BEYOND the BOOK
A Copyright Clearance Center Podcast

Crypto, Code & Copyrights
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With (in order of appearance)

- **Jarrod Dicker, CEO, po.et**
- **Lillian Ruiz, co-founder, Civil**
- **Rajat Kapur, blockchain practice, Ernst & Young**
- **Jesse Grushack, founder, Ujo Music**

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KENNEALLY: The promise of blockchain is to enable transparency and irreversibility in all online transactions. The premise is that such an unchallenged record of activity will drive out confusion, build trust and open paths to new business models for media creation, distribution and ownership. In media rights management and licensing for rights owners and users, blockchain is already changing the way rights are cleared and paid for.

Our panel this morning labor in a range of fields across entertainment and journalism. As entrepreneurs, they are demonstrating that blockchain can make markets more efficient, scalable and transparent. As inventors and artists, they are also finding how the technology helps to unlock new value in human relationships. And I want to introduce them starting on the very far end – Jarrod Dicker. Jarrod, welcome.

DICKER: Thank you.

KENNEALLY: Jarrod is CEO of Po.et, a shared open universal ledger design to record metadata and ownership information for digital creative assets. It’s a continuation of Proof of Existence, the first nonfinancial application of blockchain technology. And Jarrod previously served as innovation chief at the Washington Post, as vice president of innovation. Beside him is Jesse Grushack. Jesse, welcome.

GRUSHACK: Thank you so much. Jesse is cofounder of Ujo Music, an Ethereum-based, consensus-backed music software services company for the modern economic landscape of music. The Ujo platform uses blockchain technology to create a transparent and decentralized database or rights and rights owners. Beside him is Rajat Kapur. Rajat, welcome.

KAPUR: Thank you. Rajat is here today in place of Deep Ghumman, who unfortunately cannot join us today. But Rajat is the global sales leader for Ernst & Young's blockchain practice and the product manager for the distributed contracting network Dicon (sp?), a blockchain platform. He'll be telling us about one of the use cases for Dicon, the x-block (sp?) rights and royalties management blockchain solution. And then finally, immediately to my right here is Lillian Ruiz. Lillian, welcome.

RUIZ: Hi.

KENNEALLY: Lillian Ruiz is COO and cofounder of the Civil Media Company, a decentralized news-picking platform that enables a direct relationship between journalists and readers. In October 2017, Civil announced $5 million in funding from ConsenSys, the leading global blockchain venture studio. And at the end of this past summer, Civil and the Associated Press announced a collaboration that will make AP news content available for use by Civil-based newsrooms. And I want to start with Jarrod Dicker, because I mentioned, Jarrod, that you come out of the Washington Post. Why would you leave the Washington Post? It's a real plum assignment. As a –

DICKER: I don't know.

KENNEALLY: As a former journalist, I look at that and I think, my gosh, that's the pinnacle of the profession. You've got a backer who seems to have unlimited funds. You did a great amount of work there at the Washington Post. But why would you leave? What are you trying to do?

DICKER: Yeah. So one, the Post is absolutely amazing and continues to be amazing, not just in what they're doing in terms of journalism but also in terms of building these new media models. Right? Arc publishing, for anyone who is interested and RED, which was the team that I founded, is now an entirely new software as a service business that the Post is running, powering all the Tribune networks and I think about 45 different news organizations around the world, which can – I mean don't quote me on this but can – be the main source of how that organization is funded in the next five, 10 years to circumvent advertising and other means. So that was the most exciting part of the Post and continues to be an exciting part of the Post. And that is enabled by having a backer – right – like Jeff Bezos, who has kind of built the subway tracks of the modern day Internet with AWS and this kind of following suit.

So towards the end of my tenure there, at the end of last year, I realized that there was a real problem in media in general, which was we – and this is kind of like the royal industry we and everyone in this room – knows that IP is valuable and that people should pay for news – right – or music or information. But we do a really shitty job conveying that. And we've always done a bad job conveying it. And that's kind of why we've constantly been running uphill and trying to prove – right – why it should cost money and why it is valuable. And what I found at the Post is that we would ask people to subscribe to the Post. And if they did subscribe to the Post, they would say, yes, of course I subscribe. I'm doing my part, which is not necessarily a product that you're paying for. You don't do your part for Spotify or Netflix. It's more of a charitable type approach to paying for a service, which isn't necessarily a long-term standing – right – to build a business model.

