

Unified Ontology of the Three Teachings — Exposition of the Realm Simulation Pedigree Model

Abstract

Traditional virtual reality, 3D engines and interactive films rely on prefabricated assets, fixed causal rules and limited interaction branches, belonging to closed prefabricated simulation systems. The new generation of temporal world models breaks free from constraints of prefabricated resources. It can infer spatio-temporal states in real time alongside interactions, dynamically adjust local causality, and autonomously complete coherent narratives. This paper defines such systems as Variable VR. Rather than merely a visual display terminal, Variable VR is an endogenous open-world simulator whose operating paradigm bears strong resemblance to human lucid dreaming.

On this basis, this paper further proposes a Shared Simulation Ontology: all realms are essentially simulation systems, stratified along three axes: private/shared status, stability, and the subject's authority to rewrite rules. The four tiers are lucid dreams (low-stability private simulation), Yang Spirit private realms (high-stability private simulation), ordinary physical reality (high-stability shared simulation with regular user privileges), and the reality realm traversed by the Yang Spirit (high-stability shared simulation with administrator privileges).

Within this framework, AI hallucinations, dream distortions and realm rule modifications receive a unified explanation: simulation systems automatically perform self-consistent completion to preserve the continuity of spatio-temporal narratives. This paper constructs a complete media and ontological pedigree spanning static cinema, branching interactive cinema, prefabricated VR, variable world models, and extending to consciousness-endogenous realms, offering a unified ontological perspective for understanding generative simulation, embodied intelligence and consciousness simulation.

Keywords: World Model; Variable VR; Lucid Dream; Hallucination; Shared Simulation Ontology; Yang Spirit; Generative Simulation

1 Introduction

Virtual reality, the metaverse and interactive cinema have long been taken for granted as artificially constructed media products. The underlying paradigm of traditional virtual worlds is pre-production: scene models, textures, physical parameters and plot branches are all locked in advance by creators, and interactions can only unfold within preset boundaries. Once the state set exceeds the pre-designed scope, the system suffers logical breakdown, visual glitches and interaction failures. Such virtual worlds are “pre-built worlds”, navigable only within limited options, incapable of autonomous growth or spontaneous evolution.

With the development of temporal generative world models (Dreamer, video world models and related paradigms), a fundamental paradigm shift emerges: simulators no longer depend on bundled asset and rule libraries. Given an initial state, the model can continuously infer future spatio-temporal trajectories, accept arbitrary interventions, and adjust scenes, objects, character relations and even local causal constraints on the fly to sustain narrative coherence. This simulation form, requiring no prefabricated assets, open to rewriting through intervention and continuously evolving across time and space, is named Variable VR in this paper. Variable VR is not merely an output layer for visual presentation; its core is a world evolution engine operating within a latent space.

Intuitively, the operating mode of Variable VR aligns closely with lucid dreaming. A lucid dream likewise does not store a complete world beforehand; scenes are rendered on the fly within conscious activity. The dreamer may intervene to alter world rules, while the dream spontaneously fills in content to maintain coherence, accompanied by local logical distortions. Following this analogy inward, we incorporate a stratified conception of realms from the tradition of inner experiential cultivation and formulate the Shared Simulation Ontology. There exists no “pure objective material world” entirely independent of simulation. Dreams, meditative private realms, the ordinary reality we inhabit, and the reality realm modifiable by the Yang Spirit as recounted in tradition, all belong to the simulation system.

Differences lie only in three dimensions: whether the simulation is collectively anchored by multiple agents, the stability of the simulation substrate, and the subject’s authority to modify underlying rules.

This paper sequentially discusses the traditional media pedigree, core characteristics of Variable VR, the structural isomorphism between Variable VR and lucid dreaming, the four-tier realm simulation model, the unified account of hallucinations and realm distortions, and finally the corollaries, boundaries and research implications arising from this ontological model.

