

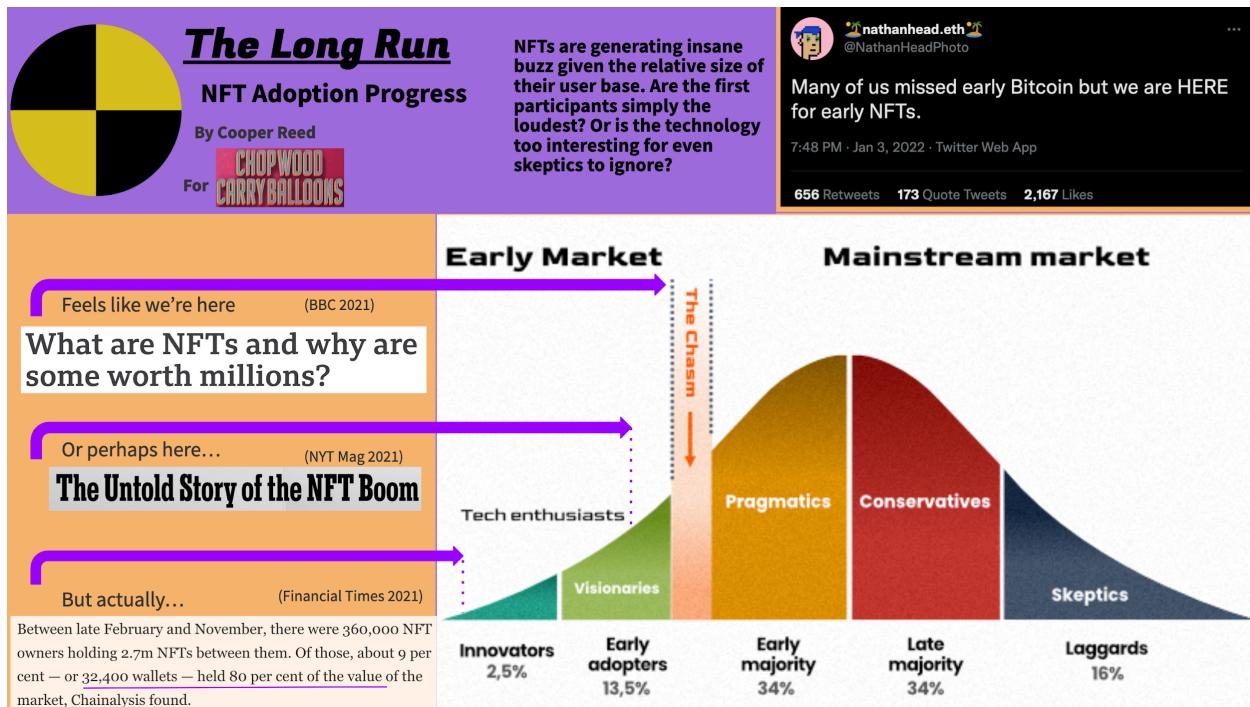
NFTs have a Terrible Name

Cooper Reed for Chop Wood Carry Balloons // Published May 6, 2022

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Only a few years into their existence, NFTs have generated an enormous buzz. Headlines speak of [children made millionaires](#)(1), [artists freed from middlemen and toil](#)(2), [companies outbidding each other in a black box](#)(3), and [journalists crossing ethical lines for credible insider information](#). If NFT press coverage seems to have a bizarre emotional ebb and flow, chalk it up to its [direct correlation with the previous week's bitcoin returns](#).

I'll be arguing that this preposterous new collectible tech, while impossible without cryptocurrency, has much greater potential to drive crypto adoption than crypto itself.



The internet has necessitated one-of-one digital possessions. Online [streaming](#), [crowdfunding](#) and [self-publishing](#) avenues have emerged to mitigate friction between creators and their customers. Online education has empowered droves of professionally equipped amateurs to compete in a free attention market. Online audiences have evolved to demand the best from this market, accustomed to free resources and infinite choice.

