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Ethics of Internet Commerce: Conducting Business in Second Life

Executive Summary

The internet has offered a new medium for global commerce. In this virtual universe reside virtual worlds. One such world is Second Life. Second Life offers its residents a unique marketplace and economic structure designed for its residents. International trade regulations, product taxes, intellectual property protection laws and other real world regulations do not apply in the "Lands of Linden". Free trade has allowed the creation of a viable economy for Second Life residents. Lack of regulation has left artists seeking protection for their designs and creations in order to preserve their value. Autonomy leads many residents astray believing their actions in a virtual world have no implications or relevance. The ability to purchase cybersex has led to the destruction of real world relationships and marriages.

This paper discusses the benefits and pitfalls of internet commerce in the Second Life's virtual world. It discusses how residents benefit and profit from the economic structure in Second Life while contrasting the disadvantages of a less regulated society. It will provide examples of companies and universities that use Second Life as a virtual meeting platform and how this setting has benefited their organization. Marketing and name branding are discussed and how they translate to the real life counterpart of the virtual world brand. The application of ethics in virtual business is covered. After viewing the positive and negative aspects of virtual commerce in Second Life, one will be able to view recommendations and conclusion on using this platform as a virtual marketplace.

Definitions

Technical terminology and the language of the virtual world of Second Life include terms that are not common in daily conversations. The following are acronyms, abbreviations and terms, which are used throughout this paper.

Avatar - the in-world representation of your alter ego

BCI - Brain Computer Interface

In-world - action or situation taking place in the virtual world of Second Life

Linden Dollar - the virtual currency of Second Life

LSL - Linden Scripting Language; the programming language that allows the operation and function of in-world objects

MidnightRose Segall - virtual resident of SL and alter ego of Andrea Sitler

Prim/Prims - the virtual building blocks of every item, including avatars, in the Second Life virtual world

Rez-Day - the day you virtual identity (avatar) was created

Rezz/Rezzed - to take an item from your virtual inventory and display it in-world

RL - Real Life (the physical world we live in)

Sim - a 256x256 square meter virtual land mass that contains its own name and owner with sub dividable plots

Second Life Resident - a participant in the virtual world of Second Life (SL)

SL - Second Life

SLCC - Second Life Citizen Council

TSL - a teen only area of Second Life named Teen Second Life

Virtual - not of the physical world

VoIP - voice over internet protocol

Contents

- I. Executive Summary
- II. Definitions
- III. Ethics of Internet Commerce: Conducting Business in Second Life
 - a. Introduction
 - b. History of Second Life
 - c. Creating a Tax Free Income in SL
 - d. Growth Explosion of SL
 - e. Linden Land Sales
 - f. Conducting Business and Trainings in SL
 - g. SL Artists Face RL Issues
 - h. Virtual Sex
 - i. Building a Reputation in a Virtual World
 - j. Real World Applications for SL
- IV. Conclusion
- V. References

Ethics of Internet Commerce: Conducting Business in Second Life

Second Life (SL) is the virtual world where anything is possible. Commerce and trade of goods and services are the backbone of SL's economy. The terms of service for SL (Linden Research Labs, Inc., 2009b), as many have commented, are not exactly transparent. Few things are regulated outside of the no gambling devices rule, which is in force due to Linden Lab's house council, Ginsu Linden's interpretation of the *Unlawful Internet Gambling Enforcement Act of 2006*. In a world limited only by one's imagination where regulations are few and global boundaries are non-defined, SL offers a virtual breeding ground for self-declaration along with a myriad of ethical and unethical actions.

Virtual worlds like Second Life have fast become a testing ground for the limits of relationships, both online and off. In the game, cyber sex, marriage and divorce are common. Avatars have sued one another, as well as the site's parent company, Linden Lab, in real-life courts for in-game grievances such as copyright infringement and property disputes. The site now has more than eight million registered "residents," up from 100,000 in January 2006, though the number of active users is closer to 450,000, according to Linden Lab's most recent data. A typical "gamer" spends 20 to 40 hours a week in a virtual world. (Alter, 2007)

History of Second Life

"Linden Lab released Second Life in June 2003. Second Life evolved as an idea by former Linden Lab CEO and founder Philip Rosedale (aka Philip Linden), who wanted to create a 3D virtual world with user generated content, where they could interact with each other in real time. Linden Lab was founded in 1999 and began the works on Second Life in 2001, which had the internal name *LindenWorld*." (Linden Research Labs, Inc., 2009a) "In this early state, Second Life wasn't open to the public, very gun focused and its avatars were made out of prims

(so called Primitars)." (J. Linden, 2006) Prims are the building blocks of SL. Every item and avatar is a combination of prims.