So what I kind of dove into and what led me to Po.et and this entire space in general was that we could do better really exposing kind of the efforts that go into work and art. Right? You don't pay for the Post or listen to an artist because of the label they're on or because of how many page views they have or where their referral traffic is coming from or if they're the first to partner with Facebook. Right? You read the Washington Post because it's curated by Marty Baron and you listen to an artist because that artist speaks to you. And we just don't do a good job. And frankly, it's extremely hard to quantify those sort of things.

So I left the Post because I don't necessarily think that that could be done at –

KENNEALLY: So in spite of all of that, you left?

DICKER: – right – that that could be done in one place. Right? The people who are doubting paying for journalism aren't going to suddenly believe the Post when they say that we're the best. Right? You kind of have to build a new standard and a new metric to quantify what those values are. And that could be how you source information. That could be author reputation. That could be identity.

And that could really start opening up opportunities for people to move away – right – from umbrella publishers based on reputation and start building reputation themselves – similar to what you see in music – right – like you don't know who Drake's record – like I don't play a Drake album because he's represented by Warner Bros. – and I don't know if that's true – right – because I don't even know who he's represented by – but I go to Drake because I like Drake – the same reason I read the Post because I like the Post, not because of their ad sales and their traffic.

So it's this exposure of how we could use blockchain and information and work with a lot of the companies up here and throughout the space to really start figuring out how we could expose that to kind of build a better economy for all creators at large.

KENNEALLY: So where does rights come into this? In the previous presentation, we were seeing that permission and rights are really equivalent here. Ownership is really the key point. And I think what you're talking about is control and that that becomes the copyright – the new notion of copyright in the digital age.

DICKER: Yeah. I mean I don't think it's absolutely defined yet, but I think that everyone – and what we're talking about is really trying to figure out what do we pair with copyright. Right? Is it individual permissions? Is it the idea for a single creator to be able to be paid for their work 10 years down the road of what they created? Right? How can we help identify that and enable people to start thinking about these things themselves – because, mind you, like there is a benefit – right – for a writer, if we're talking about journalism, to work for the Washington Post, and it's not just because they're a paycheck but it's because they get them distribution, they get them paid and they get them legally protected. Right? So –

KENNEALLY: I was going to say ask Bob Woodward, who's just sold a million books. He wouldn't be there if it weren't for the Post.

DICKER: (laughter) Exactly – and the protection and the reputation of what the Post brings – right – is important. So I think that that's a discussion that I'm curious what everyone else on the panel kind of dives into as well, but it is this notion of what does it mean to disintermediate copyright and give that to creators themselves? And how can we then empower them to hopefully help raise their overall value because, frankly, I think everyone in this room and anyone working in this space believes that people are underpaid and undervalued that are doing work like journalism or digitally physical music, so forth, and we're trying to find way to further expose that and give more power to them for ownership rights.

KENNEALLY: Right. And I want to get back to what is value, because value is more than just a financial reward, especially in journalism. Value is about truthfulness and reliability and all of them. That's an opportunity to turn to Lillian Ruiz and ask you about what you're trying to do at Civil and how that relates to what we just heard Jarrod telling us. And tell us a bit more about the collaboration with the Associated Press and how that's beginning to address some of these challenges.

RUIZ: Yeah. I think Jarrod started to really lay out a lot of the challenges that you're seeing in the media space really well. I mean at its core, what we're seeing is a series of misaligned incentives. You've got ad models, you've got a variety of third-party interests and so on that have kind of, over time, sort of tainted, I guess, how you think about the distribution of assets and how things are verified and how things are circulated. So at the core of what Civil is trying to do is we're trying to create kind of a net base understanding of, you know, what is value? Like how do you make it easier for creators to essentially place value on what they do – and not just a dollar amount value but really like a deep philosophical sense of what goes into the creation of good information? Why is this important? What does this mean for you as the reader? So when you can kind of create a network and create a basis of economy – and that's what we're doing with sort of our token is creating kind of a set of crypto-economic gains – you can start to create this sort of consensus view of what value is, so you can hope to kind of create this underlying sense of – yeah – where the value is placed and where it comes from.

