

Ubisoft is First Major Gaming Company to Embrace In-game NFTs: What Does This Mean for the Industry?

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Videogame industry leaders have been optimistic about the endless possibilities of the metaverse, [Non-Fungible Tokens \(NFTs\)](#), and blockchain technology despite relatively recent developments. [Our previous blog post](#) explores in detail the value NFTs bring to videogames.

Videogame industry titan Ubisoft officially announced on December 7, 2021, that it will integrate NFTs into the game *Ghost Recon Breakpoint*.^[1] The NFTs, called Digits, will be in the form of in-game items—helmets, armor, vehicles, weapons, etc.—which will be available for purchase on the new platform Ubisoft Quartz.^[2] Players may buy and resell the Digits, and ownership is recorded on the blockchain.^[3]

Batiste Chardon, blockchain product director at Ubisoft, emphasized the “community-driven” nature of blockchain gaming and expressed optimism for increased autonomy amongst players and gaming communities going forward. However, fans thought differently, posting critical comments about the NFT integration on the Ghost Recon YouTube announcement trailer.^[4] In fact, Ubisoft’s announcement that the “Wolf Enhanced Helmet A” NFT requires 600 hours of gameplay to earn resulted in negative backlash from the community.^[5] In response, Ubisoft doubled down on its NFT plans and will stay “true to [its] principles.”^[6]

Industry competitors have previously expressed enthusiasm for NFTs’ relevance in gaming. Electronic Arts CEO Andrew Wilson acknowledged NFTs’ future importance despite early developments. Square Enix has already launched an NFT collection based on its *Million Arthur* franchise and may be looking into blockchain game development.^[8] Major Japanese publisher SEGA is also considering NFT investment with a budget of 10~15 billion yen.^[9] Renowned game developer Peter Molyneux of the RPG series *Fable* is also launching the game *Legacy* which incorporates the digital currency “LegacyCoin” on the Ethereum blockchain, as well as NFTs that players can purchase.^[10]

However, the industry approach to NFTs is far from unanimous. The aforementioned leaders exemplify a [stark contrast to Steam’s](#) move earlier in October adamantly opposing any blockchain applications or cryptocurrency/NFT exchange.^[11] Valve, the company behind the Steam distribution platform, has openly banned developers from publishing games on Steam that incorporate NFT exchanges or are built on the blockchain.^[12]

Nonetheless, it appears that key players in the videogame industries are generally headed towards the same direction in conjunction with rapid developments in blockchain technology.

With major player Ubisoft taking a major step in the NFT-based gaming landscape, perhaps we will see similar enthusiasm from competitors very soon.^[13] However, an important question remains—will existing fans be sidelined by the high costs of these technological advancements?

Winston & Strawn's Videogames, Gaming & Esports Group is working actively with industry leaders on the intersection of NFTs, videogames, and social media. We invite all those interested in recent developments to sign up to receive emails with links to new posts by clicking [here](#).

About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, David Enzminger formed and lead Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies to establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence. Our offices in New York, Silicon Valley, Los Angeles, Shanghai, and Hong Kong provide gaming clients with a global platform for their complex and evolving legal needs.

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