Rule 34 (RTF): If something exists, there is a token for it.

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1. Introduction

Rule 34 (RTF) is a blockchain-based platform that facilitates the ownership of digital content through community governance. The platform is building an all-inclusive ecosystem for the art industry where creators, consumers, fandom, and the artist community can come together to create, share, and enjoy various forms of art. This will help artists get value for their work by promoting ethical practices and ensuring that content creators get fully paid for their work.

In this respect, Rule 34 is 100% non-profit that is completely run and controlled by the community.

To achieve its purpose, RTF operates as a Global Content Delivery Network (CDN) for images and other media formats (such as video, GIFs and text) whereby artists submit their creations on the decentralized network. Creators are awarded full ownership and intellectual property rights for their properties published on the RTF network. The true identity of the owners/creators of each artwork is enshrined on the RTF platform and secured by the underlying blockchain technology.

The Ethereum blockchain will enable the tokenization of all the content published on the Rule 34 Platform. This will give the creators full control over their art and intellectual property thus all earnings generated will be directly attributed to the owner. This ingenious innovation by Rule 34 gives power back to the artist by cutting out the middlemen and exploitative platforms that charge huge fees and act as gatekeepers to the art community.

The Rule 34 Platform goes a step further to protect the real owners of digital content by deploying a strong governance mechanism that is designed to keep fraudulent actors away. RTF token holders will serve as the community that verifies ownership of all creations and votes to validate their transfer from the original creators to enable other parties like buyers and lenders to use it for commercial or personal purposes.

The community also votes to ban fraudulent addresses seeking to illegally transfer properties on the platform. This mode of self-policing is expected to raise the level of ethics and ensure that value flows to the right people in the ecosystem. It will also promote a culture of transparency and credibility that is usually lacking in the consumption and transfer of properties in the digital content industry.

2. Challenges facing the art industry

As of 2019, the global art industry was valued at approximately $64 billion with this figure expected to grow substantially over the next 5-10 years. Of this, online art sales amounted to approximately $4.82 billion, a growth of 4% from 2018. Market forecasts predict that this value will grow hitting about $9.32 billion by 2024.

According to research, the key driver for this growth is the market for art moving online as buyers are becoming more familiar with online shopping and payments[1].

However, a large proportion of the online art sales results from the exchange of physical pieces for money. As such, the volume of digital art is quite low with estimates suggesting it makes up only 11% of the online art market value, with almost half of these sales being less than $100.

The value of this market is small, for instance when compared to photography where 46% of the sales are attributable to that sector's online market. As such, there is a need to examine and address the issues that are holding back the digital art sector from achieving its full potential.

Some progress has been made on this front with a recent study identifying some reasons why the digital art market remains relatively small, yet we live in the reality of a digital economy. The lack of or inadequate standardization in the collection and distribution of digital art is one of the major reasons the sector remains stuck in its infancy. As a result, there is a general lack of awareness as to what it means to own a piece of digital work since there are no proper mechanisms for its attribution.

There are inadequate means for provenance and ascertaining the authenticity of digital art as compared to physical art. A gulf of difference exists in the manner in which value flows for these different kinds of art. The process for physical art is quite straightforward as appropriate channels have long been established.

A creator makes a piece of art and consigns it to a gallery or dealer where it is subsequently put up for exhibition and sale. Interested buyers can see the artwork on these familiar platforms and buy it directly from the dealer. The dealer retains their commission and pays the artist a pre-agreed amount for their work.

The dealers, in their role as middlemen provide a valuable service in the art industry by verifying the authenticity of each creation. The provenance of every piece like his biography, creator's identity and date are all made known to interested parties. This also applies in the secondary market whereby they avail a full dataset and historical information for every creation including all previous owners and reasons for transfer among other details.