Teen Second Life (TSL) was introduced on February 13, 2005, which removed the limitations of an all-adult residency. TSL was only "open" during the office hours of its creators. This enabled the monitoring of interactions within TSL. The following year, this limited entry world moved from beta state to a fully functional world. Today TSL is open 24/7 the same as its adult counterpart SL.

SL offers a gathering place for the world. Once in world, your RL (real life) country is no longer of concern for you as a citizen of SL. World politics and grievances remain at the portal. You become the person of your dreams. SL is about role-playing. In this virtual utopia, you declare yourself a pirate, a lion, a fairy, a gangster from the 1920's, a cowboy from the Wild West era, a Viking, a vampire, a zombie, a knight, a king, an alien or whatever life form fulfills your fantasy. Playing out your role and all its nuances is the purpose of SL.

The rules are simple. Declare your role and adhere to the characteristics of that role. Seek out others like yourself and their respective villages. The basic rule of SL is doing no harm to others unless it is invited. This does not mean it is all right to harm another if provoked. It means if "ye be pirates at battle; then ye battle" or if you are a vampire and your woman invites a bite, then you so inflict her. There are worlds designed for warfare and those for peace. It is the responsibility of the citizenry to find their appropriate place and once there to act ethically and responsibly.

SL resident, MidnightRose Segall was born April 12, 2008. SL residents refer to this as their "rez day". Rez days are celebrated annually as one would celebrate their birthday. MidnightRose has acquired lands, ships and marketplaces. Combining her love for The Pirates of the Caribbean with gothic design, herself declared role is one of an undead pirate. Admiral MidnightRose participates in pirate battles at Beek Haven and sails with the Rebels. She is the virtual talent behind *Pirate Queen Designs* (PQD). PQD designs offers virtual furniture and virtual clothing for sale in SL. Sales commence from her properties such as the new *Mega Skull Mall* and *Dead Time in the Graveyard*. Additional sales occur in various rental shops throughout SL. Ms. Segall's SL companies and RL company, *The DOT Doctor*, operate under the same mode of operations in regards to customer treatment, ethics and responsible actions. Visitor list tracking and sales analyzation provide a listing of trends. In-world servers offer "The Pirate Queen" a means for communications with her customers and club members. Marketing is a necessity of business. Raffles, give-a-ways and a new Video Dance Club are means of attracting potential customers to her properties.

Name branding is as important in SL as in RL. "Second Life is a continued destination for real-world companies to market their goods," explains Eric Reuters as he explored Coca-Cola and Nestlé's new joint world adventure. (Reuters, 2008b) Market techniques are a major part of a successful SL business. As in RL, purchasing of ad space, increasing one's search engine ratings and establishing a positive brand name stem from good business sense, community commitment, honesty, integrity, quality products and high ethical standards.

SL offers a new perspective on global unification. Lands are not divided by RL nations but rather by common interests. Each land mass is referred to as a Sim. Sims are usually a

collection of likeminded people who choose to buy or rent land in that area based upon their common interests and goals. The King or ruler of the land sets the rules of conduct. One person or group has to purchase a sim in order for others to live in his region. This is the supreme ruler of his virtual 256x256 square meter island. Regulations set forth by the ruler must comply with Linden standards. This is much like the Federal Government regulations being imposed overall then each state and locality may offer its own additional rules.

Even in the darkest of world like *Hell's Razor*, there is a sense of order and ethics. The High Demon sets the laws of the land. Business owners must comply as well as anyone who enters their sim. These laws and actions of ethical behavior may not compare to your personal standards just as those of a person from another culture may not compare to your personal standards. Differences in ethical actions do not mean the person is not acting ethically. It displays the differences in people and how certain groups have their own standards of acceptability.

SL offers much more than a place to fulfill your fantasies. It is a place of learning, sharing, business and commerce. Linden Research, Inc. publishes a blog, website and a wiki on Second Life. In their wiki entitled, *History of Second Life (2009)* the developments of SL are discussed. "On January 20th, 2009, Linden Lab announces that it acquired the SL online marketplaces OnRez and XStreet SL in order to merge and integrate them in the SL service." This further spurred the commerce growth of SL. SL already had produced a real world millionaire.

On May 1st 2006, Second Life Resident Anshe Chung was featured on the cover of the U.S. magazine BusinessWorld and reported to be the first person becoming a Real Life

(RL) millionaire due to Second Life business. This story brought great media coverage and pitched the population growth further. (Linden Research Labs, Inc., 2009a)

Today over fifteen million people are SL residents. (Reuters, 2008) Upon sign in, statistics show that approximately 75,000 global citizens unite in SL at any one time. Residents are shop owners, land barons, club owners, teachers, students, DJ or part of the workforce. Few residents just grift their way through SL. Most residents are very helpful and friendly. Places have been established for the purpose of offering assistance to new world residents, "Newbies," in their assimilation into SL culture.

