

Legislation Presentation

Current Law and the Metaverse

Prepared by Erik Passoja • July, 2026



My Story: 2014

Call of Duty: Advanced Warfare

The Problem

- **Hired** for performance capture (pictured with A-List actor).
 - “Doc” – Belgian geneticist
 - Pcap – performance capture (original “Avatar” set)
- **Likeness used** on a PvP character.
 - Extreme violence done to my likeness and by my likeness
 - Activision charged users an additional **monthly fee** for PvP game
- **Finances**
 - Activision made **>\$1B** on the game*
 - I earned scan + original session fees
- Immoral, unethical, completely **legal** — technically part of the same project.

* In 2014, game's total earnings were more than Taylor Swift's "1989", Disney's "Frozen", and Marvel's "Guardians of the Galaxy", combined.



Performance Capture



PvP



My Involvement

AI Digital Identity Protection / AI Ethics

SAG-AFTRA Leadership

- Co-Chair, LA New Technology Committee 2024-2025
 - 30 tech proposals in 2024 (10 AI + Digital Identity)
- LA Gov. Affairs & Public Policy (GAPP) Committee
 - Testimony in Sacramento 8/24 & 7/25
 - CA AI Labor Board re: digital identity protections

Private Citizen / Inventor

- 2 Patents – “Secure Digital Identity Authentication and Rights Management” (non-provisional) + 13 provisional
- Authored Open Letter to CA Gov. Newsom re: SB 1047¹
- Authored Open Letter to CA and US Senators re: digital identity protections²



1. Link to [Governor Newsom Open Letter](#)

2. Link to www.protectdigitalidentity.org Open Letter

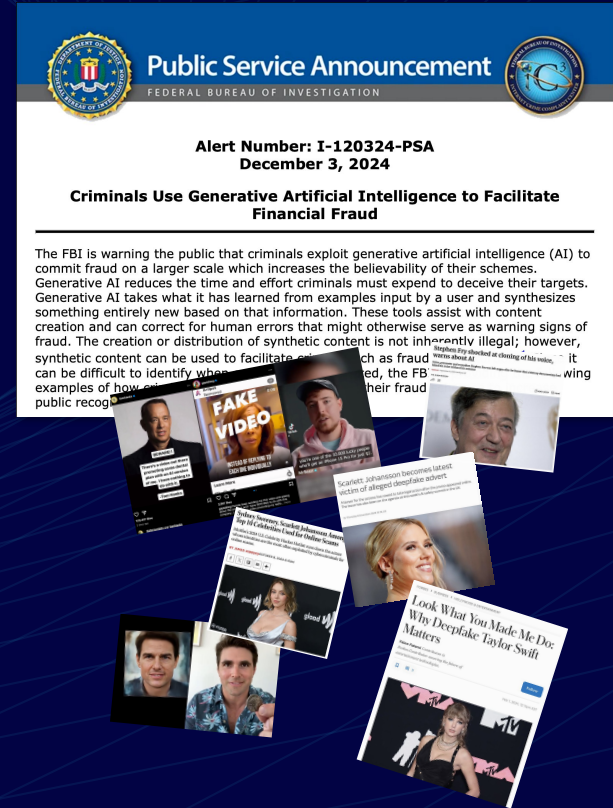
Protecting Our Digital Selves

A Practical, Bipartisan Solution for Content Authentication

The Growing Deepfake Crisis

- **Civic Trust:**
 - President Biden voice deepfaked
 - Wiles deepfaked
 - Secretary of State Marco Rubio, WH Chief-of-Staff
 - Suzie Wiles, Amy Klobuchar, AOC
- **Economic Security:** Scammers stole \$25 million (Hong Kong, ARUP) using deepfaked executives
- **Public Safety:** Deepfakes of children, parents, nonconsensual pornography (Taylor Swift), deepfake advertising (Celebs)

Anyone's **voice** (3 seconds) and **likeness** (1 picture) can be stolen easily, from a phone or online.



Top Gun 2 Lawsuit

Barry Tubb's Likeness



An asset (image) on the wall in the background of a blockbuster movie was unaccounted for and used without permission.

