

The 3D Internet Will Change How We Live

By Benjamin Duranske

Last summer, several hundred thousand very real dollars disappeared into a Ponzi scheme in the popular virtual world, "Second Life." The owner of the "bank" behind the scheme fled, and hasn't been seen since last October. There were no investigations, lawsuits or arrests.

Second Life users had invested "Linden Dollars" in the scheme, hoping to make money. Linden Dollars are purchased with real cash, and can be converted to real money on an exchange run by Linden Lab, the company behind Second Life.

After the debacle, the angry mob surrounding the virtual bank's ATMs appeared to consist mainly of hookers, mafia enforcers, skateboard punks and theme-park mascots. Though these computer-generated "avatars" represented real people in front of computer screens, some of whom lost real money, you're forgiven for not caring. It was as bizarre as it was tragic.

The picture is changing though—faster than you think. Real-life rules are starting to be applied to virtual worlds. Second Life banned unlicensed "banks" earlier this year, after previously banning casinos and

simulated child pornography. Users cheered.

Virtual worlds may look like toys for the geekiest of geeks, but they have quietly slipped into the mainstream. Second Life reports that over the last two months, 1.2 million accounts were logged in for over 65 million total hours.

Other virtual worlds, like the PG-13 rated "There," China's forthcoming "HiPiHi," youth-oriented "Barbie Girls" and teen-oriented "Habbo Hotel" attract

A bank failure in cyberspace?

millions more. Big technology players are involved too. Sony is developing a 3D environment for its popular PlayStation 3 called "Home," and Google recently launched its own world, "Lively."

Dozens of major brands and organizations, including MTV, Playboy, CBS, Cisco, Toyota, L'Oréal and the American Cancer Society have significant virtual-world presences. IBM has made a particularly strong commitment to virtual worlds, and regularly holds meetings on a sprawling, privately firewalled Second Life campus.

Washington is paying attention. Earlier this year Rep. Ed

Markey (D., Mass.), chairman of the House Subcommittee on Telecommunications and the Internet, presided over a hearing on virtual worlds. The hearing was simulcast into Second Life, where Rep. Markey was represented by an avatar.

The financial marketplace, of course, hasn't missed this opportunity—\$345 million was invested in 39 virtual world-related companies in the first half of 2008. Last year, Gartner Research predicted that 80% of all active Internet users will have a virtual-world presence by 2011.

Bandwidth and processing power are constantly growing, leading to several convergent trends. First, interfaces are moving closer to reality. Over the last 30 years, we have gone from punch cards to typed commands to drag-and-drop folders to Windows Vista's 3D panels. Second, hardware that makes 3D immersion possible—from motion-control devices like Nintendo's Wiimote to \$90 Webcams that track face and body movements—is now reaching average consumers' homes.

Finally, we are becoming an increasingly networked society. Eighty-two percent of American homes now have Internet access, up 11% percent from 2006.

The allure of the 3D Internet is easy to see. What auto maker

would be content to put 2D pictures of a new SUV on its Web site when it can offer buyers a virtual, first-person drive down a snowy mountain road? What sculptor will want to display 2D photographs of her work when she can invite collectors on a guided tour of her virtual sculpture garden?

No privately held virtual world is going to end up in sole possession of the 3D Internet, just as no early 2D "walled garden" network provider like Prodigy, CompuServe or AOL owns the 2D Web today. A number of industry groups are working on open 3D standards. As soon as one of these gains widespread acceptance, anyone will be able to build a virtual world that is connected to any other similarly coded virtual world—just like HTML now allows anyone to create a 2D Web page that is connected to any other 2D Web page.

If current trends hold, the Internet will evolve into a 3D space, and virtual worlds will become an integral part of human communication. Real life will never be the same.

Mr. Duranske, a writer and attorney, is the author of "Virtual Law: Navigating the Legal Landscape of Virtual Worlds" (American Bar Association Publishing, 2008).