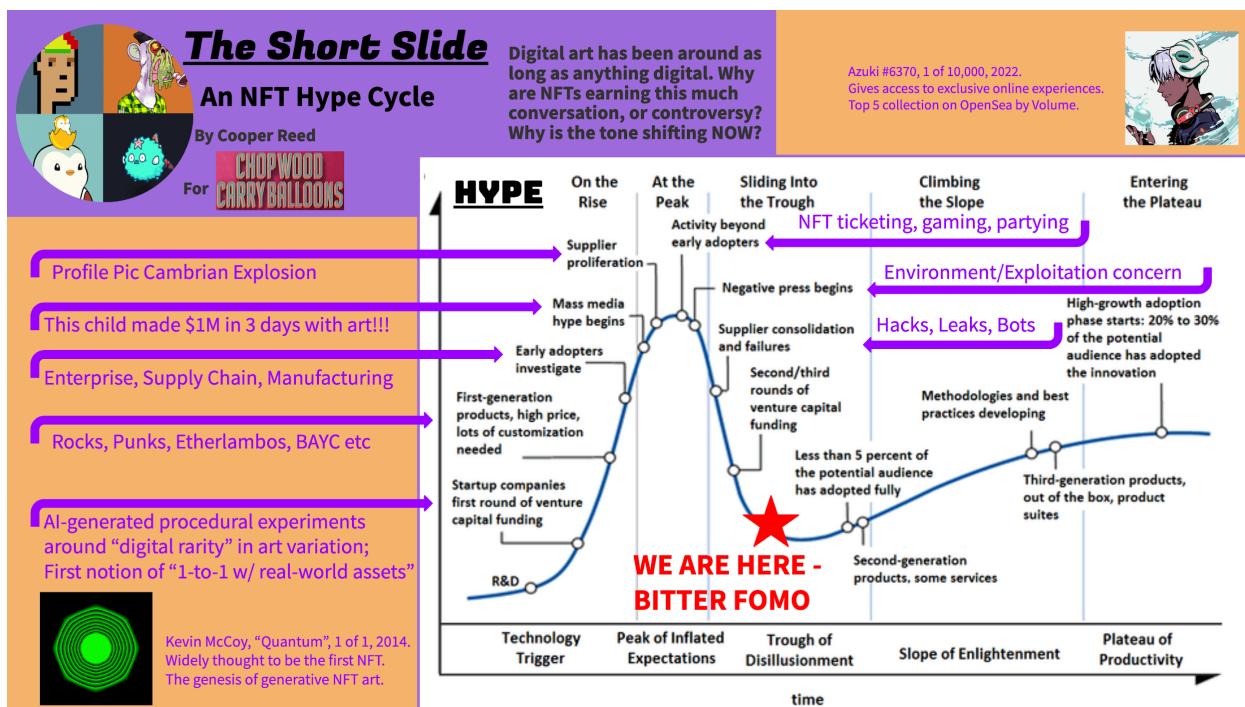
A digital gold rush has taken place on the internet, and the new name of gold is *content*.

The content age put human potential in a different frame. Life stories could be constantly rewritten. Products could succeed, fail miserably, and succeed once more. Careers could be destroyed and remade. Personalities could go from public to private to anonymous to nonexistent, and back again.

Controlling your content meant you could control your narrative, your audience, your level of celebrity, and your livelihood all at once.

Crypto reflected these paradigms perfectly, to a fault. Content-savvy scammers were not nearly so lucrative to catch as they were to become. Crypto history repeated patterns of secret-keeping, duplicity, and market manipulation. It seemed that the smartest people knew to work relentlessly, stick around, and tell a lie or two when needed.

In the NFT space, where clever actors could disrupt the most democratic distribution mechanisms, those who remembered these deception patterns could find exponential success.