Los Angeles Times

MOVIES

'Top Gun' actor Barry Tubb sues Paramount over use of his likeness in 'Top Gun: Maverick'



Subscribers are Reading

1 Voice
Contributor: How the English Premier globalizing Americans

Mysterious 'ghost ship' lurks off Calif.
What happened to missing captain?

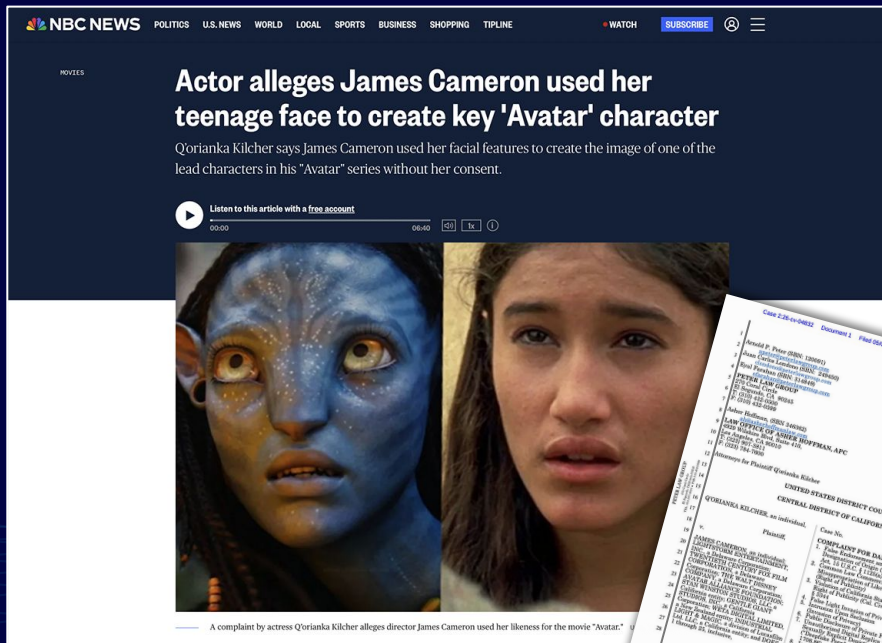
FOR SUBSCRIBERS
The dark side of California's backyard boom: How much do they ease the shortage?

1 Voice
Contributor: Newsom's knives-out me plausible strategy against Trump

1 Voice
Contributor: If tackle football isn't safe why do we let boys play?

Kilcher v. Cameron

US District Court, CA



Journey of the Production Asset:

1. Source reference: press photo (consented)
2. 2D sketch derived from that reference
3. Maquette (sculpture) informed by multiple photos
4. High-resolution 3D scan at Gentle Giant
5. Digital character model
6. Sent to multiple downstream vendors (Weta, ILM) as a "foundational production asset"
7. Full post-production process integration
8. Distribution in films, merchandise, theme parks, sequels for 17 years and counting



