

Nerd is the Word

By Reg P. Wydeven
January 28, 2006

Nerds have been paying particular attention to the legal world lately. I can refer to the cool-impaired as 'nerds' because I myself am a nerd. Because contact lenses replace my Coke-bottle glasses, I play lots of sports, and my wife looks like a supermodel, I may fool you. But trust me, I'm a pocket protector and a snorting laugh away from full-blown nerd-dom.

For instance, like millions of other nerds, I'm a big fan of the TV show 'The X-Files'. The show's creator, Chris Carter, recently sued 20th Century Fox Television for breach of contract, contractual interference and other various claims arising out of payments allegedly owed to him from the hit sc-fi series.

In 1998 Carter and Fox signed a contract agreeing to the terms for a sixth and seventh season of the show and which gave Carter a "profit guarantee." In negotiating a ninth season, Fox agreed to grant Carter a "cable advance" equal to 25% of the gross license fee above \$300,000 paid to Fox for each episode.

Carter alleges that in 2001, after Fox realized what a sweet deal he got, the network asked Carter to reduce his cable advance fee. Carter refused, and according to his suit, Fox allegedly failed to pay him the original profit fee and the cable advance. While Fox denies Carter's claims, I'm sure the trial will prove that 'the truth is out there'.

Carter's lawsuit immediately became the hot topic of countless Internet chatrooms, which are now the subject of their own lawsuit as well.

George Gillespie recently sued Mike Marlowe and Bob Charpentier for \$25,000 for inflicting "severe emotional distress and physical injury that is of a nature no reasonable man could be expected to endure." Gillespie also named AOL in his lawsuit because Marlowe and Charpentier's alleged harassment took place in one of its chatrooms and AOL did nothing to stop it.

Gillespie claims Marlowe and Charpentier posted pictures of Gillespie's home and personal information about him in a chatroom called "Romance - Older Men". Marlowe and Charpentier admit to giving Gillespie a hard time, but deny it amounted to harassment.

While Gillespie believes proving his case will be as easy as pi, Internet and legal experts are confident he'll lose. Besides, the Communications Decency Act provides AOL with immunity from any chatroom misconduct.

Finally, Julian Dibbell shocked the nerd community with his recent article about the taxability of monetary gain from the sale of goods within online video games. For example, 'Star Wars Galaxies' is one such game. Known as a massively multiplayer online game, or MMO, 'Galaxies' allows players to create a character to interact within the Star Wars universe. Characters gain power by defeating enemies and finding valuable items, such as weapons.

Some players 'cheat', however, by buying items, such as lightsabers, from other players in the real world, typically on Ebay. Dibbell claims that if I sold an extra lightsaber on Ebay, I should claim the proceeds as income because I participated in a taxable Internet barter transaction.

While the IRS concedes these transactions could result in taxable income, it probably won't pursue the matter. So, the glasses-wearing, calculator-holding agents at the IRS don't plan on taxing transactions related to sales of goods within MMOs played mostly by nerds. Coincidence? I think not.

This article originally appeared in the Appleton Post-Crescent newspaper and is reprinted with the permission of Gannett Co., Inc. © 2005 McCarty Curry Wydeven Peeters & Haak, LLP. All rights reserved.