Authors and the Blockchain

Towards a Creator Centered Business Model

An Alliance of Independent Authors White Paper

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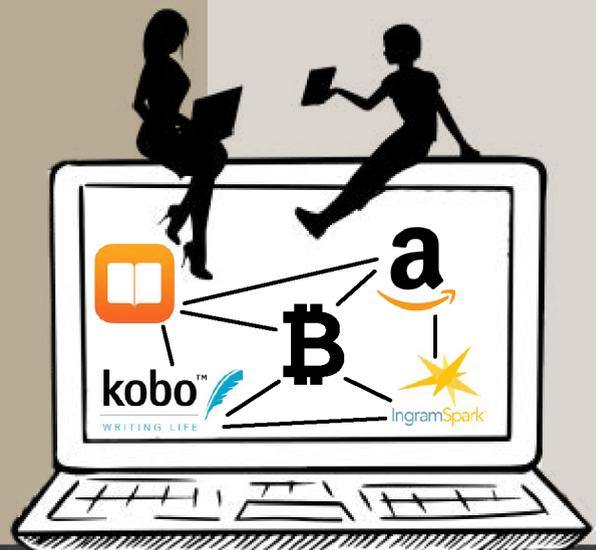
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ABSTRACT

Blockchain, the distributed ledger technology that underlies cryptocurrencies like bitcoin, is widely regarded as a once-in-a-generation technological revolution. So far, it is blockchain's potential in the finance industry that is attracting most excitement and investment but it has implications for every business, from the smallest startup to multinational giants with centuries of transactions behind them.

While the technology is not yet stable, its applications are so far limited, and perspectives on its potential are many and varied, all are agreed that it has the power to shift economies, businesses and behaviors, fundamentally changing how we use the internet and trade with each other.

ALLi, the Alliance of Independent Authors, believes that blockchain technology warrants the attention of publishers, and self-publishing authors in particular. The way that blockchain reconfigures digital text, books and media, legal agreements, monetization of content, and payment pathways makes it a technological breakthrough for publishing.

It can be used to maximize the value of the authors' intellectual property and moral and monetary rights. It could also deliver an author-centered financial model for the first time in publishing history.

As such we see it as part of the most important current trend for authors that we call **Self-publishing 3.0: Crowdsourced patronage/subscription/direct sales by authors to readers, without any intermediary except an online purchasing mechanism.**

We leave it to others to examine how distributed ledger technologies and cryptocurrencies should be governed and regulated. The concern of this white paper is to explore the opportunities and challenges presented by blockchain for author-publishers. To that end, we consider key concepts, offer some current user examples and ideas, and consider its possible implications.

We also provide some recommendations for authors to prepare for the technology, which can be set in place immediately and enable engagement with any existing self-publishing 3.0 technology that takes authors closer to their readers.

THE EVOLUTION OF AUTHOR-PUBLISHING

In this chapter we set the context for blockchain with a brief history of publishing and self-publishing.

Publishing as we know it in Europe and North America is an old industry that kicked off when Johannes Gutenberg, working in Mainz (near Frankfurt) in 1439, became the first European to use movable type. Gutenberg set up what became known as a printing press, helping to make stories, works of scholarship, and everything in between widely accessible to ordinary people for the first time.

Before that, books were written by hand and took months or years to produce, expensive items only for the select few who could afford personal scribes and were educated to read. The printing press allowed far more books to become available to far more people, at a much lower price, much as digital publishing is facilitating now.

Mass production of printed texts transformed how people read, communicated, and learned. Countless publishing houses, booksellers, and other book businesses sprang up to meet the market need.

For the next five centuries, books could only be made using one of these large, heavy, presses housed in a printing factory, which needed considerable upfront investment.

This publishing system flourished largely in cities, particularly with the introduction of enforceable copyright law (1710, England; 1790, US; 1871, Germany) in Manhattan, London, and Frankfurt.

Occasionally enterprising authors, for example Virginia Woolf and her husband Leonard, invested in the technology, so they could publish their own work and other books they deemed creatively or commercially valuable. Mostly, though, it was publishing houses who financed the machines to print the books for authors.

These publishers also acted as curators (gatekeepers), choosing what would and would not be printed and publicized. Side by side, another publishing industry grew, what came to be called "vanity publishing": companies that published books—a few with great care and reader-focused attention, most in cavalier fashion—in return for a fee paid by authors.

SELF-PUBLISHING 1.0—DESKTOP PUBLISHING AND PRINT-ON-DEMAND (POD)

The first lowering of the barrier to entry arrived in the late 1970s, in the form of desktop publishing (DTP). The ability to create page layouts on screen and then print pages containing text and graphical elements at crisp 300 dpi resolution was revolutionary, for the typesetting industry, the personal computer industry, and the publishing industry.

Digital publishing at first lacked a payment mechanism and fitted in to existing publishing business structures. Authors' interest was ignited though, and a band of enterprising pioneers jumped in, printing off copies of books and pamphlets to sell by mail order, or driving around to bookstores with their car-boot loads of books.

American parachutist Dan Poynter wrote and published *The Self-Publishing Manual* in 1979 based on his experience, launching a term and a trend. Newspapers and other print media made the move to DTP in the early 1980s and the consumer DTP market exploded in 1985 with the Apple LaserWriter printer.

The most important development to emerge from this period became known as print-on-demand (POD), as digital printing processes made it economically viable to print single copies, or small batches, to order.

Curating publishers had stigmatized self-publishing as vanity and it was difficult to make the finances work, so while some authors did set up successful businesses, especially around nonfiction, and some crossed over from self-publishing to trade-publishing, most steered clear.

SELF-PUBLISHING 2.0—EBOOKS AND ONLINE RETAILERS

Project Gutenberg, founded by Michael Hart, produced the world's first online, print-free digital publication on 4 July 1971: a copy of the American Declaration of Independence published and distributed on the internet. Thus began many discussions about digital copyright.

1990, the "International Year of Literature," launched the era of the ebook, with books in .txt, .mobi, and .doc formats taking to market in that year, but it was 1998 before the first digital bookstores appeared and publishers and authors began to sell books online.

Ebooks could still only be read on computer. The final element of the digital reading matrix arrived with mass market "epaper technology," and Sony released the first ebook reader in 2004. This was followed by Kindle eReader from Amazon in 2007, which came with a vast retail store attached, changing everything for authors. A consignment run of print books sold through bookstores was no longer the only route to readers.

This was self-publishing 2.0. Authors now had the opportunity to create their own digital files, remove agents, publishers, and wholesalers from the publishing chain, and bring their readers three steps closer, with only an online distributor/retailer in between.

They could also now research their books without leaving home, access world-class editors and cover designers online, and ignite reader interest through social media and other websites. They took to it in droves and, in 2012, the Alliance of Independent Authors was launched at The London Book Fair.

Though self-publishing 2.0 has given authors a wealth of opportunities, it still isn't true self-publishing. There are challenges still in the supply chain and legal framework and, not least, in author behavior itself. Like all human beings, authors don't always act in their own best interests.

SUPPLY/PAYMENT-BASED CHALLENGES

- Although self-publishing 2.0 brought authors three steps closer to their readers, **content is still mediated by large corporations**. These days it is Silicon Valley companies like Amazon, Apple, and Google, rather than Manhattan and London trade-publishers. Commercially, authors remain vulnerable.

- Everyone else gets paid first. Currently the flow of money in publishing moves from reader to author service (self-publishing platform or trade-publisher/agent), then from the service, sometimes with considerable delay, to the author. Editors and designers, formatters and retailers, marketeers and PR services, agents and rights buyers, trade-publishers and publishing services, **all get paid before an author sees a penny**.