So then when you – once you create that sort of community, that sort of network, when you start to talk about layering in things like clear licensing – and that's sort of what our collaboration with the Associated Press gets to – you've already sort of laid down the fundamental building blocks of people understanding why things are important, why things deserve a certain given dollar amount.

KENNEALLY: Right. So before we get to the AP example particularly, what I imagine you're describing is the creation of newsrooms that can be almost anywhere –

RUIZ: Right.

KENNEALLY: – if you could put it that way. You don't have to be at the Post anymore. Your newsroom can be where the journalists are. And the underwriters aren't Jeff Bezos, but they are the token holders.

RUIZ: Right. And I probably have skipped a few –

KENNEALLY: You have done some of that.

RUIZ: Yeah, I skipped ahead a few steps. But over at Civil, a lot of what's exciting to us and interesting to us is the core code of ethics around journalism are phenomenal and fundamental and not understood or seen outside of the newsroom. So we want to bring that to the core of the interactions between the journalists and the reader. So we do that with – we've got a very clear set of code of ethics that both the readers understand and the creators sign on to when they sign on to be a part of our network.

At that point, it creates a dynamic between the journalists and the readers where you can sort of – you can kind of continue to negotiate along those lines, where you're starting to get this understanding of, OK, as a newsroom – now, as a reader, I understand your responsibilities, and I understand my responsibilities as well in order to hold you accountable, in order for me to understand what this information means. And that's kind of where the token comes in in all of this is in – is basically in creating a value exchange across these lines of ethics.

So I know that's quite a bit, but that's basically what we're trying to do is we're trying to give real credible crypto-economic value to morals and ethics in the journalism space and make it about how readers and creators are sort of incentivized to work with one another and really have a dialogue between each other.

KENNEALLY: And it's important to emphasize – I mean, of all the media, journalism is the one that really does have to be most concerned with ethics.

RUIZ: Right.

KENNEALLY: And that's important to lay that groundwork. But to go to the example with the Associated Press here, what you're addressing there is essentially the future of a business model. And ethics are great. But if the business model is gone, the ethics won't really get you terribly far.

RUIZ: Absolutely. Yeah.

KENNEALLY: So tell us how this AP coalition – sorry – collaboration – does begin to address these challenges and the problems that AP has had in the past in their legacy practices around licensing and permissions.

RUIZ: Yeah. So when we're moving over to the AP collaboration, what's really exciting there is currently – obviously the AP has been around for – what is it – 135, 150 years. They've got this thing pretty down, as well as you can get it in the current landscape, and they've always iterated. But at the end of the day, you still see quite a bit of money left on the table. If you think about the amount of time, energy, expense that it takes for the Associated Press to track down every misused image or miscredited or something that's been living somewhere for far too long and needs to come down, you've got a lot of sort of issues with just general just basic sort of self-service and management.

So a lot of what we're collaborating with the Associated Press on is how do you – you know, how can we automate this a bit more using smart contracts and our protocols in order to (a) make it easier for journalists and newsrooms to access these assets, access them appropriately, and access them in a way that is set to their scale size and to what they can actually afford. So we're trying to make it easier for newsrooms, small, independent, midsize publishers to play by the rules and make it just as easy for the Associated Press to really implement those rules on a more automated basis.

So that's something that we're really excited to be able to do, and it creates a positive incentive structure for both sides of the coin – as opposed to right now it might feel a little bit sort of unbalanced, if you are a midsized publisher trying to kind of create – or not create but access assets or – and later down the line distribute your own assets.

KENNEALLY: Right. And I think what's important about that is it brings in to the marketplace people who would have either self-selected out or wouldn't have thought they had a place there.

RUIZ: Exactly. So it's creating a whole new – you know, it's identifying and creating a whole new market of buyers and sellers, really, which is pretty exciting.

KENNEALLY: Right. And Rajat Kapur, I want to turn to you, because the idea of making things easier is what technology is all about, but we'll talk a little bit later on about how what blockchain does isn't just make things easier. It sort of enables communities to thrive and to do things in different ways. But tell us about what you were doing there with the whole x-blocks Dicon program. That was to move from a legacy practice – I'm sure a lot of paper contracts and so forth – into the blockchain world – a big leap, but one that has had tremendous efficiencies into the process and really has made a difference for the publishers of these games and how they understand their own business and how they understand the practices of consumers. Tell us about it.

