

# WPP Metaverse and More Academy Podcast

## Season 1, Episode 8

### Risk and Governance 101 - Apply common sense: just because you can do something doesn't mean that you should

*Innovation and enthusiasm around the metaverse and Web 3 is moving at an incredible pace. Are teams paying attention to matters of ethics, risk and governance which may become obstacles to success? Vicky Brown (General Counsel Commercial & Chief Privacy Officer at WPP) is Sara Robertson's (Global VP, Disruption at Xaxis) guest on this episode where Vicky shares her thoughts on how to approach an engagement the right way with careful thought around balancing the desire for innovation with legal guardrails. The law is not black and white, there is a lot of grey. Vicky wants you to know that lawyers are your friends and by leveraging first principles and common sense they can help educate teams and clients with the practical steps towards ensuring a successful engagement.*

*Thank you for listening! We hope you enjoy this episode.*

*#stayclassymetaverse*

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*Stephan Pretorius:* Good day, everyone. My name is Stephan Pretorius, the Chief Technology Officer for WPP, and it is my pleasure today to welcome you to WPP's Metaverse and More Academy podcast, where we will be discussing a wide range of metaverse and Web3 related topics with experts from the WPP Network and special guests from the industry at large. As we cover both established concepts and track new developments in this space, we hope this series is informational and inspirational. Thank you for coming on the journey with us. Please sit back and enjoy another exciting discussion about the Metaverse and More.

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*Sara Robertson:* Hello, everyone. Welcome back to WPP's Metaverse and More Academy podcast. I'm your host, Sara Robertson. And in today's episode we're going to discuss risk and governance in the metaverse and Web3, which is not naturally an exciting topic but we're going to do our best to make it very engaging. And the theme of today is just because you can do something does not mean you should. Welcome to our amazing guest, Vicky Brown, General Counsel and Chief Privacy Officer at WPP. Vicky, good morning.

00:01:22

*Vicky Brown:* Hello, Sara. How are you?

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*Sara Robertson:* I'm good. That was a mouthful. Trying to get through governance and risk. And I can imagine your day job is not easy having to spit out legalese all the time.

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*Vicky Brown:* Well, we try and avoid the legalese. We try and cut through the legalese so we can explain the position in plain English. And we don't scare people off.

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*Sara Robertson:* Oh, I love that.

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*Vicky Brown:* I'm excited to sort of communicate the law in plain English so we can help everyone make sense of it. At the end of the day, I always think that the law is really about common sense, so it shouldn't be that hard to put into practice. But you would sometimes be surprised.

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*Sara Robertson:* Oh yeah, I'm a coder and coders have a weird fascination with law because we like to think of law like math. You know, it's sort of like code. It's got, if else statements and things like that. So I'm a little bit of a fan on the side.

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*Vicky Brown:* That's good. Because I think with code though, it's black and white and often with the law, it's not black and white.

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*Sara Robertson:* There's little, little bits that get very grey.

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*Vicky Brown:* It's very grey. The law and actually particularly when you get to sort of Web3 and the metaverse because it's new, uncharted territory and that's where it's extremely grey, even though the principles are still the same, frankly. But it is different and exciting. So it's a challenge for lawyers really advising in the space and advising in sort of a practical way. And that's certainly what we try and do at WPP is help the agencies navigate it through a commonsense, practical lens and also actually overlaid with how we should be viewing, how we conduct ourselves on the web anyway through an ethical lens and also thinking about bigger picture issues, sustainability, inclusion. Yeah. So we try and sort of overlay the legals with common sense practical observations, but also the bigger picture topics that we think about generally as a group. So yeah, governance and risk in the metaverse and Web3 is really genuinely very interesting because it is uncharted territory. And what we've been trying to do at WPP is sort of set guardrails and principles which take the legal risk, the legal issues, put a framework around the work we're doing from a very practical perspective to allow people to do great work, but really to English about what they have and what they don't have? It's multilayered. But at the heart of it, there's a lot of common sense. And if you apply common sense to the work that you're doing in the space, then you should hit the ground running, so to speak.