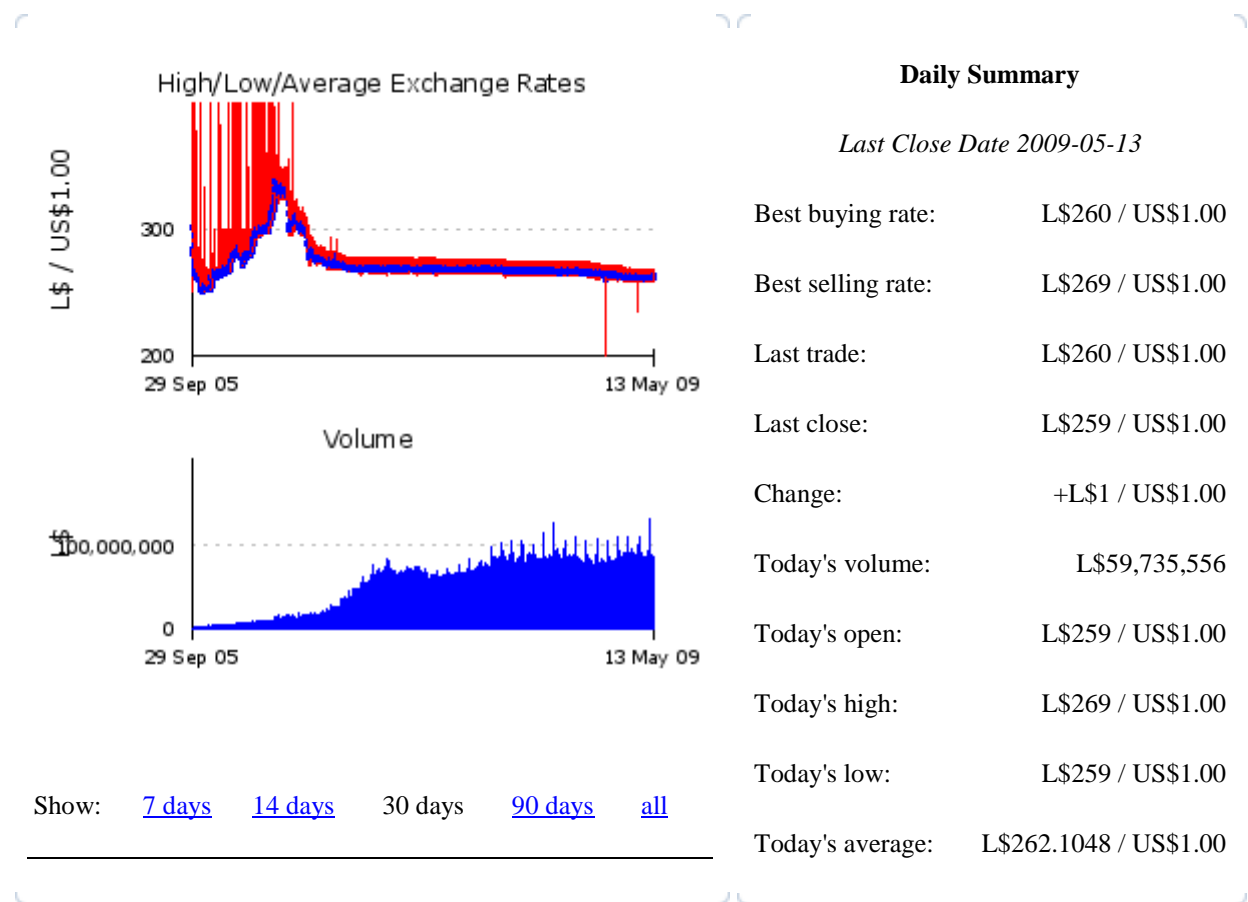
No RL harm can come to an SL resident through game play. Grifters, vampires and others that cause unwelcomed harm to you in SL are subject to banishment. Jordan Bellino, in-world name of "Tizzers Foxchase," is one example of a self-proclaimed grifter that was banished from SL. (Reuters, 2008) If you die in world, you are simply transported to your declared home where you continue with your virtual life.

Each avatar creates a profile. The profile contains pictures, Second Life information, Picks (list of place you like or recommend), a classified section for business owners, a place for notes and an optional First Life section. Most residents decline to fill out their First Life sections. SL is their method of escaping RL and they do not wish to incorporate the two aspects of their life. Teens and other residents provide little to no First Life information strictly for safety reasons.

