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Toys were us

The best book yet about the dot-com years shows how the battle between etoy and eToys.com encapsulated the idiocy -- and the idealism -- of that weird era.

By Andrew Leonard

If, in 2003, the name "eToys" sounds fake, or at best, something conjured up in a feverish dot-com dream, that only goes to show that so-called Internet time has continued vrooming along well after the bust. The year 1999, in which eToys spent \$55 million marketing itself as "the toy store of the future," was at least a geologic age ago. Stumbling across "eToys" today is like uncovering an artifact in an ancient, long-ignored mausoleum -- not, to be sure, an antiquity valuable enough to be stolen by tomb raiders, but still a thing of passing archaeological interest.

And if there's one thing you can say with certainty about archaeologists, it is that they enjoy the benefits of hindsight. If "Leaving Reality Behind: Etoy vs. eToys.com and Other Battles to Control Cyberspace" is any indication, the farther we get from the dot-com bust, the better the books about it will be. "Leaving Reality Behind" is probably the best one yet -- capturing in full detail both the idiocy of the Net's early rush to commercialize itself, cyberspace's potential as a new medium for art, politics and communication.

Most books so far have focused on one or the other, tending to be either too insular, too gung-ho (or too sneeringly dismissive), or so focused on their immediate topic as to be immediately out of date. But "Leaving Reality Behind" avoids its predecessors' mistakes by simultaneously focusing on two engrossing stories -- the rise and fall of eToys.com, which encapsulated dot-com start-up excess as well as any company this side of Webvan or Excite@Home, and the high jinks of etoy, a group of European artist/pranksters.

The entrepreneurs behind eToys and the dada-esque delinquents of etoy could not have been more different, but when eToys sued etoy for trademark infringement, the company's lawyers ensured that the two would be forever linked.

To anyone who had been paying attention, the eToys trademark action seemed like one of the most egregious examples of greedy venture capital-backed Net newbies stamping on the little guy ever witnessed online. Etoy had been around much longer than eToys -- it was in fact one of the first groups of cultural malcontents to fully recognize the Internet's potential. It had won prestigious artistic prizes and been written about in a host of media publications. It had registered etoy.com Internet millennia before eToys.com was a gleam in a rapacious venture capitalist's eye.

Trademark suits, no matter how wrongheaded or stupid, are a thin thread to spin a whole book upon. What makes etoy vs. eToys delightfully compelling is that etoy predicated its artistic vision on poking subversive fun at capitalism, and in particular, that essentially American brand of capitalism that is fixated on brand and marketing image. While Wall Street and the business press and daytraders were waxing euphoric

about the likes of eToys.com, the etoy boys were acting out a living, breathing satire of capitalist absurdities that, in hindsight, was amazingly prescient. Etoy really a competitive threat to eToys -- not because it threatened the company's profits but because it pulled eToys' nonexistent pants down, revealing a derriere of emperor-like girth. It announced to anyone who cared to listen that the dot-com heyday of the late '90s was a multibillion-dollar farce.

And this is said in full knowledge that the etoy boys were often sophomoric, just as fixated on fame and fortune as your average Silicon Valley start-up founder, and doomed, likely, to obscurity themselves once the Internet moved on to whatever is Part 2 of its unlikely evolution. There's a certain brand of European artist/intellectual moralizing about American corporate culture crimes that is all too easy to dismiss as sour-grapes sniping from loudmouths who've read too much Derrida, Debord and Baudrillard. A small serving of etoy's grandiloquent posturing went a long, long way.

But after reading Adam Wishart and Regula Bochsler's "Leaving Reality Behind," it's hard to deny that, long after the posturing has subsided, there is one thing that will forever remain a central part of etoy's legacy. It was One of etoy's biggest scams, in which it pretended to be a corporation itself, with "stock" and "shareholders" and worldwide marketing campaigns, was no more fake than any number of actual companies that were traded on NASDAQ. In fact, its very fakeness was its truth!