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*Sara Robertson:* I love it. I feel like that's a pretty reliable way to move forward, even for teams in the space that maybe don't have access to really strong legal counsel. independents, not WPP clients. I think if you proceed with common sense, you'd oftentimes

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be safe. But there are areas where the law doesn't feel like common sense, and Web3 exposes a lot of those. One of them is the intellectual property topic that you just mentioned. I don't know if you want to start there or is there a path into Web3 law that you want to take us on?

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*Vicky Brown:* I suppose we've done a lot of work, as you'd expect, at WPP to look at what our risk appetite is to Web3 in the metaverse and then to come up with a strategy and sensible principles for working in the space. But we've also broken it down. We've looked at what remains the same you; what are the risks that we think about at the moment that operate in this space anyway? And then what are the new risks? And I think if we break it down into the various topics that you need to think about, you still need to think about the responsible use of media, brand safety. It's obvious that when you get into crypto and wallets and NFT's that there's a risk of fraud. When you're thinking about the work that you're producing for the clients, all the same issues around the client's policies, around their marketing strategy, the suitability of the work, the context for the work, is it authentic for the client's brand? All of those principles remain the same. But there are new risks that you have to think about the practical risks of crypto and wallets. Does a client want to own its own NFT wallet? Is it ready to work with a third party regarding the use of wallets? What is the client's Treasury policy? What's their position on actually trading and holding crypto? Many of the big brands aren't there yet and they will have internal policies which apply to their businesses globally, which actually prohibit the trading of cryptocurrency and that's something that you can forget when you're so focused on a brilliant project around NFT's and commissioning an illustrator to produce beautiful artwork. And no one's actually thought through the fact that the brand itself isn't ready from a global policy perspective to set up that project. And you've got to think about tracking, NFT, blockchain.

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*Sara Robertson:* Let's pause on wallets real quick because I feel like that's a huge problem that maybe our listeners aren't really aware of. Let me try to summarize what you just said and then maybe we could figure out a path forward. So there's lots of eagerness in the creative parts of these clients and brand organizations, eagerness to produce NFT collections, to release cryptocurrencies, to just dive in headfirst into the Web3 space. Really cool, innovative, creative ideas that get so far along and then just are dead in the water because the logistics of how to fund the deployment wallet and retrieve the royalties, just make everything explode. And for the Web3 native brands, those are not even challenges at all. Like they dove into that world and have become familiar with it. To the Web 2.0 brands trying to enter this space, it's like a terrifying barrier that has personally frustrated me several times. Vicky How do we get past it?

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*Vicky Brown:* So, our clients look to us as the experts in this space. And when it comes to the

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execution of the brilliant ideas that you guys come up with, there's always a balance between providing the right consultancy advice on how that should be executed and then practically helping a client that isn't quite there yet, as you say, proceed to execution. And at the start of the process, when you come up with the fantastic NFT idea, you have to be upfront with your clients around, what is their risk appetite. And the first point to say to them is "Have you thought about how you're going to get the NFT out there?" Have you got a wallet? Are you ready? Is your business ready? Is your brand ready to step into that crypto space because you have to have a wallet or they have to be ready to allow a third party to hold a wallet on their behalf. And that's almost the sort of primary discussion with a brand, in my view, particularly when you talk about Web 2.0 brands. The big brands, the bigger clients that often are traded on the London Stock Exchange, traded on the New York Stock Exchange, they have huge governance around their businesses.

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*Sara Robertson:* Big household name clients.

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*Vicky Brown:* The household name clients, and quite rightly, they have huge governance around their business. They quite rightly have lawyers and compliance teams making sure that they get it right. And the marketing team, the brand team are there with that NFT, they've found the artist, they've had the discussions with the agency and they're all ready to go. But if they haven't taken the compliance team, the legal team, the Treasury team, the finance team with them on the journey, then the project, as you say, won't be able to take off. And we've done a lot of work partnering with the agencies on how we can help clients get to the execution point. Now let me be clear. It's their risk appetite to set and that client may well take a view after they've gone through the appropriate processes that they're not there yet and they're not ready to trade crypto or have a third party hold it on their behalf or indeed have a wallet held on their behalf. But that's their risk appetite and that's their decision. But our role is to obviously be experts in the space and provide as much assistance as we can on that journey. And what you'd be saying to the client upfront is, "Have you had discussions with your lawyers, the compliance team, Treasury, finance?" You need to bring those voices to the table to look at your group's risk appetite, your brands risk appetite. Do you know what your Treasury policy is? Many, many marketers clearly won't know what their policies are.