- The vast majority of "indie" authors earn their income from a **single distributor-retailer, Amazon**.

COPYRIGHT AND LEGAL CHALLENGES

- **Piracy is rampant**, rendering copyright law and digital rights management ineffectual.

- Publishing **contracts are complex** and often unintelligible.

AUTHOR-BASED CHALLENGES

Many self-publishers fail to create monetary value from their work because they are **not good publishers**, either on the production side (writing, editorial, and design) or on the selling side (marketing, promotion, and sales). Only a minuscule few are succeeding on the rights licensing side.

- Many authors **crave attention more than money** and overvalue their work emotionally while undervaluing it commercially.

- Self-publishing authors may find they are in business by default and many **resist being in business** at all ("I love writing but hate marketing.")

- Authors have used their low-overhead competitive advantage to offer free and low-priced books, a short-term promotion strategy that risks **devaluing our product**.

- Authors **sign contracts without reading** them and freely hand over the personal data and intellectual property (IP) on which their businesses are built.

The main outcome of self-publishing 2.0 for most trade-published authors is that online marketing has become their responsibility, with publishers expecting them to set up websites and social media followings, just like their self-published colleagues, to build what is known in the business as an author platform.

Trade-publishers, self-publishing companies, and booksellers all acknowledge that author platform is the key to book sales.

SELF-PUBLISHING 3.0: DIRECT SALES AND CROWDSOURCED PATRONAGE

Two key considerations for any business are diversity of income streams and information about customers. Building direct sales, subscriptions, and patronage on their own websites not only allows authors a higher revenue, it allows them to learn more about their customers, creates a direct relationship through email, and strengthens the all-important author platform.

At the moment, this is the business model for only a tiny percentage of authors but we believe the changes in publishing conditions needed to make this a widespread trend are coming together.

Most authors set up for direct sales find it is only a small proportion of their income to date but very few are making it a central plank of their author-business. How many authors, for example, take their social media advertising to their own website for digital file download? How many of us take ourselves seriously as publishers and business owners, able to use services to deliver sales but also recognizing that we are in competition with them for those sales? How many take time to educate their readers about what it means to the author to have a direct purchase? How many are set up for bulk special-sales outlets, crowdsourced subscription, or patronage?

Five centuries of conditioning and a mass consumer culture are not overturned in a decade, but the economic tide is turning in favor of the smaller, more personal outlet. The rise in the maker movement, in personal branding, in mindful consumption, in mobile phone sales, are all favorable consumer trends for authors. We can not only benefit from them, with our influential community we can deepen and expand their societal impact.

This is the most important trend now emerging for authors and technological advances are bringing it closer. Self-publishing 3.0 has already begun, as more authors gain in confidence and establish sizable platforms. Some authors already successfully sell direct to readers through their own websites and some are already on a blockchain.

As a technology, blockchain looks set to allow income from sales to be effortlessly split at the point of transaction between the author and anyone else involved in the making of the book, including services and booksellers, and to seamlessly allow direct payment. Thus, this technology has the potential to complete the disruption begun by the digitization of text of self-publishing 1.0, and ebook reading and online sales of self-publishing 2.0.

Authors need to understand what's coming if we are to have a say in how blockchain, and self-publishing 3.0, develop over the coming years, and ensure that we optimize all opportunities for ourselves, for our readers, for the strengthening of the intellectual property laws that our income rests on, and for the fair and equitable management of data and information by society as a whole.

WHAT IS BLOCKCHAIN?

Understanding the potential of this new technology means understanding the features of blockchain, how it connects to new kinds of currency, and what is meant by transactions in a decentralized trading environment.

The blockchain is a continuously growing list of digital records, called blocks, linked to each other and secured by collaboration, date-stamping, and transparency. A blockchain allows one person to transfer a unique piece of digital property to another in a way that is:

- guaranteed safe and secure

- open, visible, and agreed by all

- unable to be subsequently modified.

Crucially, blockchain enables the settlement of transactions in a network without reference to a central authority like a bank. Until now, any exchange of assets required an intermediary, such as a bank or credit card company, to complete the transaction. Blockchain allows instant value exchange directly with the content creators without the need for being routed through an intermediary.

Blockchain grew from a concept in computer science used in cryptography and data structures: the hash tree, also known as a Merkle tree, patented by Ralph Merkle in 1979 to verify data between systems. In 1991, the Merkle tree was used to create a "secured chain of blocks"—a series of data records, each connected to the one before it, with the newest record in this chain containing the history of the entire chain.

In that innovation, the basics of blockchain were born. It was almost two decades later, in 2008, that Satoshi Nakamato conceptualized the *distributed* blockchain, by using a peer-to-peer network to time-stamp and verify each exchange in a way that could be managed autonomously without a central authority, giving rise to the blockchain as we know it today.

In 2008, Satoshi Nakamato registered the domain name bitcoin.org and posted *Bitcoin: A Peer-to-Peer Electronic Cash System* to a cryptography mailing list. Bitcoin software was implemented as open source code and, in 2009, released on SourceForge. The

first block on the chain, known as the genesis block, was mined giving birth to the first cryptocurrency, bitcoin.

CRYPTOCURRENCY AND NEW FINANCIAL MODELS

Others quickly followed and today bitcoin and other cryptocurrencies are firmly in vogue, moving in a decade from margin to mainstream. In August 2017 bitcoin hit a (to then) all-time trading high of $4,000 USD per coin. Companies are now raising funds via initial coin offerings (ICOs), mirroring the traditional initial public offering (IPO) where shares in a company are traded for cash.

Blockchain is relevant not just to finance but to any industry where a third party entity sits between those producing content and those consuming it.

FEATURES OF A BLOCKCHAIN

A blockchain is a public ledger system. Each time a new block is added to the ledger, anyone with access to the ledger will also receive a copy of the updated blockchain and see all the transactions that have taken place. There is total transparency with each record through all purchases, divisions, and exchanges able to be reconstructed at any time, creating a tamper-proof data structure.

Blockchain is:

Digital

Any information that can be digitized can be used on the blockchain and referenced through a ledger entry.

Distributed

All data is stored onto the blockchain in what is called a distributed ledger, which allows a decentralized model (see below). Each participant receives an identical copy and all participants can verify the information independently.

Consensus-Based

There is no central authority, all participants in the network collectively authenticate and approve the transactions. The system is built on transparency and agreement, with the majority of network participants needing to agree to the transaction before it is added to the blockchain.

Chronological and Time-Stamped

The blockchain is permanently time-stamped. Each block points to and refers to the data stored in the previous, time-stamped blocks in the chain.

Fast

*In comparison to banking, t*ransactions on blockchain can be monitored, and payments made, in close to real time.

Irreversible and Auditable

Once data is stored on blockchain, any changes must be recorded and any tampering is visible to all. The blockchain thus allows a permanent, trackable record, identifying where content originated and tracking where it is being distributed.

Fewer Third Parties

Blockchain allows content creators (authors) to deliver directly to the end consumer (readers), with ease and efficiency and no other intermediaries.

HOW BLOCKCHAIN WORKS FOR AUTHORS

Every time a piece of content, let us say a book, is produced, it creates a block of data stored as part of a chain of such data blocks. To access the content, readers need to purchase the cryptocurrency used by that author.

When the book is purchased, that creates a new block of data, added to the chain. The blockchain operates as a public, digital ledger, openly accessible to all, with each block serving to validate and confirm each transaction on that network.

Using a decentralized (see below) peer-to-peer network, copies of the ledger are stored in many different locations, and unless you manage to track down every single one of

them (bitcoin is estimated to have over 35,000 nodes in its network), you can't destroy it. With so many different, independent nodes keeping track of the ledger, any suspect activity is immediately visible.

