

VBG Founder Says UE5 Will Be a Game Changer

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Our collaboration with Forever 21 marks not just one of the biggest metaverse launches this year, but also one that uniquely combines the physical and virtual worlds by delivering IRL content from Forever 21 in-game and finding ways for Roblox UGC creations to exist IRL."

But Hochberg also says the kind of experiences currently happening in the metaverse are at a lower level of reality and resolution than will be seen in just a few years, thanks to programs like Unreal Engine 5.

"It's the nature of a Web3 company that it's decentralized, and that assets and tech, and items and experiences can move all around, built on an open platform," Hochberg explains. "So, Unreal Engine is like Android for phones. It's free, it's available, and it can handle anything from the Mandalorian to a video game. So that's hugely important because it's free, and it's interoperable."

Hochberg says the other important thing about Unreal Engine for licensing in the metaverse is that it makes it much easier to create highly detailed, realistic worlds. According to Epic Games, UE5 allows 10 developers to create highly detailed video games that would have taken over 100 programmers just a year or two ago. When that ability to scale is applied to the metaverse, it suddenly allows even much smaller companies to create compelling metaverse communities.

"I think that's the standard curve in tech," Hochberg says. "I worked at Microsoft for five years, I was in Silicon Valley during its original heyday, and if you think about any company that raised whatever, 10s of millions of dollars, the majority of that money went for things that you'd never spend it on today."

"Today to build a website I go to Wix, to get a domain I go to GoDaddy, to serve up anything that requires bandwidth, I go to AWS," Hochberg explains. "It's all a software as a service model, so the cost of creating anything today is a fraction



Software like UE5 and Lua allow companies like Forever 21 to build out their own metaverse worlds.

of what it was in the past. That's what's going to allow the metaverse to scale."

Hochberg points to the example of the Lua code used in Roblox, which is so simple that even young children are building video games, ecommerce stores, and metaverse experiences inside Roblox. "Lua is a great example," Hochberg says. "It's not a cross platform language, but the ability for my 11-year-old to build a Roblox experience, that's pretty damn good, and that would never have existed 15 years ago, right?"

As Hochberg points out, Unreal Engine 5 is free to use. The license calls for users to make payments once their creation starts earning more than \$1 million, providing the ability for small companies or even individuals to create their own metaverse experiences at minimal cost.

More importantly, the qualities of the metaverse will allow licensors to use their intellectual property in ways that would have seemed impossible just a few decades ago, particularly those based on real-life actors, athletes or musicians who age and eventually die.

While so-called virtual influencers have grown in importance in recent years, their

followers and revenue pales in comparison to top influencers like The Rock, Cristiano Ronaldo, or Selena Gomez. As well, companies like Epic competitor Riot Games have created their own virtual influencers based on characters from League of Legends like the fictional music group K/DA, who have millions of followers, and have topped the music charts.

The problem for licensing in the metaverse is in how to economically recreate versions of real or fictional influencers that are convincingly realistic, and that is the problem that Unreal Engine 5 has solved.

Just as Epic scanned and created duplicates of Keanu Reeves and Carrie-Anne Moss, so too can licensors scan and duplicate pretty much any person, any character, or even any world that has become popular over the years. Want to hang out with the characters of Jumanji or The Mandalorian? No problem! Care to go shopping with the Kardashians? Easily done!

The enormous—and at the same time somewhat scary—potential of tools like UE5 is that a metaverse that is almost as realistic as reality itself is now upon us. It will be fascinating to see how the inventive minds of the licensing industry put it to work. ■