Provenance is important in the art industry as it proves its authenticity and directly influences the value of a particular piece. Case in point, the Mona Lisa that is arguably the most renowned picture in the world has over 500 years' worth of provenance. Its colorful history makes the Mona Lisa one of, if not the most expensive painting in the world valued at $100 million in 1962, translating to more than $700 million today, after adjustment for inflation.

Despite having set provenance standards and well-known means for verifying the authenticity of physical art, fraudulent actors have found ways to beat the system resulting in a huge market for counterfeit artwork. Some experts from the Fine Arts Expert Institute (FAEI) of Geneva estimate that more than half of all circulating artwork is not authentic.

With this in mind, the big question now becomes, if physical art can be faked, copied and reproduced so easily, what about digital art?

Digital art is an entirely different proposition that operates under a completely different playbook. None of the existing norms and standards apply in the digital art realm, in respect to how art is created, consumed and shared. Since there is no physical piece, the creations are developed and transferred electronically. Now given that these creations are pieces of digital information, they can be easily reproduced with each copy having similar attributes to the original.

They can be easily shared, legally or illegally, resulting in widespread copyright infringement. This creates a problem of digital art ownership that erodes its value and negates the need to possess them.

Over the years, some potential solutions have been developed to counter these challenges, but they have failed to completely address the problem and provide digital artists with the means to generate sustainable revenues from their work.

Some adopted countermeasures include limited edition artworks, domain names and the adoption of physicality either in saving the work or representing objects. However, each of these propositions has their shortcomings that limit their ability to serve as satisfactory solutions for the problems in the digital art world.

3. The Rule 34 solution

Rule 34 is developing a blockchain-based CDN on the Ethereum decentralized network. The platform aims to provide a lasting solution that addresses the problems plaguing the digital art space in a wholly satisfactory manner.

We are centered on enabling digital content ownership. This will act as the foundation for the creation of an ethical, transparent and credible ecosystem for producing, consuming, sharing, and transferring any digital property.

RTF is built with the creator in mind, as it seeks to empower artists by providing them with a platform that they can depend on to generate sustainable revenues for their work. This is embedded in the platform's grander vision of building an ecosystem centered on creating and adding value to digital art. This will be achieved by establishing standards that promote ethical creation and distribution of art over a decentralized network spread out across the globe.

Simply put, the Rule 34 Platform is set to address some existential problems in the digital art sector such as:

How can one collect digital art in a way that allows resale?

How does one establish provenance of a digital file, if a perfect copy of the file can be made at will?

The answer to these and several other issues plaguing the sector is blockchain technology, and more specifically the Ethereum network.

The Ethereum blockchain has two key innovations, smart contracts and non-fungible tokens (NFT), that make this possible. Moreover, the protocol allows the creation of layer 2 solutions on the main chain that can tap into these unique properties in their application. As such, the Rule 34 Platform will be built as a layer 2 solution on the Ethereum blockchain thus gaining the network's capabilities.

Rule 34 will use NFTs, a special kind of cryptographic tokens that are used as a unique representation of items on the blockchains. This functionality enables them to represent anything from crypto kitties, artwork, real estate rights and intellectual property. The Rule 34 Platform will use NFTs to denote ownership of different pieces of digital content, which will in turn allow artists to prove that they are the authentic creators of specific pieces. This will also help weed out fakes and reproductions of digital art as NFTs are fundamentally unique.

The invention will also facilitate the transfer of artwork between artists and buyers as well as subsequent sales in the secondary market. Blockchain technology enables the provenance of digital art by automatically generating a chronological record of ownership every time a transfer takes place. Given the permanent and immutable nature of blockchain entries, this will provide a proper means for authenticating the chain-of-title for all digital art in an inexpensive manner.

Some recently designed NFT standards offer more robust means for modelling property rights on the blockchain akin to that of the real world. RTF will combine these emergent NFT standards with tools like OpenLaw and smart contracts to develop licensing agreements, royalty payments, and other legally binding agreements that enable artists to monetize and manage their artworks in the digital realm.