In summary, the blockchain is a simple way of storing information in a distributed manner. This concept is known as "decentralization," as there is no single central server or distributor responsible. The decentralization of transactions is a huge part of why so many people believe blockchain technology is the future of currency, and why it is so revolutionary.

THE DISRUPTIVE POWER OF DECENTRALIZED TRANSACTIONS

Most people think of a transaction as being an exchange that takes place between two parties: I give you the right to read my book and you give me $10; I give you an audio file of my voice reading your words and you give me the right to receive 20% of future net earnings.

Understanding one of the two primary values of blockchain comes from understanding that this view of transactions is incomplete. There is a further step in the process that we don't think about, until it goes wrong.

We need a way of ensuring that a person who gives something of value gets back what they were promised. This goes wrong, for example, when someone doesn't pay an invoice. And we need to ensure that the person who gets something of value gives what they promised in return. This is not the same as ensuring that the person who gives the service is paid. For example, when someone pays with a stolen credit card, or forged bank notes, the payee may be able to use that payment to buy other things, but the person who received the service hasn't paid.

In order for a system of transactions to work we need some mechanism of ensuring that both payment steps are carried out. Until blockchain, that system consisted of a third person (e.g. a literary agent) or an institution (a bank) playing the role of trusted guarantor and extracting value from that role: banks charge transaction fees, agents take commission.

What blockchain does is replace these interested individuals and institutions with a disinterested network of machines, ingeniously ensuring that the right person "pays" and the right person "is paid" automatically and infallibly.

By putting every transaction onto a public list, in chronological order, that is stored within a whole network of computers, no item on the list can be altered (you can't claim you asked for 20 percent royalties because the list says 15 percent).

But the second clever part to blockchain is the way in which it lists things: with both public and private encryption. Everyone in the system has three identities:

- First, there's you – the actual you, Jane Doe.

- Second, there's your public identity, JaneDoe1. This public identity can transact with any other public identity in the system.

- Third, there's the wallet code. Jane Doe the real person can only use what JaneDoe1 has received by proving she really is JaneDoe1. She does this by declaring to the system her private identity, an identity known only within the system itself and to her. (Usually this is a code stored offline so it can't be hacked, often on a piece of paper. Hence the stories of people losing tens of thousands, unable to access what's theirs because they lost the piece of paper with their bitcoin wallet code, or put it in the wash.)

This is clearly incredibly clever for vouchsafing transactions but the principle has other exciting possibilities for writers. It essentially means that "I can always and uncontrovertibly be identified as the author of this work" and "I can maintain an almost anonymous (known as pseudo-anonymous) distance from this work so that almost no person can track backward from it to me" can both be true. (Almost because the anonymity is really super-secure but, like anything else, not 100 percent so.)

We can write anonymously while the money can still find its way to us.

THE POTENTIAL OF BLOCKCHAIN IN PUBLISHING

Blockchain changes how the publishing industry handles three key aspects of business: storage of value, licensing and rights management, and payment.

Storage of Value

Data stored in nodes that are time-stamped and verified by the network makes copyright tracking, and the subsequent royalty or commission payments, easier and more accurate.

Licensing and Rights Management

Today, payment in publishing rests on multiple contracts between the publishing house and authors, editors, designers, distributors, wholesalers, retailers, a complex system that

requires much monitoring to ensure the contracts are not being breached. Blockchain allows for a clear and transparent licensing framework with smart contracts reducing complexity and potential disputes.

Embedded blockchain mechanisms track the distribution of the content and automatically accumulate credit and disburse payment to the respective rights holders or service providers.

Micropayments

One of the challenges with direct payments, up to now, has been to make purchasing an ebook directly from its maker as easy as, say, downloading a song from iTunes. With blockchain, cryptocurrency and smart wallets, it is that easy to make direct micropayments to authors.

Micropayments can be collected in any digital currency added to an author's wallet. Payment is automatic. No need to wait for certain payment thresholds to be crossed, no processing fees to distribute funds.

Without an intermediary or aggregator collecting and disbursing the funds, the author can be placed at the heart of each transaction. Payment for value flows directly from consumer to creators and contributors, instead of through a long chain of distribution and sales intermediaries, all taking a cut first.

For blockchain to fulfill its potential to revolutionize the sale and distribution of short- and long-form text, as well as other media, two more key conditions must shift, both of which are in authors' hands to a greater or lesser degree.

- O Authors must take control of the value chain, valuing themselves and their work enough to set their author-businesses up to maximize the opportunities.

- O Readers must be brought to understanding and adopt direct payment in sufficient numbers.

Before we explore how blockchain can be best used by authors, and how authors need to adapt if they are to harness its potential, we need to take a step back to see the context within which digital text, and other digital content, is currently created

BLOCKCHAIN AND THE UNFULFILLED PROMISE OF THE INTERNET

Recently entrepreneur Eric Bravick gave Howard Lovy, ALLi's Managing Editor, a tour of his cryptocurrency mining operation: Electric Forge, in Traverse City, Michigan. The blockchain, Bravick told Lovy, is "the original internet founders' dream realizing itself. As the internet was built, many of the things we were trying to decentralize ended up centralized again. It was a big disappointment for many of us. Now, we get a chance to fix that."

One of those internet builders was Ted Nelson, the man who invented hypertext, the software system that allowed extensive cross-referencing between related sections of text and graphics. He seems to have been the first person to describe digital media and how we might interlink, collaborate, and share in a network, and his Xanadu project was the forerunner of the world wide web (www).

For years Nelson's work, superseded by Tim Berners-Lee's www and html, has been sidelined. Recently, though, an increasing number of people are returning to where Nelson was in his thinking before www took over.

A loud voice urging such a return is Nelson devotee, and outspoken critic of Silicon Valley values, the philosopher and computer scientist Jaron Lanier. Lanier's book *Who Owns the Future* is full of compelling ideas about the connections between society, technology, and what the tech world calls "information" (all the data, text, and images we circulate online, including books).

For Lanier, big tech is as bad as big oil or big finance. His book explores how these have much more in common than we usually realize. In the past, it was utilities like coal and steel that created "robber barons." In our era, those that have the most data, and the most powerful computers to crunch it, accrue the most influence and money.

Lanier greatly favors the original hypertexted, networked, and, yes, decentralized vision he calls "Nelsonian" over the internet we got. "We're impoverished compared to the world that could have been and should have been when the internet was initially conceived," says Lanier.

Distracted, perhaps, by big tech's young, T-shirted, cool-dude, creative culture, lured by its enticing services, and deceived by rhetoric about free information, we fail to see or fail to care that data and content from the many is being used by a few to make themselves super-rich and super-powerful.

Such organizations can be national or international intelligence agencies, stealthy high finance schemes, or web 2.0 winners like Google, Facebook, Amazon, and Apple. What all have in common is that their model is based on either surreptitiously eliciting information, or bribing people to give it up.

Lanier calls the tech giants like Facebook, Google, and YouTube "Siren Servers." In Greek mythology, the Sirens were dangerous creatures who lured sailors to shipwreck with seductive music, bodies, and voices. Our Silicon Valley Siren Servers lure us with surface seductions like an ego boost, a bit of fun, a way to connect with loved ones, and in return we mindlessly hand over data, information, and IP.

The web 2.0 business model is to suck up as much of this data as possible and use their powerful computers to crunch their way to massive profits, while pushing all the risk away from the company, back into what they call the "system," a code word for other people. The data and information that Facebook, Google, YouTube, Huffington Post, et al. have used to build their fortunes belongs, through the laws of copyright and IP, to us.

