Chapter 3

Laboring in Cyberspace: A Lockean Theory of Property in Virtual Worlds

Marcus Schulzke
State University of New York at Albany, USA

ABSTRACT

This paper examines property relations in massively multiplayer online games (MMOGs) through the lens of John Locke’s theory of property. It argues that Locke’s understanding of the common must be modified to reflect the differences between the physical world that he dealt with and the virtual world that is now the site of property disputes. Once it is modified, Locke’s theory provides grounds for recognizing player ownership of much of the intellectual material of virtual worlds, the goods players are responsible for creating, and the developer-created goods that players obtain through an exchange of labor or goods representing labor value.

INTRODUCTION

Virtual worlds, or massively multiplayer online games (MMOGs), are increasingly the site of property disputes between the developers who design the worlds and the players who occupy them. Although these are games, they can be very serious for players, many of whom spend twenty to thirty hours a week on average playing them (Castronova, 2007). Some players are so heavily invested in MMOGs that they earn incomes from the sale of virtual goods and services. Ownership and trade have become so important to virtual worlds that many have their own economies comparable to those of real countries (Castronova, 2007). With much at stake for developers and players, it is unsurprising that virtual property has become a source of dispute. Virtual property strains the existing categories of ownership, introducing such difficult questions as the status

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of virtual theft (Arias, 2008; Brenner, 2008) and the right to tax virtual goods (Lederman, 2007; Seto, 2008, 2009).

The debate over virtual property fits into the interdisciplinary study of technoeconomics, a branch of scholarship that is concerned with exploring the moral dimensions of emerging technologies and their effects on society. Because these only exist in a digital form, they challenge existing moral categories used to assign ownership. Technoeconomics provides a way of reconsidering the concept of property and the moral and ethical implications of property in light of the way digital technologies have altered it.

One way of determining property rights is by using John Locke's labor theory of property, which holds that people become owners of unclaimed materials by adding their labor to them. Locke's theory is one of the most important in the debate over ownership of virtual property, as players claiming property often justify their right to own and sell property on the grounds that they have labored to create it or to procure it (Kayser, 2007). The problem is that developers can claim to own virtual goods on the same grounds; they initially create them and host the virtual worlds that serve as the setting for the players' labor. Most Lockean studies of virtual property have concluded that all or most virtual goods belong to the developers (Horowitz, 2007; Kennedy, 2008), giving players limited rights to do what they wish with virtual property. This paper will argue that this conclusion has much to do with a misapplication of Locke's theory of the common. When this part of the theory is reconsidered to account for the differences between real and virtual worlds, Locke's theory provides strong grounds for granting players ownership over many virtual goods.

Steinberg (2009) finds that three classes of virtual goods are at the center of the debate over virtual property: currency, items, and player accounts. This paper focuses on the ownership of the virtual common, of player accounts, and of the virtual worlds themselves. It shows that the first of these is owned by players collectively, the second by individual players, and the third by both the developers and the players. This paper will also argue that players can have strong claims to virtual money and items, especially when these are created by the players themselves, but that players only become owners of these things that developers have created when the property is gained through labor that is equivalent to the value of the good or by exchanging goods that represent their labor value. This only addresses property ownership as a moral issue. The laws regarding property ownership will have to be made by each country and will reflect existing property law in these jurisdictions. The legal question is one that must be resolved, but the purpose that the laws governing virtual property should serve is clarified by examining the extent to which there are moral justifications for ownership of virtual goods.

**VIRTUAL PROPERTY RELATIONS**

Virtual world developers differ in the extent to which they recognize user's claims of ownership of virtual goods. World of Warcraft represents one extreme of property relations. Blizzard, the company responsible for it, forbids players for selling their accounts or their items for real money or goods; only trade within the game world for other virtual goods is permitted (Lastowka, 2004). Most virtual worlds follow the same model, giving players limited rights to do what they wish with virtual property. This paper will argue that this conclusion has much to do with a misapplication of Locke's theory of the common. When this part of the theory is reconsidered to account for the differences between real and virtual worlds, Locke's theory provides strong grounds for granting players ownership over many virtual goods.

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