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*Sara Robertson:* I don't even know what that question means.

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*Sara Robertson:* What is your Treasury policy?

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*Vicky Brown:* We say your Treasury policy means how do you trade? Do you as a group want

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to hold crypto? Do you want the risk that goes with holding crypto? You know, do you want to have an account that the likes of Coinbase, do you want to be involved in trading NFT's Because they're all traded through crypto. You know, many brands don't want that risk. They don't want to get involved in the fraud aspect of it, etc. But if you can explain to your client from the outset that these are the issues they need to be thinking about, they can get the right people to the table. And we've done a lot of work partnering with our agencies, not providing legal advice to our clients, but partnering with them and explaining how we went about setting up our WPP wallet. And we have one.

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*Sara Robertson:* I can't wait to get access to that. I'm going to deploy a ton of NFT's.

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*Vicky Brown:* There's a strict governance program around that Sara.

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*Sara Robertson:* I'm sure there is.

00:12:21

*Vicky Brown:* But a practical one is I keep saying, to allow us to actually. But you know we're using the WPP NFT wallet at Cannes. So its all about coming up and this is where this started, common sense, practical steps about how to manage it. So you bring the right people to the table, you revisit the Treasury policy, you talk to the lawyers, you get them comfortable with the vendors that the agency can bring to the table to open the wallet on their behalf, that the right due diligence has been done on those third parties, all of those points. And then the practical controls around how the crypto is traded. You don't leave crypto, Bitcoin sitting in the account. All these types of controls can be baked into the creative process. This is the governance aspect so you can get that brilliant work off the ground and work with the artists that you've commissioned, and then you get the legal team comfortable with the illustration agreement you've put in place to make sure that you've got the right rights to the artwork. I'm going to use some legal terms. It's a perpetual license, on an exclusive basis for the client. All these types of things can be factored in. But this is where the lawyers are your friends, frankly, in this world, because they can sit down with you and spot the pitfalls and just explain that you may want to be thinking about it like this. And that's where we've had very successful discussions with clients that we've explained who you need to bring to the table to make sure that you can get the brilliant idea off the ground. That's what it's about, frankly, common sense. But definitely what I say to all of the agencies is what is a brand's risk appetite. And I think sometimes the risk appetite of a brand is somewhat different to that of the marketing team. And you have to marry the two when it comes to Web3 in the metaverse, particularly when you're getting into NFT's and wallets. And it's an upfront discussion with them because you don't want to spend months on an idea that just can't be or you can't execute for policy reasons that the client wanted - that's really disappointing all around and the client doesn't thank you for that either.

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*Sara Robertson:* So we've talked a few times on this podcast about the parallels between the emergence of Web3 and previously the emergence of Web 2.0, when there was a huge rush for brands to secure their dotcom names and when everyone needed to set up their social profiles when social media became big. I think you and I have both been around for a while. Do you remember? Was there this level of fear and trepidation about entering the social media world as there is now about entering the metaverse? Were they worried about the IP rights of the avatars they were posting on social networks? Why is this one different? Like that one should have been terrifying, we're accepting credit cards online.

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*Vicky Brown:* I don't think the principles are very different, but I think the world has changed. And I think that the world views social media and the Internet's in a very different way. And I think that's the nature of how it's evolved. There's a lot of criticism of social media platforms over the years. There's been concern around data collection practices.

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*Sara Robertson:* So maybe we learned our lesson and we're taking it slower this time?

