**AI x Gaming**

**Week of January 27th, 2024**

# **Top 3-5 Key News Items**

**Key News Item #1:** Little Umbrella gets a boost for AI driven social games ([Link](https://techcrunch.com/2025/01/30/little-umbrellas-next-jackbox-style-game-pits-you-and-your-friends-against-an-ai-game-show-host/))

* Little Umbrella, developers of AI driven game [Death by AI](https://deathbyai.gg/), announced a $2M seed funding round thanks to the success of the flagship game. Little Umbrella plans to use the funding to launch three AI-powered social games.
* Death by AI is the kind of social game like the Jackbox series of games that is intended to be played socially on Discord or with a Twitch stream. These games generally work as funny party games that drive social interaction and unexpected humor.
* The game prompts players with an absurd deadly scenario and asks them to describe how they would react. The AI then goes through each player’s response and describes what would happen that either results in them living or dying, often with amusing deaths. The goal is for players to survive 5 rounds with the least deaths.
* Death by AI demonstrated not only a creative use of GenAI in text form to leverage social virality, but it did so in only 10 weeks. Part of the development time was creating a cross-platform social kit called [Playroom](https://joinplayroom.com/) that can generate multiplayer games “in minutes” at very little cost.
* The combination of extremely rapid development, multiplayer focus, using GenAI for infinite content and ease of distribution on social platforms like Discord has huge potential to drive rapid experimentation to find new viral hits with very low risk. It may be difficult to replicate success, but the ease and speed of generation can make this the hypercasual of LLM driven social gaming.
* **Why does this matter to AI x Gaming:** Creating and sustaining viral social games is extremely difficult both from a distribution angle and a sustainability point of view. Being able to constantly try out new ideas without worrying about long term multiplayer retention could enable a ton of creativity for this genre of games.

**Key News Item #2:** Ronin helps push AI agent training in games ([Link](https://decrypt.co/303126/new-levels-of-immersion-coming-to-ronin-gaming-network-with-ai-agent-tool))

* Sky Mavis, creators of Axie Infinity and the Ronin blockchain, signed a partnership with ArenaX Labs (AI Arena) to use its AI platform [NRN Agents](https://www.nrnagents.ai/). In AI Arena players would fight in a platform fighting game to train AI agents to replicate the players moves to fight on their behalf.
* In this new partnership the NRN Agents will be starting with a proof of concept test where Ronin players will be invited to test a version of the game where the player data will be used to train a new reinforcement learning model of the NRN Agent AI.
* The big difference is the previous version would simply imitate player behaviors whether they were beneficial to the agent or not, but the reinforcement model will instead focus on behaviors that result in success. If successful the model may be rolled out to more games on Ronin.
* Rather than see bots as poor imitations of players or problematic parts of gaming, allowing players to help train them not only could result in much better bots that help replace players when needed, but also give players a sense of ownership and permission for their existence.
* **Why does this matter to AI x Gaming:** Bots using cutting edge AI models are an inevitability at this point. Involving the players in the training process is a great way to integrate them into the gaming community and web3’s community focus unique positions it for acceptance.

**Key News Item #3:** Ennie Awards forced to u-turn on AI-generated content ([Link](https://www.polygon.com/gaming/514406/ennie-awards-ban-ai-change-policy))

* The prestigious annual awards for the tabletop RPG industry, the Ennie Awards, made a quick about-face on allowing the use of GenAI in submissions. It had originally allowed submissions for categories where GenAI wasn’t used (i.e. best writing when GenAI only used for art), but due to public pressure it will no longer allow entries using GenAI whatsoever starting next year.
* It was too late to revise the rules for the 2024-2025 season so there is still potential for winning entries that use GenAI in some aspect for the awards show at Gen Con in Indianapolis in August. Given the potential for backlash there’s a high likelihood that the awards team does its best to avoid awarding anything to known GenAI using projects.
* A difficult aspect of policies like this is the reliance on self-reporting for confidence in knowing something had GenAI involved. Now that this policy is in effect there will be those pouncing on anything that gives off the appearance of AI involvement whether that be small aspects of the images or word choices in the text.
* This is likely only the first domino in game awards and other industry events having to openly create policies that prohibit any games that include GenAI use. Given the high temptation to at least try it on high profile games like Call of Duty: Black Ops 6 and certainly others, this could be a controversial period for celebrating games over the next few years.
* **Why does this matter to AI x Gaming:** Games using GenAI even in small ways are being seen by many as lacking artistic integrity which may not always impact sales, but certainly influence public discourse and now awards. Openly admitting and clarifying AI use in games can help soften the blowback, but there’s a portion of gamers that will always refuse to accept anything not human made.