KAPUR: Thank you. Thank you very much. So I'm really excited to hear what I heard from Jarrod and Lillian – I think very exciting to hear what we're doing in the space. So distributed contracting network and what we are working on with Microsoft is kind of creating a network or an ecosystem where everybody in the gaming industry can operate in that ecosystem with full trust, transparency and kind of handling confidentiality among themselves.

So I'll talk a little bit about the solution that we're developing. So again, if you look at blockchain the way we and Microsoft kind of look at it, it's kind of four layers that sit on a blockchain solution. It's not just about using a distributed contracting. It's about four layers. So the bottom layer is – as you talk about – is the infrastructure, which is all the cloud –AWS, Azure, Google and other spaces. The second layer on top of that that sits is all this platform layer that you play on, which is all the services for managing security on the ecosystem. The third layer on top of that that sits is the distributed ledger layer, which is the networks that you think about – example being using Ethereum as an example to use a network or using Coda as another example or Hyperledger, so there are multiple technologies – about 60, 70 of them that we see in the market.

And then top of that, I think what you do is you start developing these application, which can be applied to different kind of situations based on specific business problems that you solve. The network and the application combine to form what we call it as private permissioned blockchain networks, where a set of parties who are inserted in a consortium or a specific interest in an area operate in that environment.

The solution that we have developed is very focused on kind of gaming. And let's take Xbox as an example. Hopefully, everybody knows about Xbox. So Xbox is a Microsoft technology and a product, but it uses – it doesn't manufacture all the games that you play on Xbox. Those games are manufactured by multiple people, whom we call as game publishers. There're about 1,000 – about 3,000 massive game publishers. About 1,000 of them are pretty large publishers in the world.

And then, as those game publishers manufacture these games, they are not the sole people who operate in that environment. They have people who actually create games for them. And the people who create games are actually also using certain artifacts, like a Lebron James or a Stephon Curry or a BMW or a Ford that they use in kind of developing those games.

So if you think about this ecosystem from the distributor all the way backwards to where the games are getting created, it's the ecosystem of everybody that operates. In the current environment that we have, the current technology solutions that sit in that environment, there is a significant delay based on which the end consumer – like we talked about – like people who are really creating games – getting the value out of it – it takes the value coming back to these people who actually create games close to 100 days or so before they can get access to what's happening in the ecosystem and what they should be getting paid for.

So what we are creating – a distributed contracting network for Xboxes – an application layer, an example – so that we can – any contracts that happen between a distributor, a game publisher, game publisher and the game creator and the ultimate people who have the rights be able to – as soon as a game has been sold – be able to transform this information of a royalty that everybody owns based on the right or the IP they have in that space be distributed across as quickly as possible.

Earlier, before the solution – and the solution is kind of operating in production environment – earlier, the situation was, in the current technology, it took a good – a game publisher a good about 45 days before they could find out what is the sale of a game that is happening? If I'm a game publisher, a game sale is like box office to me. Right? So I need to know in the first week what my sales is. It takes me 45 days to figure out what that is, that is a huge amount of delay. And we are reducing it to about four minutes from when a game has been sold on Xbox live or any other retail store – four minutes from there onwards, everybody in the ecosystem can have access to is. So it's transforming how the ecosystem operates.

KENNEALLY: And the other transformation is one around trust, I would think, because Microsoft understood that they were pretty accurate with their calculations of who was owed what. They had the rights management piece down pretty well. It was the communications piece that was the challenge. And what the blockchain technology does is address that. Talk about that, because not only are these publishers looking to be sure that they understand the marketplace, they want to be sure they are getting the proper compensation for it, but there's also the challenge of these competitors all in the same space. Explain how this creates a community of trust.

