

April 2001

adult internet news



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InterNet Las Vegas: The Future is Now (Personal Porn is Closer Than You Think)

News and highlights from the January InterNet show in Las Vegas, including exhibitors old and new, hot new products and services, exclusive parties, legal and instructional seminars, and more.

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12 Easy Pieces, Part 1: You, Too, Can Be An Adult Webmaster

This is the first in a 12-part, "hands-on" series about the wonderful world of adult-Website building. The resulting site will be built by real people who have no Web-building experience and no inside experience in the adult industry. Read on...

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Life's A Beach (Party) At Internext



Tonic of HomegrownCash.com and Cassidy of Vivid welcome Webmasters to Internext

(PERSONAL PORN IS CLOSER THAN YOU THINK)

By Kathee Brewer

Virtual sex partners who perform according to their masters' every whim, regardless how kinky, even to the point of inciting surreal orgasms whenever, however and as often as their human desires.

Commuters using "portable porn" devices to view and interact with sexy models and actresses on handheld devices as they endure what before were endlessly boring hours on the subway, train or bus.

Sex so real the viewer seems to be part of the action, beamed directly to a consumer whenever he or she wants it.

If all this sounds like something out of a science fiction novel, you're right. If it sounds too good to be true, you haven't been paying attention.

The adult industry is racing ever closer toward the kind of life science fiction writers have envisioned for nearly 100 years: Worldwide networks through which users define almost every aspect of their personal experience according to individual whims, needs and fantasies. Technologies currently exist to make much of this possible, though they remain imperfect. But recent developments unveiled at the Las Vegas Internext in Jan-

uary indicate the adult industry is well on its way to making such dreams an affordable consumer reality.

Are we nearing the American Dream of a chicken in every pot, a car in every garage and a sexual superstar in every bedroom? With the advent of wireless video streaming, the increasing availability of broadband Internet access and advances in the technology underlying virtual reality, the answer just may be "yes."

Show and Tell

The three days in January 2001 that encompassed the world's largest gathering of adult Webmasters attracted about 150 exhibitors from at least 13 countries. Another 5,000 international visitors attended the event, talking with vendors and witnessing demonstrations of the newest trends in cybersex. While the atmosphere resembled, at least in some aspects, something one might witness on an adult Website, in an erotic video or at a "gentlemen's club," most of the activity more closely resembled that at any other trade show: Visitors sampled wares, sealed deals and won prizes in dizzying numbers. After hours, they partied hearty well into the next morning.

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The show floor itself was packed with a head-spinning variety of content offerings and affiliate programs. Among the most heavily trafficked exhibits were those hosted by Internet-based radio stations like KSEXRadio.com and the insanely popular voyeur cam programs — now beaming across the Net from every corner of the globe — like Panther-Palace.com, PragGirls.com and Candid-Cam's network of sites.

Thirteen seminars accompanied the convention. During those, attendees were enlightened about a variety of subjects to which all of them — newbies, wannabes and old hands — could relate. From the first day's offerings — primarily aimed at those considering or having just embarked upon projects within the scope of the adult Web — to the intimate details of applicable law, payment processing and technological prophecy, seminar panels played to packed houses for almost three days.

On the show floor, seminar attendees attempted to put to good use the flood of new information packing their heads and the notes and collateral materials they would carry home with them. Overriding all seemed to be the notion that the adult Web was pushing the technology envelope constantly farther, and those who didn't at least plan for the future today would be left behind by the middle of next week...

Blazing Trails

Adult products and services traditionally have represented the vanguard of entertainment and technology. In the 1980s, when audiotext was the wave in the adult industry,



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We Are Not Alone...

The Internet is a global medium. That notion has been the hallmark of virtual interaction since the information superhighway debuted on a grand scale a scant six or so years ago.

InterNet provided ample evidence of the burgeoning international flavor of the adult Web. Despite the expense and physical hardship incumbent upon transcontinental travel for a trade show, individuals and companies from at least 13 nations, territories and protectorates spanning the globe made their presence known January 4-6, 2001, within the Sands Expo in Las Vegas.

Content providers, service providers, Website designers and hosting firms from such unexpected locales as the Netherlands Antilles and the Dominican Republic filled the convention floor with a dizzying array not only of products, but of languages, accents and cultures, as well.

