

Business & Legal Developments in Silicon Valley

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Friends,

This month, as a new variant of the coronavirus went viral called “omicron,” our universe has once again retreated into the metaverse, and we aren’t sure if anyone is ever coming back. “Metaverse” has taken over the much maligned and previously referenced “augmented reality” and “virtual reality” (or “AR/VR”) sectors, and now gaming headsets, niche industrial tools and science projects are back in vogue. Metaverse is now the next platform after smartphones to change the way we live, work and play. The movement out of the universe and into the metaverse was enabled by the pandemic-induced remote-everything, and we are starting to realize that there is no going back.

We saw another new paradigm go mainstream in 2021: web3. The web3 concept refers to a group of technologies that encompasses blockchain, cryptographic protocols, digital assets, decentralized finance and social platforms, NFTs, and DAOs. Essentially, it is the third generation of the internet. While these innovations are still very early in their evolution, they have emerged as the basis for new forms of economic and social interaction arising from platforms that allow people to collaborate, create, exchange, and take ownership of their digital identity and assets. But how can we make sense of it all, when cryptocurrency is not secret nor a currency, and Blockchain and distributed ledger technologies are not databases anymore? While first the web was just a place for users to read and publishers to make money, web2 was a place for users to create and networks to control and monetize users, and now web3 is the place for users to take control over the networks and monetize themselves. It is also a function of open source, which was initially free code creation and distribution without revenue, which then became centrally controlled and sold, and which is now open for distribution and execution with integrated revenue.

NFTs continued to be white-hot in 2021. The NYC.NFT conference took over New York in November and the NFT.BZL conference outshined Art Basel in Miami in December.

In other news, our team continues to work with some of the most prolific content creators, entrepreneurs and investors to create new platforms on these paradigms, and all over the world. Everything is evolving and changing. So...fast...

This edition of our newsletter highlights some of our team’s work in these areas, and explores legal issues that matter.

We are always available to help you brainstorm legal and business challenges, foster new introductions, and to help you build.

Your Legal Team at [Foley & Lardner in Silicon Valley and San Francisco](#).

Louis Lehot Publishes Article with *Westlaw Today* on Key Technologies Driving Economic Outcomes in 2022

Foley Partner Louis Lehot recently published an article with *Westlaw Today* titled, “Seven key emerging technologies to drive economic outcomes in 2022: Adaptation of law and policy and capital deployment will determine the winners.”

The article looks at artificial intelligence and automation, quantum computing and the semiconductors, networked computers, >5G wireless bandwidth speeds, Blockchain, and other distributed ledger technologies, and biotechnologies such as CRISPR that will play an increasingly important role in all our lives.

[Click here](#) to read the article.

Foley Partner Natasha Allen Quoted in BIV on US Investment in Canadian Tech Startups

Foley & Lardner LLP partner Natasha Allen was recently quoted in an article with *BIV, Business Intelligence for B.C.*, "'Gangbuster' Year For Tech Tapping U.S. Resources." The article looks at the increasing number of US investors turning their attention to Canadian startups in 2021.

[Click here](#) for the full article.

Foley Partner Louis Lehot Quoted in Corporate Counsel on Big Tech and the FTC

Foley & Lardner partner Louis Lehot was recently quoted in a *Corporate Counsel* article, "[Tech Firms Turn to 'Diligence and Vigilance' in Quest to Keep Newly Aggressive FTC at Bay.](#)" The article looks at the antitrust scrutiny the technology industry is currently facing from the FTC, with Lehot discussing the "serious challenges from the FTC in the near future—both in blocking potential mergers and in scaling back the scale and clout of tech giants."

Live, Work and Play in a Legal Metaverse: Preparing for a New Online Existence

This article originally published in [IP Watchdog](#) on December 1, 2021. Reproduced with permission.

Companies spend billions and invest heavily in technologies that offer greater telepresence and enable an individual's digital life. Will humans interact with each other via avatars in a three-dimensional virtual space? The "Metaverse" has ramifications for everything people do to live, work and play together digitally.

The Metaverse is a digital shared space where everyone can seamlessly interact in a fully immersive, simulated experience. The Metaverse increases the permeability of the borders between various digital environments and the physical world. In the Metaverse, you can interact with virtual objects and real-time information. A place where people join together to create, work, and spend time together in an environment that mixes what is virtual and what is real.

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Foley Represents Vcheck Global in Strategic Investment from Sunstone Partners

Foley & Lardner LLP recently represented Vcheck Global, a leader in background check and due diligence investigation services, in its strategic investment from Sunstone Partners, a growth-oriented private equity firm

focused on software and technology-enabled services companies.

