digital asset brought before it, it states clearly that:

> The tribunal shall have the power at any time to operate, modify, sign or cancel any digital asset relevant to the dispute using any digital signature, cryptographic key, password or other digital access or control mechanism available to it. The tribunal shall also have the power to direct any interested party to do any of those things.

Here, the tribunals, who are experts, have the liberty of examining and bringing to bare the nitty-gritties of any digital assets so as to come to valid conclusion when determining the award or giving a decision.

Also, the provision of clause 12 made provision for time frame within which a decision or award of the tribunal should be made. It states that this should be done within thirty days after the tribunal has been appointed however, where parties have special request or need then it can be tailored to suit the needs of parties. Furthermore, the tribunal or panel of arbitrators can make their awards or decision through writing. However, where the tribunal wants to go digital they can make the digital signature or a cryptographic key.

4.0 Challenges and Prospects of Digital Disputes Resolution

The difficulties and future possibilities of digital conflict resolution will be discussed in this part in light of the current topic. Moreover, the difficulties facing digital resolution do not in any way limit its future possibilities.

· Examination of the Prospect of Digital Disputes Resolution

As has been correctly noted throughout this work, the difficulties encountered in maintaining human civilization throughout its history gave rise to the development of digital technology. These technologies were therefore developed to lessen and reduce this suffering, and they do not interfere with the functioning of the legal system. Here are a few opportunities that digital dispute resolution presents for the legal system.

1. Access to Justice

The traditional disputes resolution process is rife with issues ranging from time consumption, expense, geographic limitations, usage of laws, and so on. This is why the case for digital disputes resolution, even in the Metaverse, must begin. One significant obstacle is gaining access to justice because of

these difficulties' intrinsic design. Additionally, as was correctly noted, technology was required to promote convenience and lessen some of these difficulties. Therefore, online digital conflict resolution processes offer practical answers to this problem, guarantee stability, and improve access to the legal system. As a result, more people may access justice and can do so comfortably.

The provision in Clause 11 of the Rules provides for the tribunal to have the power to "operate, modify, sign or cancel any digital asset relevant to the dispute." This is particularly interesting when understood in the context of disputes arising out of blockchain or distributed ledger technologies (such as those involving cryptocurrencies or cryptoassets). This is because ownership and control of such assets is confirmed by cryptographic means on a distributed ledger, in most disputes satisfying an award would involve taking appropriate steps to record a transaction on such a ledger. The power of a tribunal to operate, modify, sign or cancel any such asset will therefore in many cases be equivalent to the power of a tribunal to enforce the award.

It represents a radical departure from the traditional enforcement system for arbitration awards. This power is likely to be attractive to parties using new decentralized technologies where traditional enforcement mechanisms may be more difficult (not simply because of the continuing uncertainty when considering jurisdiction or conflict of laws in distributed ledger disputes, but also because it remains unclear to what extent signatory states to the New York Convention will consider that at least some distributed ledger disputes fall foul of the public interest exception to enforcement). As such, similar powers are likely to be features of arbitration rules for this industry in the future.

2. Procedural Justice System

Procedural fairness is a necessary consequence of access to justice. These speak to the equity and transparency of the processes involved in obtaining and achieving justice. It simply means that the path to justice can be relied upon. Platforms for online dispute resolution assist in improving and standardizing the legal procedure. Because the platform is pre-programmed, the inherent bias and injustice that come with using an arbiter can be lessened through the usage of automated decision making processes. Artificial intelligence and algorithms are used to examine data and produce more accurate results that are frequently unchallengeable because the bias-inducing sensation has been eliminated. As a result, technology promotes fairness and transparency, which aids parties and stake-holders in understanding the process.

3. Efficiency

The efficiency argument states that the use of digital dispute resolution mechanisms expedites the parties' access to justice. Here, efficiency and quickness are crucial since without them, achieving justice is nearly impossible. As the saying goes, "justice postponed is justice denied." Therefore, by eliminating the time-consuming technological processes of the traditional judicial system, such as document processing, case management, and communication between parties and the arbitrator, digital conflicts resolution helps to lessen this difficulty.