Yes, we have "freely" given to them; but in an agreed system that valued IP (see below), this wouldn't be possible.

2018 is the year in which it is being revealed just how much data and IP Facebook, Google, and others are collecting from us. Twitter user Dylan Curran found that while Facebook had collected 600 megabytes of information—roughly equivalent to 400,000 Microsoft Word documents—Google had collected 5.5 gigabytes, equivalent to some three million documents.

Even after deleting search history and revoking permissions, Curran still found a comprehensive log of his search history, chat logs, and other sensitive data about his movements that he had expressly deleted. (Further investigation at ALLi revealed the loophole and tick box easily overlooked in your agreement with Google that allows them to automatically reinstate such information after a settings upgrade, unless you expressly refuse your permission.)

Instead of a few super-players at the top of a vast information pyramid, Nelson had envisioned a single, decentralized, universal store in which everyone would be both buyer and seller. Key to this vision was a value system linked to IP and copyright: that every individual owns his or her own data and information, and that this information has a value.

Also key to this networked commerce was two-way links, instead of the one-way linking favored by www's html. Two-way links would have facilitated micropayments from multiple sources, allowing value to be acknowledged.

"Anyone in a Nelsonian system can reuse material to make playlists, mash-ups, or other new structures, with even more fluidity than in today's 'open' system," Lanier says. "At the same time, people are paid. Information isn't free but [it] is affordable [for all] ... This is the half-century-old idea on which I build."

The challenge, as he sees it, is keeping the fun bits of free culture, while IP "needs to be made much more sophisticated and granular. It needs to be something that benefits everybody—as commonplace as having pennies in your pocket."

Now, with blockchain technology, this original vision becomes possible again.

● INTELLECTUAL PROPERTY (IP)

The building block of intellectual property is one that all authors are familiar with. Our living rests on it. Legally, it is recognized that a creator owns the text, images, video, audio, information, and data created, and arising from that ownership:

- the right to reproduce the work

- the right to prepare derivative works based upon the work

- the right to distribute copies of the work to the public

- the right to perform the copyrighted work publicly

- the right to display the copyrighted work publicly.

In a world of social media, we are all creators and publishers, and the value of IP extends beyond the writers, artists, and innovators who have traded in it to date, to anyone opening a social media or publishing account.

Lanier's work eloquently explains how in the world of 3D printing and the Internet of Things, which is almost upon us, millions more people are about to be squeezed out of the value chain if we don't all understand that "free" information is actually human-generated words, images, and ideas that needs to be accorded value.

"The general principle that we pay people for their information and contributions is critical," says Lanier. "Not everybody can be a Zuckerberg or run a tech company, but everybody could—or at least a critically large number of people could—benefit from IP... IP offers a path to the future that will bring dignity and livelihood to large numbers of people," if data, information, and content are valued.

In self-publishing 2.0, the idea that written content has value was eroded. Blockchain and self-publishing 3.0 provide us with an opportunity to reverse this.

TOWARD AN AUTHOR-CENTRIC BUSINESS MODEL

In this chapter we present ALLi's vision of the potential of blockchain for author-publishing and how it could greatly facilitate the expansion of self-publishing 3.0. We also invite some various companies that are investigating or implementing blockchain in the book publishing space to share their thoughts, giving us a snapshot of how things currently stand.

Here is ALLi's vision of how the world could look with widespread adoption of blockchain for books by authors, author services, and crucially readers

1. Copyright

The plagiarism of digital files becomes more difficult, as the blockchain cryptographically time-and-person-stamps the act of publication (and, indeed, of creation through earlier stages of the process, if we want). Ownership becomes indisputable.

2. Smart Contracts

Following on from clear ownership are contract rights and property rights. Automated "smart" digital contracts simultaneously represent ownership of an intellectual property and the conditions set by its owner. Such contracts automate rules, check conditions, and take actions with minimal human involvement and cost.

3. Smart Wallets and the Payment Chain

Blockchain and cryptocurrency make it super-easy for readers to make small payments, micropayments, and nanopayments, allowing authors to be paid directly for books (and single articles, small videos, podcast episodes, etc.) and allowing payments to be split, in accordance with the smart contract, at the point of transaction.

On a blockchain, all moneys could be transacted through an author-owned smart wallet, with retailers (from Amazon KDP to the local bookstore), wholesalers, and publishing services paid during the transaction, at the point of payment.

4. Creative Credit and Acknowledgment

The digital wallet can be more than a payment method, serving as a connective hub for all the people who feed into the making of a book: editors and cover designers, the coffee shop where much of the book was written, the retreat center that provided a get-away, the foundation that provided a grant, the rights buyer who turned it into a film, or print edition; the author's mentors, writing coach, role models, local bookshop...

Blockchain allows authors to credit contributors and collaborators not just creatively but commercially, with the smart contract splitting and dispensing payment to the right people during the transaction.

5. Privacy

If online privacy is important to us, blockchain enables us to communicate with each other, and our readers, without any of the Super Siren servers "owning" or having access to what we say. Anonymity and pseudonymity are also easily managed, without creating a payment challenge.

Taking all this together, ALLi argues that blockchain allows for the evolution of an author-centric business model where creative and commercial value is automatically recognized, registered, and compensated and authors become the financial and informational node for the work.

ALLi's **Blockchain for Books** campaign advocates for the use of blockchain to further this author-centric model for books. We argue that such a model is the logical expression of an author's moral and monetary intellectual property rights and completes the long crusade by many campaigning individuals and organizations across many decades to ensure that creators benefit from copyright protection.

Blockchain could allow us, for the first time, to ensure that ownership becomes unassailable, acknowledged not just legally but in the very act of financial transaction.

SOME EXAMPLES AND OPINIONS

Blockchain is not just a theoretical model. Creative individuals and companies are already turning vision to reality.

Q&A: PUBLICA, WITH JOSEF MARC, CEO

Q: What does Publica do?

Publica will implement blockchain for books by building a platform for authors and then getting out of their way. We will offer Publica-certified publicists and marketers so their books can be discovered by readers without having to sign in, sign up, or subscribe to any walled garden, or pay anyone except the author. Based on the ethereum blockchain, pebbles is Publica's unit of exchange.

Q: How can blockchain tech shape the current digital media ecosystem regarding books and the written word?

It can put the author at the top. Authors deserve to remain in control of their books and their e-commerce, from the get-go.

Q: What's necessary to see an author-led financial chain where the author is at the heart of the financial transaction?

E-commerce under the author's direct control. In technology terms, we call it **tokens-as-a-license**. In plain English, it means that authors sell electronic keys to their books, just as if they handed over a paper edition in exchange for paper cash. No wiggle room in the deal. Publishers are allowed but they're not required, and that changes everything. If a publisher wants to help an author, they'll have to buy book tokens from the author and then prove their value-proposition to the author. Not the other way around. This is the same force that attracts people to bitcoin, ethereum, and other blockchain projects.

Everything on the timeline starts with an author's idea. Then all the e-commerce happens around the author's **tokens-as-a-license**, and the cycle continues with the author's next idea. That's how self-publishing should have worked from the start.

Q: What specific pain points is Publica addressing for authors?

#1. *We get out of their way when it comes to their chosen business model for their own books.* Publishers' licensing models are insanely complex and don't help authors, and online stores write terms and conditions statements for their own benefit. Have you ever read one? Readers don't either. In short, what they say is that "Buy Now" doesn't buy anything. Instead, so long as you keep paying, they'll let you read. Until they don't, and they don't have to explain why. The famous example was Amazon and George Orwell's novel *1984*. It just disappeared one night from everyone's Kindle library because of Hachette's dispute with Amazon. Bad for readers, bad for Orwell's estate. Let the authors define their own business models, or choose from an array of proven business models well trodden by other successful authors. Then put their chosen business model into a smart contract on a blockchain where no one can dispute it, censor it, change it, or interfere with it.