A NEW ERA

Era I

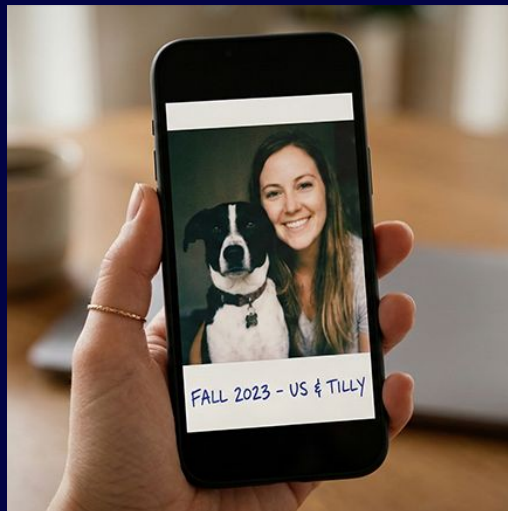


Analog Era

Trusting:
THE OBJECT

Existence:
Tied to reality / the moment of creation

Era II

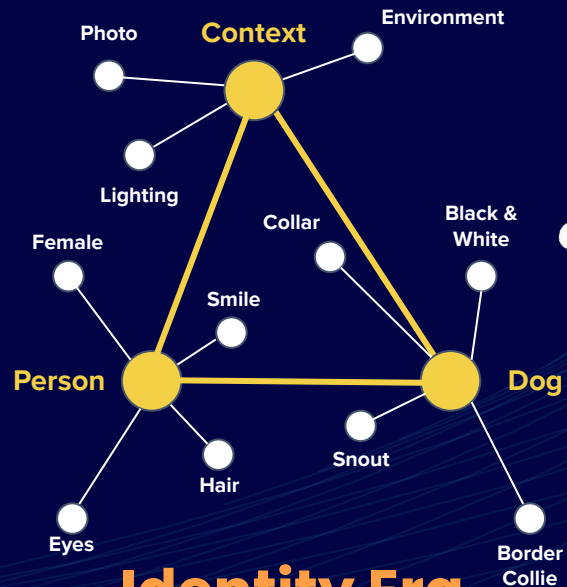


Digital Era

Trusting:
THE FILE

Existence:
Bits / metadata / forensics

Phase III



Identity Era

Trusting:
NOTHING

Existence:
Structured data patterns



EVIDENCE
CASE NO: 456-A



EVIDENCE
CASE NO: 456-A
LIFTING PRINT - DOORKNOB



Three Legal Currents are Converging

The last eighteen months, across the US, EU, and Asia.

Disclose AI Origin

- SB 942 (California)
- EU AI Act, Article 50
- China PRC Measures
- India IT Rules 2026

Preserve Provenance

- AB 853 (California)
- EU AI Act, Article 50(2)
- Utah HB 276
- COPIED Act (Fed proposal)
- NY Stop Deepfakes Act

Protect Identity & Consent

- NO FAKES Act (Fed. proposal)
- AB 2602 (California)
- ELVIS Act (Tennessee)
- Denmark Copyright Act
- AB 1836 (California)

Same wave, three currents. They increasingly assume disclosure, machine-readable marking, or consent rights exist. Implementation and legal status still vary by jurisdiction.

Identity: The Laws Already Cover Avatars

Does it resemble a real, identifiable person?



None of these laws actually mention 3D avatars.

The definitions are written around the human, reaching anything that looks or sounds like that person, including a game character, an avatar, or a digital double.

CA-SB 942

California AI Transparency Act

Summary:

Digital content provenance bill. Mandates latent disclosures (digital watermarks) in AI-generated image, video, and audio to ensure transparency and traceability. Covered AI providers (1M+ monthly users) must create a publicly accessible tool allowing users to detect and verify whether content was created or altered by AI.

Impact on Metaverse Provider Community:

- Covered generative tools must embed a **permanent, machine-readable provenance signal** in AI-generated image, video, and audio. Text output is not covered.
- The carve-out for exclusively non-user-generated experiences ends the moment your users generate or upload avatars and assets.

Penalty:

Covered Providers: \$5,000 per day, per violation

Users of Providers' Software: mandatory license revocation within 96 hours

LINK to the bill ⇒ [CLICK HERE FOR SB 942](#)



Signed into Law
9/20/24

SB 942

California AI Transparency Act

Author: CA Senator Josh Becker

<https://sd13.senate.ca.gov/>

What is SB 942?

California AI Transparency Act - Effective August 2, 2026

California has established the fundamental principle: **Mandate a Label, Provide a Reader**. This simple, effective model is the foundation for a national solution.

Minimal Interpretation

Required:

- (1) Provider Name
- (2) AI System Name & Version
- (3) Timestamp
- (4) Unique Identifier

§ 22757.3(1)(A-D)

- **The Law:** Requires AI companies to embed permanent, machine-readable labels in all AI-generated content
- **Who It Affects:** Any AI platform with 1M+ monthly users operating in California
- **The Penalty:**
 - **Covered Providers:** \$5,000 per day, per violation
 - **Users of Providers' Software:** mandatory license revocation within 96 hours

Full bill text: <https://legiscan.com/CA/text/SB942/id/3021807>

Why SB 942?