KAPUR: That's a very good question. Trust is a big element of this. So think about all these big companies who are sitting – I think any information they kind of distribute across the ecosystem – they have to make sure it's all valid, correct and they are paying the right amount for all these game publishers. So Microsoft, in the current environment, was sitting on a huge element of trust, making sure that everything that they distribute back is correct, accurate. Right? And what the game publishers – if my main line of business is coming from Xbox sales, I need to know whether those numbers are accurate. Are we talking about billions of dollars that these guys run their business on? So they come back and audit and be able to provide a lot of insights and make sure everything is correct that they're getting out as revenue.

Now what blockchain does is that trust element gets distributed, meaning that whatever I know, you know. Right? And so you don't need to be kind of coming back to me to prove that what I'm providing to you is accurate. You have all the information that's there in the ecosystem – be able to prove that trust automatically in the ecosystem. As soon as a game is sold, I have the same information as you have, if it's a game that you published. So not only is this published, if you are the game creator, you get that access as well.

KENNEALLY: Right. And Jesse Grushack with Ujo Music, we heard earlier that there's a question for blockchain whether it's an enterprise appeal or an artist appeal. And the earlier speaker was saying that he felt it was more appealing to the enterprise, not so much for the artist. But what you're trying to do at Ujo is to address some of the problems that artists themselves are having. So talk about it from an artist perspective. How does the blockchain technology and its ability to manage rights appeal to artists, and why would they want to be drawn to what you're doing?

GRUSHACK: Yeah, absolutely. I think we – for us, we kind of started out looking at the enterprise. Right? We went out in 2016 and said, hey, you know, we did this project with Imogen Heap that was able to distribute payments instantly, do licensing instantly. It's awesome. Don't you want us to build this into what you're doing? And they all came back and were like no – like we like our black boxes. We like our inefficiencies, because we get more money from that. And it's not clear to us yet that there's more money on the table than under it. So until we can see that, we're not changing what we're doing, because the music industry's on the rise, we're on the up – we don't really care.

But I think what everyone's talking about here – you know, it applies to all forms of media. Right? It's not just music or news or games. Creators are really providing everything that we have on the Internet. Right? Spotify is an empty shell without music in it. And by going to the artist first, by trying to foster direct relationships with artists and fans, we can start to actually make people care about paying for it again – right – because you have – you know, if, yeah, sure, they're putting out music that's making your life better, what's going on with their life, right? How do we know that they have enough money to pay their rent? Right? And if you have a direct relationship, you can know that and you can support the artist directly and you can know that they're getting paid directly because you can see that.

So with Ujo, we're playing with the – right now we have a platform where you can go on, upload your music, set a price for it and do downloads – not that great, because downloads are on their way out. Everyone knows that. But legally it's the easiest path to start something. But we're also playing with digital collectibles. And so now we're giving out what we call artist badges and release badges. So if you buy an album, you get a digital unique token that signifies your purchase of that album. There's a ton of things we could do with that token, as well as, if an artist badge – which basically, for $5, you get a little token that says you support the artist – and again it doesn't do anything currently. But it's what it can do. And really now the artist knows, hey, you know, I have 500 fans that are willing to give me $5. Right?

And there's been that articles that been around for like 10 years where it's like all you have to do is find 1,000 fans willing to pay you $10. Right? And that gives you a salary for the year. And that's all you need as an artist. And so how do we bring that – you know, a middle class of artists, where you're not a starving artist, you're not a rock star, but you play music, you make $60,000, $80,000 a year, and you're able to live off that? And that's the type of new economic models we want to try to foster with these collectibles and by trying to foster direct fan-to-artist relationships.

KENNEALLY: Right. And Jarrod Dicker, I see you nodding your head vigorously around that, because that's pretty much what you're up to with Po.et on the journalism side.

DICKER: Well, no. (laughter)

KENNEALLY: No?

DICKER: Well, kind of, but that's not what I was nodding. I was nodding because, like 10 years ago, when we were at the Huffington Post, like when we were starting the Huffington Post, everyone attributed a lot of our growth to aggregation and curation and being able to win in search and social, which was a huge component. But a major component was that we built this intrinsic badging mechanism for commenters. So when you came to the Post, how can we enable people – right – and incentivize them to help self-curate and self-govern the comments and the conversations that are having on the Huff – or that are being had on the Huffington Post? And then how can we then reward them for doing these sort of things?