Vcheck offers a full suite of solutions, including diligence and investigation services and a growing portfolio of technology solutions for third-party risk management, vendor/supply chain due diligence, and enhanced due diligence for capital markets, lending and corporate compliance organizations.

The company's proprietary software platform uses artificial intelligence and advanced analytics to power their leading investigative and research teams to deliver a wide range of diligence and background reports with market-leading quality and delivery timelines amid an increasingly complex and fast-moving global regulatory and risk environment. Vcheck has rapidly become a market leader in domestic and international due diligence and investigations, supporting many of the largest corporations, financial institutions, law firms, and private equity firms in the world.

Through the partnership with Sunstone, Vcheck Global is positioned to continue executing an aggressive growth strategy by fueling the development of innovative offerings and expanding its delivery capabilities to continue to provide standard-setting service levels and accuracy for its clients.

The Foley team was led by Partner Louis Lehot, Senior Counsel Eric Chow, and Special Counsel Catherine Zhu, with support from Partners Casey Knapp, Kamran Mirrafati, Greg Neppl, and Raj Tanden, Special Counsel Marina Choundas, and Associate Alex Ravski.

Foley Advises LG Technology Ventures on Its Participation in The Sandbox's \$93M Series B Venture Capital Financing

Foley & Lardner LLP represented LG Technology Ventures on its participation in The Sandbox's \$93 million Series B fundraising round. The Sandbox is a metaverse that offers players and creators a decentralized platform to create 3D worlds and game experiences, as well as to store, trade and monetize their creations. It is a subsidiary of Animoca Brands, which develops and publishes products in digital entertainment, blockchain and gamification.

The Sandbox team will use the investment to scale its growth as an entertainment destination for brands, intellectual properties, and celebrities to engage with fans through virtual experiences. Its metaverse is made up of non-fungible tokens called Land, which players can buy to host games, build multiplayer experiences, create housing or offer social experiences to the community.

The Foley team was led by Partner Louis Lehot with assistance from Associate Ashley Youn-Jae Lee.

Foley Advises Valera Health in \$15M Funding Round

Foley & Lardner advised Valera Health in their recent \$15 million funding round led by Windham Venture Partners with participation from new investors Aquiline Technology Growth, MultiCare Health System, Divergent Investments, Watershed, GreyMatter Capital, and Gaingels. Existing investors, including AXA Venture Partners, Figure Eight Investments, Alsora Capital, Startup Health, and Dr. Tom Insel, the former director of the National Institute of Mental Health, also participated.

Valera Health provides tech-driven virtual mental health services to patients with high acuity conditions, including serious mental illness (SMI) and severe depression. The company offers personalized services to everyone in need of mental health care, including those in rural and urban communities, BIPOC and LGBTQ+ communities with culturally intentional care and a diverse, multilingual provider network. Valera's emphasis on measurement-based care and evidence-based treatments delivers improved quality scores for health plans. Over the past twelve months, Valera has partnered with health plans and provider groups that cover over 12 million lives and will be expanding to multiple states in the coming months.

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Foley Advises NEA as Lead Investor in Datafold's \$20M Series A Fundraising Round

Foley & Lardner LLP advised lead investor New Enterprise Associates, Inc. (NEA) in Datafold's \$20 million Series A fundraising round. NEA was joined by Amplify Partners as an additional investor in Datafold's most successful fundraising round to date.

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Foley Advises SafeSpace in Funding Round

Foley & Lardner LLP advised SafeSpace in its \$2 million (BRL 11 million) funding round. The round was led by ABSeed Ventures fund and followed by DGF Investimentos and angel investors. This is the largest VC investment ever made in Brazil in a female-led startup.

Developed by founders Rafaela Frankenthal, Giovanna Sasso, Natalie Zarzur, and Claudia Farias, SafeSpace is a digital platform for reporting and tracking cases of misconduct in the workplace. The platform provides two applications – one is for the employee to register the complaint, and the other is for the administrator, usually the company's HR or compliance sectors, to manage the information, ask questions to the employee, and map conflict patterns. Today, SafeSpace serves more than 50 companies and 15,000 employees.

The capital secured in the seed round will be used to improve the product and structure the commercial and marketing areas, focusing on client acquisition.

The Foley team was led by Partner André Thiollier.

Foley Advises Z1 in \$10M Series A Funding

Foley & Lardner LLP recently advised Z1, a Brazilian neobank focused on offering digital accounts and a linked prepaid card to teenagers and young adults, in its \$10 million in Series A funding. Kaszak led this funding round and was joined by existing investors MAYA Capital, Homebrew, Clocktower, and The Chainsmokers.

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Additional Articles of Interest

- A Checklist Of Legal Considerations For The NFT Marketplace
- Not By the Same Token: NFTs in Supply Chain

We are hiring!

[Click here](#) for further details and to apply.

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