**AI x Gaming**

**Week of March 3rd, 2024**

# **Top 3-5 Key News Items**

**Key News Item #1:** Welevel raises $5.7M rethink AI game development ([Link](https://venturebeat.com/games/welevel-raises-5-7m-to-revolutionize-procedural-game-development/))

* Game studio Welevel raised $5.7M to upgrade procedural game development using AI. Its generative model and AI tools have been in development since 2021 for use on its “AAA” sandbox survival game.
* Its AI targets quite a few areas of game development such as world-building, NPC behavior, and quest generation adaptively tailored to players. Welevel sees AI as the way to get AAA quality results at an indie studio level, which many are hoping is the case given the current game dev climate.
* The tech does have pretty big ambitions of customizing much of the experience to the player and using AI for NPCs as well. The big question is whether it pushes games using AI forward or falls flat on its face. Bitkraft at least seems to believe enough to lead the raise.
* Welevel believes it’s possible to accomplish this massive task by rethinking the development process and leveraging the technical advantages of AI smartly for coding as well. The company is also taking advantage of Unreal developers pulled from university for cheaper local talent.
* This is far from the last attempt to close the production gap using AI even if it fails, but the ability to raise in this environment is still a good sign that it will at least be a good effort. The team will be at GDC 2025 so hopefully we will see soon if things are on track.
* **Why does this matter to AI x Gaming:** Game production costs for AAA studios has gotten so prohibitively expensive that there isn’t any room left for risk taking outside of Activision’s smaller AI experiments. Taking big swings as an indie by leveraging AI to try and increase production value at low cost is an ideal risk right now so there will absolutely be much more of it.

**Key News Item #2:** Infinite Realms transports you into popular book worlds with AI ([Link](https://venturebeat.com/games/infinite-realms-turns-fantasy-books-into-living-breathing-game-worlds-with-help-of-ai/))

* Infinite Realms, a studio spun off from Unleashed Games, plans to use AI to turn fantasy book manuscripts into playable experiences. Conceptually this is a play to convert licensed IP into games that have a built-in audience with low per-game effort and cost.
* By focusing on the IP from books, some with over 40M readers and decades of fans, Infinite Realms is hoping to “hack” distribution in leveraging automatic interest and marketing channels. There is also the hope that it will become a virtuous cycle of an expanded audience through the game becoming readers of the books as well.
* In general authors have been very against the idea of their books being fed into any form of LLM, but Infinite Realms are taking the approach of co-ownership of the LLM with the authors. There is a side business of being able to license out the LLM to other games or players as well. Unlike the book itself, the author can also potentially feed other bits of lore and information in to make it more robust for fans.
* At this point development time for a game based on a manuscript is down to just 6 months with gameplay already pre-developed as a general base. What that gameplay looks like isn’t clear, but it’s very likely to involve turning characters into NPCs of some kind. Unless these are text only games it does seem a little tricky for visuals of some kind to be developed on a per book basis so quickly without a very well tuned AI image generator.
* Depending on the target platform, accessibility of the games and strength of gameplay, this is a compelling strategy for avid fans of the books that want a different unique experience. Without some clue as to where the output falls on the range of text adventures, visual novels or RPGs we’ll have to wait and see, but this is a strategy others will likely replicate in different forms as IP continues taking over games.
* **Why does this matter to AI x Gaming:** Being able to convert existing content and fans into fresh gamers for a very low cost can be extremely profitable if it delivers. There’s still the matter of getting fans interested, but given the appetite for new content and experiences of fans’ favorite worlds that shouldn’t be too hard. There is plenty of room here to disappoint and simply fall flat on expectations as games such as the one based on Wheel of Time in the past didn’t live up to the promise and LotR games are certainly hit or miss.

**Key News Item #3:** WorldWide Agents reveals its ownable poker playing AI agents ([Link](https://www.blockchaingamer.biz/news/37593/worldwide-agents-launches-ai-gaming-platform/))

* Mystic Moose, developers of the Mojo web3 games, launched a new Mojo AI platform, WorldWide Agents. The idea is similar to others that have been trending in the web3 space of owning an AI that plays games for you for potential profit. The agents here will be a mix of first party characters as well as ElizaOS’s Eliza, Gam3sgg’s Gam3r and a Pudgy Penguin called Milo.
* At first the agents will be chat-able LLMs that can generate points when MOJO tokens are staked on them to move up a leaderboard that can provide boosts for the agents as a reward. Later the agents will actually play a game, Agents of Poker, which is a Poker game as the name suggests.
* There is yet another leaderboard from the poker matches that rewards in another token, WWA, that’s split between those who have boosted the agent. This will be further extended by allowing for wagering on the matches and the agents streaming on Twitch and posting on TikTok.
* In many ways this isn’t terribly different from early web3 NFT gambling with horse races in Zed Run, albeit with a more complex game. The real question is whether or not many of these AI driven “investments” will involve the AI in a meaningful way, for example using the chat capability to allow owners to coach them or at least influence the AI in a more personal way.
* **Why does this matter to AI x Gaming:** Web3 ponzi schemes aside there is definitely an interest in what it could mean to own and trade a customized AI agent in a world it can actually act in, gaming. It certainly could change what it means to be a pocket monster trainer, but we are still in the gimmick phase.