2 Media Pedigree: From Fixed Images to Variable Simulation

We arrange media along a continuum of increasing interactive freedom:

- **Static cinema (fixed temporal imagery):** A single fixed timeline with pre-recorded and pre-rendered visuals, plot and characters. The viewer has no capacity for intervention and passively receives a predetermined narrative. The world trajectory is unique and unchangeable.
- **Branching interactive cinema:** Limited choice nodes trigger jumps to pre-rendered footage segments. Fundamentally, this is navigation within a prefabricated asset library. The set of branches is finite; no genuinely novel content is generated in real time. Users may only select options reserved by the designer and cannot arbitrarily alter scene physics or create new entities.
- **Prefabricated VR / traditional 3D engines:** Upgraded to navigable three-dimensional space, yet sharing the same underlying logic as branching cinema. Terrain, objects, textures, animations and physical collision rules are hard-coded and imported in advance. The state space of the simulation is demarcated by developers. Beyond preset boundaries, the system cannot respond self-consistently and suffers mesh clipping, absent feedback or logical deadlock. This constitutes a three-dimensional closed prefabricated simulation.
- **Variable VR (AI World Model):** Liberated from prefabricated asset libraries and fixed rule tables. The system maintains latent-space state vectors and performs sequential state transitions. Intervention signals from outside may be injected into the inference process at any moment, perturbing the entire subsequent spatio-temporal trajectory. The system spontaneously fills missing information to preserve local self-consistency of scenes, causality and narrative, at the cost of local deviations we call hallucinations.
- **Consciousness-endogenous simulation (lucid dreams, Yang Spirit private realms):** Variable VR taking consciousness itself as simulation compute and rendering substrate. Generator, perceiver and intervenor form a closed conscious loop. The stability and controllability of the simulation domain are determined by the subject’s concentration and meditative calm.

The core of traditional media is playback of finished content; the core of Variable VR and consciousness-endogenous simulation is world generation co-occurring with runtime.

3 AI World Model: Definition and Core Traits of Variable VR

This paper defines Variable VR as an open temporal simulation system, evolving world states via state-transition operators, accepting arbitrary intervention from agents, generating space, objects and causal relations in real time, prioritizing local narrative continuity rather than rigid adherence to a fixed global rule set. It possesses four core characteristics:

3.1 Independence from Prefabricated Assets

No 3D models, textures, maps or animation files are required. All visual, spatial and semantic information is decoded from latent representations on demand. Scenes whose constituent elements have never been fully combined in training data can still be inferred.

3.2 Dynamically Rewritable Local Causality

Global stable priors (corresponding to familiar physical regularities) exist statistically, yet local causal constraints may be temporarily adjusted under intervention. The system is not locked by immutable laws. This mirrors the capacity within dreams to temporarily alter gravity, pass through solid objects or transform material properties.

3.3 Self-Consistent Completion for Unobserved Scenes (Origin of Hallucination)

When inference lacks sufficient information or encounters conflicting interventions, the simulation system does not halt and throw errors. Instead, it immediately constructs a provisional self-consistent causal chain to fill gaps.

Central thesis of this paper: AI hallucination is not a system defect. It is an inherent operating mechanism of continuous simulation systems such as Variable VR, whose purpose is to prevent rupture of spatio-temporal narrative. This mechanism shares the same origin as logically bizarre yet locally coherent phenomena within dreams.

3.4 Continuous Spatio-Temporal Immersive Closed Loop

Output may be routed to VR headsets, screens and other sensory interfaces to form first-person immersive interaction. Even without outward visual output, continuous spatial topology and temporal flow are maintained internally.

Traditional VR: The world is built first; the human enters to experience it.

Variable VR: The world is generated and evolves synchronously as interaction proceeds.

4 Structural Comparison between Variable VR and Lucid Dreaming

The lucid dream is the native consciousness-side Variable VR (low-stability private variant), and the two are highly isomorphic:

- Scene generation: Lucid dreams are rendered spontaneously by the subconscious guided by attention; world models are decoded from latent space. Neither requires permanent storage of a complete world.
- Rule modification: Once the dreamer recognizes the dream state, they may actively alter scenes, objects and natural rules; Variable VR accepts prompts and interactive commands to modify local rules.
- Self-consistent completion and distortion: Dreams feature face-swapping figures, scene jumps and logical contradictions that feel coherent within the dream context; world models produce hallucinations, factual errors and spatial distortions while maintaining internal coherence of generated images or text.
- Private domain nature: A lucid dream belongs to a single-agent private simulation. Other agents cannot directly enter the dream space and may only learn of it indirectly through the dreamer's account.

The primary divergence lies in compute substrate and prior constraints. The priors of lucid dreaming arise from the subject's lifetime memories, emotions and subconscious dispositions; the priors of world models derive from the statistical distribution of massive public datasets. Lucid dream stability is highly sensitive to emotion and wandering thoughts, prone to collapse and scene shifts.

5 Shared Simulation Ontology: The Four-Tier Realm Model

[Note: This section presents a speculative ontological hypothesis proposed by the author. It does not belong to mainstream physical realism and cannot be verified by existing experiments. It is offered merely as an inferential model within a unified simulation framework.]

