

# MARKETPLACE

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**A Lawsuit's Finish Frees 'Hobbit' Films**  
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**It's game time for MTV with Hollywood's Jerry Bruckheimer — MEDIA & MARKETING B4**  
**And now, the most newsworthy lawyer of the year: the envelope, please — LAW B2**

## PORTALS

By Andrew LaVallee

### Even Boring Blogs Are Things of Beauty In Some Artists' Eyes

THE WEB IS FULL of content that only its creator could love. Witness the office-party photos, blogs about people's pets and bad lip-synched videos that turn up in a few minutes of Google-fueled procrastination.

To Guthrie Lonergan, however, Web junk is the basis of his most popular online art. "I'm sort of interested in that boringness," he says.

"Internet Group Shot" is one example. The collage, cobbled from dozens of group portraits, shows how people adopt the same huddle when they're saying "cheese." For "MySpace Intro Playlist," Mr. Lonergan looked for the self-made videos that young people post to their personal pages, then strung them together to show how teenagers tend to act similarly and say the same things when they're introducing themselves.

"There are defaults in our culture," Mr. Lonergan adds. "MySpace doesn't set up something for you to create an introduction video, but kind of like a telephone answering machine, you assume a certain kind of voice and say certain things." The 23-year-old, who lives in L.A., is one of many artists mining

Internet culture for creative inspiration. They make videos out of email spam and multimedia projects from MySpace profiles, and make a case for Web surfing as an art form in itself.

Marcin Ramocki is another. He got the idea for his portrait series "Blogger Skins" when a documentary film he made was being shown worldwide. After setting up search-engine alerts to notify him whenever "8 Bit" was mentioned, he was struck by the unrelated images that came up.

FOR "BLOGGER SKINS," he Googled a handful of bloggers who write about art, then assembled a virtual mosaic of the images that resulted. "The idea is that a Google search for people who are very active in this community changes every day, so I wanted to capture one specific search," he says.

The image reflects the original order of the search results, he says, "and that creates, sort of accidentally, this beautiful shape, but that shape also reflects the popularity of different images." Subjects with common names had wildly random images associated with them. The artists, though, exerted control over their search results by filling them with their work.

Some of these Web-inspired works have been included in the recently reopened New Museum's "Unmonumental" exhibition, parts of which are on view at its New York location and others of which can be seen on the site for Rhizome, its new-media affiliate. "This generation really knows the Net," says Lauren Cornell, Rhizome's executive director. "They grew up with it and are, for lack of a better word, native to it."

"Art is just going to be what's going on in the world around you. It makes sense to do work about this thing that's changing our life so much," adds Paul Slocum, a 33-year-old Dallas artist whose day job is in systems programming. His video "Time-Lapse Homepage," part of the New Museum exhibit online, is intended to follow the development of the digital aesthetic: in 1,200 screenshots and at 20 frames a second, it chronicles the evolution of a single personal page's look.

He also created a functioning replica of MySpace's log-in page. "I was interested in how you go to these pages all the time that are constantly in flux, changing all the things they show you," he says.

ONE OF THE best-known artists in this medium, Cory Arcangel, has "performed" the deletion of his Friendster account in front of an audience at the P.S.1 Contemporary Art Center in Queens, N.Y. "People kind of cringed and then cheered when it was all over," he says. He published on his personal site Kurt Cobain's suicide note alongside Google AdWords that served up ads to social-anxiety treatment and spiritual-growth classes.

"Surfing so much, I get ideas of things that I would like to see that don't yet exist," Mr. Arcangel explains. "This is when I make a project."

This year, Rhizome organized an online group show called "Professional Surfer" that took the prosaic idea of bookmarking Web pages and posited it as art.

On other Web sites, such as Nasty Nets, Supercentral and Yahoo's bookmarking service Del.icio.us, artists link to videos, photos and other digital ephemera they've come across.

"They're like sketchbooks," says Paddy Johnson, a Brooklyn art blogger. "Your ability to spot the best stuff speaks to your eye as an artist...The better your quoting ability, the better artist you seem to be."

Even some "offline" works are inspired by Internet culture. For a series called "Monitor Tracings," Marisa Olson searched Google Images for headphones, radios and other devices, then drew the results on paper.

One thing most of these artists haven't solved is how to make money off work that is available to anyone online. Ms. Olson says she sells her drawings and editioned copies of video pieces, but never an Internet-based work. "You would think that the contemporary, hip art world is ahead of the curve on this," she says, "and it's not—yet."

Email me at Andrew.LaVallee@wsj.com. Lee Gomes is on vacation.

### Forget Dolls, Toy Trains; The Younger Set Wants High-Tech Gadgets

By NICHOLAS CASEY

FOR THE TOY industry, the recent spate of recall-related headlines isn't the only thing to fear this holiday season. A more fundamental concern is the iPhone on six-year-old Hilary Roberts's wish list.

"She's not after a doll," says her father, Scott Roberts, an Internet executive from San Francisco. "There's not one traditional gift she's asking for this year. She's asking: 'Can I have an iPhone?'"

