

# OpenBazaar

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A free, open, peer to peer marketplace for online trading of goods and services



## Goals

- Eliminate need for third party corporations involved in online trade (Amazon, eBay)
- Eliminate extra fees and restrictions
- Reduce overhead costs of trade
- Allow global communication and trade

Welcome New Contract My Store My Orders Send Message Settings Bootstrap

**Contract**

Your Bitcoin address

Name of item to sell

Price (in BTC) of item to sell

Offer expiry date

Add keywords

Add images (max 3):

Item Description:

## Sellers

- Install program on computer
- Create store
- Generate contract(s) to list items/services in store
- Send and receive messages from potential buyers

# Buyers

- Install program on computer
- Search for items/services or browse through stores
- Send and receive messages from sellers
- Potentially select goods and services to purchase

# Implementation Details

- Kademlia-style Peer-to-Peer Network to allow the possibility of connecting millions of people

# Ricardian Contract

- To ensure fairness and to avoid unauthorized changes to the contract
- Protects both buyers and sellers
- States terms of contract and may include a third party notary
- From the original OpenBazaar website:

A Ricardian Contract can be defined as a single document that is a) a contract offered by an issuer to holders, b) for a valuable right held by holders, and managed by the issuer, c) easily readable by people (like a contract on paper), d) readable by programs (parsable like a database), e) digitally signed, f) carries the keys and server information, and g) allied with a unique and secure identifier.

- Ian Grigg

Makes use of a chain of digitally signed and checksum hashed contracts to create an unalterable record of agreement

- Digital signatures from involved parties provide proof of agreement
- Hashes provide proof of authenticity because the tiniest change in the contract will show in the hash

# Process

- A contract describing the item and specifying the terms of sale is generated by the seller and posted to their store
- A buyer interested in purchasing the item can choose to do so
- A third party notary may be selected in order to mediate the trade
- The seller ships the item or provides the service
- The buyer receives the item/service
- If both parties agree that the contract is satisfied, the Bitcoin funds are able to transfer from one party to another
- If there is a problem with the trade and the parties are in disagreement, they must provide proof of a discrepancy and the notary then decides how to proceed
- If the notary decides that the seller has satisfied their part of the trade, the funds get transferred according to the terms of the contract
- Otherwise, the notary may rule in favor of the buyer and the funds may not get transferred



# Demonstration