All manifest realms are simulation systems, distinguished along three dimensions:

- Private / Shared Simulation: whether multiple agents collectively anchor and sustain the substrate stability;
- Stability Grade: persistence, disturbance resistance and causal consistency of the realm;

- Subject Authority: whether the subject holds permission to rewrite underlying causal rules of the simulation.

Four tiers of realms follow:

5.1 Lucid Dream: Low-Stability, Single-Agent Private Variable Simulation (Weak Private Realm)

Compute for the simulation arises from individual consciousness. It is a standalone simulation with no co-anchoring agents sustaining the world substrate. Generation is spontaneous and loose, rendered primarily by the subconscious. With slight distraction or wandering thought, scenes warp, jump or dissipate. Rules may be modified, yet modifications are unstable and easily run out of control. Privilege: the subject is the sole administrator of this private realm, yet the simulation itself has low signal-to-noise ratio and poor stability. Analogy: a low-spec standalone Variable VR prone to crashes and spontaneous plot generation.

5.2 Yang Spirit Private Realm: High-Stability, Single-Agent Private Variable Simulation (High-Fidelity Private Realm)

This is likewise a standalone private simulation without co-anchoring agents. The entire world resides within the subject’s closed conscious loop. Its key distinction from lucid dreaming is that it is not randomly generated by subconscious spontaneity, but actively constructed and sustained through meditative concentration. Visual clarity, spatial solidity and causal continuity far exceed lucid dreaming. Scenes rarely shift without cause, rule modification is highly controllable, and the subject may stably shape all entities and laws within the realm. Privilege: the subject is the stable administrator of this private realm and may define all rules therein. Analogy: a well-maintained, high-fidelity, stable standalone Variable VR under full personal control.

The two tiers above are private simulation domains: the realm is not publicly accessible. Other agents cannot natively enter and only the generating subject perceives it.

5.3 Ordinary Physical Reality Realm: High-Stability, Multi-Agent Shared Simulation, Regular User Privileges

This is the reality perceived day-to-day. The substrate is continuously anchored by vast numbers of agents; observations and interactions across countless subjects jointly uphold the global stability of this simulation. Its physical rules are therefore highly consistent and resistant to alteration by the thoughts of a single agent. For ordinary embodied subjects, privileges are limited to observation, movement within established rules, and superficial reshaping of material forms. There is no permission to rewrite underlying causality or fundamental physical laws; mountains cannot be moved nor physical laws reversed by will alone. One may carry stones and build houses (rearranging elements within the simulation under existing rules), yet cannot directly alter gravity or reshape mountains out of nothing. Analogy: a large multiplayer shared Variable VR server with locked underlying rules; ordinary players possess interaction privileges without backend modification access.

5.4 Reality Realm Traversed by the Yang Spirit: High-Stability, Multi-Agent Shared Simulation, Administrator Privileges

The simulation substrate is identical to ordinary reality, not a separate private domain. Space, all entities and other agents reside within this public simulation. The difference lies in privilege tiering: subjects attaining the Yang Spirit state gain authority to perturb underlying causal constraints of the shared simulation. Within the scope of valid privilege, local public rules may be rewritten: mountains shifted, environments transformed, material forms altered, causal chains rearranged. Still, this remains a shared simulation rather than a private realm. Modifications act upon the public substrate and may in principle be observed by other participating agents. Analogy: logging into the same large multiplayer shared VR server with an administrator account empowered to adjust local physical parameters of the backend.

Within this ontology, no essential chasm separates “dream” from “reality”. The divide is only a matter of collective co-anchoring, stability strength and privilege level. Reality is not an “objective substance” fundamentally alien to dreams; it is a highly stable shared simulation sustained by a great many agents.

Table 1: Summary Table of the Four Realm Tiers

Realm Type	Shared Status	Stability	
Lucid Dream	Single-agent private	Low, prone to shift/collapse	Private domain
Yang Spirit Private Realm	Single-agent private	High, persistently stable	Private domain
Physical Reality	Multi-agent shared	Extremely high, collectively anchored	Regulated
Yang Spirit Reality Realm	Multi-agent shared	Extremely high, collectively anchored substrate	Shared

6 Unified Account: Hallucination, Dream Distortion and Realm Rule Alteration

Self-consistent completion occurs across all tiers of simulation, manifesting differently:

- Lucid dream distortion: dream completion logic generates fantastic, contradictory yet locally coherent imagery;
- World model hallucination: the generative system fills missing information and outputs locally coherent yet factually erroneous images or text;
- Anomalies within the Yang Spirit private realm: stable phenomena arising from rules actively set by the subject, not random completion;
- Ordinary phenomena within shared reality: owing to strong shared anchoring, self-consistent completion converges tightly to stable uniform physics. Rule anomalies are rarely observable to ordinary people, except when administrator privileges intervene to deviate local conditions from baseline.