In a similar vein, the algorithm linked to the independent digital platform conducts legal research, and the stance adopted here is supported by predictive analysis of the AI algorithms. Although there may be bias in legal technology and it could impede the administration of justice, it is generally less severe than in traditional dispute resolution procedures. Therefore, it is recommended that legal professionals carefully evaluate legal technologies and digital platforms in order to

neutralize any potential bias.

4. Privacy and Confidentiality

The trial system's anonymity and privacy are another hot topic of discussion. Both the system's integrity and the parties' privacy are safeguarded through digital dispute resolution. Technology preserves secrecy; for example, a Metaverse proceeding is shielded from prying eyes and outside intervention. Encryption techniques and secure servers are used in online dispute resolution mechanisms and digital dispute processing to ensure privacy management, process integrity, and secrecy preservation.

The provision for anonymity during arbitration under the Rules may well be particularly attractive to parties to transactions on the distributed ledger, where anonymity in the transactions themselves is the norm. The Rules have however recognized that absolute anonymity would not be appropriate, providing for disclosure, providing for disclosure of "identity details" when "necessary for the fair resolution of the dispute, for the enforcement of any decision or award, for the protection of the tribunal's own interests, or if required by any law or regulation or court order". This language should be wide enough to enable the disclosure of "identity details" when a party wishes to challenge the award.

The identity details are defined by the Rules as "for an individual… evidence as to his or her identity and residence and for a company… evidence as to its identity, place of incorporation and principal place of business". It is however not clear if these would be sufficient to enable service of the arbitration claim form, especially given the short time limits under s.70(3) of the Arbitration Act to issue a challenge under s.67 or s.68.(this problem is especially acute if one party is a Decentralised Autonomous Organisation). These practical uncertainties may well be resolved as challenges occur and decision are reported, but will require resolution by the Courts and early users of this procedure.

5. Automatic Arbitration and Collaboration

The legal system requires cooperation and negotiation. The most popular method of resolving disputes is litigation, but arbitration is becoming more and more popular, which encourages compromise on the part of both sides in order to achieve justice and foster cooperation. Through some compromise, digital disputes resolution enhances arbitration methods. Offering platforms for communication, real time document exchange, and negotiation helps achieve this. Because there are less physical barriers when using digital dispute resolution, there is greater opportunity for discussion and cooperation, increasing the likelihood of settlements by enabling parties to communicate and interact remotely.

The Rules envision that the parties may engage in automatic dispute resolution, and that such resolution will be binding on the parties. Indeed, the effect of such dispute resolution is often binding in matter of fact because the decision of the process is implemented on-chain by a smart contract. Automatic dispute resolution systems come in different varieties and methods, but often involve the application of game theory (including incentivizing decision-makers to make the decision they think the majority will make, rather than the decision they consider 'correct'), crowdsourced self-selecting juror decision-making, Artificial Intelligence, and appeal or de novo re-hearing procedures.

While the Rules describe automatic dispute resolution as "legally binding", the Further Guidance published alongside the Rules indicate that the Rules "may, for example, be adopted to resolve disputes as to whether the automatic dispute resolution processes have been properly complied with or has worked as intended. Where such automatic processes are present, the parties will need to agree how the

Rules are intended to work alongside them". [25] This raises the prospect of a situation in which the parties agree to use an arbitration under the Rules to confirm or wrap the decision of an automatic dispute resolution process in a form of an arbitral award.[26] This will give rise to some unique questions when bringing challenges to awards based on automatic dispute resolution processes, among them: (i) Does a jurisdictional challenge have to be taken during the automatic dispute resolution process in order to sustain a s.67 challenge? (ii) Does the general duty of fairness extend to the automatic dispute resolution process, and can a challenge to an award under s.68 (2) (a) on that basis be sustained on appropriate facts? (iii) Could the conduct of jurors in automatic dispute resolution give rise to a challenge for serious irregularity? (iv) Would an admission of an irregularity (caused perhaps by a coding or software error) by the provider of the automatic dispute resolution process fall within s.68 (2) (I)?