The monetary system for SL is the Linden Dollar which fluxuates the same as any currency. The Linden Dollar was introduced in 2003 and followed by the LindeX (Linden Exchange) currency exchange two years later. (Linden Research Labs, Inc.,2009a) Currency

exchange rates are tracked on LindeX the same as any RL commodity can be tracked on a stock exchange. The stock exchange is accessible at all times complete with exchange history so the buyer and seller can make informed decisions on rates. There are many money brokers and seven main exchanges.

LindeX™ Exchange: Market Data



Daily Market History - Rates are in L\$ per US\$1.00. Volume and quantities are in L\$. (Linden Research, 2009c)

ELDEX (European Linden Dollar Exchange) offers Lindens at a fixed rate without transactions fees. One US Dollar will purchase 255L\$. A Euro Dollar will gain you 316-323L\$ based upon the quantity purchased. A Great Britain Pound is worth as much as 369L\$. (Virtual Business Management, 2009) As with any financial market, there are risks. Buying from an in-world resident is one of the highest risk methods for currency exchange. Unethical sellers will offer Lindens at a low rate and then not produce the currency once paid. Some exchanges have hidden charges. Even in virtual life, not all people act honestly and ethically. Virtual dishonesty is often attributed to the great anonymity that is experienced in such an environment.

L\$ Buy Rates				
L\$ Amount	EUR	USD	GBP	CHF
300 - 1.000	316	255	363	226
1.000 - 5.000	316	255	365	227
5.000 - 10.000	320	255	367	229
> 10.000	323	255	369	230

(Virtual Business Management, 2009)

Creating a Tax Free Income in SL

In-world purchases do not incur taxation. References to VAT and US state taxes are made however, we are in Linden's World not a physical location and therefore no US sales tax is incurred. Value Added Taxes (VAT) are charged on Linden Lab purchases to RL European Union (EU) residences in accordance with EU law. RL residency is declared at time of registration and then verified through your IP address. (Linden Lab, 2009d) Commerce between SL residences and businesses incur no taxes. These in-world purchases are for in-world usage. There is no call to charge taxes on such items since they never cross into the real world. In-world products are alternatively available via the internet on sites such as XLStreet and EBay.

These out of world purchases are subjective to the regulations of the site upon which the transaction has concluded. Though few internet purchases incur taxes, it is always possible to be charged taxes when making SL purchases outside of the SL platform.

Tenshi Vielle (2009), a writer for the Second Life Herald, interviewed SL designers in an attempt to learn what an SL fashion designer makes a month. Her findings from an informal survey conducted at the *Shopping Cart Disco* showed that the average earnings for all designers was \$850 USD/month. "Inexperienced designers claiming to take home an average of \$490/month and experienced designers make \$1145 on average." Larger designers who own their Sims with shopping malls, write blogs, have a customer following and extensive marketing campaigns have reported their income to be considerably higher than the figures shown below. One SL resident, Brunoo Loon, spends over a half million Linden Dollars (\$2,000USD) each month on just advertising. When questioned on where the cash is derived, he responded that all cash spent on advertising was made in-world. (Naraya, 2009b)

800	800	100
2000	2000	250
100	200	1500
200	100	100
100	3600	500
250	1000	100
3600	2000	
1000	200	
1000	750	
300	800	
2000		
200		
750		
100		
500		
800		
13700	11450	2450
856.25	1145	490
ALL DESIGNERS	EXPERIENCED	INEXPERIENCED

The figures in red represent claimed income (withdrawn from SL in United States Dollars) averages across the comment input board. Each column is labeled on the bottom for experienced or inexperienced designers. (Vielle, 2009)

SL virtual sales and profit generation allow the SL businessperson a means of generating an income free from taxation. W-2s and 1099 have no place in this virtual world. Linden Dollars, as described by house council for Linden Labs, Ginsu Linden (2006b) as a licensed feature of the game that holds no value. Linden elaborates:

Linden Dollars are not money, they are neither funds nor credit for funds. Linden Dollars represent a limited license right to use a feature of the simulated environment. Linden Lab does not offer any right of redemption for any sum of money, or any other guarantee of monetary value, for Linden Dollars. (G. Linden, 2006b)

Linden Dollars are not real money. As noted in Section 1.4 of Linden Labs Terms of Service. Linden Dollars represent your limited license right to use an aspect of Second Life, i.e. the aspect that simulates a real-world economy. Linden Lab does not provide any right of redemption for Linden Dollars - you cannot demand that Linden Lab provide you any sum of money in exchange for your Linden Dollars. Linden Dollars are a software license right, not money. (G. Linden, 2006a)