Meanwhile, what is eToys.com's legacy? Little more than another tired tale of greed, hype and hubris and a gigantic waste of money. The company that was going to save us all from the hell that is shopping at Toys "R" Us ended up leaving almost no visible mark whatsoever on the real world. For the archaeologist sifting through the dust of ages past, the traces that remain are a puzzle -- but not a very difficult one. At first you might wonder: How could people have been so dumb? But then you remember: Mind-numbing stupidity is an eternal part of the human condition.

One of the dumbest lawsuits ever

In the fall of 1996, while researching a book about software robots, I was tipped off to something called the Digital Hijack. A group of pranksters who called themselves etoy had figured out how to reverse-engineer the popular search engines of the time (Webcrawler, Infoseek, Lycos) and were redirecting thousands of unsuspecting Web surfers to their own Web site. I profiled them for HotWired, Wired magazine's online component, making myself, according to "Leaving Reality Behind," the first American journalist to cover the etoy boys.

I could equally well label myself the first American to fall into etoy's journalist-capturing snare, because an obvious prime goal for etoy was to provoke media attention (just one of the things etoy ended up having in common with eToys). But I went willingly into their web.

Today, the kind of "spam-dexing" etoy helped pioneer is both a growing business (witness attempts to ensure high page rankings on Google) and a huge annoyance to Web surfers who don't want to be manipulated in their online quests. But at the time, I felt kind of fond of the etoy boys -- in late 1996, the Internet gold rush was fully underway, and etoy's attitude seemed like a welcome antidote. I fully enjoyed the plastic "FlexiDisc" that they sent me, which, once placed on my turntable, turned out to be a recording of an odd "Free Kevin Mitnick" song. Again, it seemed like a good thing that the Internet, which had no shortage of weirdnesses in its early days, was getting even weirder.

Authors Wishart and Bochsler document etoy's roots in European art-pranksterism going back at least as far as dada. In that respect, the Internet was just a new medium for the same old nutty antics. Similarly, they trace eToys.com's lineage back to the start-up "incubator" formed by Bill Gross, who himself had a pedigree that dated back to the millions he made creating a software add-on to the spreadsheet program Lotus 1-2-3. Neither etoy nor eToys, then, sprang fully formed from the head of the Internet, like Athena from Zeus, ready to do battle. They were examples of two long-existent trends: on the one hand the inevitable

tendency of artists and satirists to embrace every new medium as another platform for creativity; and on the other hand, the inseparable association of new computer technology with commerce. Lotus 1-2-3 is widely considered to be the first software application that made owning a personal computer a useful necessity. It was natural to assume that there would be parallels with the Internet.

By focusing on the forced embrace of etoy and eToys, "Leaving Reality Behind" links together two of the basic ways humans interact with technology: the drive to make money from it, and the impulse to use it in the service of art. Too often, in the recent history of the Internet, the focus has been on the Internet as moneymaking mechanism, not as cultural force. From the pages of the Wall Street Journal to the one-click shopping button at Amazon.com, commerce trumps art, almost every time.

The most provocative aspect of the etoy vs. eToys clash, however, is not the age-old conflict between art and commerce, but their The authors note that etoy's founders "admired Andy Warhol and the way he had used the aesthetic of commercial art to satirize and celebrate advertising." Just like eToys' brain trust, they knew that modern corporate marketing strategy is all about the brand.

"The 'meaning' that the etoy brand embraced was the group's antagonistic sensibility itself," write Wishart and Bochsler. "They stood against the banality of the ordinary, the dullness of life. They would steal the clothes of corporations -- the branding, the rhetoric and the aesthetic -- to create an absurdist critique of corporate culture. Theirs was a satire of the overbearing power of corporations, and yet they simultaneously paid a kind of twisted homage to the heroic brands that had dominated their youth. They were not afraid of playing both ends against the middle, paradoxically celebrating and lampooning corporate life. Even their intentions became couched in the language of enterprise."