The "traveled-the-furthest" award, if there had been one, certainly would have been shared by Honey Blake's Adult Content (www.honeyblake.com) and SexyAds (www.sexyads.net), both based in Australia. Down-to-earth Aussie Maureen Richardson of SexyAds admitted that although the flight stateside was long and tedious, the extra time her company provided for its conventioners to enjoy (read "lose money in") Las Vegas made the trip worthwhile.

Among the more unexpected offerings from foreign lands were Latin Online Entertainment's Latina House (www.latinahouse.com) and Netmedia SRO's Prague Girls (www.praguegirls.com). The two firms offer live Webcam affiliate programs and are hoping to cash in on adult content by making available to the American-dominated Web a new perspective on insanely popular Net-based voyeurism. The "hook" in each case is that the women on camera are presented in traditional surroundings in their native countries: Puerto Rico and the heart of the Czech Republic, respectively.

At once a blessing and a curse, the international flavor of the adult Net offers almost limitless variety, even as it makes face-to-face interaction between comrades-in-arms difficult, if not impossible.

"This convention is a boon to all of us," said British-born Jackie Barnard, a partner in Vancouver-based billing-solutions firm iTelBill (www.itelbill.com). "It's very nice to be able to put faces with names and companies. That's a tremendous help to interpersonal and business relationships, no matter how you look at it"

Of the 150 companies exhibiting at the January 2001 trade show, 35 — or slightly more than 20 percent — were based outside the United States. Though statistically interesting, the trend really is nothing new, according to InterNet Show Manager Renee Johnson.

"The U.S. was an early adopter of Internet technology, but even in this trade show's infancy there was a significant exhibitor presence from outside the U.S.," Johnson said. And, she noted, as the Internet continues to expand its virtual boundaries, adult offerings from the far corners of the earth will increase in number and diversity.

— Katherie Brewer

FOREIGN EXHIBITORS BY COUNTRY

AUSTRALIA

Honey Blake's Adult Content
www.honeyblake.com
SexyAds
www.sexyads.net

CANADA

Access Provider
Hosting Solutions Inc.
www.accessprovider.com
Cartoonbucks
www.cartoonbucks.com
Chisel Media
www.chiselmedia.com
Gamma Entertainment
www.gammade.com
Global Interactive Ltd.
www.globalinteract.com
ITelbill
www.itelbill.com
Liability Solutions Inc.
www.liabilitysolutions.com
Python Communications
www.pythonvideo.com
Sweet Entertainment Group
www.sweetentertainment.com
Web Dream Inc.
www.webdream.com
Wild Rose Productions Inc.
www.rosecash.com

CZECH REPUBLIC

Netmedia SRO
www.praguegirls.com

DOMINICAN REPUBLIC

IGlobal Media
www.iglobalmedia.com

FRANCE

Global Cash Solutions/Creanet
www.globalcashsolutions.com
Mediterranee Productions
www.medpro.fr
Telsev-France

GERMANY

Abenteuer GmbH
www.abenteuer-sexshop.de
Netdreams-Media
www.sexcontent.tv

ISRAEL

GTX Entertainment
www.go2xxx.com
Marketing Direct
www.goindirect.com

NETHERLANDS

TKC/Photorama
www.fun.nl

NETHERLANDS ANTILLES

Casino Traffic
www.casinotraffic.com
E-Ventures N.V.
www.eventuresnv.com
Trotat Telecom
www.trotat.com

PUERTO RICO

Latin Online Entertainment
www.latinahouse.com

SPAIN

AZ Interactive
www.azinteractive.com
The NoCreditCard Network
www.e-group.org

UNITED KINGDOM

ePayment Solutions
www.epaymentssolutions.com
Intelliplus Holdings PLC
www.intelliplus.com
Netcollex Ltd.
www.netcollex.net
Netdialers.com
www.netdialers.com
Telecom One
www.telecom1.com