· Examination of the Challenges of Digital Disputes Resolution

Digital conflict resolution is not a sinless saint. Rather, there are difficulties and potential issues that could be related to the process overall structure and architecture. Thus, the evaluation of the difficulties associated with digital conflict resolution will be the main focus here, and they will be successfully addressed.

1. Trust

Developing trust is the main barrier to digital dispute resolution. In general, trust is a key element of arbitration, whether offline and online. Thus, it is essential for the arbitrator to establish trust with the parties. In in-person arbitration, this is determined upon throughout the arbitration procedure. Setting up and maintaining this in an online arbitration held via the Metaverse or another platform is more difficult, though with offline arbitration, the history and relationship of both parties are taken into account; with digital conflict resolution, this could be difficult.

The absence of face-to-face conversations or in-person meetings throughout the digital dispute resolution process sometimes causes parties to approach it with suspicion and apprehension. If the arbiter or online systems rely on the parties' instant meeting, then the emotional and psychological aspects of the arbitration procedure might not be justified. For instance, one's capacity to read body language, regulate their temper, and pick up these abilities fast may be jeopardized (Katsh, Rifkin and Gaitenby, 2022). It is therefore far more difficult to establish and maintain trust in the digital disputes resolution process.

2. Identity and digital signatures

The problem with trust is directly related to identity and digital signatures, and their violation also creates problems with trust. To begin with, it is often unclear whose parties are actually engaged in the arbitration process as a whole. It is possible for parties to choose to appear anonymously in the Metaverse, albeit this could pose serious difficulties. Since their introduction as a countermeasure, digital signatures have gained widespread usage in the settlement of conflicts in the digital and Metaverse spheres.

To be clear, a digital signature is a public-key cryptography-based authentication method (Koops, 1999). This becomes a hindrance to the trust architecture that is intended to be settled in a digital dispute resolution platform, though, in situations and countries where it is illegal. As a result, the lack of this security jeopardizes the confidentiality of the digital conflicts resolution platform and discourages parties from utilizing it (Jaberi, 2023).

3. Data security and Confidentiality

A weakness in the architecture of the digital dispute resolution process is sometimes represented by interference from other parties.

There's a real fear and tendency that someone else might try to get access to party data and use it to get information that is not always available on a platform for conventional dispute resolution. It is advised that data security and encryption be provided in this case and ensured. In this approach, the confidentiality of the parties and their use can be effectively managed and controlled. Encryption by design fosters trust between the parties to an arbitration procedure and permits third parties to intervene fearlessly.

Moving on, another viewpoint is that copies of the data must be made on the routers when the data is being downloaded, uploaded, or transferred between computers. Copying is the main way people communicate in internet. It is important for the arbitrator to be aware of this. He shall take all reasonable precautions to guarantee that (automatic) backups are kept for no longer than necessary and are not accessible to unauthorized third parties. There is some secrecy compromised by these safety precautions.

The only method to protect data and guarantee confidentiality is through encryption. Encryption is the automated method of preventing unwanted people from accessing data by employing a key and an algorithm. The reverse process is called decryption. Utilizing a public key and a private key for data encryption and decryption, the so-called asymmetric crypto scheme is a well-liked method of guaranteeing confidentiality. This suggests that without the correct key, no one can read the message. The key, which is needed to read the message, is delivered to the recipient separately from the message and using a distinct delivery channel.

4. Privacy

Establishing an online arbitration procedure requires careful consideration of privacy issues. When it comes to privacy concerns, the parties should be informed about how their privacy is protected and how the mediator or mediation agency handles, keeps, and uses their personal data. The arbitration firm or arbiter must have a comprehensive privacy policy that addresses all relevant issues. They must manage any dispute they learn via a website in compliance with confidentiality regulations. The disputes may only be known to the disputing parties and the mediator. Every piece of personal data needs to be treated with care and maintained on file. By carefully using security features, it is feasible to guarantee that everyone participating in an online arbitration session has their right to personal privacy respected. Once more, encryption is essential in this case.