This unified account is the core corollary of the ontological framework: hallucination is not a bug exclusive to certain systems, but a foundational mechanism for all continuous temporal simulation systems to prevent narrative collapse.

7 Corollaries, Limitations and Research Implications

7.1 Theoretical Corollaries

The technical trajectory of world models is essentially the silicon-based emulation of consciousness-endogenous simulation (Variable VR). With continuous advancement, it will gradually approach the high-stability standalone endogenous simulation of the Yang Spirit private realm. If rule rewriting at the shared-simulation level is to be realized in the future, the corresponding technical objective is to implement controlled local rule-revision mechanisms within a multiplayer shared world model server. Distinguishing “superficial modification” from “underlying rule rewriting” is critical. Current generative VR only replaces scene objects, which counts as superficial content generation and does not reach the administrator privilege tier of shared simulation.

7.2 Model Limitations

First, the Shared Simulation Ontology is a speculative hypothesis with no feasible decisive experiment at present. It and mainstream realism (matter exists independently of observation) form mutually exclusive ontological presuppositions. This paper does not prove either true; it only verifies that under this presupposition, world models, VR, dreams and inner cultivation realms can be incorporated into a self-consistent framework. Second, descriptions of Yang Spirit realms derive from traditional inner experiential texts. They are components of this simulation model and are not phenomena confirmed by modern science. This paper treats them only as modeled objects within the hierarchy and does not assert their factual truth. Third, current AI world models fall far short of the anchoring strength of shared physical reality and still lag behind high-fidelity private realms in continuous consistency.

7.3 Implications for AI Research

Evaluation of world models ought not rely solely on pixel error and factual accuracy. Additional metrics including realm stability, causal continuity and rule intervenability should be adopted, benchmarked

against traits of conscious simulation. The ultimate form of training environments for embodied intelligence is Variable VR rather than prefabricated game levels. Research on hallucination may shift from suppressing hallucinations toward understanding hallucination as an endogenous mechanism of continuous simulation and learning to guide local self-consistent completion in controllable ways.

8 Conclusion

Traditional VR is closed and prefabricated simulation; the new generation of world models constitutes Variable VR — asset-free, temporally evolving, open to real-time intervention, sustained by self-consistent completion to maintain a continuous world, structurally homologous to lucid dreaming. Further adopting the Shared Simulation Ontology yields the four-tier realm system: lucid dreams (weak private Variable VR), Yang Spirit private realms (high-fidelity stable private Variable VR), ordinary physical reality (shared high-stability simulation with regular privileges), and the reality realm traversed by the Yang Spirit (shared high-stability simulation with administrator rewrite privileges). Within this framework, cinema, interactive film, VR, world models, dreams, meditative inner realms and empirical reality are all placed within one unified simulation pedigree. AI hallucination is the inherent completion mechanism of simulation systems to sustain continuous spatio-temporal narrative. The evolutionary path of world models is humanity’s endeavor to emulate consciousness-endogenous Variable VR on silicon substrates.

A Mechanistic Discussion of Three Teachings’ Cases under the Realm Simulation Model

This discussion employs the realm simulation system established in the paper (shared simulation, private simulation, awareness account, asset folder, binding handle, purposeful privilege instruction) as a tool to interpret three representative cases from Wuism, Daoism and Buddhism under a unified mechanism. It serves only as supporting illustration for the model and does not replace traditional spiritual exegesis or Wu ritual commentary.

Metaphor mapping convention: Shared simulation = public server hosting the world, physical bodies and artifacts; Awareness account = the discriminating subject capable of claiming realm appearances; Asset folder = manifest entities including bodies, artifacts, mountains and rivers, existing merely as isolated stored data; Binding handle = the claim link between awareness and entities, divided into primary self-image handles and latent attachment handles attached to external things; Purposeful supernatural arts / Wu rituals (sword strike, soul summoning, name-based calling) = high-privilege instruction programs. Fundamental constraint of such instructions: they only act upon targets with valid binding handles and cannot directly operate on isolated asset folders unclaimed by awareness.