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*Vicky Brown:* I think we are. And I think that's a good thing. And I think that it's a much more nuanced approach to the metaverse and Web3. And I think we've learned from the mistakes of the past. I think we're still learning. But also I have to say that the basic common sense principles, the legal principles of the metaverse and Web3 are what are in existence now. So we've got a much better legal framework around privacy. Everything that you do in Web3 is in large measure governed by, certain legislation in the US, the GDPR across Europe, there's UK equivalent legislation. It's the same in Singapore. So you've got a better legislative framework around issues like that going into Web3 and the metaverse. You've got lessons learned from the past. And I think that there's a real focus on building this in the right way, looking at ethics, looking at the appropriate principles and guardrails in a way that nobody did before, I have to say, and it was leap, leap, leap last time around and now I think it's different. And obviously I give you this perspective as a lawyer but I do think it's different. And I think that what you've even got now are the practitioners in the space. Cathy Hackl, she talks about the Web3 manifesto for brands. Tech philosophy as far as I'm concerned, in any tech philosophy in this space, you have to think about ethics, governance, and guardrails so that you can do the work you want to do, but in the right way. I mean, if you think about - and I say this as the mother of a 12 year old - my son is the metaverse generation. He's fascinated with wallets.

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*Sara Robertson:* He's on Roblox?.

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*Vicky Brown:* Yeah. Roblox, Fortnite, headsets, VR, more adept at every aspect of tech than I

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could possibly be. And they're at the heart of it. And if I think about minors and children in this space, that again, I think is a sharp focus for us all as they're coming through the future, to get it right. And the platforms in this space they've learned lessons. And I would hope that they're going to take those lessons and think really carefully about the future. And so I think that it's being approached in a much more circumspect way. Which I think it's good, that's got to be good. But you've got to balance the desire for innovation against such stringent guardrails that that innovation can't happen. And at WPP, we are trying our best to balance the two constantly so that you can have the guardrails but encourage the innovation. And that's really how we approach it from WPP legal; that you get it the right side of the line every time legally but you allow innovation. I suspect that's why I talk about the grey. You start as a coder with black and white but with the law it is grey and it's approaching that grey space in the right way, the right side of the line.

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*Sara Robertson:* So what do you do when the real innovation starts happening and it touches on new ideas and concepts that maybe don't have a legal precedent or legal guidance in place yet? How should we navigate something like that? An example is the IP rights on NFT collections. There's a lot of "Let's just make it CC0 or Creative Commons license". And I feel like it's uncharted territory legally. Is the name of the collection CC0? Is that trademarked?

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*Vicky Brown:* The honest answer is you take it back to first principles. So every time that there is something which seems new and innovative in the metaverse, I think about it as a piece of straightforward creative advertising or I think about it as a piece of straightforward terms and conditions. So with an NFT, I break it down to, there's artwork on an NFT, how have we commissioned it? Think back to first principles of how you commission an illustrator and then when you think to how that NFT is going to be traded and the representations you make to the consumer who may well want to buy that NFT, you go back to the terms and conditions which could be hosted on the brand's website and you go back to plain English and explaining to the consumer what they actually get when they get an NFT. Now this is something that we're really focused on at WPP and working hard on. I liken it to the privacy journey and how we have tried to explain in plain English to consumers how we use data. You don't want a thousand page privacy policy- that doesn't work. It's going to be the same with NFT's, saying in plain English what they get. It's good for business, its transparency, it's good for the consumer, it's good for the practitioners in the space. So I take it back to first principles of the law, the common sense, the plain English and I apply what I've always grown up doing because it's that legal framework that's always existed that we're going to be applying to Web3 and the metaverse. So it's the classic intellectual property principles. If you're building a world, can you feature a certain car in it? Well, no, not unless you've got consent. It's like a TV ad. So it's back to the first principles and the common sense. But we've got a huge push at the minute, and we're looking really hard at how you explain to

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consumers what they may or may not get in the metaverse. And that's something which I think practitioners in the space have to look at as well because it's everybody's problem. And if we think to how we got ourselves in a mess on privacy, it was because we weren't clear enough, upfront and transparent from the outset.

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*Sara Robertson:* Yeah, I love that you mentioned that it's everyone's problem because there is a new engineering proposal going through the Ethereum ecosystem right now. And the idea is to add a new method to the NFT contract that if you call it, it returns the link to the legal terms for your ownership of that NFT. So right now it's impossible for a consumer to even know what their rights are in owning that NFT unless they find the brand website, find the link to the right thing. It's not clear if those rights apply to their NFT or not, so we're going to try to bundle it right into the contract so that it's there. I love that idea because it's like the tech people trying to solve the problem their way. But now we still need the lawyers on the other side to make sure that whatever we populate in that new method is reliable and to your point, accessible to the end user. So they don't have to read 50 pages of legalese to understand how they can use their NFT.