The parties must also be made aware, through a privacy policy, that the mediation website will probably use cookie technology. They should know that if they do not want any cookies to remain on their hard drive, they may turn off cookie technology in their browser settings. With the help of several online privacy policy generators, the mediation organization can draft its own privacy policy. Since August 2000, the OECD Privacy Policy Statement Generator has been available for use.

5. In the Shadow of the Law

Examining the fact that offline arbitration always takes place "in the shadow of the law" and in fact for alternative dispute resolution in general is another essential element (Mnookin and L. Kornhauser 1999)) and thus shows that the disputing parties are aware of the laws governing the topic of their dispute when they pursue alternative dispute resolution. Every party knows rather well what its bargaining position is, based on what will happen under the law if no deal is achieved. The parties will consider the legislation when creating their ADR process plan.

One problem with e-disputes, according to his paper "Governing Cyberspace," is that it's not always obvious which law applies, especially

in cross-border e-disputes. Writer David Post:

> "If choice of law is hopelessly confused, in other words, we can eliminate the choice by imposing a single, uniform legal standard worldwide. [The other] invokes a radical decentralization of law making, the development of processes that do. Some of these decentralized processes will look familiar to us as a kind of 'electronic federalism" (Post, 1979)

Working on an eBay initiative, researchers from the University of Massachusetts concluded that the environment of the dispute resolution system provides the relevant "law" that will entice parties to participate in online arbitration and guarantee they follow the ruling of the process. This corresponds with what is mentioned in the second process post. Some academics came to the conclusion that this study's findings had little bearing on virtual arbitration.

6. Compliance

Online dispute resolution relies heavily on compliance, which is closely tied to the concept of the "shadow of the law." How can one party be sure the other will follow the dispute's resolution? Offline arbitration has a high compliance rate because the arbitration agreement, which is usually the process's conclusion, can be rendered legally enforceable in line with the applicable law. The eBay experiment's researchers found that 'eBay Law' produced a high degree of adherence to the decision made by an online arbitration process. The "losing" side did not want to jeopardize their reputation in the eBay community; therefore they were prepared to accept the ruling.

The study also stated that if a virtual marketplace chooses online arbitration or another kind of legally enforceable decisions, compliance may be achieved by the prospect of being removed from the virtual marketplace. Consequently, this would serve as another illustration of the "law of the Internet" and guarantee obedience to the ruling made during the dispute resolution procedure. If binding counsel is utilized in the offline settlement of consumer complaints to compel compliance from firms, the same process of the threat of expulsion is applied. Mandatory consumer protection rules are worthless if they are broken in secret without the authorities noticing (Eidenmueller & Gerhard Wagner, 2021).

7. Writing and Mutual Consent

First and foremost, an arbitration process requires mutuality of consent, which frequently starts the process. This mutuality of permission, which can be given explicitly or subtly, is frequently a fundamental component of the arbitration procedure. Similar to the previous example, there is also the requirement for documentation of the arbitration process, which is backed up by the provisions of Article 2 of the New York Convention and Article 7(2) of the UNCITRAL Model Rule, which state that written agreements are required. However, the New York Convention says nothing about agreements established through electronic communications, and it is anticipated that legislation will be passed in this regard.

Parties may occasionally contend that they were not asked for or required to give their consent in order to enter into a contract or other agreement. These are problematic, particularly in light of the current legislation's restrictions. Therefore, it is recommended that laws and case law be created to lessen this difficulty.

5.0 Conclusion

In retrospect, the future of legal practice deals largely with the advancement of technological disruptions-one of such is the Metaverse. This work, which has its eyes of this disruption and the Metaverse alongside how disputes can be resolved, did not stop at giving a generic view on the subject matter, instead, it gave a wide

arrays of thoughts on the different facet on how disputes can be resolved in the Metaverse.

By virtue of the foregoing, the organogram of this work presents itself thus: the relevant terms consistently used within the context of the work. Deep meanings and contextual explanation was given for these terms as they are used. This work then directs itself to the legal framework for disputes resolution in the Metaverse, which was done by the identification of certain spheres and background upon which this disputes can be resolved. Then, a wider prospects and challenges were considered with view of the topic at hand.

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