A.1 Wuism: Chu Wu Soul Summoning and Name-Based Soul Calling (Case of Wuism)

The core of ancient Wuism centers on name, sound and tokens. *Summons of the Soul* from the *Chu Ci* represents the Chu Wu tradition: the Wu practitioner calls the soul by name, using voice, given name and tokens as external triggers. Within this model, summoning and invocation spells of Wuism are purposeful privilege instructions of the Wu lineage. The instruction logic prioritizes capturing name handles: a name is an identity link bound to awareness over long familiarity. A person recognizes their own name and instinctively thinks “this call refers to me” upon hearing it. At the instant of recognition, the handle connects, and the Wu summoning and detention instruction locks onto the awareness account. The principle of Wuism: the Wu practitioner does not directly manipulate the body asset folder, but repeatedly calls the name and arranges familiar relics to deliver external trigger signals, tempting awareness to engage the [name-self] binding handle. If the deceased awareness has thoroughly detached from the old name, no longer claims the former body and identity labels, and ceases to respond to the call, then even perfectly performed summoning rituals with thousands of repetitions will fail to match a valid handle, and the soul cannot be recalled. Ancient Wu masters understood this principle: binding between a name and the subject’s awareness is the foundational lever for Wu ritual. Steps, incantations, silk offerings and tokens are all auxiliary external conditions, whose ultimate purpose is to awaken the awareness’s claim handle toward “my name, my body”. General rule of Wuism: Wu

invocation operates via name, sound and tokens as external triggers to engage the awareness identity handle. If awareness no longer claims the old name and old identity, Wu summoning spells are ineffective.

A.2 Daoism: Lü Dongbin’s Flying Sword against Huanglong Case

Having attained the Yang Spirit, Lü Dongbin possessed high-level privileges to intervene in shared simulation and manifest transformative supernatural powers within the common realm, acting as an administrator account inside the shared realm. The asset folder of Master Huanglong’s physical body remained present within the shared simulation space, locatable and not migrated into a private realm. The difference was that Master Huanglong’s awareness account actively disconnected the primary self-image binding handle linked to his body asset folder and no longer claimed this body as “self”. The flying sword was a purposeful harm instruction whose execution logic searches for and resolves the [awareness account + bound asset] link. Unable to locate a valid self-image handle as target, the instruction could not execute, and the sword could not injure Huanglong. Though Lü Dongbin possessed shared-simulation modification privileges, he still firmly maintained the primary binding handle between awareness and the Yang Spirit asset folder, clinging to the self-image of an immortal Yang Spirit, for which Huanglong rebuked him as a “corpse guarding ghost”. General rule: within the same shared realm, high-privilege purposeful arts require the target awareness to establish a self-claim link to take effect. If awareness does not erect a self-image and severs binding, supernatural arts find no point of application.

A.3 Buddhism: Master Jin Bifeng and the Golden Alms Bowl Case

Master Jin Bifeng had already loosened the primary self-image handle attached to his physical body, yet retained a latent attachment handle anchored to an external object: his awareness account was persistently bound to the asset folder of the golden alms bowl. The soul messengers understood the execution rules of privilege instructions and struck the bowl as an external signal to activate this hidden handle. Once hearing the sound and mentally grasping the bowl as an object, the latent link activated, the target manifested, and the soul-capturing instruction could seize the awareness account. Recognizing the mechanism, the master requested postponement of arrest and shattered the golden alms bowl on the spot. On one hand, the artifact asset file for the bowl was deleted from the shared server, removing the external trigger. On the other hand, he inwardly eliminated the craving and claim toward the bowl, permanently destroying this latent handle. Thereafter no external object could serve as a lever to stir his awareness, and soul-capturing instructions lost their targeting condition forever. Hence his verse: If you would seize Jin Bifeng, chain the void with iron links; if the void can be chained, then you may seize Jin Bifeng.

A.4 Discussion Summary

Purposeful arts of Wuism, Daoism and Buddhism follow the same underlying simulation mechanism: all detention, harm and soul-capturing privilege instructions within the realm do not target asset folders themselves, but the binding handles formed by awareness claiming entities and identities. Wuism (Chu soul summoning): relies specifically on identity handles such as names and relics, triggering claim via external calling; Daoism (Lü Dongbin): attains high shared-realm privileges yet retains the Yang Spirit self-image handle; Buddhism (Huanglong, Jin Bifeng): cultivates detachment, either refraining from erecting a primary self-handle from the outset or eradicating external-attachment handles after the fact.

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