**Key News Item #4:** Pocket Worlds pockets an AI-based UGC team ([Link](https://venturebeat.com/games/pocket-worlds-acquires-ai-based-ugc-team-infinite-canvas/))

* [Pocket Worlds](https://www.pocketworlds.com/), developers of social gaming app Highrise, acquired [Infinite Canvas](https://www.infinitecanvas.gg/), developers of social AI-driven UGC for Roblox, Discord, Fornite and more. Infinite Canvas had just raised $6M in July of 2023 to help push its proprietary AI tech forward to empower more UGC on social platforms.
* The acquisition is meant to help bolster Highrise’s creator tool, Highrise Studio, with Infinite Canvas’ tech and expertise. Infinite Canvas has also demonstrated success with Highrise’s target demographic of youth from Roblox age to those that have aged out.
* Highrise has already been successful with its UGC marketplace thanks to the non-AI tools already launched with 10K creators and 50M players. The potential use of AI in player created content could drive far more participation in the UGC aspects, although it does risk a bloat of lower effort content.
* As more social game platforms with UGC look to compete with Roblox and Fortnite, AI will likely become an essential part of competition. It’s traditionally been difficult to engage large portions of players in content creation for a variety of reasons that includes difficulty of creation tools and Roblox has certainly acknowledged going this direction as well.
* **Why does this matter to AI x Gaming:** The combination of social gameplay and player created content has proven to help increase stickiness with platforms that have enough traction to sustain interest already, but polishing UGC tools takes a lot of R&D effort as shown by both Roblox R&D budget ($1.43B in 2024) and Epic’s Fortnite UEFN development costs. AI won’t be a magic bullet as it has to plug deeply into the creator toolset, but companies like Infinite Canvas that already have some expertise here will be increasingly valuable.

# **Other News Items**

* **Incention bridges Hollywood and AI with debut project by David S. Goyer on Story platform** ([Link](https://venturebeat.com/games/incention-bridges-hollywood-and-ai-with-debut-project-by-david-s-goyer-on-story-platform/)): Well known screenwriter trying to innovate in a combination of AI, blockchain and IP.
* **Faraway Games launches RIFT platform to supercharge your AI agents** ([Link](https://www.blockchaingamer.biz/news/36966/faraway-games-ai-agent-shop-rift-token/)): They’ve innovated in a lot of Web3 gaming and are launching a “Shopify App Store for AI Agents” on the blockchain.
* **Nintendo Has No Plans to Use Generative AI in Its Games, Company President Says** ([Link](https://www.msn.com/en-ph/news/technology/nintendo-has-no-plans-to-use-generative-ai-in-its-games-company-president-says/ar-BB1pm2sE)): Nintendo makes it clear that it intends to stay fully handcrafted as always for now.
* **Zuckerberg Says AI Will Replace Mid-Level Engineers Soon** ([Link](https://www.forbes.com/sites/quickerbettertech/2025/01/26/business-tech-news-zuckerberg-says-ai-will-replace-mid-level-engineers-soon/)): Meta’s moves in VR and metaverse caused a lot of following in tech so it’s possible this could also have a huge impact.

# **Content Worth Consuming**

* **Generative AI art made without human "creativity" cannot be protected by copyright laws** ([Link](https://www.aiandgames.com/i/155325324/about-the-consultation)):
  + Both the UK and the US have been shifting public policy around AI and copyright that will have some impact on video games. The [US Copyright Office stated its position](https://www.gamesindustry.biz/generative-ai-art-made-without-human-creativity-cannot-be-protected-by-copyright-laws) that content created with AI can’t be copyrighted unless it contains human authorship that represents creative contributions. Many aspects of games are already not subject to copyright, but this at least ensures that some effort will be required if creators want legal protection from copycats. Given that those relying heavily on AI are more likely to be the ones exploiting it to copy, this at least makes it entirely plausible that AI heavy developers can potentially copy each other without being afforded some legal protection.
  + The UK on the other hand has had to consider its position on AI training and copyright by making any aspect of games opt-out for AI training. This is intended to benefit AI companies operating in the UK so it remains competitive in the AI arms race. If this stance is not adopted in the US there could certainly be some benefit to building GenAI tools for creating games in the UK to take advantage of the training possibilities afforded. It’s been clear so far though that AI companies like OpenAI and Meta are still willing to sneak around and train on copyrighted assets, but have constantly faced scrutiny for doing so.
* **Writers vs. AI: Microsoft Study Reveals How GPT-4 Impacts Creativity and Voice** ([Link](https://www.techtimes.com/articles/309091/20250115/writers-vs-ai-microsoft-study-reveals-how-gpt-4-impacts-creativity-voice.htm)):
  + The Microsoft research team worked with the University of Southern California to run an experiment on the effects of GenAI on creativity for writers. The writers showed significant hesitations to seeing GenAI as beneficial, especially around authenticity and inspiration, but ended up preferring personalized AI generated writing as it managed to capture some of the writer's tone and style. Of course in this experiment it was personalized to each individual writer rather than the writers attempting to use the tone and style of another writer.
  + As we move past the initial fear of loss of humanity when it comes to AI tools, many creatives will come to see GenAI as another tool like photoshop or a creative partner that’s always available. There will be some that resist of course, much like some writers that can only work on vintage typewriters, but as that generation starts fading it becomes more likely that creative tools leveraging AI start to become just part of the process.
  + Adding to the hesitation is a recent announcement by The Authors Guild of a [Human Authored Certification](https://authorsguild.org/human-authored/) for writers that verifies a book is completely human authored with the exception of “minimal, trivial uses, such as AI applications that check spelling and grammar or for brainstorming or research”. It is useful to have a filter for “AI slop” and there will likely be similar attempts in other fields to separate content out, but eventually that will end up niche at best.