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*Vicky Brown:* Honestly, it's exactly where we were with privacy ten years ago. We've got to not trip into that mistake again. And it's actually not just your problem or the lawyer's problem. This is at the heart of comms consultancy, if you ask me, around NFT's in the metaverse, because it's about how you then do a broader comms piece around the NFT and understanding and awareness. So you're bundling in terms and conditions. You're making sure that they're in the right language, but then what more education can you do around it for consumers so that they really understand what they're getting? Because even if you've got plain English terms and conditions highlighted in the right way and explained in a better fashion than it was at the outset many moons ago there's still a much broader education piece around that. And that's how I think we should all be looking at this. If we learn from the privacy journey and the types of transparent privacy discussions and the training and the understanding we've tried to get out there; if we take all of that and put that into Web3 and the metaverse, we're going to be in a much better position. And I think that will avoid some of the future prosecutions because in particular, the FTC mis-selling, misleading comms around NFT's. I think that'll be a focus in the future and they'll be looking hard at how this stuff got out there and what the consumer understood about what they were or weren't getting.

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*Sara Robertson:* This is a huge point of discussion in the Web3 community. There are a few lawsuits outstanding right now. The results of those cases will hopefully give us some guidance, set a little bit of precedent about where we're going. One of the big ones is the Bored Ape Yacht Club Ryder Ripps Intellectual Property situation. If anyone's not aware,



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Ryder Ripps basically launched a collection that's an exact clone of Bored Ape Yacht Club, same exact art, same everything and claimed that because of the IP rights that the original collection provided, he's legally allowed to just copy the whole thing verbatim. So it's a really sticky little loophole and we're eagerly anticipating the results. It'll probably take years though, for that case to come to closure. So meanwhile, everyone's trying to make decisions about how to move forward without knowing what the answer is going to be.

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*Vicky Brown:* And in my experience, I would be really, really wary of pointing to examples of litigation as a means of justifying guardrails practices because it's a bigger question than that. Where I started was common sense. And often the outcome of litigation in the UK, the US sometimes doesn't seem that common sense. So I just think you want to take it away from the legals and think what feels right, back to plain English common sense. Yes, the law is there, but what have we learned from the last few years? How can we be transparent, practical, normal? How can we not make it so complicated and convoluted that you alienate? There's a place for legal precedent, but there's also a place for plain English comms. Making sure people understand what's going on because to your point, nobody wants to have to turn to a 50 page terms and conditions or even the disappointment of thinking they have something that they don't have, which then leads to consequent litigation or a complaint to a regulator. We just need to be smarter. I wouldn't be hanging on and waiting for outcomes of case law. That's not how we do it. We look at what feels right for the group, what is right within existing legal frameworks and balancing that and communicating it in the right way to the agencies so that we can apply the right guardrails to the work we do. We've come up with a metaverse for good strategy and principles at WPP. So all of the agencies work they produce is within particular principles around diversity, inclusion, complying with the law and looking at ethics as well; data ethics and those simple principles. We'll do this in the right way. You get five principles. You try and think about the work through that lens. It takes it away from horrible debates around copyright trademarks and IP infringement and extremely expensive litigation, one hopes.

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*Sara Robertson:* So what kind of advice can we give to our listeners, which I'm hoping are both agency people and clients about how to get ready? I think you've advocated a few times for understanding their readiness, their risk appetite, things like that. What are some practical steps that someone who wants to do a project would go through to make sure they're ready to execute that project?