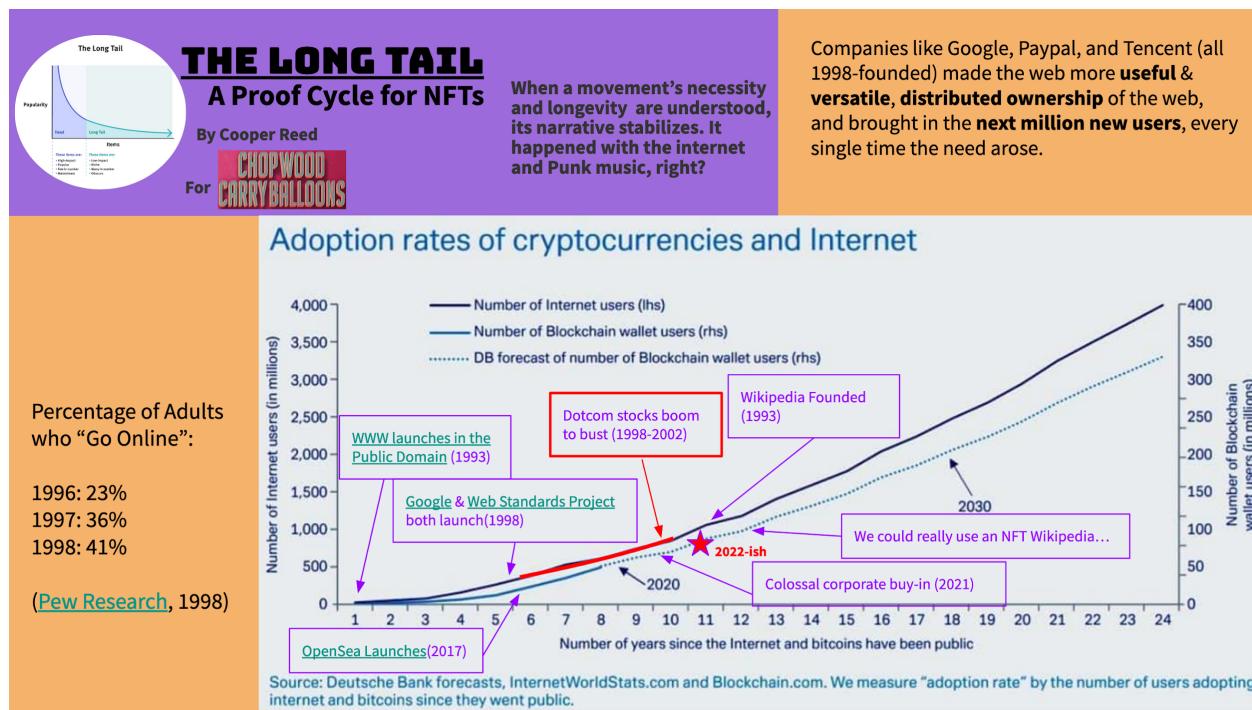
A substantial amount of the world *relies* on the internet for perspective, culture, life advice, sense of truth, and livelihood. If blockchain pretends to liberate us from our archaic systems, it needs to match those systems' *reliability*— a low standard that it still has yet to meet. Crypto communities organically cultivate confusion and subterfuge. How can we create accountability in a permanently chaotic space?

Enter NFTs. Data, permanence, and ownership tended to drift in our digital society, and NFTs were an attempt at the first walled gardens. Sure, your art might be on permanent public display

as a community service (classic crypto turning bugs into features), but still you'd hope for a plaque in your honor. That art didn't belong to the city, or the landlord, or the Internet service provider, or the social network. It belonged to you and you alone, and [NFTs offered the first solution, even in their highly flawed state](#).

However, the first pages of NFT Law have just barely come off the press. In an official statement, the World Intellectual Property Organization spent a lot of time [hand-waving at what could be an NFT](#) before saying the space "may generate a lot of copyright issues...it will be interesting."

Along with the life-giving sunlight of attention, crypto and NFTs still need the flood of regulation that marked the late-90s internet explosion. We finally seem poised to get it. The US has started to [sanction blockchain addresses associated with NFT theft](#), and [prosecute public project founders who try to jump ship early](#). With luck, new legislation will provide better guidelines for what exactly an NFT promises, and better tools to ensure that those promises are upheld.



Soon, rudimentary accountability will finally arrive in NFTs - what's the problem?

To begin with, the tech is opaque and the learning curve unforgiving. Making matters worse, the smartest people in crypto (VCs, Whales, and Market Makers) are disincentivized from divulging their knowledge before they can [profit in a semi-controlled manner](#). To top it off, and combine those two factors, someone went and gave NFTs the worst new product name in recent memory.

This is what a slow-burn adoption looks like. The early predators stalk the weak into extinction, the lucky stories of exponential success begin to fade, and the meek and confused eventually inherit the earth (crypto).

When trying to quantify this adoption, we should ignore most charts of NFT value ([investment outcomes are random](#)) and look closely at the reactions of different potential audiences.

In music, individual artists take responsibility for small campaigns where they're expected to evolve and experiment. This makes the industry fertile ground for NFT adoption by small steps rather than bold leaps. Steve Aoki not-so-quietly announces he's made [more from several months of NFTs than 10 years of music advance pay](#). Just a hop, a skip, and all of a sudden [Snoop Dogg wants to make Death Row the world's first NFT record label](#). [Universal](#) and [Warner](#) both announce long-running secret projects partnered with Web3 companies.