With one weekend left before Christmas, the toy industry finds itself on the defensive again—beset by a host of consumer electronic products. Besides Apple Inc.'s offerings to worry about, toy makers are competing with resurging popularity of entertainment systems from Nintendo Co., Sony Corp. and Microsoft Corp. along with recently released videogame titles. Who needs toy trains when you can take a crack at thundering the Kiss anthem "Rock and Roll All Nite" in the

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## Kiddies' Wired Wish Lists



## How Hidden Incentives Distort Home Prices

By JAMES R. HAGERTY AND MICHAEL CORKERY  
Parker, Colo.

AS THE HOUSING market slump deepens, disguised discounts are making it harder to tell exactly how much people are paying for homes.

Buyers, sellers and other market participants typically monitor fluctuating home values through sale records that legally have to be listed with county clerks. But incentives offered to buyers—ranging from free cars or furniture to cash rebates—are making those prices less reliable as a sign of what buyers actually paid, netting out the giveaways. And that may be misleading lenders and people shopping for homes, some real-estate lawyers and appraisers warn.

KB Home in January sold a new townhome with green siding in the Denver suburb of Parker for \$196,000, according to the deed recorded with the Douglas County clerk. But a disclosure form provided to the buyer and seller of a particular property, which isn't

part of the public record, shows that home builder KB paid \$27,600 to another company, which made a cash payment to the buyer. Netting out that effective discount, the price was \$168,400.

Incentives of all kinds have mushroomed in recent years as sellers found it harder to unload

incentives to buyers are becoming more common in a glutted market. For builders, an incentive can mask a discount that might lower the value of nearby homes the company is still trying to sell—or avoid angering previous buyers who paid more. For buyers, cash from the seller can finance a down payment.

One risk of these transactions is that they can mislead other buyers into overpaying for similar houses nearby, or give owners of nearby properties an exaggerated notion of their home equity. Lenders can make loans on the basis of an artificially high value, increasing the danger of losses from any default.

The national builder Lennar Corp., for instance, last year offered buyers in certain Florida communities vouchers to purchase Mustangs from a local dealership. Lennar said the voucher was deducted from the recorded sales price of the homes. A few months ago, a small builder in Tacoma, Wash., offered a \$20,000 Harley-Davidson to buyers of a \$479,000 home. One buyer skipped the Harley and instead took a \$20,000 incentive from the builder, which reduced the sales price of the home. But in other cases, "the incentive

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*These increasingly common transactions can give owners of nearby houses an exaggerated notion of their equity.*

## For Apple iPhone, Japan Could Be the Next Big Test

By YUKARI IWATANI KANE AND NICK WINGFIELD

APPLE INC. MAY be close to the most important test yet of its iPhone's global appeal.

Apple Chief Executive Steve Jobs recently met with officials from Japan's dominant mobile operator, NTT DoCoMo Inc., including NTT's president, Masao Nakamura, to discuss a deal to

offer the iPhone in the country, say people familiar with the situation. These people say Apple has also been talking to Japan's No. 3 operator, Softbank Corp. Executives from both NTT and Softbank have also made multiple trips to Apple's Cupertino,

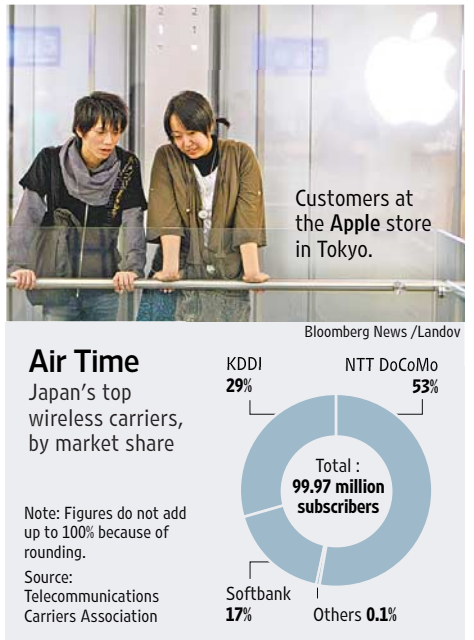
Calif., headquarters. In Japan, one of the world's largest and most demanding mobile-phone markets, Apple will face ferocious competition from other handset makers. Indeed, it will be joining a long list of foreign phone makers that have tried to break into the insular Japanese handset market, most with little success. It also remains to be seen whether a top Japanese carrier will accept Apple's unusually tight control over the design of the iPhone.

Representatives at Apple, DoCoMo and Softbank declined to comment.

Success is crucial if Apple is to keep up the momentum of a product that has sold well but not quite as well as some Wall Street analysts initially forecast. Since its launch in late June, the iPhone has been one of the top-selling smart phones in the U.S., where it is sold through AT&T Inc., the nation's largest carrier

based on number of subscribers. More recently, the product went on sale with carrier partners in the U.K., France and Germany, where Piper Jaffray & Co. analyst Gene Munster believes its sales have been "good, but

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