For instance, combining OpenLaw with NFTs enables creators to tokenize their digital artworks into either exclusive or non-exclusive rights. A piece's intellectual property rights can be tied to other ownership rights and then cryptographically linked to legally enforceable agreements.

These functionalities will open up multiple possibilities for artists on the Rule 34 Platform by helping them to prove ownership. In turn, they will be able to grant content licenses to consumers, split and auction ownership rights as well as receive royalties in a highly automated manner thanks to smart contracts.

These innovative tools will herald a new era for digital content led by Rule 34. The platform will eliminate middlemen and replace them with smart contracts that make direct payments to creators' wallet addresses automatically in a process that no one, including Rule 34 can interfere with. Ultimately, this will forge a digital art marketplace that is fairer to artists by continually rewarding them whenever their work is resold or appreciates in value.

4. RTF Governance

Rule 34 was founded by Diva, a sexy furry cat, alongside The Furry Dev Collective. She could be described as the fusion of Alexa and Jeff Bezos but in the Rule 34 universe. She is to Rule 34 what Satoshi Nakamoto is to Bitcoin. And just like Satoshi, she intends to leave the day to day running of the platform to the community, just like he did with the Bitcoin network.

Rule 34 is 100% community run. Therefore, members will have full control of the platform and will authorize any changes before the proposals can be implemented.

Rule 34 is part of the Internet Rules, a meme which says "There is porn of it. No exceptions". Since 2003, millions of fan artists submitted an image of something being sexy. The Rule 34 team believes that these same artists should have complete authority over everything related to the platform.

To this end, Rule 34 will have an ERC20 token named RTF that will facilitate the platform's governance. RTF will enable those who stake the token to vote for this project roadmap implementations, vote to list what should be prioritized during the platform development and also to validate ownership of digital goods such as Rule 34 art.

Each RTF token has one voting power to ensure equity and true decentralization of the Rule 34 ecosystem.

The token holders will also be able to vote on bans for suspected fraudulent addresses and ENS domains with those found to be in violation of the platform's rules banned permanently. Also, as a rule of thumb any address that posts any kind of child pornography will be banned and their RTF stack will be burned and distributed to all RTF stakers.

5. Burning of tokens

Tokens are burned when an intellectual property squatter is reported to the Furry Police and then will begin a vote to change those properties to the real creator. The former owner will lose all its RTF funds which will be "burned" and RTF owners will receive RTF "air drops" when it happens. It is an incentive to staking. Another way to burn tokens is when a voting process is initiated. It will cost a value in RTF that will be set by the community using its voting power.

6. Token details

Token name: **Rule 34**;

Ticker: **RTF**;

Total supply: **34,000,000,000 (34 billion) units**;

Decimals: **18** (same as Ether).

Contract address: [https://etherscan.io/address/**rtf.eth**](https://etherscan.io/address/rtf.eth)

7. Token Distribution

34% of total to Diva and the Furry Developer Collective for **Rule 34 Platform development and provide UniSwap liquidity**;

33% to be used in **airdrops** to those who can't afford to buy RTF;

33% for the **token sale**: 34 million RTF for 1 ETH.

8. Token sale

The RTF team will conduct a token sale to raise funds for development and to kick-start liquidity mining at https://rule34.tech/uniswap. The token sale begins on January 8, 2021, and will run through to February 8, 2021.

*The sale price is **1 ETH = 3,400,000 RTF tokens***

9. Airdrops

We will send **34,000** (thirty-four thousand) RTF **for every Ethereum address that never had any Rule 34 RTF ERC20 tokens in it** for the maximum of 33% of total supply which equals to 11,220,000,000 RTF.

Anyone who never had RTF in its Ethereum address can request to receive 34,000 RTF for widespread adoption and also to give RTF for those who can't afford it.

10. To learn more about Rule 34 and reach out to the team visit:

Website
rule34.tech

Telegram group
t.me/rule34tech

LinkedIn
linkedin.com/company/rule34

Medium
medium.com/@rule34

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