Even [free-music-download site Limewire resurrects from the ashes](#), pumped full of VC money to become an NFT platform. Their VC benefactors cite "parallels" between two "wild wests": the NFT market now and Limewire's total lack of regulation in its heyday. Music sees its younger self in these new distribution tools. Of course, just like early online music, bad actors are abundant in the music NFT space and often exploit both [musicians](#) and [audiences](#). Still, when a big announcement comes through, like Coachella launching a lifetime ticket NFT, it's hailed as progress for the field.

However, gaming NFT announcements usually invite a PR bloodbath. Audiences are fed up with years of microtransactions, invisible fees, and mishandled launches. [Ubisoft](#), [Sega](#), and [Discord](#) have all been burned by their fan bases for jumping on the NFT train too boldly. Given this froth, formerly gung-ho companies have hesitated. Nintendo said in a [post-earnings Q&A](#) that they "feel the potential in this area, but [they] wonder what joy [they] can provide in this area and this is difficult to define right now."

EA delicately [skirted the question in an earnings call](#), but added this fascinating corporate-speak nugget: "collectibility is really built...around high-quality content, it's around scarcity, it's around proof of authenticity, and it's around a group of people that find value in that content." EA, the reigning king of PR fiascos, has mastered the art of spinning a concrete question into an uninformative summary of company values.

Earlier this year, Casey Newton's article "[Why Gamers Hate Crypto, and Music Fans Don't](#)" attempted to reconcile two major events for NFT viability. In the same week, video game voice actor Troy Baker had attempted to set up a platform selling voice samples as in-game NFTs and had been skewered by his (gamer) audience, while Coachella had enjoyed a positive response to the announcement of a lifetime ticket NFT.

The difference in response, Newton argues, is threefold.

1. Historically, physical music collectible sales have superseded physical gaming collectible sales by a wide margin.
2. No Coachella NFT is required to attend Coachella, but many proposed gaming NFTs include an in-game advantage or experience, meaning an NFT is usually required to win or play to completion.
3. NFTs are popularly regarded as an investment, when in reality most NFTs should be marketing themselves as souvenirs - their value only accrues when their distributor actively improves them, or when the assets themselves become more rare.

From this perspective, it's easier to see. Optional, artist-produced, producer-to-consumer digital souvenirs click better than compulsory, mass-produced, corporate digital souvenirs.

There's one further insight here: NFTs should be experiential. We wear holes in concert shirts from years ago because we still remember the moments we co-created in those spaces - and we hope the artist will remember too. Game collectibles get forgotten faster than the games they're packaged in.

So when we create NFTs, we should want them to be an affirmation of the effort taken, a celebration of the people involved, and a long-lasting *souvenir* of the experience. Souvenirs must hold value with a sale audience before they can hold value with a resale audience. Experiences must be personally meaningful before we can turn them into great stories.

Experience and art intersect at Chop Wood Carry Balloons, an organization of creative professionals building a new storytelling model for Hollywood. Using web3 technologies which enable true democracy and meritocracy, CWCB will empower its community to envision their collective potential. By bringing our audience directly into the production process, we hope to create a vibrant community, a comprehensive revenue structure for artists, and a more equitable collaboration landscape. Meaningful NFTs are just one slice of this pie, and many more slices will be served soon.

Thanks for reading - join us as we craft the next generation of artist-audience relationships!

See you on-chain,

Cooper Reed

For CWCB, 2022. 

In case of content drift or link rot, I've posted the [original document with full APA Bibliography here](#).

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Only a few years into their existence, NFTs seem to have generated an enormous buzz. Headlines speak of children made millionaires¹, artists freed from middlemen and toil², companies outbidding each other in a black box³, and journalists crossing ethical lines⁴ for credible insider information. If the stream of NFT coverage seems to have a bizarre emotional ebb and flow, it's precisely because it's correlated with the previous week's bitcoin returns⁵.

I'll be arguing that this preposterous new collectible tech, while impossible without cryptocurrency, has much greater potential to drive crypto adoption than crypto itself.