August 2, 2026 Deadline

1. We all need to know **what is real** and what isn't (public safety).
2. Humans (individuals, performers) need **protection from deepfakes**
3. Creatives (individuals, studios) need to **protect their intellectual property**



The screenshot shows the official website of the California Attorney General, Rob Bonta. The header includes the state seal and the text "ROB BONTA Attorney General". Below the header is a search bar and a menu icon. The main content area features a blue headline: "Attorney General Bonta Warns AI Companies: If You Harm Children, You Will Be Held Accountable in California". Below the headline, it says "Press Release / Attorney General Bonta Warns AI Companies: If You Harm Child...". There are social media sharing icons for email, Facebook, Twitter, and LinkedIn. The date "Monday, August 25, 2025" is displayed. The contact information is "Contact: (916) 210-6000, agpressooffice@doj.ca.gov". The body of the press release begins with "OAKLAND — California Attorney General Rob Bonta today, along with 44 attorneys general, sent a letter to 12 of the top artificial intelligence (AI) companies, after [reports](#) of sexually inappropriate interactions between AI chatbots and children. In the letter, the attorneys general make it clear to the companies that states throughout the nation are paying close attention to how companies craft their policies surrounding AI safety and highlight that as entities that benefit from children's engagement with their products, these companies have a legal obligation to children as consumers."

Full text: <https://oag.ca.gov/news/press-releases/attorney-general-bonta-warns-ai-companies-if-you-harm-children-you-will-be-held>

The Industry Trap

Corporate Compliance Teams

"...does not apply to any product, service, internet website, or application that provides exclusively non-user-generated video game, television, streaming, movie, or interactive experiences." (§22757.5.)

Not exempt: User-generated video games and worlds.

Roblox • Fortnite Creative (UEFN) • Minecraft • VRChat • Rec Room • Zepeto •
The Sandbox • Meta Horizon Worlds

The Operational Threat: The exemption is all or nothing. The word is "exclusively." One user-generated feature, a character creator, an uploaded skin, a build mode, a mod, removes the shield for the whole product.

Result: You are exposed to covered-provider duties, on the enforcement clock, the moment a user creates or uploads.

CA-AB 853

California AI Transparency Act (Expansion)

Summary:

Large platforms (2M+ users) must detect and retain provenance on distributed content. Recording devices sold in California must offer provenance capture at the point of recording. Device rules phase in through 2028.

Impact on Metaverse Provider Community:

- Camera glasses and capture rigs are **recording devices**.
- Avatar and asset platforms are **distributors**.

Penalty:

Enforced under the California AI Transparency Act by the Attorney General, city attorneys, and county counsel, through the Act's civil-penalty and injunctive framework. Large-platform provenance duties begin January 1, 2027. Recording-device duties phase in through 2028.

LINK to the bill ⇒ [CLICK HERE FOR AB 853](https://legiscan.com/CA/text/AB853/id/3269811)



Signed into Law
10/13/25

AB 853

California AI Transparency Act
Author: CA Assemblymember Buffy Wicks
<https://legiscan.com/CA/text/AB853/id/3269811>

The Gap

Where Provenance Lives and Dies

SB 942



The tool stamps
provenance into
the content when
it is made.

The Gap



Neural processing
erases cryptographic
binding and all
watermarks.

AB 853

Provenance required
and missing. Nothing
left to show.

The Bottom Line: The law requires the record at both ends. Nothing carries it across the middle. That is the gap.

CA-SB 1000

California AI Transparency Act (Strengthened)

Summary:

Rewrites the Transparency Act and removes its exits. It deletes the one-million-user threshold, so any generative AI system reachable in California is covered, at any size. It narrows the game exemption to non-photorealistic games only, dropping TV, streaming, movie, and interactive experiences. As an **urgency statute**, it takes effect the moment it passes.

Impact on Metaverse Provider Community:

- The size floor is gone. A two-person tool carries the same duties as a billion-user platform.
- The exemption no longer covers realism. A generative engine that can produce lifelike people is inside the Act, even with zero user-generated content.