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*Vicky Brown:* So practical steps, if let's take, for example, if they're coming up with a metaverse strategy for a brand or a Web3 strategy for a brand which includes space in a particular land or even NFT's and wallets, you want to break everything down. The first thing to say to your client is, who should you partner with from your legal team? Lawyers really

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aren't the enemy in this space. We've had successful discussions when we've partnered with the agencies, spoken to the brand teams and said partners with the right lawyer within your brand. You have to have the right person at the table. Then immediately you'd be saying to them, are there any principles set out in your own brand policies. The brands all have their own marketing guidelines. Is there anything in there which would make metaverse or Web3 work tricky? And then particularly if they're going to go into the NFT space, you want to understand what their position is as a group, as a global brand on cryptocurrency because that can stop a project in its tracks or indeed inform the direction in which project is going to go. It's not going to go down the crypto route, for example. Think about intellectual property. There's no point in taking an idea to a client which will have multiple rights clearance issues. If you think you're going to feature 50 celebrities on particular NFT's, I'd be suggesting that that's a bad idea from the outset because of the rights clearance that would have to go into that and the cost of implementing because it's risk; risk and cost versus reward. And that type of an idea would be doomed to failure. I think on that analysis for a lot of the household names that are going into this space, if I'm honest. So for the agency, it's pitch a project in the right way and then say to the client, your risk appetite is crucial. Find the right partner internally from the legal, the compliance team to help you navigate it through your own business. It's really important to have that risk appetite discussion upfront. I can't emphasize it enough. I really have seen so many great ideas but the lawyers get involved too late or the compliance team gets involved too late or the security team.

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*Sara Robertson:* The CFO.

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*Vicky Brown:* That's the other thing.

00:31:29

*Sara Robertson:* At what point do you tackle finance?

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*Vicky Brown:* You tackle finance at the same time. So if you're looking at wallets, you tackle finance at the same time as you tackle compliance and the security team, the privacy team and the legal team, you bring everybody to the table. That's in the perfect world, that's how you pull together a risk proposal on a wallet. You bring all of the relevant departments and teams together to say, this is how we want to do it. Does everybody align? And if you can get that alignment, fantastic, then you really are off in the right way. But it's not for us to force that alignment for our clients, of course, but it's for us to say, this is how we look at it. Hopefully this is helpful to you. We can't provide legal advice to our clients and indeed we don't. But we do partner with them and can have helpful conversations and provide guidance around how we've done it and what they might want to think about. That's the right way to go about it, if you ask me.

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*Sara Robertson:* I love it. So, Vicky, first of all, this has been awesome. Thank you for making a legal conversation kind of fun, kind of exciting and giving us some areas to research. Is there anything I haven't covered that you would like to bring up that you think we should talk about?

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*Vicky Brown:* I think the only thing that I would say is, we haven't talked about AI and the importance of AI and just making sure that any of the frameworks around AI that our clients apply and we apply are reflected in the ideas that we come up with in the work that we produce. That's the only thing I would say that we haven't spoken about.

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*Sara Robertson:* Like AI is another topic that we could go very deep on.

00:33:11

*Vicky Brown:* And that's something I would think about. But I guess at the heart of it is, and the way we think about it is, just because you can do something in this space doesn't mean that you should. And I think if I could send people away with that thought. Just because you can do it, it doesn't mean that you should. And just remember that the work has to be pitched in the right way from an ethical and corporate value perspective. I think that's something to remember that even if you can get it the right side of my line legally, there's always a bigger picture, which is how does this look and feel? Let's sense check how this looks in this space, because it's uncharted territory. And in what direction could this go and how would we feel if it went that way? I think that's something that we encourage the brands to look at very holistically with the clients. Yes, there's the law. Yes, you can do it. Does it feel like you should?

00:34:13

*Sara Robertson:* Yeah, and that's one of the big lessons I think we learned out of the whole privacy scandal. Lots of people did it because it was legally OK, it was technically possible. Let's just do it. And then there was a whole ton of unraveling and regulating that had to happen after the fact. So I'm certainly sensitive to that scenario.

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*Vicky Brown:* And that's what we're learning from. So you posed the question to me. We seem to be more cautious approaching it this time round because I think we learned from that. We really did. And that's a positive, a huge positive.

00:34:49

*Sara Robertson:* But it also makes me nervous because this time around the technology and the space is moving so much faster than it did when the Internet first came out. And one week in Web3 is like one year in Web 2.0 and combine the rapid pace of innovation with the slower pace of approval and regulation and we're kind of forking in a really crazy direction.