Applying Attorney Linden's philosophy towards Linden Dollars there is no need for tax concerns or filings. Despite Mr. Linden's claim that Linden Dollars hold no monetary value, this in-world game money may be exchanged for RL currency outside of the LindeX. Business people who use SL as a platform to generate their income can do so without incurring any tax assessment outside of the monthly tier costs to Linden Labs. Self-employment in RL accompanies quarterly tax filings, self-employment taxes and other financial burdens. SL self-employment has none of these constraints. There is not tax forms in-world. It is essentially possible for a successful SL businessperson to avoid taxation. True financial gains in SL and converted to RL currency are required to be reported at tax time per US law the same as any earned or won income. That is the proper and ethical action however it is easy to see how game money gained in SL would not be considered during tax season.

Growth Explosion of SL

SL experienced tremendous growth over the past six years. In a world without traditional global boundaries, laws and regulations, NAFTA and other trade or import/export practices are invalid. Products and services are provided without concern for originating country. In SL, we are all residents of "Linden's World" so there are no international borders. This marketplace allows for free enterprising and trade by all. There are no tariff taxes or other additional charges to stifle product growth. The only limitations are your own creative abilities. Most creators rarely include their RL country of origin in their products. Free trade has promoted a price competitive marketplace and commerce growth for all residents.

Peter Lokke, SLCC Chief Organizer, commented on the commerce growth of SL in an interview with Reuters. His opinion is, "There's a lot more competition in-world. People aren't going to be making as much money in Second Life as they used to." (Reuters, 2008)

Competition may have grown but so has the population of SL. New SL residences introduce and demand new product lines. As one balances the other, commerce should remain viable. The introductions of International translators allow for ease of communication and should further promote commerce.

Population growth, virtual or real always comes with concerns. Land area is required to house the populace. In RL, this is a physical place while in virtual life growth demands higher server capacities. With this SL growth, came the need for population control. Just as in any society, as the citizen count increases so must the regulations less we result in chaos.

In order to restrict simulator usage, a tax system was introduced which required every Resident to pay a weekly fee, depending on the prims they had rezzed inworld. This

system was easy to trick, by just packing all prims into the inventory on pay day, and rezzing them again one day later. (Rosedale & Ondrejka, 2006)

Linden Land Sales

Land sales began shortly thereafter as a method of counteracting this behavior. This is the Linden Lab's method of tax collections in their virtual realm. "Taxes" are the monthly tier that is charged of all land-owning residents. Whether you rent or buy land, a monthly fee is assessed based upon the size of the parcel. The difference between renting and owning is who collects the fee. The parcel size determines the number of prims you may have on display (rezzed) in-world at any one time. Items not "rezzed" but held in inventory do not count towards your prim availability.

Second Life Land Sales created the same land boom issues that land giveaways created in the late 1800's and early 1900's in the United States. Greed driven opportunists quickly purchased all available land. "Mr. Brautigam is a well known virtual land baron who says he owns 49 sims in Second Life," states Pixeleen Mistral (2008) in an interview with this disgruntled landowner. Plots obtained by these land barons were subdivided and resold at high profits. Land availability was originally limited due to server space so these early land barons exploited the Linden Land ownership opportunity. Today constant sim expansions have slowed this trend. Still like-minded business people quickly purchase the coveted west end of new Sims. The land is then ransomed off to the highest bidder or placed for sale in a six-figure market making it unattainable by most SL residents.

Original Linden Lands



(Linden Research Labs, Inc.,2009a)

Subdivision of plots into units smaller than 16 square meters is forbidden. These microplots only support three prims and offer no real usage except for that of a highway billboard (aka Ad Farm). Ad Farms are a violation of the Linden Labs Terms of Service (Vault9, n.d.) however subdividing land into 16 square meter plots is allowed. The allowance of this action has cultivated these Ad Farms, which continue to exist. Original Linden Land areas are spotted with these tiny dots cluttering up the landside. While a standard 512 square meter land area is available for 2000L\$, these tiny strategic plots are offered by unethical land barons for over 25,000L\$.