Penalty:

Same penalties, far greater reach. More providers fall inside, the realism carve-out closes, and it binds on passage, not a future date. No runway.

LINK to the bill ⇒ [CLICK HERE FOR SB 1000](#)



SB 1000

California AI Transparency Act
Author: CA Senator Josh Becker
[CLICK HERE](#) for link

CA-SB 683

Right of Publicity: Expedited Injunctive Relief

Summary:

Amends California Civil Code Section 3344 to provide expedited injunctive relief for victims of unauthorized use of their name, voice, signature, photograph, or likeness. Ability to seek a temporary restraining order or injunction to immediately stop ongoing violations. The respondent must comply within two business days if TRO granted by court.

Impact on Metaverse Provider Community:

- A person depicted without consent can obtain an emergency court order, a TRO, to stop use of their name, voice, or likeness.
- Compliance is due within two business days, a window manual review cannot meet.

Penalty:

A court-granted TRO or injunction to stop the use, with compliance required within two business days. It stacks on existing Civil Code 3344 remedies, statutory or actual damages, the violator's profits, and attorney's fees.

LINK to the bill ⇒ [CLICK HERE FOR SB 683](#)



SB 683

Privacy: Use of a Person's Name, Voice,
Signature, Photograph, or Likeness:
Injunctive Relief

Author: CA Senator Dave Cortese

<https://legiscan.com/CA/text/SB683/id/3209309>

EU AI Act, Article 50

Transparency Obligations for Providers and Deployers of Certain AI Systems

Summary:

Article 50 requires machine-readable marking of synthetic content and disclosure of deepfakes, for deployers of any size. The DSA requires very large platforms to detect unlabeled deepfakes. Fines reach 6% of global turnover.

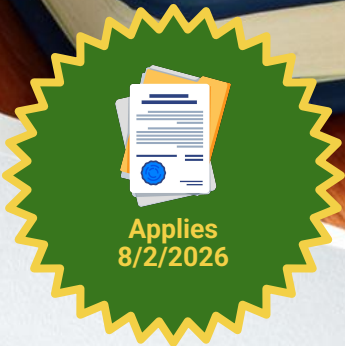
Impact on Metaverse Provider Community:

- No size threshold. Extraterritorial: it applies if your content reaches EU users.
- Removes the two dodges: "too small" and "not US".

Penalty:

Up to €15 million or 3% of worldwide annual turnover, whichever is higher. DSA breaches by very large platforms: up to 6% of worldwide annual turnover. The €35M / 7% tier is for prohibited practices under Article 5, not for Article 50.

LINK to the article ⇒ [CLICK HERE FOR EU AI Act. Article. 50](#)



Applies
8/2/2026

EU AI ACT

Article 50
Regulation (EU) 2024/1689
[Click for link](#)

NO FAKES Act

US Congress

Summary:

Creates a federal property right in a person's voice and visual likeness, defines a "digital replica," and attaches platform liability for knowingly hosting unauthorized ones. Cleared Senate Judiciary, June 2026.

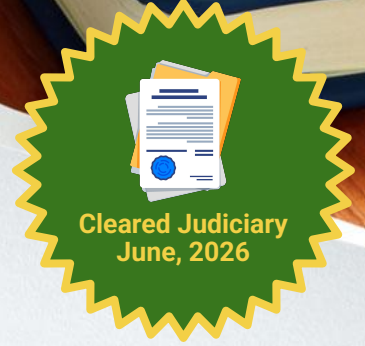
Impact on Metaverse Provider Community:

- An avatar or digital human of a real person is a digital replica.
- Hosting one without consent becomes federally actionable, with platform liability.

Penalty:

Statutory damages. For most violators, the greater of \$5,000 per violation or actual damages. For online platforms, the greater of \$750,000 per violation or actual damages. Injunctive relief is available, and punitive damages for willful violations.