A convergence of societal and technological factors has necessitated one-of-one digital possessions. Content streaming⁶, crowdfunding⁷ and self-publishing⁸ avenues are well-recognized needs to mitigate the cohabitation shock between creators and their customers on the internet. Free internet education created a boom of professionally equipped amateurs happy to conduct business and compete in a truly free market for attention. Simultaneously, a shrewd internet audience has evolved to demand the best for themselves, simply because we are accustomed to free content and infinite choice. This age of malleable narratives and transcendent human potential has reframed career-ending reputational destruction as an excuse to redefine yourself, to re-emerge in a new lane, to set up shop in a more cornered market. Content not selling? Sell something else.

Naturally, this also invited a throng of merciless scammers who were not nearly as lucrative to catch as they were to become. Tales from the early crypto days demonstrate extreme

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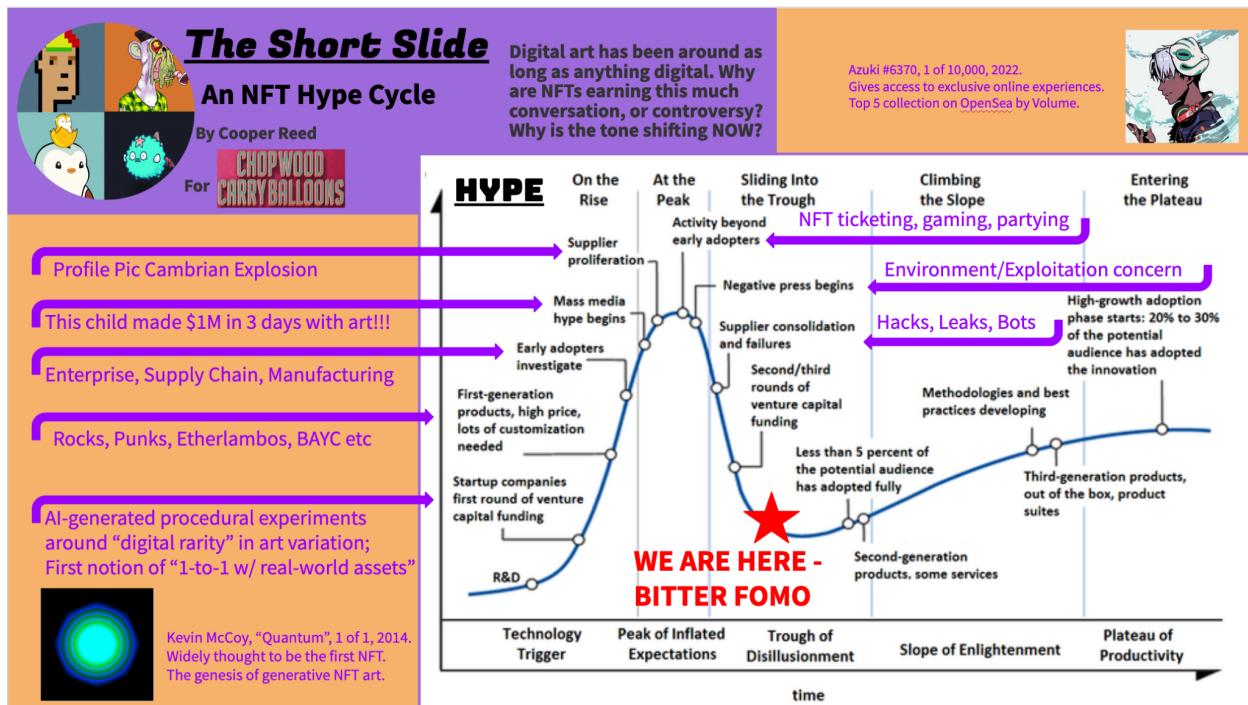
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secret-keeping, duplicity⁹, and market manipulation¹⁰, which created an ethos of subterfuge that even the space's most benevolent often stooped to. It seemed that the smartest people knew to work relentlessly, stick around, and tell a lie or two when needed. In the NFT space, where clever actors could disrupt even the most democratic distribution mechanisms¹¹, those who remembered these patterns could find exponential success.



NFTs have long existed under crypto, just as crypto existed under the internet, just as the internet existed under society. The internet's utility grew proportionally with its diversity of perspective, as a few biased info streams became a well-informed chorus of voices. A substantial, inestimable amount of the world now relies on the internet for perspective, culture, life advice, sense of truth, and livelihood. If blockchain pretends to be liberation from our archaic systems, it needs to follow the internet's example and match those systems' reliability—a low standard that it still has not met. Crypto remains a maelstrom of misleading narratives and reactivity. How can we create accountability in a permanently chaotic space?