Several groups such as the Arbor Project has pooled resources and begun obtaining these 16 and 32 square meter plots. As an act of good faith in the interest of land beautification, they offer this land to anyone who purchases the adjoining plots. Neighboring landowners can purchase these microplots from the Arbor Project for 1L\$ provided they join the plots and

incorporate the area into their land. The Arbor Project asks that you plant a tree on the land but it is not required. The project is experiencing a high success rate. The Arbor Project celebrated its third year anniversary on Earth Day with a twelve-hour party that including a venue entitled, "Hug a Tree". ("SL Events", 2009)

Conducting Business and Trainings in SL

Second Life offers a gathering place for online student groups and global businesspersons. The University of Maryland University Campus' Computing Student Club (CMTR900) has created a virtual presence in SL. This SL club offers a location in which meetings and club activities can commence. Businesses are using SL to reduce the cost of travel. Like any virtual meeting place, SL offers an array of pros and cons. Boardroom furniture, presentation systems and meeting areas are available in-world. Handouts and other traditional meeting items are available for presentation. The tiny SL screens fill your computer monitor once you use your SL camera controls to line up the presentation area. There are varieties of graphic settings offered. The graphics range from low to very high resolution, which is all, based upon the capabilities of your computer's graphic card and internet connection speed. This inventive use of information technology allows for face-to-face meetings for companies whose personnel are not in one location. IBM has been using SL for virtual meetings for several years and found the experience to be successful. ("Getting a (Second) Life", 2007) SL removes the boundaries of age, appearance and ethnicity allowing for the concentration on business and learning.

Security is a concern for any business due to hackers and other unethical members of society who steal business secrets for profit. Businesses using SL as a meeting platform share

these same concerns. SL offers various venues with varying degrees of security. There are no secure areas such as encrypted zones. As with any internet-meeting platform, risks of eavesdropping and hacking are incurred. Rented virtual boardrooms offer the least secure settings. Companies who invest the initial \$1000USD for their own sim can feel more comfortable about the security of their meeting due to its remote location from other residents. Company branding is available to its virtual citizenry through a \$500USD initial investment for the procurement of a last name. Larger firms employ this technique for quick identification of its members. All Linden Lab employees are registered in-world with the last name of Linden. Once a last name has been secured through this method, usage is limited as designated by the owner. All SL residents must declare their virtual identity by creating a first name and choosing from a list of available last names. Basic membership to SL is free. All optional purchase items incur monthly upkeep fees collected by Linden Labs for server maintenance.

SL offers many platforms for learning. *SL Learning*, a sim designed as a virtual classroom and self-paced training center; teaches the SL resident how to build, script and use RL software such as Photoshop, Gimp and Paint.net. Learning LSL (Linden Scripting Language) through these classes has provided a better understanding of RL programming languages. Class offerings are conducted in a wide range of languages as well as a large variety of teaching styles. This variety allows the students to find the best fit for their style of learning. Budding artists and those who have always dreamt of being an artist can find an answer to their calling as they design clothing, hair, sculptures, houses, furniture, toys or any other prim artwork. Musicians introduce their RL musical style to the SL community through community events and club gatherings. Classes and tutorials are available for all. The creator may then sell their wares at an SL marketplace or open their own shop.

SL Artists Face RL Issues

SL artists face many of the same issues as RL artists. People are always trying to copy or steal their designs. Many SL creators offer free items or demos to attract customers. Unethical SL residents will find ways to obtain multiple copies of these items and offer them for resale without the creator's permission. Stolen designs and textures have caused much uproar in this virtual world. SL does not offer the same intellectual property right protections as RL. Copyright items remain protected. Groups are forming to help artists maintain sole rights to their items. Open marketing of creations are devaluing these items and affecting the creators' profits. Most shop owners either make their living through these sales or subsidize their RL earnings. With exchange rates close to that of a third world country, high volume sales are required to recoup a sustainable profit margin.

Virtual Sex

Services of all natures are available. Virtual worlds such as SL offer the ability to perform virtual sexual acts. Marriages and relationships have been born and destroyed from these actions. Single people can meet, interact and even form partnerships in SL. Marriages are performed and divorces are granted just like in RL. This can bring beauty and pain into your virtual world. People who meet online often choose to meet in real life thereby allowing an expansion of your friendship circle. Unsolicited meetings also occur which reinforces the need to protect one's identity whilst in a virtual world.

SL marriages often correspond to RL marriage. This is beautiful until a married person becomes involved in an SL relationship. RL spouses generally feel betrayed and in many cases,

the actions of the unfaithful spouse have resulted in divorce. SL player actions have destroyed RL relationships and families. Those who engage in SL relations often see no harm in their actions. They do not perceive SL sex as an act of cheating. Spouses such as the ex-Mrs. Hoogestraat shared a different point of view after she caught her husband cheating. She was quoted in an interview which *The Wall Street Journal* where online relations were discussed. Mrs. Hoogestraat voiced her discuss over her husband's actions of "having sex with a cartoon". (Alter, 2007) SL is currently implementing new standards and regulations in regards to sexual actions in-world.