Let the authors get back to what they do best, i.e. writing their next book, with peace of mind knowing that their business side runs itself, as they defined it themselves.

#2. *We pay authors immediately, in full, automatically, directly to their wallets*, and let nobody interfere with an author's revenue whenever any copy of their book is sold or resold, in any edition, in any language, in any nation, in any currency, on any device, from any kind of store or library. Including paper editions.

#3. *The costs and pains of auditing a publisher's or services accounts disappear.*

● [SMOOGS](#) Q&A WITH CEO NEHA MURARKA AND COO DARYL HEW

Q: What does Smoogs do?

Smoogs is a micropayment solution for digital content creators, reducing barriers to access content by encouraging engagement with new content. This is done by implementing pay-as-you-go for every minute of a video watched, every page read, etc. We like to call this pay-as-you-watch and pay-as-you-read.

Micropayments are more powerful than we realize. If one page of your book cost half a penny but every internet user read it, that one page read would make you £15 million.

Q: What's necessary to see an author-led financial chain where the author is at the heart of the financial transaction?

The blockchain already allows an author-led financial chain; the hard part is connecting the buyer and seller.

Smoogs is building an ecosystem that allows consumers more flexibility in buying any type of content, while providing a direct channel for creators to reach them. Our use of the blockchain provides an alternative payment method that is more efficient than the traditional means.

The author is in direct control of content distribution, from pricing to how the author wants to sell their content (e.g. on their own website or/and on the Smoogs platform) and where they want to sell it geographically.

Q: How will authors benefit from micropayments via blockchain tech?

- Widened consumer base: cryptocurrencies don't have geographical boundaries.

- Reach markets where they couldn't through traditional methods.

- No intermediary fees.

- Lower transaction fees vs credit card processing.

- Smart contracts track ownership rights, and payments from consumers can be immediately transferred to associated rights holders in accurate percentages.

Q: How will readers benefit from consuming content in this new way, i.e. via blockchain tech?

- Low-risk engagement with new content that removes buying friction. Consumers can simply start reading without thinking about whether to buy the whole book or not.

- Don't need an Amazon account, direct purchase.

- Lower prices for content.

- Not bound by location, especially relevant for emerging markets, which is where we are focused. Cryptos don't necessarily need bank accounts for online transactions.

- More secure and better trust relationship.

STREETLIB Q&A WITH CEO AND FOUNDER ANTONIO TOMBOLINI AND AC DE FOMBELLE, INTERNATIONAL COMMUNICATION MANAGER

Q: What does StreetLib do?

StreetLib is an online one-stop publishing solution focused on spreading books as wide as possible through internet technologies. Started more than 11 years ago in Italy, StreetLib is one of the most important ebook distributors in Europe and provides a complete toolkit for authors and publishers around the world. We constantly look for the best ways to help authors and publishers, and this is how blockchain has been on our radar for a while now.

Q: What's necessary to see an author-led financial chain where the author is at the heart of the financial transaction?

What's necessary is basically already available; it's the blockchain technology. As with every key advancement, a new technology in place is not enough: to fully benefit from it, the author should immediately study what blockchain is, and why this technology could dramatically change the value chain, with the most advantages for the extremes, the "end user" (readers) and the "creator" (writers). Authors need platforms and tools that make it easy to transform the blockchain technicalities in an easy-to-use application. And this is what StreetLib is investing in.

Q: What do you think are the best ways to engage readers in consuming books via blockchain technology?

Show them the added value. If the switch is as simple as it can be and we can communicate its value for both the authors and the readers themselves, there is no reason it shouldn't happen. Readers want to support authors; the key is in explaining benefits in a very transparent way. It's about changing people's mindset.

Q: What are the biggest challenges authors face in making a blockchain solution work for publishing and distributing digital content?

Authors are not the ones in charge of making it work! Their job is to write books. The challenges are technological challenges only. At StreetLib we're already heavily investing in a huge redesign of all our tools to make them compliant with blockchain technology. For the authors, this should result in an easy, smooth way of managing their books, commercially and logistically, with tons of well-managed flexibility: multiple price policies and promotion decisions by single channel, direct sales, etc. ... And the possibility to precisely track where that copy of the book is right now, when and from where it arrived there.

SOME OTHER COMPANIES

Alexandria

Alexandria (alexandria.io) is developing a platform whereby artists can publish their work directly to the platform. Customers pay a micropayment to listen to a sample of the track, for a whole listen, or to purchase the track for download. For example, to listen to the track "Tiny Human" by Grammy award-winning singer Imogen Heap, you can listen to the track once for $0.010, or you can purchase it for $1.00.

Authorship

Authorship (authorship.com) is another decentralized platform, but for books only. Its aim is to "allow authors to take charge of their work and the publishing process, get their works shared with large numbers of readers across the world, and also make money on a monthly basis."

At the time of writing (April 2018) Authorship has raised funds from 1,927 investors by selling its Authorship tokens (ATS). This is an example of an ICO (initial coin offering) where a firm raises cash to fund its growth by selling its own token, which can be exchanged for goods (in this case books) or other cryptocurrencies. Unusually, authors are also guaranteed monthly payments (limited to the first 100,000 authors who register with the platform). At the time of writing, Authorship is still raising funds to realize this vision, but it plans to enroll 100,000 authors onto the platform by December 2019.

Po.et

Po.et ([po.et](po.et)) is a blockchain protocol aiming "to expand on the concept of proof of existence to become a transformative tool for the publishing industry." In its early development, Po.et will time-stamp content using bitcoin and make its metadata discoverable. Eventually, Po.et aspires to create a fully decentralized marketplace in which publishers, editors, and content creators can interact with purchase and licensing agreements without existing frictions. According to **Max Bronstein**, media and strategy lead for Po.et, the project was born out of challenges faced at *Bitcoin Magazine*, and designed to help answer "questions of ownership or attribution on the web," including "who owns the work, who created it, and whether or not the usage of the work is authorized."

Frankfurt Book Fair's IPR License is also investigating the blockchain's potential in rights licensing.

SolDataBank

SolDataBank, (soldatabank.com) is an Argentinian business designed to help the owners of intellectual content to protect and monetize their content using blockchain technology. It calls itself "a marketplace of intangibles where people can request, sell, and share and buy information or knowledge."

It shares on its website some possible case studies of what this means. For example, a housekeeper can sell her own online cookbook, or a journalist who has spent hours on an investigation, only to find his editor will not print it, can use blockchain tech to sell his content to anyone who wants it, unconstrained by a distributor.

Steem

Steem (steem.it) is a blockchain-based rewards platform for authors and publishers to monetize content and grow community. Steem's cryptocurrency is called smart media tokens, like ethereum's ERC-20 tokens, but "with certain built-in 'proof-of-brain' properties and a token distribution reward system." Steem pays content creators when their work gets upvoted, and also the readers who curate the best content on the site by upvoting others' work.

IDEAS AND OPINIONS

" OPINION: AUTHOR SABINE PRIESTLEY

As exciting as it is to be an author today, we are still largely bound and governed by the ultimate digital content provider, Amazon.

Many authors are finding success with other venues, but the majority find their largest market base within the Amazon walls. As we all know, Amazon takes a hefty piece of our work and has full control over our products' lives, from changing pricing, to removing reviews, or stripping rank entirely.

Not to put too dramatic a point on it, we are at the dawn of a new age. OK, that was dramatic, but this moment in time warrants full appreciation, and more, an in-depth understanding of the possibilities within our reach.