LINK to the bill ⇒ [CLICK HERE FOR THE NO FAKES ACT](#)



S 4875

NO FAKES Act
(Nurture Originals, Foster Art, and
Keep Entertainment Safe Act)

Author: US Senator Coons

<https://www.coons.senate.gov/contact>

Denmark

Likeness As Intellectual Property

Summary:

Amends the Copyright Act to make a person's face and voice their own intellectual property: licensable, transferable, protected 50 years after death. Denmark intends to export the model to the EU.

Impact on Metaverse Provider Community:

- Likeness as licensable IP turns a verified digital human into a tradable, clearable asset.
- The first market where consented 3D identity has commercial value.

Penalty:

Proposed, not yet enacted. As drafted, remedies run through the Copyright Act: compensation to the depicted person and removal of the infringing content. Specific figures are not yet set.

LINK to the article ⇒ [CLICK HERE FOR Denmark Law](#)



Denmark

Copyright Act Amendment (proposed)

Author: Danish Ministry of Culture
[Click here for bill text](#)

CA-AB 2602

Contracts Against Public Policy: Personal or Professional Services: Digital Replicas

Summary:

Addresses contracts involving digital replicas, making provisions unenforceable if they lack clear consent and detailed use terms. It ensures that individuals are notified if existing contracts use their digital likenesses.

Impact on Metaverse Provider Community:

- Generic "we own all of you forever" grants no longer hold.
- Every replica use needs a specific, verifiable consent record, somewhere machine-readable.

Consequence:

The offending digital-replica provision is rendered unenforceable, so the company cannot rely on rights it believed it had acquired through the contract.

LINK to the bill ⇒ [CLICK HERE FOR AB 2602](#)



AB 2602

Contracts Against Public Policy:
Personal or Professional Services:
Digital Replicas

Author: CA Assemblymember Ash Kalra
<https://a25.asmdc.org/contact-ash>

China / India

The Worldwide Direction

Summary:

China's labeling law (Sept 2025) requires visible and embedded labels on synthetic content, with the creator's ID in the metadata. India's IT Rules (Feb 2026) define synthetic content in binding law with mandatory labeling and fast takedown.

Impact on Metaverse Provider Community:

- The two largest populations on earth now mandate labeling.
- Now the global baseline, reaches your content wherever it travels.

Penalty:

China: administrative enforcement by the Cyberspace Administration, rectification orders, warnings, fines, and suspension of service for unlabeled synthetic content.

India: loss of intermediary safe harbor under the IT Rules, plus mandatory takedown, as fast as a few hours for the most harmful categories.

LINKS ⇒ [CLICK HERE FOR China](#) / [CLICK HERE FOR India](#)



In Force
2025, 2026

China/India Labeling Laws

Enforcement: Cyberspace Administration (China);
MeitY under the IT Rules (India)

[CHINA LINK](#)
[INDIA LINK](#)

Enforcement Runs on a Clock

Removal and remedy windows, written into law

48 HRS

Take It Down Act (Fed)

Federal – Platform Removal

96 HRS

SB 942 (CA)

License Revocation

2 DAYS

SB 683 (CA)

Emergency Court Order

**Manual review does not move at this speed.
A machine-readable record is the only way to comply.**

The Four Reasons

Enterprise Impact of New AI Laws

Make Money

Assets carrying provenance and consent become clearable and licensable. A verified digital human becomes a tradable asset class.

Prevent Loss

Hosting unconsented replicas is a liability clock under 48- and 96-hour takedown regimes and platform-liability statutes.

Cover Yourself

Enforcement windows demand a machine-readable due-diligence record. Manual review will not scale to two-day timelines.

Protect IP

Identity and provenance binding makes a 3D asset defensible against scraping and neural regeneration.

Governable = Monetizable

Three Outcomes

Trusted Distribution

Platforms can carry verified assets with confidence.

Automated Licensing

Consent and terms travel with the asset, so clearance scales.

Transparent Accountability

Every use leaves a verifiable, tamper-evident record.

Trusted 3D content can be sold at scale.

Assets carrying provenance and consent become clearable and licensable.

A verified digital human becomes a tradable asset class.