Americans tend to perceive the enterprise of sex for pay in a negative fashion even though many of her citizens engage or have engaged in this activity. Not all nations share this same viewpoint. SL currently has virtual madams, which run "legal" virtual escort services. Regulations for purchasing virtual sexual services simply state that discussions and transactions cannot occur in open areas. They must transpire in mature and now the new adult sim areas. Open discuss, transactions or sexual actions outside of sex clubs and designated areas can result in a ban from SL.

Virtual strip and dance clubs are everywhere. Most women obtain their first employment in SL as a dancer, escort or stripper. Mitch Wagner (2007) of InformationWeek describes SL's promiscuity. "Nudity and sexual behavior is forbidden in Second Life outside of private areas and sex clubs. Free orgy rooms are commonplace, where users can try out sexual apparatus and pose balls and bring their own." Creators such as Kevin Alderman, known as "Stroker Serpentine," provide residents with the opportunity to purchase genitalia. Stroker is SL's sex magnate and host of SLCC "Leather & Lace Ball". His new creations will incorporate a device

that operates off sound activated vibrates. He says the, "Teledildonics is coming." (Reuters, 2008) Recent creations allow for the display of the common actions and results of such genitalia which some claim enhance the experience. Other SL residents find these sales to be repulsive, degrading, immoral and in some cases unethical. Open displays of this apparatus are in malls and shops throughout any mature area of SL. Linden Labs is answering these cries of declining morality by creating new adult zones where sexual activities and apparatus providers will have to relocate once opened.

Age verification is now required for access to mature and adult areas. Teen SL residents have always had to verify their age. Now all SL residents have to provide RL credit card information to verify that they are an adult. Avatars that are age qualified as adults but measure less than 5'2" are banned from most mature areas due to being classified as a "childlike avatar". Sexual role-play of that nature outside of limited, designated areas is a violation of the terms of service. Most SL residents do not condone sexual actions with a childlike avatar. This is one area where the majority of residents share the same ethical standard.

SL sexual participants have to consult their own ethical code, morals and conscience before seeking out these sexual areas. A rule many follow is simply to ask if they would perform this action in RL. Others perceive SL as a place with no consequences. They engage in sexual role-play that includes slavery, mutilation and even death. Role-play areas for sex with a childlike avatar are limited but available. Any fantasy, no matter how wild or dark can be fulfilled in SL. Alessandra Narayan (2009) interviewed Rendell Carter in regards to his role-playing as a rapist. When Rendell was asked why he chose to role-play as a rapist, he responded that it "is the sort of manifestation of my darker fantasies, particularly my early adolescence ...

an aggressive, oversexed man who can force the frustratingly/uncooperative women around him to come across. I sort of backed into this: I was touring the various places in SL that were labeled «Adult» and found the Mansion. I observed for a few days, found myself interested, and found myself acting as the other men did, but maybe more coarsely!" The question that needs to be address is, "Should virtual sexual role play fantasies be fulfilled and does fulfillment make you want to act upon these desires in RL or has SL offered you a cure for your "desires" in these extreme cases?"

Psychological studies into virtual sex scenarios have produced varying results. Dr. Young (2005) explains in her paper how the anonymity of internet sexual actions promotes deviant behavior. In her paper, PROFILING ONLINE SEX OFFENDERS, CYBER-PREDATORS, AND PEDOPHILES, she offers the comment from an opposing viewpoint that claims that virtual sex sites such as SL sex areas offers an outlet that prevents one from acting on such impulses in RL. Donald Marks, the attorney for Patrick Naughton in a 2000 trial used the defense that his client would never had acted upon his fantasy had he not been able to fulfill it on the internet. He further claimed that the internet was responsible for creating this addiction. Today this is referred to as the "fantasy defense". Dick Dillon commented to Eric Reuters that SL is not the only place that recovering addicts "hang-out". (Reuters, 2008) Virtual worlds allow a platform for addicts of all types to support each other throughout the recovery process. On the flipside, these groups offer a platform for nurturing the budding interest of visitors who are contemplating these behaviors as Dr. Young explained.

Building a Reputation in a Virtual World

Any activity, virtual or real, can affect your academic career, day-to-day relationships and professional work life. Obsessive behavior in any form has its price. Reputations are built and destroyed in SL just as they are in RL. Even in role-play people's ethics, morals and personal standards are on display. SL is a virtual "world where identity and reputation are paramount". (Mistral, 2008) Establishing a positive reputation through adherence to your personal values is necessary.

Virtual business ethics are as important in SL as real life business ethics are in RL. SL shop owners who wish to succeed must establish their own code of ethics and hold themselves as well as their employees accountable for their actions. Passing blame and cheating your customers in SL is no different than performing that same action in RL. The difference being in RL legal actions can be pursued whereas SL only offers a report forum in which unethical business people are reported to Linden Labs for investigations. Linden Labs will conduct a review of the situation and guilty parties risk exile from SL. This seems like a workable solution until you consider that many residents have employed the use of "bots" and "alts".