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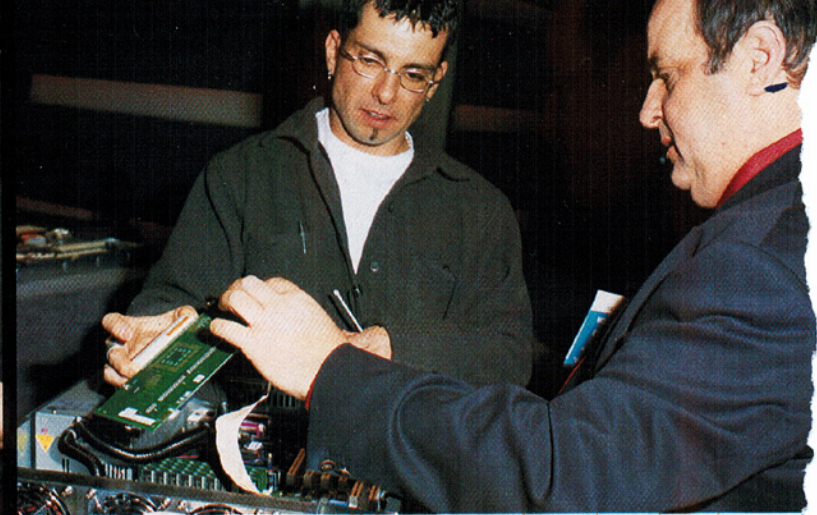
consenting adults could call 1-800, 1-900 and sometimes even local numbers to connect with others of like mind and sexual appetites — for a price. Called “service bureaus,” the companies that provided the live and/or recorded products delivered by premium telephone services began to see their industry collapse in the late 1980s and early '90s, due to changes in telecommunications laws and telecommunication companies' policies. Industry stalwarts like Trodat and Perception Sales Inc. still provide pay-per-call phone services, but they and others have broadened their product lines to include telephone-based membership billing services for Internet sites. SexNet Personals even allows users to connect with each other directly and anonymously through Websites employing special “dialer” applications. Other companies, like Global Cash Solutions, iTelBill, Nite-line Media, IntelliPlus, Telpay and others have become “gateway” providers for alternative payment solutions that re-route customer traffic through international Internet access providers at premium rates.

In the 1970s, adult was the first industry to exploit videotape for the distribution of moving pictures. Advances in that technology led to the development and distribution of adult videos and films on CD-ROM and digital videodisc (DVD). CD-ROM as a distribution medium was very short lived due to the quality limitations of the medium, but DVD continues to be pushed to new and more interactive heights. One DVD can contain not only a full-length adult feature, but also additional material like star interviews, outtakes and behind-the-scenes looks at the making of the final product.

During the year 2000, top adult video production companies like Vivid Interactive, VCA and Wicked Pictures experimented with interactive DVDs (already a mainstay of companies like Digital Playground

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We are missing Page 108, so we have pasted the missing text from that page here on page 90, which shows the picture of the founder of VR Innovations, Eric J. White, with the Virtual Sex Machine at The Internext 2000 Expo in Las Vegas. (upper left hand corner picture)

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and Digital Sin) — those that allow viewers to direct at least part of the action they witness. The interactivity concept is nothing new to the adult Web. Prior even to the widespread availability of the Internet, computer-based chat rooms connected by telephone lines — or BBSes — were popular regionally. That phenomenon easily migrated to the Web, where it continued to morph and grow. For at least the past two years, big players in the online adult world (Pornication, for example) have offered interactive video chat, and that type of content remains popular with users.

Chat took new directions with the advent of programs like a special dialer from 2TalkNow that allows Internet chat room users to call each other through a Website interface and remain anonymous even after their conversation is over, unless they choose to reveal their identities and contact information proactively.

Today, the hottest adult products are those delivered electronically via Internet technologies that seem to blur the line between fantasy and reality. The Virtual Sex Machine, brainchild of inventor Eric J. White, founder of Virtual Reality Innovations, is one example. Certainly not the first of its kind but potentially the most employable, it was unveiled in its latest incarnation at Internext. The company's booth might not have attracted as much attention, perhaps, as some of the flashier exhibits, but the VSM was seen by many observers as one of the most forward-thinking efforts at the convention, if not necessarily a perfect example of its potential.

Designed exclusively for men (although a version for women is in beta phase, according to White), when attached to a computer the VSM allows a user to experience penile stimulation approximating physical contact in response to electronic cues embedded in media such as CD-ROMs, DVDs and Internet streaming video. Fitted over the penis and programmed to be in sync with the action on the screen at all times, the VSM translates the cues into a combination of massage, vibration and vacuum that allows the user to imagine himself in the middle of the action he is witnessing.

"Entertainment is no longer a passive medium," White said.

An early version of the contraption received PC Magazine's "Peripheral of the Year" award in 1998.

Far from being limited only to the sense of touch, virtual reality modeling also is making major strides in the visual arts. Anything3D Inc., primarily a "mainstream" company exhibiting for the first time in an adult environment, introduced its Photo3D product at Internext. Photo3D employs a special turntable-camera-JavaScript combination

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that takes and then combines a series of photographic images into a realistic, three-dimensional form that can be displayed and manipulated digitally. The image can be rotated 360 degrees, magnified selectively, zoomed piece by piece, even have its colors changed — all at the whim of the end user. Any movements the object makes during the photographic process are rendered within the final image in smooth, seamless transition, so the resulting 360-degree representation moves flawlessly and naturally.