The Missing Layer

The Carrier Is Built. One Field Is Missing

- ✓ Universal Manifest
- ✓ Avatar Owner Change
- ✓ NFT Avatar Metadata
- ✗ Consent of Person Inside Asset



Avatar Ownership Change tracks who owns the avatar. Nothing tracks **whether the face inside it agreed**. When an avatar ports between worlds, the geometry travels. The consent does not.

Bottom Line: A 3D asset that depicts a real person needs one field the current manifest does not have: a record of who is inside it, and whether they consented.

What This Requires

The Shape of the Work

1. A **shared record format**, so a depicted-person consent reference can ride in the manifest you already have.
2. A way to **resolve it live**, so any platform can check the current consent state at the boundary.
3. A current **map of the global laws** onto that record, kept up to date as the laws move.

DATA STANDARDS

C2PA, CAI, CAWG (DIF)

Content Provenance and Authenticity

What They Do:

- C2PA – Technical Standards (what/how)
- CAI - Outreach, Advocacy, Open Source (Adobe)
- CAWG - Technical Standards (Who)

Overview:

- Industry standard "digital birth certificate" for media files
- Tracks every edit, tool, and modification in tamper-proof metadata
- Supported by Adobe, Google, Microsoft, BBC, Reuters, AP



Coalition for
Content Provenance
and Authenticity



Content
Authenticity
Initiative



Creator
Assertions
Working Group

The Opportunity: establish industry standards for what constitutes responsible disclosure so studios and human creators can protect their work.

Industry Solution – C2PA, CAI, CAWG

Content Provenance and Authenticity



PROVENANCE

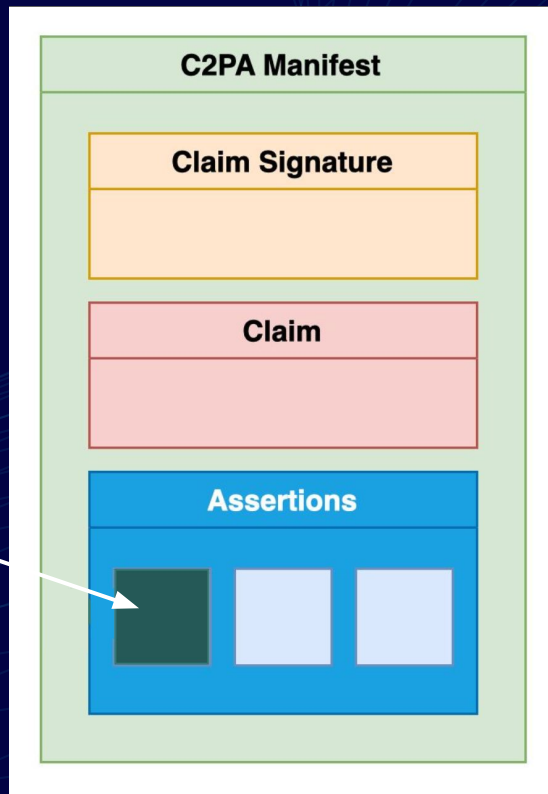
Birth Certificate of a digital asset:

Where, when.

C2PA: A Standard

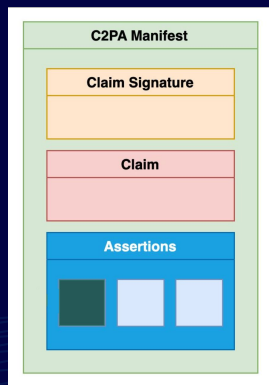
JSON Manifest to Hold Assertions

```
{
  "data": {
    "watermark_uuid":
    "550e8400-e29b-41d4-a716-446655440000",
    "performer": {
      "sagafta_name": "Sandra Q. Jones",
      "sagafta_id": "xxxxxxx",
      "isRedactable": true
    },
    "kyc_verification": {
      "id":
      "7c2d2b5c-ab67-4193-8e2f-890cb2f5a39f",
      "isRedactable": true
    },
  },
  {
    "data": {
      "sagafta_project_id": "WB_Dunkirk2_ADR_2026",
      "naics_code": "512110",
      "hiring_entity": {
        "name": "Warner Bros, Inc.",
        "responsible_party": {
          "name": "Jane S. Producer",
          "role": "Production Representative"
```



C2PA, CAI, CAWG

Manifest (JUMBF Header Example)



JUMBF

10010101011011
01000101110101
11010101101001



CONSENT

What can be done with a digital asset?

