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of Browsers

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OPINION

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Josh Metnick is a veteran entrepreneur and startup investor, most recently serving as VP of Blockchain Strategy for Raise Marketplace Inc and CTO of Wrapports LLC, the parent company of The Chicago Sun-Times.

In this opinion piece, Metnick argues that a new bitcoin-powered browser called Brave could not only bring users a more private and ad-free Internet experience, but it could also claw back much needed revenue for online content providers, too.



"Don't ever try and be like anybody else and don't be afraid to take risks."
– Waylon Jennings.

The first question I typically ask a founder or co-founders is a simple one: “Why did you name your company X?” I want to know the story behind the name.

In my experience, the best stories, the deepest stories, tend to convey the mission, the ambition, the scope and the culture of the founding team.

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For example, I remember walking down Michigan Avenue in Chicago with Andrew Mason while he was explaining this new company concept called The Point. My first question was; “Andy, if you tell 100 people to visit ThePoint.com, how many are going to type in Point.com, a domain that somebody else owns?"

In the case of ThePoint.com, every marketing dollar spent would have bled off and benefited another domain name – Point.com. And, it was just plain uninspiring.

A week or two later, I met Andrew at the same spot. Andrew seemed like he was bursting at the seams to tell me the new name of the company. He had this dead-honest huge smile on his face when he said “Groupon! We are a group coupon.”

Think what you may of the company over the years, what the startup has or hasn’t become, but I’ll never forget seeing that intense moment of clarity in a founder’s eyes.

I had this same moment recently when investigating Brave, a bitcoin-based content monetization startup. Having launched the first large-scale test of this concept with *The Chicago Sun-Times*, I had high expectations and some reservations.

But as CEO Brendan Eich spoke of his unique experience in browser knowledge, and why his company might be the one to change the modern browser dynamic, he said in a self-deprecating tone: “I worked for 20 years in the coal mines.”

There are only a handful of individuals on the planet who know how to build a web browser to the extreme – Brendan is one of those. We talked about quite a few things, but most importantly, to me, I asked them to tell me the story behind choosing the name, Brave.

It was riveting, but it also spoke to my own journey with bitcoin as well.

The coal mines

Depending on various metrics, *The Chicago-Sun Times* is either the seventh or eighth largest paper in the USA. It still reaches nearly half a million doorsteps daily, and in 2013, through an acquisition of an earlier startup, I became CTO.

During the day, I was engaged in local newspaper trench ad-warfare – and there was blood and guts everywhere.

We had to [lay off our entire photography staff](#). We were looking at declining readership and ad revenue trends over a decade long. It was death by a thousand bloggers and tweeters, it was death by a single blow of the commoditizing scimitar of Google News Search.

Our ad sales team, armed with only remnant, untargetable 468 x 60 pixel banner ads and an apparently unlimited inventory of hideously obnoxious interstitials, might have adopted *The Charge of The Light Brigade* as their battle hymn:

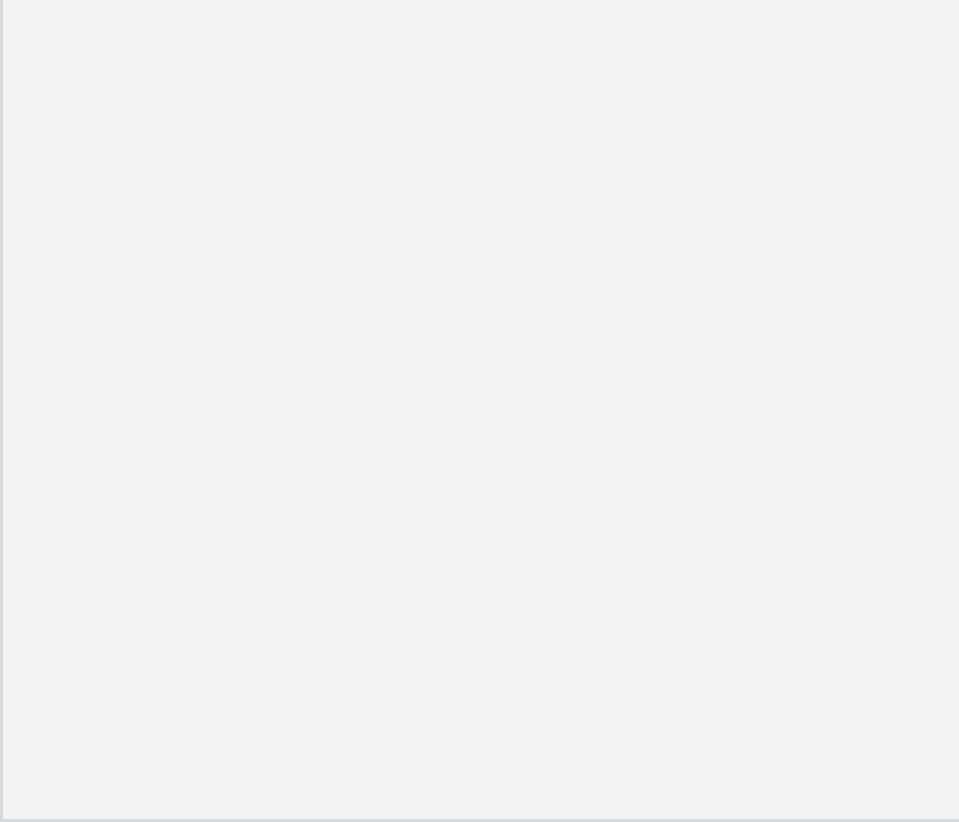
*Facebook to right of them,
Ebay to left of them,
Google in front of them
Volley'd and thunder'd;
Storm'd at with search and social,
Boldly they sold and well,
Into the jaws of Death,
Into the mouth of Hell
Rode the (now) eight hundred and eighteen.*