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00:35:18

*Vicky Brown:* Yes. Which is why don't wait for the legal outcome of that litigation. Set your own.

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*Sara Robertson:* I love that advice.

00:35:26

*Vicky Brown:* Don't look to where the law might go. Look where the law is now and look through the common sense lens on how we've sort of self regulated for large measure in the privacy space up until about 2018 and put your own guardrails in place. That's what I would be saying to our clients. We have our metaverse for good strategy. Think about what you should have, where's your risk appetite on this? What are your top principles for how you want to work in this space? Because we've set the tone for how we're going to do it. We're going to regulate ourselves; self regulation here. We're not going to wait for the outcome of the next piece of litigation. We're going to do it ourselves in the right way.

00:36:07

*Sara Robertson:* Also, I would really love for our brands and clients to have just a little bit greater of a risk appetite, specifically because I feel like Web3 moves so fast and Web3 native brands are emerging and they're going to get a foothold that will be difficult for the Web two brands to displace if they wait too long. And I have a lot of love for some Web 2.0 brands. I want them to be the innovators to drive this forward, to set the tone and the fear kind of holds them back. And then the new baby Web3 brands are winning some of those wars, like Yuga Labs, for example. And I don't know, I just I want our clients to succeed here and it's just so difficult to get them.

00:36:56

*Vicky Brown:* If I had a dollar for every time someone in an agency told me that I'd be extremely rich.

00:37:03

*Sara Robertson:* And the flip side is we said the same thing about D2C brands, and the D2C brands did not really unseat all of the legacy brands in any way.

00:37:14

*Vicky Brown:* But I would say this in defense of, and in support of my legal colleagues at the brands; just to remember that they're navigating a much bigger picture. Many of these brands are traded on the various stock exchanges with global requirements.

00:37:29

*Sara Robertson:* So they have to deal with laws in many countries.

00:37:32

*Vicky Brown:* They're subject to serious audit requirements, serious reporting requirements. So just remember that. And again, the lawyers aren't your enemies. They can help you

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balance that governance framework to which those brands are subject with the projects you want to work on and the innovative that you're seeing. That's where the lawyers can help you navigate all of the different swim lanes, because you do really have to. You can't get away from that. It's not the legal team's fault. It's not the brand's fault. It's how it is. And that's why it's an exciting space, particularly if you're a lawyer advising in it. You're navigating the realities of reporting requirements and the realities of disclosure requirements and particular legislative frameworks with a really innovative project. But you've got to find a way through it. So, yes, if I had a dollar for every time someone said that to me, I would be very rich. But yes, that's the challenge of this space. But again, common sense, practical guardrails and being realistic about the type of work you can execute for those types of clients in the space.

00:38:44

*Sara Robertson:* We often do a segment called Bullshit Bingo, and I feel like the one that you just dropped on us was lawyers are your friends.

00:38:55

*Vicky Brown:* They are!!

00:38:55

*Sara Robertson:* That's not the bullshit, the bullshit would be the opposite of that. But I think it's a really important point because a lot of us are sensitive to what happens when legal gets involved. But so far my experience in Web3 has been it's worse when you don't get legal involved because then everybody gets excited and you get so far along and then it ends at the last mile and it's such a crushing feeling. So I don't want that anymore. I would rather get legal involved early and know that my cool stuff can make it past the finish line.

00:39:31

*Vicky Brown:* Yes. Yes. It's really important because there's risk appetite, risk appetite, risk appetite. That's the upfront discussion, because no one will be thrilled if six months down the line, the risk appetite turns out to be something that everyone thought it wasn't.

00:39:49

*Sara Robertson:* I wonder if we could make some sort of quiz to identify what your risk appetite is as a brand. You know how they have personality quizzes online. It could be like, if you woke up tomorrow and there was a press release about a hack on your smart contract, how would you feel?