Accountability, it seems to me, was where NFTs were born. Both data and ownership seemed adrift in this liberated digital society, and NFTs were an attempt at the first walled gardens. Sure, your created or purchased work might be on public display in a service to your community (bugs → features), but still you might demand a plaque in your honor. That art does not belong to the city, or the landlord, or the Internet service provider, or the social network. It

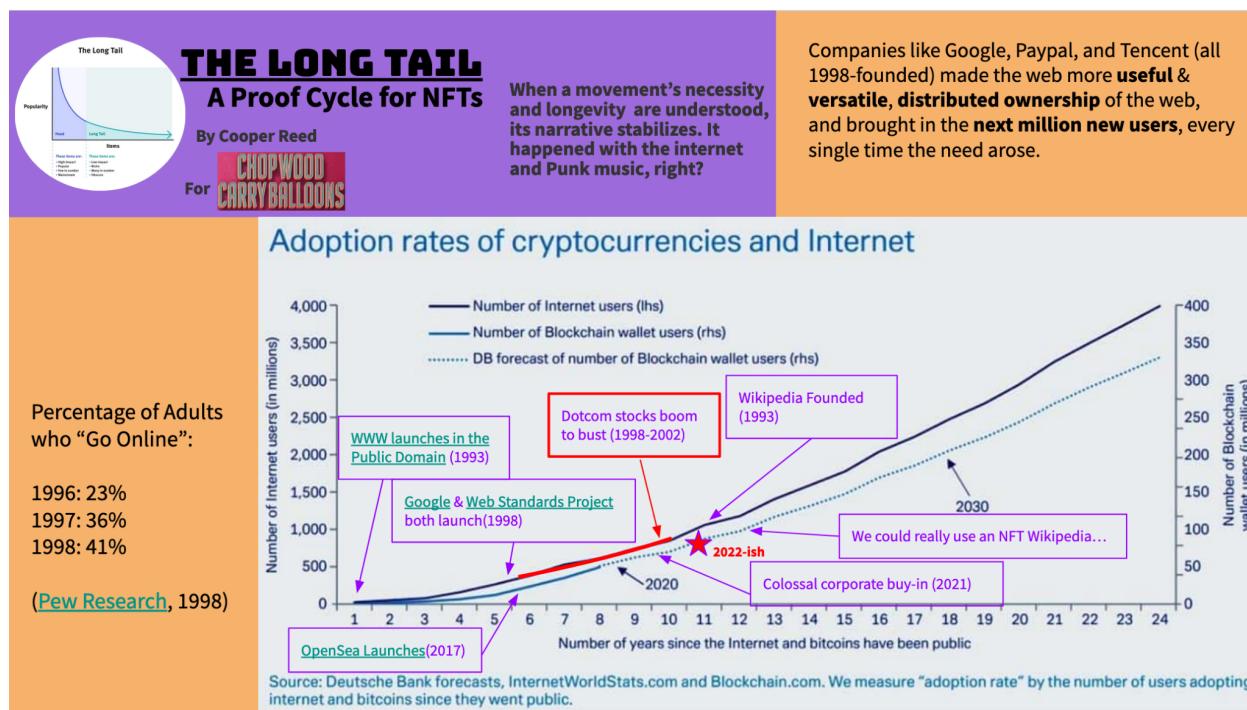
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belongs to you, and we didn't know how to do that on the Internet. We still don't - NFT ownership protections are a joke¹².

Along with this life-giving sunlight of attention, crypto and NFTs need the flood of regulation and structure that marked the late-90s internet explosion. We finally seem poised to get it, as the US has started to sanction blockchain addresses associated with NFT theft¹³, and prosecute public project founders who hope to jump ship early with the cash¹⁴. The history of NFT interaction with most law is beginning now. In an official statement, the World Intellectual Property Organization spent a lot of time hand-waving what *could be* an NFT before saying the space "may generate a lot of copyright issues...it will be interesting."¹⁵ With (a lot of) luck, this new legislation will provide better guidelines for what specifically an NFT promises, and tools to ensure that those promises are upheld.



But hey, at last, rudimentary accountability has arrived in NFTs - what's the problem?