I fell down the crypto/blockchain rabbit hole in early summer of 2017. I was researching for a new sci-fi series in the near future when I came across bitcoin and cryptocurrency. I got excited about that, but when I found blockchain I literally caught my breath. I knew in

an instant that this was going to change everything. I can't think of a single sector that isn't going to be revolutionized by this decentralized technology.

Companies and governments are nervous, and they should be. Can you imagine our financial institutions and governments operating under full transparency? Yeah, me neither, but this technology is going to make that aspect far more likely and prevalent.

How can this be used for books? On the one hand, it's quite simple. Blockchain provides the ability to create scarcity of a digital asset. What does that mean in English? It means I can release my books and know that no one will get to read them without paying.

On the other hand, it's a challenge. We need to create the infrastructure to enforce a fair and open market. We don't really know what our sales are at Amazon; blockchain makes every transaction visible, and verifiable. It's the nature of the beast.

I want to see bookstores where authors have ownership, not only of their books, but of the company itself. Cryptocurrency is the means by which we can create ownership and therefore governance of the platforms that sell our books. I envision company-paid dividends on the success of the endeavor as a whole, not just the income of my products.

This makes me drool, but it's only one possibility.

There are going to be a lot of players in this area with different implementations. From accepting a range of cryptocurrencies to building a platform with custom coins. Reviews are another area of interest. I like the idea of micropayments for relevant content with the ability to upvote and downvote.

As authors, we have the opportunity now to form the direction blockchain will take for books. The vast majority of authors have no idea what this is or what it means.

" OPINION: RICARDO FAYET OF REEDSY

Blockchain technology is still in its infancy. Its applications, for now, are limited to trades and exchanges of money through tokens (cryptocurrencies). While the ethereum network has opened the possibility of smart contracts and enabled thousands of companies to successfully run crowdfunding campaigns through "initial coin offerings", the stability of the network has yet to be proved. When a site like CryptoKitties went viral in December 2017, it heavily slowed down transactions on the network. Whether ethereum is going to be able to scale its technology and allow for practical smart contract transactions in consumer goods and services industries has yet to be seen.

The current possibilities of blockchain technology offer us a glimpse into what the future might look like in publishing: smart contracts between authors and publishers, decentralized marketplaces with reduced or nonexistent fees (imagine an Amazon where 95 percent of the money goes to the author and purchases are registered on a blockchain). Companies like Publica are looking to build this future *now* (Publica generates an ERC-20 token, and thus relies on the ethereum network), and are therefore directly subject to all the limitations of the current blockchain technology.

At the same time, there is a third wave of blockchain companies (Skycoin, Raiblocks, etc.) that are looking to disrupt generations 1 (bitcoin) and 2 (ethereum), with much faster networks that don't require mining.

All that is to say: the future of publishing will involve blockchain. The future of any marketplace will involve blockchain. Which version of blockchain though, and when, is impossible to say. Considering that the publishing industry is slow and reluctant to change—it generally follows other industries like the music one—I'd wait to see blockchain successfully implemented elsewhere before betting on it for book publishing.

" OPINION: DAN HOLLOWAY

My concern is that authors are being told "don't understand the technology, it's really tricky, just believe us when we say it can do…" But we *should* try to understand the technology, the detail, because only then can we protect ourselves and see what others can't.

Blockchain is really, really simple, and authors need to realize that.

If someone tells you that you don't need to understand the idea behind blockchain in order to use it, take that as a massive red flag, especially if they are connected with an organization offering services using the technology.

Blockchain evolved as a response to a rentier economy, one in which some people and institutions get very rich by acting as trust agents guaranteeing transactions. Many see this as an economy in which those who create value are the "product" from which others (banks, agents, etc.) get rich. Blockchain developed in communities that wanted people to be rewarded directly for creating value.

In this way, and its early coding-community roots, it is very like the internet, and similarly aligned to many of the goals of indie authors and other independent artists.

Trade-publishers are one form of rent-taking trust agent. Amazon, and other online retailers, are another.

And, just as the internet threw up Amazon to take away its peer-to-peer marketplace focus and take a slice of the action, without us really noticing, so blockchain will likely throw up useful enabling platforms that will take a cut in return for the service.

When such platforms emerge, the extent of their disruption of the process you rely on to get your work to readers will primarily be that they are taking less of your money. This is a quantitative improvement, not a qualitative one, no matter what they tell you.

This is not using the full disruptive potential of blockchain within the publishing ecosphere. This is using blockchain's potential for doing things cheaper to carve out some rent for themselves.

If you understand that and are fine with it, fine. If you want to explore what blockchain can do to fully disrupt what now stands between creators and their audience, then look elsewhere

This elsewhere is "community", which makes me feel like we've been here before. This is exactly how the internet promised to build an ecosystem that truly connected readers and writers. Such ecosystems do exist, but they are small, and not yet capable of sustaining a large creative industry.

So most of us fall back on Amazon and other services. This is not the direct relationship the internet promised but a rentier platform like any other. Blockchain will almost certainly follow the same pattern unless authors take action.

My real hope is this: because we *have* been here before, enough of us who can see that and have a voice will opt for, and promote, qualitative disruption. That means the creation of a real ecosystem alongside whatever else emerges, and not just "a bigger slice of the royalties."

OPPORTUNITIES AND CHALLENGES

Though there is great potential in blockchain technology, there are many challenges and problems to solve in order to realize the vision of an author-centric value model in book publishing. In this chapter we consider some of those challenges as we see them.

Adoption Challenges

You can only create an alternative ecosystem to the likes of Amazon that is genuinely revolutionary for you as an author-entrepreneur if

- readers come with you, or

- you can integrate the tech with a platform where readers are already to be found.

This will require an author to deal with the fact that most of those platforms are exactly the kind of rent-taking operations you are seeking to circumvent with blockchain.

And, though the blockchain removes the need for an aggregator or intermediary, are the current aggregators already so big that readers will be resistant to move away from them?

Education Challenges

Understanding blockchain technology can feel like a steep learning curve, especially for the author without a technical background. The jargon and concepts may intimidate writers or readers.

Stability Challenges

The transaction quantity is huge as historical content needs to be retained at the blockchain nodes. This will only increase with time. Is blockchain tech stable enough to keep all this data safely?

The amount of info could quickly become unwieldy and challenging to maintain due to a large number of transactions.

Veracity Challenges

This concept is called the "51% attack." If more than half of the computers working as nodes to service the network tell a lie, the lie will become the truth. This was highlighted by Satoshi Nakamoto when he launched bitcoin. If for some reason 51% of a peer-to-peer network validates an otherwise invalid transaction, it will still get approved and added to the ledger.

Standards Challenges

There are many companies producing solutions on the blockchain, but common standards still need to be agreed on. How far are we away from a common set of standards that all authors can work to? How far away are the usability and reach of blockchain technologies in everyday environments?

Reader Challenges

Readers need to be aware that books can be purchased and consumed via the blockchain and willing to go there.

Payment Challenges

Clay Shirky famously argued that people don't want to pay the "cognitive cost" of small payments or micropayments. Consumers want predictable and simple pricing and small payments waste mental effort and induce anxiety and confusion by creating too many tiny, unpredictable transactions.

Processing Challenges

This issue feels like one of those processing power scenarios that could eventually be subject to something liken Moore's Law, especially once quantum computing is more mainstream, but the fact remains that, for now, it *is* a problem.

Legal Challenges

Though smart contracts could be used to develop a rights-sharing model that governs ownership or profit-sharing models that take care of licensing, there is still no standard way to deal with disputes with a smart contract based on a blockchain. How would the parties be identified? Who would oversee the dispute?