Coming Attractions

More innovative new technologies wait in the wings for adoption, according to attorney Frederick S. Lane III and Directrix President Don McDonald. McDonald, formerly a director of the Spice Network, said one of the major obstacles to the implementation of really exciting new technology on the Web is the shortage of high-bandwidth connections on the user end.

"(Broadband is) going to have a very big impact on the adult industry," McDonald said, noting that issues peculiar to broadband media delivery — like "stream theft" and profitability mar-

gins — delay the adult industry from pushing for wider availability of the connection technology. "New solutions for stream theft are becoming available, and the use of 'intelligent bandwidth' will let us guarantee delivery using existing networks by pushing video out to the network once and letting it be relayed repeatedly from there (thereby increasing profitability)," he said.

According to McDonald, video on demand over the Net — using "intelligent bandwidth" to optimize delivery at the user's reception speed and in the user's native language — will be the biggest advantage the adult Web industry sees as a result of wider deployment of broadband consumer connections.

"Intelligent bandwidth is critical in a broadband environment," he said.

Lane, author of the book *Obscene Profits: The Entrepreneurs of Pornography in the Cyber Age* (Routledge 2000), an adult Internet trend spotter and seminar coordinator for Interxnet, noted that only 42 percent of U.S. households currently have any kind of "Net access; less than 2 percent enjoy broadband Internet access. Those figures are predicted to change dramatically within the next



Are we nearing the American Dream of a chicken in every pot, a car in every garage and a sexual superstar in every bedroom? With the advent of wireless video streaming, the increasing availability of broadband Internet access and advances in the technology underlying virtual reality, the answer just may be "yes."



year as consumer prices for cable and digital subscriber line connections plummet and availability skyrockets, he said.

Lane also said satellite Internet access is years away from perfection, and cable's heyday may be coming to an end.

"I think you'll see DSL overtake cable in the next few years," he said. "It's more reliable and expandable."

Both men agreed that the legal and ethical questions yet to be answered concerning broadband delivery are legion; concerns raised by issues like the "community standards" test for obscenity and copyright violations will multiply as broadband access becomes more readily available.

"There is technology now to determine where calls are coming from; therefore you need to be aware of local community standards," Lane said. "It's the same problem the audiotext industry faced several years ago."

"And copyright issues may become the adult Web's Achilles heel," he continued, referring to various high-profile intellectual-property theft cases that have plagued the industry recently. "Remember: It wasn't murder and mayhem that got Al Capone,

but income tax problems."

Broadband isn't the only technology revolution just around the corner, according to those at the forefront of the burgeoning wireless access protocol (WAP) delivery infrastructure. Paul Frey, chief technology officer of SinPalm and PK Technology, said streaming content via wireless connection will be available widely within the next year.

Because the so-called "wireless Web" is necessarily restricted by bandwidth limitations, designers of traditional adult Websites need to revise their perceptions of cyberspace to deal with the emerging medium effectively, Frey said.

"Customization of content is key," he said, noting that current transmission rates for wireless delivery reach their maximum at 9600 baud per second (today's typical dial-up modems transmit at about 56,000 bps). "(In the wireless world,) give users only what they want to see. They're offended by having to download other stuff (like banners and other advertisements)."

The current proliferation of wireless devices like cellular phones and personal digital assistants will lead to phenomenal

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growth and development of WAP's potential for the adult Web in the very near future, Frey predicted. That the devices are ubiquitous, in itself, will demand advances in WAP technology — and because it already has set the precedent, the adult Web should begin now to lead the way into full-scale adoption of the underlying delivery technology, he said.

Everything Old is New Again

The technology underlying content delivery methods is not the only front on which radical change is occurring. Even the ways in which companies promote themselves has undergone metamorphosis in recent years. Although print remains the most common format for promotional materials, more companies are investing in CD-ROM-based brochures, manuals and interactive demonstrations — not only because the digital media provide a better venue for their sales presentations, but also because they are easier for both the companies and their potential customers to transport, store and use.

Still, it bears mentioning that *not every new technology is, will be or CAN be embraced by every end user*. Regardless how advanced the delivery and reception technologies in the U.S. and other techno-savvy countries become, there always will be consumers who hunger for cyber-sex in its most "primitive" forms.