To begin with, the tech is opaque and the learning curve unforgiving. Making matters worse, the obligation for profitability in crypto disincentivizes the smartest people (VCs, Whales, and Market Makers) to divulge their knowledge before they can profit in a semi-controlled manner¹⁶. To top it off, and combine those two factors, someone went and gave NFTs the worst new product name in recent memory. This is what a slow-burn adoption looks like - the early predators stalk the

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weak into extinction, the lucky stories of exponential success begin to fade, and the meek and uninformed eventually inherit the earth (crypto). Let's look at some adoption parallels because, as investors know well, crypto outcomes are random¹⁷.

In music, individual artists take responsibility for small-scale campaigns wherein they're expected to evolve and experiment. This makes the industry fertile ground for NFT adoption by small steps rather than leaps. Steve Aoki not-so-quietly announces he's made more from several months of NFTs than 10 years of music advance pay.¹⁸ Just a hop, a skip, and all of a sudden Snoop Dogg wants to make Death Row(!?) the world's first NFT record label.¹⁹ Universal²⁰ and Warner²¹ both announce long-running secret projects partnered with Web3 companies. Even free-music-download site Limewire²² resurrects from the ashes, pumped full of VC money to become an NFT platform. Their benefactors cite "parallels" between two "wild wests": the NFT market now and Limewire's total lack of regulation in its heyday. Music sees its younger self in these new distribution tools. Of course, just like early online music, bad actors are abundant in the music NFT space and often exploit both its artists²³ and audiences²⁴. But when a big announcement comes through, like Coachella launching a lifetime ticket through NFT, it's hailed as progress for the field.

However, gaming NFT announcements usually invite a PR bloodbath, a result of audiences fed up with years of microtransactions, invisible fees, and mishandled launches. Ubisoft²⁵, Sega²⁶, and Discord²⁷ have all been burned by their fan bases for jumping on the NFT train too early, or with too little planning. Given this froth, formerly gung-ho companies have stepped back. Nintendo said in a post-earnings Q&A that they "feel the potential in this area, but [they] wonder what joy [they] can provide in this area and this is difficult to define right now."²⁸ EA delicately skirted the question in an earnings call, but added this fascinating corporate-speak nugget: "collectability is really built...around high-quality content, it's around scarcity, it's around proof of authenticity, and it's around a group of people that find value in that content."²⁹ EA, the reigning king of PR fiascos, has mastered the art of spinning a concrete question into an uninformative synthesis of company values.

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actor Troy Baker had attempted to set up a platform selling voice samples as in-game NFTs and had been skewered by his (gamer) audience, while Coachella had enjoyed a positive response to the announcement of a lifetime ticket NFT.

The difference in response, Newton argues, is threefold.

1. Historically, physical music collectible sales have superseded physical gaming collectible sales by a wide margin.
2. The two collectibles sold are qualitatively different: no Coachella NFT is required to attend Coachella, but many proposed gaming NFTs include an in-game advantage or experience, meaning an NFT is usually required to win or play to completion.
3. NFTs are popularly regarded as an investment, when in reality most NFTs should be marketing themselves as souvenirs.

From this perspective, it's easier to see: optional, artist-produced, producer-to-consumer digital souvenirs click better than compulsory, mass-produced, corporate digital souvenirs.

There's one further insight here: NFTs are best when they are most distinctly experiential, and when that experience feels most co-created. We wear holes in concert shirts from years ago because we still remember the moments we co-created with artists in those spaces - and we hope the artist will remember too. Game collectibles get forgotten faster than the games they're packaged in. So when we create NFTs, we should want them to be an affirmation of the effort taken, a celebration of the people involved, and a long-lasting *souvenir* of the experience. Souvenirs must hold value with a sale audience before they can hold value with a resale audience. Experiences must be personally meaningful before we can turn them into stories.

Chop Wood Carry Balloons comes in precisely at the intersection of artist-audience affirmation and experiential co-creation. With *Saving Face* as a starting point, CWCB will build the next generation of collaborative entertainment which rewards consumers as much as creators. Entertainment lovers have long craved a better say in their content. We aim to loop consumers in on the production process through a DAO which leverages NFTs to encourage maximum participation from creators, investors, and consumers. Productions will be designed, finalized and financed democratically through crowdfunding and vote-weighting, which will in turn allow us to reward participants with leveled-up memberships, accolades for creators/investors/fans, backstage passes, exclusive event ticketing, and most importantly, production input. By bringing our audience directly into the production process, we hope to create a vibrant community, a comprehensive artist revenue infrastructure, and, to the point of this article, NFTs which are more experiential and meaningful.

Thanks for reading - join us as we craft the next generation of artist-audience relationships!