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The New York Times

Washington Final
Washington and Baltimore: Hazy and humid with thunder, highs near 90 tonight, very hot with a storm, lows in the low 70's. Tomorrow, highs in the upper 80's. Weather map, page D26

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ONE DOLLAR

GAME THEORY

J. C. Herz

In Fantasy Game, Real Cash for Virtual Cards

IN the history of paper, playing cards predate the widespread use of printed currency. So it is with the Internet, where a fantasy card game called Sanctum is incubating a myth-inflected form of electronic commerce.

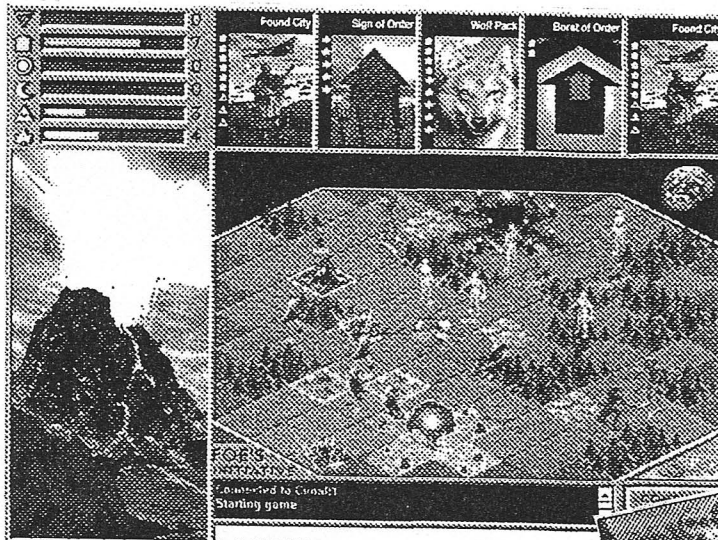
Developed by Digital Addiction, a software company based in Maryland, Sanctum is a two-player strategy game. The object is to capture the other guy's fortress by marching your minions across a board and casting tactical spells. Each turn, the opponents cast fresh spells and draw new virtual cards from their respective decks. Based on the cards in hand, a player might decide to summon an army of zombies or cast a cannibalism spell (one of the enemy's minions starts eating the others) or a complacency spell (enemy minions stop following orders) or weaken the opponents' defenses ("Armor to Meat? Body Rot? Decisions, decisions. . .") or heal the player's own fallen soldiers. It's a combination of hearts, gin rummy and chess, dressed up in chain mail with supernatural powers.

In this respect, Sanctum is not unlike Magic: The Gathering, a paper-based collectible-card game that has become a global phenomenon.

Sanctum cards don't need physical form to convey their magic.

Wizards of the Coast, which publishes the game, started selling Magic cards in 1993. The first 10 million cards, sold in \$9 starter packs of 60 and \$3 booster packs of 15, flew off the shelves in six weeks. Since then, more than two billion Magic cards have been sold, in nine languages, to an audience of millions. New cards are continually released. Old ones are periodically phased out, giving them instant status as collectibles to be bought, sold and traded in hobby stores and on the Internet.

Basically, Sanctum is an on-line version of Magic. Instead of sitting across a table, you log onto a Web site (www.digitaladdiction.com), download the game free, register as



WIZARDS, START YOUR ENGINES Sanctum players are given their first set of 60 on-line cards free.

a player, find an opponent in the chat room and go at it. The game comes with a starter pack of 60 cards, which is adequate for beginners. If you want more — there are 250 digital spells in all — you have to buy them. A pack of 15 costs \$1 to \$3, depending on how many you buy. The transaction takes place via credit card on a secure area of the site, and the cards are registered to your account.

As with any system of trading cards, there are common cards (garden-variety bread-and-butter spells), uncommon cards (more idiosyncratic sorts of magic) and rare cards (highly specialized, highly sought, one per pack). The more cards you buy, the more tactics you have at your disposal and the greater your chances of adding something really exotic to your necromantic arsenal.

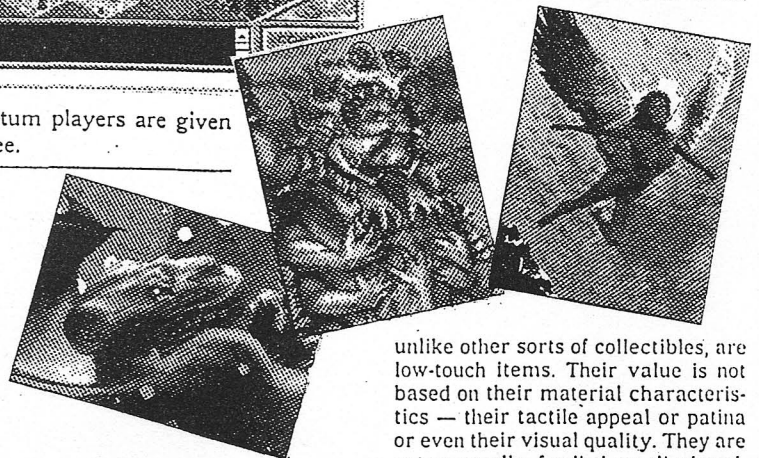
Essentially, Digital Addiction is giving away Sanctum and then selling ways to extend and enhance it — tools that give the player a competitive advantage and a more complex experience. These digital objects are useful and scarce and therefore valuable. (Stored on site, they can't be copied off line.) You can play with them. You can ante them. And you can trade them.

That is where it gets really interesting. Because in this game space, which is also a marketplace, people are trading virtual objects that are worth real money. Inevitably, new

ing directly on the Internet will both er dealing with middlemen.

Collectible trading-card games are an ideal test bed for this sort of virtual economy for two reasons. The first is that the people who play games like Magic are highly wired, and they are fanatic about their games. They're "M.I.T. students," Mr. Harvey said. "Computer geeks. Wall Street geeks. People in their 20's spend most of the money. They earn \$45,000, single, no kids, no mortgage, and they spend the lion's share of their techie salaries on entertainment." If there was ever an audience that could support an on-line market for virtual toys, this group is it.

The second reason is that cards,



unlike other sorts of collectibles, are low-touch items. Their value is not based on their material characteristics — their tactile appeal or patina or even their visual quality. They are not generally fondled or displayed. They are kept in binders and boxes. The value of a given card is based on how many were produced, when it was discontinued and what that card refers to — the career of a sports star, for example. But none of these factors have anything to do with the physical object. The card is just a placeholder. The most important things about it are the fact that you own it and the information printed on it. In a sense, trading cards are already virtual.

And collectible-card games are even more so because each card refers to an act, rather than to an object. The image on the card doesn't represent a star baseman. It represents the right to take some kind of action — to cast a spell — at a given time in a given context. It's not a noun. It's a verb. It's like a dollar bill, which represents the right to buy a cup of coffee at the convenience store.

Currency is, after all, just another kind of playing card.

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