

WEEKLY ENGLISH PRACTICE

What On Earth Are NFTs And Blockchains?

10/03/22 / Keyword: NFT

It's easy to copy images and video clips from the internet. So how can a digital artist prove that a work of art is theirs and then sell it? ECP coach Rob attempts to explain what an NFT is.



The image of the left is a Bored Ape Yacht Club image that Rob downloaded without permission. The image on the right is a crop of his own photo that he owns the copyright to.

The world of NFTs and **blockchains** is not easy to explain. Here is a series of questions and answers that will hopefully help you understand the latest internet **craze** that everyone is talking about.

What is an NFT? An NFT (or non-fungible **token**) is typically a digital image or video clip that has been created by an artist and that has then been authenticated on a **blockchain** (see below). The resulting data file, or NFT, is proof of ownership of that original digital file. It's like a traditional receipt or contract. This NFT can then be resold or **traded**, much in the same way as physical works of art are. But, crucially, the NFT is just the data file - the certificate of ownership - not the actual, original digital file. Essentially, it is a link to visual content that is stored **elsewhere** on the internet.

One moment. If I see an image that has been made into an NFT on my computer screen, can't I just 'right-click' and download a copy of it? Yes, you can. And people do (see the Bored Ape Yacht Club image on the left). But it is just a pirated version of a digital image that is officially owned by someone else - and with an NFT, they have a way to prove that they are the owner. Until recently this wasn't possible.

Ok, I think I follow. So, what does non-fungible mean? A fungible asset is one that is consumed but can be replaced or exchanged with an equal asset. For example, a bottle of olive oil.

Once you have consumed the contents of the bottle, you can **stroll** down to your local shop and buy another one that is exactly the same. A non-fungible asset is something that cannot be replaced, copied or exchanged. When you purchase a work of art from an artist, it is a unique, one-of-a-kind piece that can't be exchanged for something exactly the same. And a receipt or contract will prove that you are the owner. In the digital world, it's the NFT that proves who the owner is.

I think I understand, thank you. But you mentioned the word 'blockchain'. What is that? A **blockchain** is a database in which a record of transactions made in cryptocurrencies (such as Bitcoin) is maintained across several computers that are linked via cryptography in a peer-to-peer network. Importantly, they create permanent **time-stamps** to prove that a cryptocurrency transaction - for example, buying an NFT - happened. And they don't rely on any centralised authority, something that is loved by anarcho-techno libertarian internet revolutionaries.

So, in plain English... If you buy an NFT, you have purchased the right to access a digital work of art that is stored somewhere on the internet. You own the right to access that artwork. Other people will probably already have (free) copies

Useful vocabulary

blockchain: a system in which a record of transactions made in cryptocurrencies is maintained across several computers

craze: an activity or object which appears suddenly and achieves widespread but short-lived popularity

token: a thing serving as a visible or tangible representation of a fact, quality, feeling, etc.

to trade: to buy and sell goods and services

elsewhere: another place

to stroll: to walk in a leisurely way

timestamp: a digital record of the time of occurrence of an event

to mint: to create a new coin (in this context, a new NFT)

Let's chat about that!

1. What do you know about NFTs and cryptocurrencies?
2. What do the words fungible and non-fungible mean?
3. What are NFTs for?
4. What investments have you made during your life?
5. Do you copy photos or download videos, films etc from the internet? How?
6. What do you think about copyright? Are artists' rights adequately protected?

LIVE! English Events

ECP's Cinema Nights

Every last Friday of the month at 18:30

Send a WhatsApp to John on 657 73 13 54

Coffee Saturdays

2021-22

11:00-12:30

Panadería Bertiz C/Francia 10

| | |
|--------------|-----------|
| 2nd October | 5th March |
| 6th November | 2nd April |
| 4th December | 7th May |
| 5th February | 4th June |



Look at these exclusive works of digital art 😏
What inspired them? Describe what you see.



Would you purchase an NFT of them?



What extra benefits would you expect the artist to offer you?



of the same artwork, but you officially own access to the *original, authentic* image. Normally though, you don't own the copyright to it.

Can anyone make, and sell, an NFT? Yes. A few years ago, at a game in Mendizorrotza, I took an incredible - and certainly unique - photograph of FC Barcelona's Lionel Messi surrounded by all 11 players of Deportivo Alavés. I could **mint** an NFT of that picture and sell it to you. You would have bought the right to access that photograph on your devices but I can retain the copyright of the original image if I want to and make even more money from my photo by, for example, selling prints or making t-shirts. The problem is that I have absolutely no idea how to **mint** an NFT...

What happens if the platform where you store the original image disappears? Does my access disappear too? Er, yes. Probably. Nobody really knows how to answer that question, as currently all of this is unregulated.

So what's the point of NFTs? Digital artists can assert ownership of their artwork and then sell it. The new owner can trade their investment in the same way that art collectors do now at auctions and on specialised markets.

These **tokens** can also be used to grant access to exclusive services. The Bored Ape Yacht Club NFT project states: "When you buy a Bored Ape NFT, you're not simply buying a provably rare piece of art. You're gaining membership access to a club whose benefits and offerings will increase over time. It can serve as your digital identity, and open digital doors for you."

I'm not sure I've understood any of this. Me neither! So, do you want to buy an NFT of my amazing photo of Lionel Messi? It includes the right to have lunch with me once a year...

Written by ECP coach Rob Hextall