



## Editorial

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Mr. Field is a U.S. attorney specializing in payment systems and electronic commerce. He chairs the Electronic Commerce Payment Committee of the American Bar Association, Section of Science and Technology, and sits on its Section Council. He is an Affiliated Research Fellow of the Institute for Tele-Information at Columbia Business School. Mr. Field has served as a U.S. delegate-adviser to the United Nations Commission on International Trade Law, Working Group on Electronic Commerce.

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### **The (e)cashless society?**

What's going on here? So many brilliant minds have stumbled of late over the creation of new widespread forms of payment. Just a few years ago the air was rich with the promise of many new payment schemes. The leading contenders of just a year ago, DigiCash, Cybercash, First Virtual, Mondex, Visa Cash, SET, seem to be fizzling faster than a Senate impeachment threat.

### **Such neat products! Such elegance!**

DigiCash has declared bankruptcy. Mondex's high profile trials, in New York City and Ontario, are ending with significantly reduced hopes for early smart card acceptance. Ditto Visa Cash. First Virtual has exited the payments business entirely in favor of targeted advertising. Rumors of SET's demise refuse to die. And Cybercash continues to struggle to find its proper niche.

The simple answer, at least in the U.S., is that the universality of the existing credit card infrastructure, coupled with its unsurpassed set of consumer protection laws, present an unbeatable one-two punch. Why should any sane consumer want to switch to an unregulated, unreliable, risk-generating alternative? Micropayments? Sure, let's all start using them and pretty soon free information on the net will be history. Not a great sales pitch.

So here's the big lesson of the day for you net investors and thinkers: quit thinking about what new gizmos make you swoon, and start thinking about what makes you curse. For it's the horrors, the injustices, the real-life problems in dire need of change, that will translate into today's smart net business models, and tomorrow's killer apps. Hate slippery airline pricing?

Car dealers make your skin crawl? Is skulking around for adult reading material ruining your chances for a Supreme Court nomination? Or maybe you're searching for that elusive cheap, clean hotel. Do you constantly find yourself at the short end of broker sales tactics? Disgusted with the post office? Your political leaders??

My Legal Report this month looks at Professor Lawrence Lessig's thoughts on net governance. He asks, "where's the democracy gone?" Maybe with our faith in Washington. Especially in the last few years, just the time period when we've first had to consider a new model of governance in a new medium. Coincidence? You decide.

Well, political tides change. It is likely that solutions to net governance will remain in flux for a while longer as we come to terms with the new shape of our real-life political systems.

Flashy net concepts will come and go. Some deep pockets will always be pushing for rules that better suit them. For

insights into what issues and products will resonate broadly, just keep a level head and consider what, if anything, is wrong with what we've got today. You'll either turn into an optimist or an old curmudgeon. Either way, it might save you some cash