Internet trademark disputes focusing on domain names are a dime a dozen, and usually not worth dulling one's mind over, except insofar as they underline how the Internet's governance system has been perverted to support big business at the expense of the individual. In most cases, the story doesn't extend much further than a corporation populated by overeager intellectual property lawyers looking for something to do. Etoy vs. eToys was different, although it's unclear how much eToys's managers understood this.

eToys.com professed to be alarmed at the possibility that God-fearing gentlemen in search of Barbie Fashion Designers for their 7-year-old daughters would accidentally visit www.etoys.com instead of www.etoys.com and inadvertently be exposed to some bondage and fetish pictures that the wacky etoy boys had incorporated into their relentlessly button-pressing approach to artistic mayhem. This might cause, gasp, the ultimate horror:

But eToys would have done better to recognize the true threat -- by poking fun at the power of the brand, etoy was attacking one of the staples of modern capitalism, and more important, one of the only foundation stones that the dot-com version of capitalism had to stand on. Without a brand, a dot-com start-up had nothing. What makes the story even more perfect is that at least two of the etoy gang moved from Europe to California in late 1997, at the true height of dot-com madness, to witness an insanity that they were fully eager to participate in. After watching the loopy IPOs all around them, "for [etoy's] Zai, the lesson was clear: in the financial markets, 'buyers literally create value by being willing to buy. If there is demand it is worth something!' What he wanted to do was create a corporation that sold nothing but itself, just as the Internet companies that had no earnings and often no profits spun themselves a value. Zai and Brainhard also learned a new word, 'vaporware'.... Zai's intention was to create a company specializing in vaporware. As he wrote, 'the etoy.CREW will not sell artwork, pop sound and software as most of their competitors do. etoy has no products -- etoy is the product.'"

It is impossible to read that passage without realizing that etoy understood what was happening during the dot-com boom as well or better than any other contemporary observer or participant. More than anything, their pranking underlined how much market shares of the mind are evanescent things. So maybe

eToys was, from a business perspective, correct to target etoy as a threat. But the company would have done far better to ignore the artists, because suing them for trademark infringement, an act that the artists originally found frightening, proved instead to lay the groundwork for etoy's greatest moment. For a real live dot-com to attack a group of pranksters who purported to be social critics of modern capitalism was an extraordinary gift, and it set off a rebellion on the Net that gave eToys.com more negative press that any corporate foe could ever have dreamed of generating.

In fact, from the day eToys.com filed its suit, its stock price steadily declined, and by the time eToys.com finally settled, dropping its case, and agreeing to pay legal expenses for the artists, the company itself was all but doomed. This gave rise to much self-congratulatory backslapping on the part of Net activists that is probably unwarranted. EToys was doomed from the get-go -- the company lost ever more millions as it ramped up its business, was horribly mismanaged and increasingly out of touch with the market. Etoy did not kill eToys. EToys killed itself.

Authors Wishart and Bochsler are clear on the concept that the campaign of pro-etoy activism, along with an etoy-managed protest known as the Toywar, did not bring down eToys. But that doesn't make their uproar any less significant.

"The idea that a group of artists could affect a billion-dollar corporation is nonetheless intriguing," write the authors. "Whether or not the activists had a direct causal effect on the decline in the share price, their hyperbolic assertions brilliantly reveal much about the value of eToys as a kind of quicksilver that would as easily slip through the fingers as it would turn into real cash. In the alchemy of the Internet stock market bubble, where gold seemed to be conjured out of the most unlikely elements, the parable of the Toywar demonstrates that even the most absurd idea could be more sensible than the heavily regulated capital markets and the corporations they promoted. Indeed, in this topsy-turvy world, the etoy claim that the Toywar was 'one of the most expensive performances in art history (4.5 billion dollars)' is much less ludicrous, and certainly more entertaining, than many of the other assertions of an era that had lost touch with reality."

Etoy, explain the authors, used the phrase "leaving reality behind" as a kind of motto, or call to arms. But it's all too clear, at the end of the story, whom the phrase really applies to. And that's not just eToys.com, but every investor who bought a share in the company, or any other overhyped dot-com, and every one of the rest of us who forgot that the point of the Internet isn't necessarily about making money, but all about connecting people. That a motley group of hyperironic European artists and provocateurs stumbled upon a brand name later coveted by a bunch of California venture capitalists, trademark lawyers and start-up entrepreneurs is a rich historical joke. That the artists won their battle is one of that bloated era's small masterstrokes, like the mustache Marcel Duchamp painted on the Mona Lisa.