So I'm nodding because it works. And I think what Ujo was saying is absolutely correct. And I think that you've seen this both in terms of like how we're thinking of it extrinsically right now but also intrinsically, where a site like the Huffington Post, one, didn't have to pay for comment moderation in a world where people think that is impossible because of trolling. Two, they were incentivizing them via badges, where people were earning responsibilities to be able to blog and self-curate and so forth. And what it really did in the end, which helped the Huffington Post sell for $305 million – right – to AOL was that it grew our audience. Right? We went from 5,000 comments per article to 50,000 comments per article to 100,000 comments per article because people felt like they were a part of the ecosystem.

So I nod because I agree so much that there are so many things that we've seen in terms of incentive mechanisms, and the beauty of blockchain – right – and permanence and the notion that we could have all of this information and figure out better incentive mechanisms to put against that sort of information is a total homerun. Right? And everyone kind of thinking in that sort of realm – we've seen it work before and we'll see it work again. And I think this next sort of evolution is really trying to learn from those sort of effects that came out of those networks and how we could build better on them through tokens.

KENNEALLY: So blockchain is about engagement for you?

DICKER: Well, I think, to that point, if the Huffington Post was built on a blockchain-based system, where you were earning these rewards and they were digitally unique tokens and you could take then now from the Huffington Post over to Civil – and Civil can go – you know what – you're a number one writer on the Huffington Post. We can see that because your badge is in your wallet. And – you know what – you're allowed to post on the front page – or something like that. Right? This is how the blockchain adds value to the entire ecosystem.

KAPUR: Yeah, so that's very im – sorry. I think the piece I'm hearing – I think we are seeing it across industry sectors, and I think I can speak from an EY perspective. The concept of tokenization, which I want to reiterate – I think it's becoming very, very important – so there are two concepts of tokenization, just for the benefit of everybody. Kind of one is what we call asset tokens – is what we're talking about provenance of passing these tokens across the ecosystem. The second concept of tokenization is called currency or fiat tokenization, meaning you don't need to create a new currency like a cryptocurrency to kind of transact business. You can use tokenized fiat currencies to transfer value from one person to another – so two concepts.

Again, asset provenance is very important, because we can take an asset like a song that's been written, and attach multiple parameters as soon as you digitize that song and be able to transact that asset in an ecosystem using tokenized fiat currencies. So the concept that you guys are talking about I think is becoming real.

I did also hear a good question. Somebody talked about standards before I kind of come up on the dais here. I would definitely like to touch on that, because that is something that is going to be very real and will be kind of evolving as we move on to the next stage – but just wanted to add – sorry for interrupting.

KENNEALLY: And Lillian, I think you're going to address – I'm going to anticipate you're going to address the latter of the two types of crypto that Civil is using.

RUIZ: Yeah. I think one of the things that we're all touching on here is this idea of essentially incentives with teeth, which is what's interesting about tokenized economies is that suddenly – you know, right now we've got these dynamics where – to Jesse's earlier point – when you go on platforms like Facebook, Twitter, Spotify and so on, there would be nothing there without creators. And then – and there's not really a return back.

But imagine a way that you can sort of utilize tokens. And you were talking about more sort of those provenance tokens. But if there were a way that you could utilize tokens to essentially incentivize these creators, give back to these creators, have them have these sort of micro-abilities to partake in the ecosystem and in the landscape, that becomes a very different thing. So you're looking at engagement, you're looking at growth, you're looking at, in some ways, returns. And then when you're talking about these sort of provenance abilities with tokens as well, it's – you're creating this new dynamic in which identity becomes suddenly much more impactful and much more something that you can actually carry with you from place to place and begin to establish kind of your own verification, your own identity and really own that in a way that you can't –

KENNEALLY: That's the value is –

RUIZ: – right – that you can't own now currently as a creator – or you have to kind of really on third parties. But the sort of provenance token really allows you to do that in a way that's just simply not really that possible.

DICKER: Yeah. And is that idea of like header-operability (sp?) – right – like not having to keep your identity or your value on a single platform and being able to be recognized – as Jesse mentioned – like everywhere. So if you think about what happened in music and then you think about what happened in media – right – they're struggling with advertising in media and subscriptions because people are paying for the platform itself. Right? You're advertising with the New York Times or the Washington Post or you're subscribing to them. But I may want to subscribe just to someone like David Fahrenthold – right – at the Post or someone like Maureen Dowd.