"New people get 'wired' every day," said one Internext attendee, who asked to be identified only as Alan. "Like the rest of us, they need the opportunity to explore and discover the Web on their own terms. When they first begin, they may not be ready for the cutting-edge stuff that's out there. Why not make things available to them that they can understand and that their computer can handle? Then, when they upgrade their equipment, let them get involved with the more sophisticated adult offerings.

"Not everyone is ready for the

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PANELS:

THE WINTER OF OUR GOOD CONTENT

Keep The Quality Up – That's What Surfers Want

The watchword for all three "Trends in Content" seminars at Internext was, keep the quality up because that's what the surfers want. "The surfers are getting more sophisticated," said photographer Jim Grady, nailing the point home at the photography panel.

Grady also said that while digital image technology is improving continuously, various tests indicate that unless one is a perfect digital expert, the quality still isn't quite equal to film. "Not quite yet," he said, "but it's getting there."

And he punctuated it with a little economic reality. "You move your quality up," he said, "and *then* you can charge more. You have to pay the price to have somebody who cares about the film."

Grady was one of four panelists for the first of the Trends gatherings, the photography segment. He was joined by Mike Rick (Cyber-Synergism), Danny Fishman (Vyou.com), and Victor DiMeglio (Hyperscan Digital).

Rick hit upon economic factors in his presentation, noting that as the number of adult Websites increases, so do the content costs. "They get astronomical," he said, suggesting that leasing content might be a cost-saver without compromising image quality and site depth.

Fishman, though, reminded his listeners to make the extra effort to get original material, no matter the cost. "Adult is a very incestuous industry," he said, and it had nothing to do with anyone's sexual behavior, either. "They do business with each other. And you so often see the same stuff on so many sites."

And it runs into copyright considerations, which Fishman said aren't always given their due. "People do ignore copyrights," he said flatly — a matter which Greg Piccionelli, an intellectual property attorney and expert, took

up in spades during the second Trends panel on streaming and interactive video.

"If you're going to get involved in the new media technologies," Piccionelli said, "make sure you have the patent or know and work with those who do."

All three seminars — the third involved gay and lesbian site content — underlined the benefits of trying not to get entrapped in pumping forth too many free sites in a bid to stimulate business and future profitability.

"We have to watch out on the devaluation of adult content via free sites," said Morgan Summer of Cybersocket, one of five panelists on the gay and lesbian seminar, along with Gay-WideWebmasters.com's Gary Alan, Badpuppy.com CEO Lisa Turner, Billinguru.com consultant Melissa Davies, and Bedfellow.com's Karl Edwards.

Summer also reminded his seminar of market sensibility and empathy. "Gay consumers will want to see something, to be titillated," he said, "and you should really have a gay person to help that market."

And while all seminars encouraged the continuing trend toward the niche markets, Davies was emphatic on one market often confused with being a niche. "Gay is not a niche. We're a market," she said, perhaps nailing down a point which the actual niche markets hope to reach in due course.

— Humphrey Pennyworth

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bleeding edge of adult the moment they hit the Web."

That sentiment, in essence, is why some companies offer a range of products designed to appeal to everyone from the most basic viewers to users who demand the most technology-intensive wares. Among the offerings at megasites like CartoonBucks and Cybererotica are galleries of thousands of pulse-quickening still images that require only the most basic of browsers to enjoy, and both companies say those areas of their sites remain incredibly popular.

Sponsors, for their part, seem to be re-exploring ground that for a while seemed to have gone fallow. Companies like TopCash, Cybererotica, Cyber Entertainment Network, Babenet and Redhot Network have re-instituted programs that, at face value, seem to take a giant step backward in the affiliate payment game. While they continue to pay Webmaster affiliates finders fees for new-customer sign-ups, they've also re-instituted pay-per-click programs like those offered when the adult Web was young.

Regardless of the approach surfers and the companies who serve them take to the continuing adventure that is the adult Web, one fact remains constant: Nothing in the adult realm of cyberspace is static. Change — whether rushing headlong into adoption of new delivery models or mining the past for under-exploited financial benefit — is the only unchanging aspect of the medium. And, of course, truth remains in the maxim that where the adult industry goes, the mainstream world is sure to follow.

"More mainstream companies are working with adult all the time," said Directrix's McDonald, whose own company is involved primarily in mainstream pursuits. "(Adult) is where the solutions will come from — and it's the only segment of the Internet economy making any real money." •