These alternative extensions of you allow many upstanding residents to act in unacceptable and unethical fashions. Banning a "bot" or "alt" does not necessarily mean the true offender is ban from SL. Each resident may create up to 35 alternative accounts (alts). Robots (bots) can be purchased in-world and have no limits. An SL resident may operate as many bots as they desire. Bots consume additional resources from a sim and slow the actions in that sim for all users. Bots were originally designed for use as greeters and visitor counters. Today bots act as escorts, collect camp chair dollars, enter contests and consume prizes designed for the SL

Newbie. A bot can be programmed to seek out Xploders (moneybags) and to sit upon camp chairs, which pay Linden Dollars for time spent.

The purposes of these chairs are to bring people into the owner's shop or sim. This promotes commerce while boosting one's search engine listings. Bots exploit that concept since they cannot shop or promote commerce. Many shop and sim owners take anti-bot measures. SL residents who use their "alts" and "bots" to gain additional monies do not act in accordance with the spirit of SL. In short, their actions are unethical. Scriptwriters who create the scripts that allow these actions to occur are engaging in unethical actions. Using one's "alt" or "bot" in such a fashion is the same as theft. You are procuring goods in an unethical and unlawful fashion. Just as measures are taken to stop or slow a hacker, so are measures imposed to slow and hopefully stop the actions of these "alts" and "bots".

Real World Applications for SL

Professor Jun'ichi Ushiba of the Keio University has developed a Brain Computer Interface (BCI).

A research team led by professor Jun'ichi Ushiba of the Keio University Biomedical Engineering Laboratory has developed a BCI system that lets the user walk an avatar through the streets of Second Life while relying solely on the power of thought. To control the avatar on screen, the user simply thinks about moving various body parts — the avatar walks forward when the user thinks about moving his/her own feet, and it turns right and left when the user imagines moving his/her right and left arms.



("Brain Computer Interface for Second Life", 2007)

This interface will allow the SL avatar to be more interactive. The idea is that the avatar will be able to perform more maneuvers thereby appearing more lifelike. This device works by wearing a headpiece for monitoring of brain activity. An EEG machine reads the activity and relays it to the BCI "where a brain wave analysis algorithm interprets the user's imagined movements." ("Brain Computer Interface for Second Life", 2007) A special keyboard then translates this data into a signal that is sent to SL. This interface was created through a joint medical engineering project involving Keio's Department of Rehabilitation Medicine and the Tsukigase Rehabilitation Center (Japan). The hope is that one day it will help people with serious physical impairments communicate and do business in Second Life. ("Brain Computer Interface for Second Life", 2007)

Second Life is a virtual blending pot for the world. It offers a place to learn, a place to share, a place to conduct commerce, a place for business people to hold meetings, a place for fun and self-expression. As Walt Disney said, "If you can dream it; you can be it" the same holds true in SL. You are only limited by your imagination.

Reuters has traced the developments of SL for two years. SL has been declared to have good economic vitality and growth potential. It is anticipated that its growth will exceed AIM and Facebook. Helen Mosher, New Media editor of Signal at AFCEA told Reuters "Second Life is emerging as a collaboration tool for government." (Reuters, 2008) Philip Rosendale expects that 2009 will bring, "More use of Second Life to support education and business collaboration." (Reuters, 2008)

Many colleges are already providing virtual campuses in SL. The on-line student now has a platform with the means for true interaction with their peer group. It is highly possible that

virtual classroom settings for colleges as well as lower grades will one day meet in SL. VoIP (voice over internet protocol) is a growing trend in business communications. SL offers an alternative without the additional fees or need for a private VoIP network. Sims are constantly being added and SL is growing every day. The continual expansions of globalization will increase the usefulness of places like SL. SL is more than online gaming; it is a virtual world.

Conclusion

Ethical actions and decisions are as important in a virtual environment as they are in the real world. Second Life offers an excellent platform upon which to conduct internet commerce. This virtual world provides a proven successful medium for meetings, conventions, gatherings, education, marketing and promotion. Name branding and product recognition in SL offers a method of establishing or introducing your RL product to a global audience.

Consideration of one's actions in any environment is necessary to the development of a positive reputation. Virtual worlds must be approached no differently. Perception is as important in SL as in RL. Anonymity is no excuse to act poorly or unethically. Second Life provides a constantly expanding virtual global community with an established economic system for any businessperson who wishes to conduct internet commerce. Regulations are few and basic "good behavior" is expected of the residents. Businesses looking to expand into a new market would be wise to consider an investment into the Second Life economical system.

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