The Dark Side of Second Life
Software that lets residents copy others' possessions is the latest reminder that this virtual world may need tougher law enforcement

by Catherine Holahan

Concerns ran high among the hundred or so gathered for a community meeting in Second Life, the online virtual world. The group had crowded into town hall to hear Second Life creator Philip Rosedale, known on the inside as "El Presidente," discuss the latest crisis to befall the digital community where members interact, buy and sell goods, and build property worth real money. Potentially many more Second Life residents were listening in though an Internet audio stream.

The fuss? Many wanted to know what Second Life's creators planned to do about a new program, nicknamed CopyBot, that enables users to quickly copy characters, objects, and buildings, potentially eroding the value of people's virtual property. Others wanted to know about viruses with the alleged potential to steal members' identifying information. Still others were worried about the growing menace of mafias and gangs that are forcing members out of public areas. "These groups are very threatening and frustrating to deal with," wrote Eric Erskine in a Nov. 16 post on a Second Life community discussion group. "They took over the SoulMates dance club and ran every AV (avatar) off except mine... permanently ban mobs, gangstas, and mafias!"

It would seem the virtual world is facing a very real-world problem: crime. As more people have joined the global virtual community—it now boasts more than 1 million members—residents are grappling with how to secure property ownership and ensure public well-being. The difficulty of that task was underscored Nov. 19 when a worm attack called "grey goo" forced Second Life to close down for a short time. The worm installed spinning objects in the virtual world that slowed the servers as users tried to interact with them.

CALLING FOR LAW AND ORDER
Besides the town hall meeting, concerned Second Lifers staged protests over the CopyBot program (see BusinessWeek.com, 11/15/06, "Real Threat to Virtual Goods in Second Life"). In other cases, some have gone as far as to hold trials. Many are now demanding an official system of law and order. "People are clamoring for a solution, they want a solution now," says Josh Eikenberry, a virtual architect who designs homes and buildings for avatars under the name Lordfly Digeridoo. "But what is the solution?"

Every society struggles with how best to protect property. It's especially tricky in a place such as Second Life, where goods are defined by lines of software code. Many citizens make a real-life living selling goods such as clothes and homes for avatars, as the virtual versions of actual people are known. Their income is in a currency, the Linden, pegged to the dollar and openly traded on the LindeX Exchange (see BusinessWeek.com, 5/1/06, "My Virtual Life").
The currency fluctuated on Nov. 14 as residents worried that the CopyBot program would render their purchased or independently designed property worthless. Since Second Life announced that people who use the CopyBot program would be banned from the virtual world, the currency has returned to roughly normal levels of 270 to 280 Lindens to the U.S. dollar.

PEER PRESSURE POLICING
But residents are still plenty worried. Andrea Miller, a Las Vegas marketing director who co-owns the Panache clothing store in Second Life, says she is concerned about her creations getting ripped off. She closed her store, which handles about 20,000 Linden dollars a day, in protest of what she believes is a lack of sufficient action by Second Life's creators. "You believe your work will be protected," says Miller. "But it's just not. It's disheartening."

Rosedale, who is also chief executive of Second Life owner Linden Lab, has been reluctant to put his company in the position of aggressively policing the virtual world. Second Life has announced that it will remove people who use the CopyBot program to steal others’ designs. The firm's roughly 30 developers are also working to better identify the original creators of designs and make this information easily accessible to the public. The hope is that, once people know someone has an illegally copied item, he will be shunned by the community or sued by the original designer, be it in a real-world or Second Life court system, for violating copyright protection laws.

Rosedale says it is not appropriate for Linden Labs to sue copiers itself or get involved in dispute resolution, though many residents would like the company to devote resources to policing the community. Still, Rosedale admits that real-world suits by virtual members might not be enough. "Longer term, Second Life is going to have to develop its own law or its own standards of behavior," Rosedale said during the town meeting. He added that he hopes the community develops "local authorities" to deal with property ownership and copyright issues.

VIGILANTE JUSTICE
Already, Rosedale says, groups have started up Better Business Bureau-style associations to weed out bad players. Linden Labs may also encourage the publication of blacklists of known copiers.

Yet the notion of grassroots justice in a virtual world raises a host of serious questions: On what authority would they act? What punishments can they mete out? And to whom would they be accountable? For example, if a shopkeeper is erroneously blacklisted, can he or she hold anyone responsible for lost sales? If so, who?

Linden Labs cannot simply block people from using copy programs since it must show the computer the code for images in order for users to see those images in the game and interact with them. Personal information about the players, however, is not shown and is protected by code on Linden's own servers.

SMALLER VENDORS FEARFUL
Sibley Verbeck is the CEO of the Electric Sheep Co., a firm that designs experiences in Second Life and other virtual worlds for major companies such as Reuters (RTRSY), Sony (SNE), and Starwood Hotels (HOT) (see BusinessWeek.com, 8/23/06, "Starwood Hotels Explore Second Life First"). Verbeck says issues of property and copyright control are being increasingly discussed as more Second Lifers have begun creating and selling their own content. "It is a rapidly evolving technological platform. There are going to be bumps in the road, and there are segments of the user base that are prone to panic," says Verbeck. "If you watch Second Life for awhile you are going to see a crisis just this big every month."

Corporations are less worried about intellectual property issues in Second Life than some smaller vendors, says Verbeck, because they are fashioning their creations more to promote a brand than to make money off actual sales. Still, they are
concerned that the copying software could be used to replicate a logo or item and then alter it in a disparaging way. It could also have an effect if people begin leaving Second Life for fear that their creations will become valueless.

Still, Verbeck says he has faith that the Second Life community will figure out how to handle law enforcement in the virtual land. "A lot of people are becoming aware of the potential for damage, it has gotten a dialogue going, and it's gotten a lot of people interested," he says.

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