FINAL THOUGHTS, TAKEAWAYS, AND RECOMMENDATIONS

Depending on how it develops, blockchain could go the way of so many technologies now consigned to the dust heap. It could be used to reinforce the status quo and further embed existing privilege. It could be the birthplace of a new handful of tycoons. Or it could be used to further democratize publishing, empower creators, strengthen IP, and ensure that all data and online content is properly valued.

For now, this is an open moment.

The coming changes have the potential to be even more democratizing than self-publishing 2.0, especially if this time around authors learn from the mistakes of the past in undervaluing our work and our words and avail of this opportunity to fix the break in the IP value chain.

To do this would require a shift in mindset in the publishing and self-publishing industries and in authors too. The content creators who have most at stake are central to how this transformation in the business of books unfolds. The undoubted challenges should not diminish our appetite for exploring what might be possible.

As a nonprofit authors' association, ALLi's job is to advocate for business and financial models that maximize the value of the authors' moral and monetary rights and intellectual property. We offer our support to any individual, organization, technology, or movement that shares that vision.

"The blockchain is an extraordinary platform for radical automation," says blockchain advocate Dan Tapscott, "where computer code rather than humans do the work, managing assets and people." This is true but the real value exchange in a blockchain for books is around the connection of one human imagination to another.

For disruption to be a positive business force, it must drive new competitive advantage for all. It is independent authors who go directly to distributors and retailers like Amazon, Apple, Kobo, and IngramSpark who are most likely to appreciate and avail of the potential of blockchain, particularly if such services can be persuaded to assign authors' smart

wallets as the payment mechanism, with revenues being split at the point of payment.
In order for this to happen, there would need to be a commercial advantage to the services, and that is something that ALLi will be exploring in the coming months.

The most interesting question for authors going forward has nothing to do with polarized trade-publishing versus author-publishing arguments, or unimaginative attempts at restoring user-must-pay regimes. The most interesting question, which is as yet far from answered, is this: how far is the power of the creator to publish their own work going to go?

While we don't yet know the outcome of the changes already ignited, never mind what might be ahead with blockchain and cryptocurrency, what we do know is that the shift in publishing power toward the author continues and is accelerating.

We at ALLi believe blockchain can be a positive disruption for authors. It may not be possible to get existing services like Amazon, Kobo, and Ingram Spark on board. It may not be possible to get readers on board. But the first step to both of those things becoming possible is to get the authors on board.

Could we possibly develop a creator-led financial model for the first time in recorded history? As ALLi's news editor, Dan Holloway, put it in his inimitable fashion, "if authors want an author-centric publishing ecosystem, we need to ... be first on that boat rather than desperately siloing ourselves in the hull of the old ship with a bucket."

TAKEAWAYS: NEXT STEPS FOR AUTHORS AND RECOMMENDATIONS

Blockchain is part of the wider Self-Publishing 3.0 trend.

1. CONSIDER YOUR GOALS: What problem are you are trying to solve?

How might blockchain/direct sales/patronage assist in solving problems in your author-business, e.g. piracy, payment, reaching readers?

What aspect of the technology provides the necessary edge or benefit?

2. EDUCATE YOURSELF: Learn all you can about blockchain and direct selling/patronage

Understand how the technology works, its potential applications within an author-business, and how it interacts with existing financial and legal frameworks. Bridging gaps in your knowledge will make the world of blockchain, distributed ledgers, and direct dealings with readers and supporters seem much less daunting.

3. RESEARCH: Research relevant competitors and opportunities

Get guidance on cryptocurrency and all publishing options before making any decisions, going forward. Everybody's heard about bitcoin, for example, but there are a lot of different cryptocurrencies and new publishing companies are opening all the time on various blockchains. Without knowledge of the many ways blockchain business can work, you are at the mercy of a company pushing its own interests. Stay tuned as we'll be brining regular news on this to our members.

4. RISKS AND BENEFITS: Assess risks and benefits long term as well as short term

Investment of your time, money, or attention in blockchain technology may not yield immediate, or even short- to medium-term gains, but may have (as yet somewhat unknown) benefits stretching out into the future. Consider risks and benefits and assess whether distributed ledgers are the most appropriate vehicle for your goals.

Do you have enough information to decide?

What might you need to do now in order to set yourself up to be ready when the time comes to get involved?

5. READERS: Help to educate readers about blockchain, cryptocurrency and direct sales

Engage with readers about blockchain and crypto and distributed ledgers. They will be hearing about it and wondering what it all means for them. Help to educate them also about the benefits of buying direct from you and other authors. Invite conversations about how blockchain might work for them in their own lives. Invite their thoughts about what they'd need to do in order to plug into your offering.

6. PRODUCTS AND SERVICES: Don't invest your money or IP in an ICO that doesn't have a product or service

The US Securities and Exchange Commission recommends that if a company decides to make an ICO (initial coin offering, a way to raise funds for a cryptocurrency venture), it should first have an actual product.

7. LEGAL: Know the difference between pseudo-anonymous and fully anonymous

Bitcoin is pseudo-anonymous. Users don't know exactly your name attached to the IP address, but law enforcement agencies could figure it out if they needed to.

8. RESOURCES: Check resources such as the Blockchain Alliance

This organization is a broad coalition of companies and organizations that have come together with the goal of making the blockchain ecosystem more secure and promoting "further development of this transformative technology." It also helps law enforcement and regulatory agencies all over the world understand the blockchain ecosystem, essential to de-risking blockchain for authors and readers.

9. INDUSTRY: Support ALLi's Blockchain for Books campaign

We are stronger together. To fully realize the potential of blockchain for books and maximize the value that can be realized by individual authors, business processes will need to be adjusted and consensus achieved across the self-publishing and publishing industries. The more authors we can get behind this campaign, the better our chances of success in harmonizing publishing payment processes and correcting the long-institutionalized separation of authors and the business of books.

This white paper is part of a wider Blockchain for Books campaign that aims to educate authors about the potential of this new technology for author-publishing and encourage the independent and empowered mindset needed to avail of its potential. On the service

side, it aims to persuade services to adjust payment processes to account for fair transaction splits at the point of payment.

We contend that this is the logical application of copyright law, in a blockchain environment. If the creator is the owner of the IP, as copyright law insists, author smart wallets are the economic expression of the creator's copyright.

ALLi aims to provide direction, governance, guidance, and support in what author Sabine Priestly calls "this insanely brilliant time." For that, we need your support too.

Contact about any aspect of the blockchain, any time, at:
info@allianceindependentauthors.org

GLOSSARY

Big data

An enormous supply of data, and the analysis of such data.

Bitcoin

The most popular cryptocurrency, generally deemed the first of its kind. The open source software comes with an elusive, mysterious history.

Blockchain

A digital ledger that records transactions as a chain (string) of data and stores them on a decentralized network. Parties to the transaction can see and validate the same version of the truth. Where cryptocurrency transactions get recorded. Blockchain technology also has several noncryptocurrency applications including smart contracts and the recording of digital assets. Theoretically impossible to change or remove, making a possible infrastructure for the future.

Collaborative consumption

An economic model based on the sharing, swapping, and renting of services. The "sharing economy" or "collaborative economy" can be seen in platforms like Airbnb or Kickstarter and is growing in fintech solutions via solutions like peer-to-peer lending.

Cryptocurrency

A digital currency, operating independently of a central bank, using encryption techniques to regulate the generation, verification, and transfer of funds. A digital currency using cryptography for regulation and security. It's a decentralized system, meaning no central entity exists to oversee the processes. Instead, it uses a blockchain. There are several different kinds of cryptocurrency, including bitcoin, ethereum, pebbles, and ripple.

