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Second Life Residents To Own Digital Creations

Linden Lab[™] Preserves Real World Intellectual Property Rights of Users of its Second Life Online Service

NEW YORK CITY (November 14, 2003): Linden Lab, creator of online world Second Life[™], today announced a significant breakthrough in digital property rights for its customers and for users of online worlds. Changes to Second Life's Terms of Service now recognize the ownership of in-world content by the subscribers who make it. The revised TOS allows subscribers to retain full intellectual property protection for the digital content they create, including characters, clothing, scripts, textures, objects and designs.

In addition, Second Life has committed to exploring technologies to make it easy for creators to license their content under Creative Commons licenses.

Speaking to an audience of digital rights specialists and virtual world enthusiasts at the NYLS "State of Play" conference, Founder and CEO Philip Rosedale described the new policy as a major breakthrough for users of online worlds.

"Until now, any content created by users for persistent state worlds, such as EverQuest® or *Star Wars* Galaxies[™], has essentially become the property of the company developing and hosting the world," said Rosedale. "We believe our new policy recognizes the fact that persistent world users are making significant contributions to building these worlds and should be able to both own the content they create and share in the value that is created. The preservation of users' property rights is a necessary step toward the emergence of genuinely real online worlds."

Unlike traditional online game environments where anything created in-world is owned by the service provider, Second Life has responded to its residents' desire to own their work just as they would any other original creations. Under these terms they can create, and sell derivative works based on content they've made, or license the work to others.

Second Life residents began creating their world in October, 2002 as beta testers, and continued through commercial launch of the service in June 2003. In just over a year, more than 10,000 users have created a richly diverse world, filled with more than 200,000 objects, complex characters, a range of living situations from whimsical hobbit-style homes to urban apartments, to sprawling mansions, and

special recreational areas including a 40-ride amusement park and an island retreat. Everything in the world, from the antique carousel to the hot race cars to the resident-abducting alien spaceship was designed and built by the residents.

The economy supporting this activity includes over 12,000 objects for sale. Each month, nearly 100,000 user-to-user transactions for goods and services take place, with more than Linden\$19million in in-world currency changing hands.

"Linden Lab has taken an important step toward recognizing the rights of content generators in Second Life," said Lawrence Lessig, Stanford University Professor of Law, and Founder of the Stanford Center for Internet and Society. "As history has continually proven, when people share in the value they create, greater value is derived for all. Linden Lab is poised for significant growth as a result of this decision."

About Linden Lab

Based in San Francisco, Linden Lab was founded in 1999 by Philip Rosedale to create a revolutionary new form of shared 3D entertainment. The former CTO of RealNetworks, Rosedale pioneered the development of many of today's streaming media technologies, including RealVideo. In April 2003, noted software pioneer Mitch Kapor, founder of Lotus Development Corporation, was named Chairman.

Second Life launched in June 2003 after being named a Time Magazine "Coolest Invention of 2002" during its beta test. Currently available to all PC users via a download at <u>www.SecondLife.com</u>, the world of Second Life, which grows with the size of the community, is now close to 1000 virtual acres and by the end of 2004 should be as large as Manhattan. A Macintosh version is expected early in 2004.

About Creative Commons

A nonprofit corporation, Creative Commons promotes the creative re-use of intellectual works, whether owned or public domain. It is sustained by the generous support of The Center for the Public Domain, the Hewlett Foundation, and the John D. and Catherine T. MacArthur Foundation. Creative Commons is based at Stanford Law School, where it shares staff, space, and inspiration with the school's Center for Internet and Society. For general information, visit http://creativecommons.org.

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