00:40:07

*Vicky Brown:* I don't think they would be thrilled. But on that point, I think that one of the questions to pose to a client is "How do you feel about crypto?" Do you know what your corporate policy is on crypto? And then what is your security posture? Because if they are particularly sensitive to that type of security issue, then, come up with a different idea in the space for them. That's the type of those basic questions actually. And when you pose them

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and I've been involved in seeing the different answer from the marketing team as opposed to when the lawyer gets on the phone, we have zero tolerance for that. And by the way, our policy on this is X, and that's when it sort of goes in a different direction and everyone goes, oh, it is different, isn't it? Because when it goes horribly wrong it's the legal and compliance teams that are picking up the pieces and it's the board of the client that ultimately has to answer to investors if something has gone south. So without wishing to sound negative, it's being mindful of those types of competing interests. You don't dwell on them. You just have it in the back of your mind that you need to have a discussion with a client about what's your corporate risk appetite on it.

00:41:28

*Sara Robertson:* Have you ever had a client say high? I have a high risk appetite?

00:41:34

*Vicky Brown:* Yes we definitely have. Yeah.

00:41:36

*Sara Robertson:* What type of client is more risk tolerant? A crypto client, probably?

00:41:46

*Vicky Brown:* Yes, they are. They have a higher risk tolerance. But I'm actually thinking more where I've had. And also you need to balance, to be honest with you, intellectual property risk and how particular brands feel about IP infringement issues.

00:42:03

*Sara Robertson:* And that's true. So you might have a different risk tolerance depending on the area you're talking about.

00:42:08

*Vicky Brown:* Yeah. I've had confectionery brands that have had extremely high risk appetite for particular IP executions and they're willing to take that chance that there won't be a complaint. Or if there is a complaint, they'll weather the storm, they'll ride it out, because actually by the time it's got to court, it will all have disappeared anyway. But it's hard to say. But what I'm seeing is that the household names have been really excited about the space, really excited about the space. They are mindful of the governance frameworks and the legislative frameworks within which they sit and they have to balance that. We've had really constructive discussions with the household names and their legal teams about the metaverse and Web3 but those discussions are happening upfront. They're happening in the right way. So you can try and manage the challenges of the governance frameworks up front and the discussions have been productive. I would say that they're really looking at it all hard and willing to engage in the right way, but it's in their interest and our interests to get it right, if you see what I mean.

00:43:25

*Sara Robertson:* Yeah, absolutely. We want our creative ideas to come to fruition. They want

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the execution to be safe and valuable. So there's a lot of alignment there. That means it's important to get these people involved early.

00:43:42

*Vicky Brown:* There is huge alignment there. I mentioned before, think about a client's own marketing principles and policies because whatever ideas you come up with, they should still be pitched within that framework. That's back to sort of coming up with an Avant Garde execution for a brand which is slightly risk averse. If you look at their marketing policies, their internal guidelines and brand guidelines, don't come up with ideas which wouldn't fly even if this was just on social or just on TV. Take it back to first principles. Don't wait for the next round of legislation. Look at what you have. Now back to first principles.

00:44:25

*Sara Robertson:* I love it. I think that will be the title or the subtitle of this episode. Back to First Principles. Maybe subtitle "Lawyers are your friends". And that's how we're going to try to deliver this message. Thank you, Vicky, so much for your time today. This has been amazing. I would love to schedule another conversation with you where we could dig deeper into some specifics.

00:44:53

*Vicky Brown:* Very happy to be here.

00:44:53

*Sara Robertson:* I want to drop a brand safety question on you right now, but I feel like that would be another half an hour of us figuring out what that means in the metaverse. So I'm going to save that for a 201. But thank you so much for joining today.

00:45:07

*Vicky Brown:* Thank you for having me. It's a pleasure.

00:45:09

*Sara Robertson:* This has been another episode of WPP's Metaverse and More Academy. Thank you, listeners, for joining us. And remember, stay classy metaverse.

00:45:23

*Stephan Pretorius:* Thank you for listening to the WPP's Metaverse and More Academy podcast. Don't forget to subscribe so you don't miss out on future episodes. If you'd like to learn more about WPP, the Creative Transformation Company, find us at [wpp.com](http://wpp.com) or send us a note to [newbusiness@wpp.com](mailto:newbusiness@wpp.com). That's it for today. We look forward to seeing you in the metaverse.