Who agreed to be in the asset?

Informed Consent

Individual and Industry Protections

CAWG Chair

Consent Task Force



Working spec for machine-readable consent

Consent Matrix

Passed LANTC July 7, 2024

Will the performer's digital replica be used for:

1. AI Systems/Applications?
2. Digital Character Representation?
3. Derivative Works?
4. Standalone Digital Assets?
5. Intimate Embodiment?
6. What are the usage, Terms, and Revocation Rights?

Demo at www.consentmatrix.app



Cognito Forms



\$92B

AGENTIC AI

Agentic AI

The Five Credentials

Credential	What It Answers
1) Identity	Who is this person?
2) Provenance	Where did this come from and when?
3) Consent	Did they agree to this use?
4) Authorization	Are they allowed to do this act?
5) Liability	Who's responsible if it goes wrong?

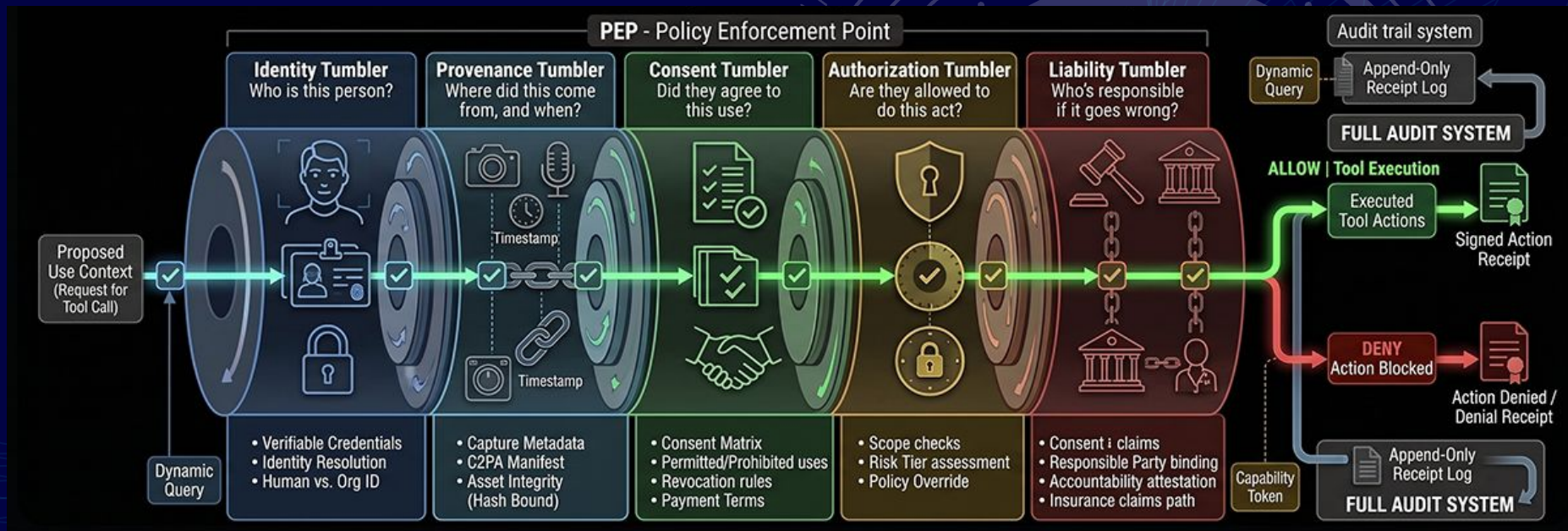
Excuse Me, Robot?

Please get me a soda.



Agentic AI

Response to RFI – NIST-2025-0035





END OF PRESENTATION