So if the value starts going towards the creator – right – and their identification and their interoperability, then maybe new media models are basically I want to start following that creator, regardless of if they write for the Times – right – or Civil or any platform where they can now create something. But it actually builds a stronger economy, because it puts more value on that creator themselves. It really starts to define what a media property is – maybe not so much like the one holding the reputation but the ones managing – right – artists and helping with distribution and delivery.

And it really starts to not just try to work within the current models, which are broken. Right? And I think any attempt that we do – right – even if it's cryptocurrency or other elements to try to work within those confines – will still be very limited to what we could do. I think opening up to interoperability is really identifying this notion that people are doing things everywhere, and the value is on the creator themselves, so how could we open up new models that follow that lead and really start to define what the role of the housing and platforms and companies become?

KENNEALLY: Well, it's interesting to me hearing you say that Jarrod, is that the value is in a brand. I mean the blockchain itself in a way is helping establish brand, because brand is about trust. And the brand there is moving from the platform to the individual creator. It's a fascinating process.

DICKER: Well, I think it's both ways. Right? I think it can be both ways and it should be both ways. Like if you look at music, what's the difference between Spotify, Apple Music, Amazon, whatever? Right? They all have the same music on it, pretty much. There's been one or two occasions where I can't find something that I want to listen to. But what they – none of them really succeed in is the curation. And so now maybe I subscribe to Spotify because they have better curation than Apple Music. Maybe I subscribe straight to Lilian because she's an amazing tastemaker and her playlists every week are awesome. Right? And that's where I think it starts to get really interesting is like you start to pick things because they're actually providing more value, not because that's where everyone is or whatever.

And so yeah, sure, the value could be on the creator, but it can also be on differentiating yourself as a platform.

KAPUR: Also the important is the value to be distributed based on the value that you add – that as you go through the ecosystem, you get paid for the right value that you're creating is important – not that only getting the creator getting paid for value as an example.

KENNEALLY: Yeah. I do want to take a few questions from the audience here for our panel. If you have a question, raise your hand, and we'll get you a microphone there.

F: I find that, right now, one of the biggest stumbling blocks for artists or creators is social platforms. And social platforms don't either have an interest or realize how complicated it is for rights management. So really the (inaudible) sort of one there is content ID with YouTube. Everybody else tries, but it's not helpful for their business to actually follow that solution. So I'm curious, have you seen any movement on any of the social platforms to adopt this from somewhere else or are they fighting you guys?

KENNEALLY: In fact it's the social platforms – if I can just say it – have done a lot to undermine the work that's being done in journalism. This is the artists who are creating music, even the game publishers. And you're nodding, Lillian, so take that.

RUIZ: Yeah. Definitely. Platforms were not designed with creators in mind, not – it's just – and it doesn't behoove them to make changes to their business model, because they are monetizing off of what creators are putting on their platform. So you do have to think about what does it mean to create new networks, new platforms that are actually designed for creators in mind, because what we have to move towards – if you're a small or midsized creator and not a HuffPo or so on – is we have to be OK with scale-sized economies – right – or not scale-sized – right-sized economies.

So right now, creators have to create at scale. You have to get everything and with immediate growth. You have to hit huge metrics. That's just not sustainable or realistic. But if you're a small or midsize individual – to Jesse's earlier point – if you can create a sustainable group of – you know, whether it's fans or readers or your own network – sort of personal network of sponsorship or something – where you're controlling how income is coming in and out and what that revenue model really looks like and being transparent about your revenue needs, suddenly we're creating a new dynamic that is really much more driven by the realities of the creator and the consumer as opposed to right now the pressure that's being put on revenue models for creators is based on having to hit third-party needs, so.

KENNEALLY: Right. There's pressure on revenue models. There's pressure on time here for our discussion. I want to thank Jarrod Dicker – he was CEO of Po.et – Jesse Grushack, the cofounder of Ujo Music, Rajat Kapur, with EY's blockchain practice, and Lillian Ruiz, COO and cofounder of Civil Media. Thank you, Paul Sweeting, as well for asking us to be here. And thank you all for listening. Take care. (applause)

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