

A Disputed New Business:Virtual Property Exchange

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In many ways, the in-game economy is similar to a real world economy - goods and services are traded to mutual advantage and are mediated in currencies(gold,platinum,credit,etc.).

An online broker, who goes by the screen name Rolala, was not a fan of online games until his 15-year-old son became interested in [Final Fantasy XI](#)(FFXI).He then noticed that a large number of gils(currencies used in FFXI) were for sale on eBay.

"I started hearing about players leaving the game who were selling their assets at cheap prices," he said, "so I figured, buy low, sell high."

But Rolala found his moneymaking options in FFXI "very limited". He switched to [World of Warcraft](#), the world's largest MMORPG. There, he has leveraged his real-life experience into an online business. He converts his game profits into real money on sites like [ebay](#), [cheap wow gold](#), [world of warcraft gold](#), etc.Earnings can be considerable. He said he was on track to earn about \$120,000 in real money in his first year in this business.

Rolala's business is just one example of how increasingly popular online role-playing games have created a shadow economy in which the lines between the real world and the virtual world are getting blurred.

Edward Castronova, an economics professor at Indiana University who has written a book on the subject, calculated that if you took the real dollars spent within "[EverQuest](#)" as an index, its game world, called Norrath, would be the 77th richest nation on the planet, while annual player earnings surpass those of citizens of Bulgaria, India or China.

Go to GameUSD, an exchange-rate calculator for the virtual worlds, and do a search for the latest rates of virtual currencies against the U.S. dollar, and let your jaw drop open. The rates of some virtual world currencies are even better than that of the Iraqi Dinar! For instance, here is the exchange rate of several popular virtual currencies: [Final Fantasy XI Gil](#) (\$23.89/1M), [Lineage 2 adena](#) (\$2.80/1M), [Everquest Platinum](#) (\$0.24/1K), [Everquest 2 Gold](#)(\$0.017/gold), [WOW Gold \(World of Warcraft Gold\)](#) (\$0.178/gold), [Star Wars Galaxies Credit](#) (\$0.50/1M), [Guild Wars Gold](#) (\$0.07/1K), [Second Life Linden](#) (\$3.14/1K), etc.

Right now, this business is one of the most hotly debated issues on the internet. Many game companies such as Blizzard who run World of Warcraft discourage profit from in-game properties, though none have found a way to stop it.

[Sony Online Entertainment](#), on the other hand, encourages the practice (albeit within the confines of their own "Station Exchange", their own forum for the sale of in-game properties). It recently announced the first month's figures from "Station Exchange". According to SOE, over 45,000 characters from "EverQuest 2" have been active on the exchange and have spent over \$180,000 USD in one month, half of which have been spent on in-game gold and platinum.

In terms of the law's concern, another issue is, who owns the virtual money? Many virtual world designers maintain that anything created in the world belong to the company. They refuse to recognise the rights of their players in the virtual property for fear of attracting liability for its maintenance or security.

But will this work in the long term? Players spend considerable time and/or money acquiring such assets. In many cases they are the creation of the player and even the intellectual property ownership is questionable. "As we spend more time in these worlds, it's not enough for companies to say that 'we own everything and we can turn it off at any time,'" said a gamer. "The question may soon be should we have recourse against a game company for obliterating virtual assets?"

With the rapid growth of virtual currency exchange market, should people accord virtual property the same protection as property in the real world?

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