# **Other News Items**

* **Opera introduces browser-integrated AI agent** ([Link](https://www.artificialintelligence-news.com/news/opera-introduces-browser-integrated-ai-agent/)): The AI integrated browser wars are heating up and Opera always stays cutting edge even with low adoption rates.
* **Prime Video tests AI dubbing for select movies and TV series** ([Link](https://techcrunch.com/2025/03/05/prime-video-tests-ai-dubbing-for-select-movies-and-tv-series/)): While video will obviously be the first use case, there’s potential for this technology to help with game cutscene localization.
* **Introducing NextGenAI: A consortium to advance research and education with AI** ([Link](https://openai.com/index/introducing-nextgenai/)): OpenAI is putting big money towards educational AI use.
* **Expanding AI Overviews and introducing AI Mode** ([Link](https://blog.google/products/search/ai-mode-search/)): Google pushing back against tools like perplexity to integrate even more AI into searches.
* **Intangible, a no-code 3D creation tool for filmmakers and game designers, raises $4M** ([Link](https://techcrunch.com/2025/03/06/intangible-ai-a-no-code-3d-creation-tool-for-filmmakers-and-game-designers-raises-4m/)): Text prompts to 3D worlds doesn’t seem to be slowing down anytime soon and as both assets and worlds can be built with AI it will only accelerate.
* **People are using Super Mario to benchmark AI now** ([Link](https://techcrunch.com/2025/03/03/people-are-using-super-mario-to-benchmark-ai-now/)): After Claude 3.7 was found to have used Pokemon as a benchmark, there is an effort to see what other games such as Super Mario Bros can be used as well.
* **Sparq unveils Crown U mobile sports game with AI and blockchain** ([Link](https://venturebeat.com/business/sparq-unveils-crown-u-mobile-sports-game-with-ai-and-blockchain/)): Sparq used its proprietary AI to select the game genre, subgenre, game mechanics, and game economy features for its new college sports game.
* **Peer raises $10.5M for metaverse engine, launches 3D personal planets** ([Link](https://venturebeat.com/games/peer-raises-10-5m-for-metaverse-engine-launches-3d-personal-planets/)): Metaverses apparently aren’t dead, especially with AI involved.

# **Content Worth Consuming**

* **I asked Gemini to play a text-based adventure game with me and the AI whisked me away to a word-based fantasy** ([Link](https://www.techradar.com/computing/artificial-intelligence/i-asked-gemini-to-play-a-text-based-adventure-game-with-me-and-the-ai-whisked-me-away-to-a-word-based-fantasy)):
  + The writer decided to experiment with having Gemini generate an interactive adventure, something that goes back to the older popular AI Dungeon. At first it was just an intellectual curiosity, one many people have, but it demonstrated how compelling interactive fiction can be over authored fiction even when it’s generic and not well written.
  + One of the big allures of tabletop roleplaying games (TTRPGs) is the idea that the story is dynamic to players, but it’s usually run by a game/dungeon master who often authors (or uses an off the shelf) an adventure and then from there incorporates player choices and how they turn out. TTRPGs have been booming in popularity over the last decade, especially during the covid boom as a social game that didn’t require being physically together. In that same period solo TTRPGs, where a system helps decide what happens, also grew in popularity and continue to do so.
  + There’s always been a push towards fiction that’s more interactive through choose your own adventures both in book form and movies (i.e. Netflix’s Bandersnatch), but they’ve been very limited in responsiveness and replayability. As the writer of the article discovered, AI changes this in a way that’s not so much about quality as it is having an infinite game master on tap at any time. This won’t replace authored fiction in the near future, but it shows that there is a clear bridge between reading and games that will continue growing as more people become exposed to it. The aforementioned Infinite Realms business model of gamifying existing books shows one possible avenue, but this is just the beginning of a broader trend.
* **How far can we go with ImageNet for Text-to-Image generation?** ([Link](https://arxiv.org/abs/2502.21318)):
  + Much of the thinking around building and investing in AI has been focused on scale, but lately that seems to be peaking with more of a smarter not harder approach. In this paper the authors use text to image generator ImageNet as a test for whether or not training scale is vital to quality. In doing so they conclude that it’s entirely possible to succeed with much smaller training datasets.
  + An important side effect of this demonstration is not just that there’s more opportunity for accessibility in training models, but that it becomes more feasible to train on specifically curated datasets due to not requiring such a massive amount. When it comes to games attempting to use GenAI for images it can be problematic that the models are trained on such a wide ranging and massive dataset.
  + With so called “open source” models typically not releasing their datasets it also becomes important to be able to roll your own dataset which will become increasingly feasible with smarter models. This can also lead to a huge useful fragmentation of off the shelf training datasets with different goals including game specific and stylized art. That also applies to other industries like comics that have a specific look. It’s only a matter of time before there are more pushes into game specific solutions given the current environment.
* **Crossing the uncanny valley of conversational voice** ([Link](https://www.sesame.com/research/crossing_the_uncanny_valley_of_voice)):
  + One of the more difficult aspects of creating a human-like artificial intelligence is making the back and forth interactivity feel more “real”. Currently most interaction with AI is through text or very basic speech-to-text systems that definitely don’t feel like a conversation. While ChatGPT has an ok voice interface it turns out to be quite difficult to make it feel like anything other than a simple prompt go-between. This problematic nature has also been born out in the significant delays to both Alexa and Siri who rely on more conversational back and forth.
  + Sesame has been trying to help build towards a more realistic conversational speech model and includes a good demo of the progress so far, which is somewhat passable but as they acknowledged, far from complete. In order to break through to true ubiquity in AI assistants its going to require voice to be as natural as possible just due to the unattractiveness of typing prompts out for most uses and users.
  + Even with the limitations it's fair to say that progress is being made fairly quickly and it's only a matter of time before it's consistently useful. There is a very strong use case here for implementing this technology into NPCs assuming the ability to truly react is there. It’s tedious to sit through pages of text or listen to canned voice lines in reaction to pressing a button and while it won’t suit every game or gamer, it will be a huge jump in immersion when models like this get it right in a game environment.