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Pixsy: To Blockchain Or Not To Blockchain?

Pixsy's CEO, Kain Jones, details what all the hype is about and how this applies to photographers and image owners.

[March 12th, 2018, Walnut, CA,] It seems everywhere you look in the tech scene at the moment 'blockchain' and 'ICO' are the hot topics. Investors are throwing millions of dollars to anyone that posts a quick website and publishes a vague white paper related to the topic. CEO, Kain Jones, details what all the hype is about and how this applies to photographers and image owners.

What is blockchain and why does it apply to images and copyright?

Blockchain is a decentralized, distributed digital ledger of records. Imagine a spreadsheet that is duplicated thousands of times across a network of computers. Then imagine that this network is designed to regularly update and reconcile all the copies of that spreadsheet so that all records match.

No single person, company or computer is responsible for blockchain, so, in essence, all the records are truly public and easily verifiable. No central storage location makes it almost impossible to manipulate or corrupt. It's the perfect place to document 'smart' contracts, sales transactions, bank account balances, the list goes on. You start with the base record (which can never be changed/alterd) and changes are added to the ledger as new transactions or as details are added. The current version, along with all the history is completely public and accessible, as the source of truth.

So, in a time where images are uploaded, shared, licensed and stolen online, a digital ledger containing the owner's information, along with a full and detailed transaction history relating to the image offers, at first glance, a solution to the problem of content ownership and copyright. However, there are a number of fundamental challenges inherent with blockchain technology, as it is, that need to be addressed first in order for it to become a real solution to the questions of 'who owns what'.

The limitations

Pixsy is looking towards the future and some extremely promising possibilities, but we are at the very beginning of blockchain version 1.0. There are some fundamental challenges which are being overlooked (by most) in the rush to market and the rush to attract investment money. Within the image space, consider the following:

Proof of ownership

How do you really prove ownership? Anyone can come along, sign up to a blockchain service, upload an image and create a blockchain record claiming to be the owner of it. Once the record is live on the blockchain, it's there - for eternity.

They could start selling licenses and creating a rich licensing history on their ledger. Without strict controls and checks to verify that the user who is seeking to create a blockchain record is, in fact, the legal owner this starts to get out of control quickly.

Duplicate or erroneous records

Once the record is live there is no undo or delete - it's permanent. There is no central regulator to complain to and no one policing it. You better hope that the blockchain provider knows what they are doing and has experience. For the time being there are no 'standards' to follow when dealing with these types of records, so, for now, it's up to each provider to do it their own way.

Cryptocurrencies

At this point in time, one of the solutions around blockchain is built on the payment architecture or cryptocurrency. The inherent anonymity and decentralized management of crypto means that there may also be issues inherent in monitoring the license usage of anonymous and untraceable buyers.

Investing in cryptocurrency also has its drawbacks. Beware solutions and providers offering coin for the right to sell your work. If you can't cash that coin in, be warned! It would only take one slip up to make that coin worthless, or, given that this isn't policed, the company could simply vanish - leaving you with nothing.

How does it apply to the law?

Simply put, it does not. Today's legal systems are based on decades of traditional paper records, notarized contracts and courts of law to settle any disputes. Traditional copyright ownership and registrations are still the norms in present law. Imagine walking into a courtroom and presenting to the judge a digital blockchain record as your claim to ownership. You won't get very far. There is no process for compensation or damages under the law outside of the traditional sense.

The whole concept of blockchain is that it cannot be centrally controlled, no regulation, no policing. There is no legal takedown process, no cease and desist options. 'Host' cannot be forced to delete the records. If someone is ripping off your work, there simply aren't avenues to pursue.

Watch this space, over the next 5-10 years, but for the time being, continue with what is legally applicable for today (and the foreseeable future). The current solutions are tried and tested and have legal protections and monetary compensations for abuse and infringements.

Pixsy summary

Blockchain is in its infancy which is incredibly exciting. There is no doubt that it will change the norm of online transactions, security and contracts, and to which extent is still unknown. Pixsy is extremely invested in the idea of potential blockchain solution - and we are certainly not blind to the activity of other companies in our field.

However, we were founded on the principle of giving back power to creatives; enabling anyone who is subject to image theft to fight back and regain what is legally entitled to them. Seeing as blockchain has no law, and cryptocurrency has no regulation, it would be impossible for us to deliver on our promise to people who came to us for help.

To creatives and content owners out there, interested in blockchain technology, we say this: Choose your provider wisely. No one has experience in this (yet), so best to stick with a company that has a track record of dealing with image licensing, dealing with legal process, copyright management, and registration, and is still going to be in business in 6+ months.

Your images are your assets! Trying out blockchain and generating multiple records with multiple and new providers is not without an element of risk. Once a record is created on the blockchain, there is no going back. This is your asset we are talking about, and you don't want to devalue it with erroneous or multiple records - you may be left with a mess that cannot be cleaned up.

Beware the scam! We have seen numerous companies pop up in the last few months, incorporating overnight and rushing to market with a website and ICO offering the next morning. Some of which have vanished from the web without a trace, taking their crypto investment with them, never to be seen or heard from again. As this area is still without any regulation or oversight, you have little remedy or protection when things go wrong.

Internet phenomena in recent years have stripped many perks away from creatives who want to make a living from it: online publishing, social media, the 'content' boom. Current, blockchain technology does not provide a finite solution in moderating the use of your work or claiming ownership of it.

Watch closely and see how the landscape, solutions, and providers develop over the coming years. Ask them these tough questions and how they will deal with them. In the meantime, make full use of the current, tried and tested legal protections and processes.

About Pixsy:

Pixsy is a leading reverse image search platform that empowers photographers and visual artists to discover where their work is published online. Pixsy combines this technology with a global network of law firms to help artists address instances of unauthorized commercial use.

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