Database

A program that allows you to organize your information in an efficient manner on one platform.

Digital contracts

Computer contracts automatically prepared based on specific inputs. Often signed using an e-ID. Such contracts have been commonplace in advanced countries such as Estonia for over a decade but are now seeing mainstream use.

Digital wallet

This refers to any electronic device or application that allows an individual to make electronic transactions. This can be either using cryptocurrency or real money, which is often preloaded onto a digital account.

Distributed ledger

A distributed ledger (also called shared ledger) is a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries, or institutions where there is no central administrator or centralized data storage.

eID / electronic identity

Identity in a digital format. Often involves an identity card with embedded chip, certification, separate signatures for authentication and verification, etc. An eID is legally binding and used to sign smart contracts in a number of countries.

Encryption

The process of encoding sensitive data using algorithms to secure it, for example between browsers or parties to a transaction. Encryption is vital to fintech, the blockchain, and anything else that needs to be secure. Data, like names and numbers, is turned into a code using algorithms (mathematical formulas). A key is required to turn that code back into useful data.

Ether

The currency unit of ethereum. It is used to pay for computational services on the ethereum network. The native cryptocurrency of the ethereum platform.

Ethereum

Ethereum is a blockchain-based cryptocurrency platform that runs smart contracts.

Fintech

Financial technology that is allowing the disruption of traditional financial networks, facilitating innovation and the possibility of an author-centric financial model.

P2P lending

Peer-to-peer, or person-to-person refers to that which is decentralized and direct. P2P lending is loaning money to individuals without the systems and processes typically put in place by traditional financial institutions. Instead, the transactions are often handled by digital platforms that use an algorithm to manage transactions between parties.

Permissioned blockchains

A restricted access blockchain where the access of each participant is defined and probably differentiated based on role. Such blockchains are built for purpose, establishing rules for transactions that align with the needs of an organization or a consortia

Smart contracts

Computer programs and protocols that automatically execute a contract, facilitating, verifying, and enforcing a digital contract. These automated and often blockchain-based contracts could save time and reduce costs in common transactions.

Unpermissioned blockchains

A blockchain that is open to all comers.

Suggested Further Reading

● ARTICLES

- cointelegraph.com/news/8-best-sources-to-study-blockchain-technology

- alexandria.io/#make-more-money

- alexandria.io/browser65bb44

- medium.com/on-blendle/blendle-a-radical-experiment-with-micropayments-in-journalism-365-days-later-f3b799022edc

- basicattentiontoken.org

For advertising. The Brave browser anonymously monitors user attention, then rewards publishers accordingly with BATs.

- steemit.com/introduceyourself/@jamielefay/hi-i-m-jamie-i-m-an-award-winning-fantasy-novelist

- futuristspeaker.com/business-trends/going-beyond-micro-payments-to-nano-payments

● LIVE-PUBLISHED BOOKS

- medium.com/@teau/a-universe-explodes-a-blockchain-book-ab75be83f28

- news.bitcoin.com/the-satoshi-revolution-by-wendy-mcelroy

● BOOKS

- *Blockchain Revolution: How the Technology Behind Bitcoin Is Changing Money, Business, and the World,* by Don Tapscott

- *Mastering Bitcoin: Unlocking Digital Cryptocurrencies and the Internet of Money,* by Andreas M. Antonopoulus

- *The Age of Cryptocurrency: How Bitcoin and the Blockchain are Challenging the Global Economic Order,* by Paul Vigna and Michael J. Casey

- *The Satoshi Revolution* by Wendy McElroy

- *Who Owns the Future?* by Jaron Lanier

● WHITE PAPERS

- Bitcoin: A Peer-to-Peer Electronic Cash System, by Satoshi Nakamoto

- Making the Internet More Free and Accessible for Authors and Readers, by Authorship

- Blockchain @ Media: A New Game Changer for the Media Industry, by Deloitte

ABOUT THE CONTRIBUTORS

This white paper was written by ALLi and its Blockchain for Books committee board. With thanks to all contributing authors.

CODY SISCO, AUTHOR AND CREATIVE WRITING EDUCATOR

Cody Sisco is the author of speculative fiction that straddles the divide between plausible and extraordinary. *Tortured Echoes*, his second novel, continues the cyberpunk alternate history series that began in *Broken Mirror*, which tells the story of Victor Eastmore's journeys on Resonant Earth and beyond. He is a 2017 Los Angeles Review of Books/ USC Publishing Workshop Fellow and continues to serve the Workshop as Alumni Affairs Coordinator. Sisco is also co-organizer of the Los Angeles Writers Critique Group and the founder of Made in L.A., an indie author co-op. His startup, BookSwell, provides readers with a calendar and newsletters about author appearances at bookstores and festivals in Los Angeles.

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DAN HOLLOWAY, AUTHOR AND ALLI NEWS EDITOR

Dan Holloway is a poet, novelist, journalist, editor, and performer. Dan loves the writing and research process but comes into his own when given a microphone. He is the rabble rouser in chief of The New Libertines, who have been touring the UK's festivals and fringes since 2011. In 2010, he won the international spoken prose show Literary Death Match and competed at the 2016 UK National Poetry Slam Final at the Royal Albert Hall. He also runs the editing and copywriting business Rogue Interrobang, working with academics and nonfiction writers. When Dan's not doing writing things he runs ultramarathons and appears on cheesy TV game shows.

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Kinga Jentetics is the CEO and co-founder of PublishDrive, the most intelligent ebook publishing platform powered by business intelligence. Kinga gained international experience in working at Zurich Financial Services in Switzerland, but she saw an opportunity in the publishing industry with her co-founders after publishing her master's thesis in ebook version. Kinga applied her experiences about digital transition in the music industry to book publishing to let content reach its global audience in an intelligent way. PublishDrive's goal is to increase ebook sales globally with a simple-to-use interface powered by business intelligence to let publishers focus on their most important job: creating beautiful content. Kinga, besides her passion for publishing, is engaged in women's entrepreneurship by encouraging young girls and women to make a difference. Kinga was included in the Next Generation Women leaders list by McKinsey, 100 Female Founders by The Hundert, mentioned on forbes.com and she was recently nominated for the Forbes 30 under 30 Europe list.

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Sukhi Jutla left a decade of corporate life to become a serial entrepreneur and author. She is now the founder and COO of MarketOrders, the online global marketplace for the gold jewelry trade industry.

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About ALLi

ALLi, the Alliance of Independent Authors, is a nonprofit professional association for authors who self-publish.

Our alliance offers connection and collaboration, advice and education, advocacy and representation to writers who want to self-publish well.

ALLi curates the best and most up-to-date guidance and information on the seven stages of the publishing process: editing, design, production, distribution, marketing, promotion, and rights licensing. We also advise on running a profitable author-business.

WHY JOIN ALLI?

Professional associations exist for almost all industries and employment sectors. Such associations encourage members' collaboration and mutual learning, working together for each other. What makes ALLi different from other associations is that it is a nonprofit, founded and run by indie authors for indie authors.

ALLi brings together a dedicated team that helps to promote and elevate our members' books as well as offering a campaigning voice, contacts within the industry, member discounts, and many other benefits.

WHO CAN JOIN ALLI?

Any author who is interested in self-publishing a book: we have three levels of author membership, from associate (students and aspiring self-publishers) to professional (authors making a living from their writing).

We also welcome self-publishing services dedicated to ethics and excellence in the author-publishing sector who are willing to abide by our Code of Standards.

JOIN HERE TODAY

For more details about ALLi visit us our website at:

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You can also learn more at our Advice Center:

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