But in the evening, things were heating up.

I had learned about bitcoin and in an effort to go ever deeper into understanding Satoshi’s amazing creation, I had entered the mining rabbit hole. I was running so many racks of servers in my living room, that it being the [coldest winter ever in Chicago](#), I generated 100% of my needed heat that winter, and I mean all of it, by blowing a fan over racks of piping hot rows of 58nm ASICMiner blades.

A chill thaws

It was during this winter of 2013, when the idea a digital currency could play a role in content monetization hit me like a [Mack Super Liner](#) carrying 100,000 pounds of environmentally noxious




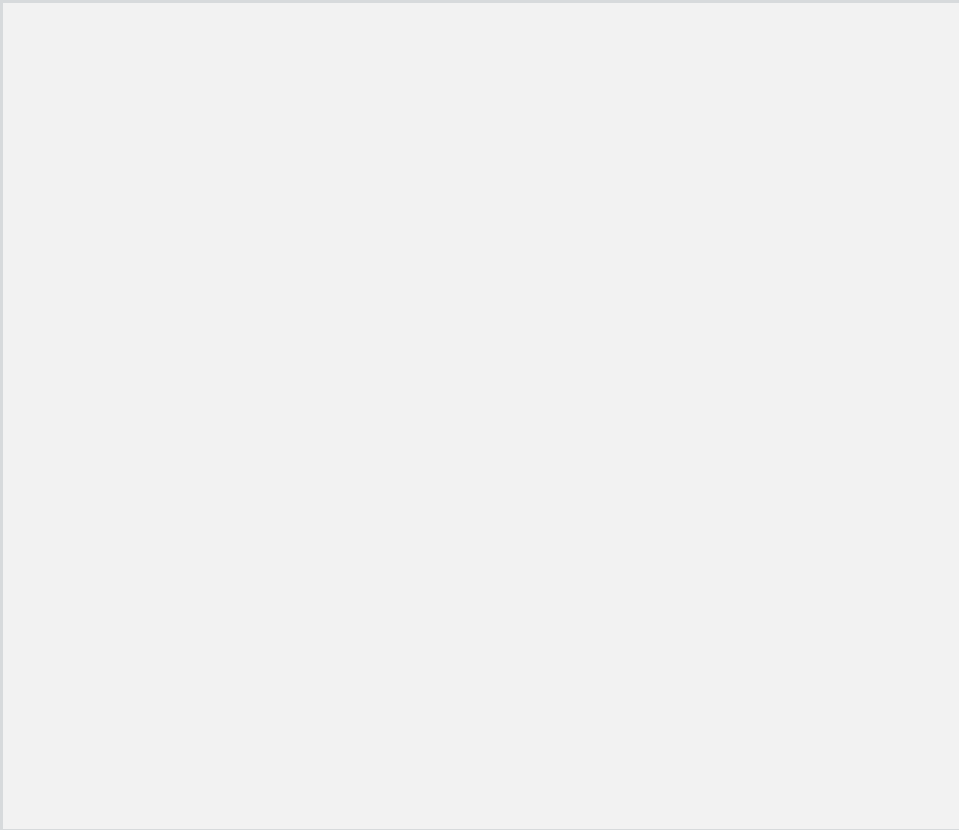
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newsprint. And it wasn’t my idea.

It was a chance blog post I read about a little company called Bitwall that had just came in [first place in a bitcoin hackathon](#). There are few objects on the Internet more friction-inducing and antithetical to the user than the notorious [paywall](#). Just bringing up the word to me induces a mild form of PTSD.

It must have been a group of evil geniuses at Google or Facebook who even popularized the term – what possible goodwill might be the result of combining two dreary words: “Pay” and “Wall” into one gloriously repugnant concatenation?

I immediately contacted one of the co-founders. Come hell or high water, *The Chicago Sun-Times* was going to be the [first major newspaper in the world to test a bitcoin paywall](#).

Politics

But, getting a 150-year-old, multiple Pulitzer Prize-winning entity with a proud past (and a failing future) to experiment with a technology they assumed was only good for money laundering and drug purchases was harder than inserting a few lines of JavaScript.

In the end, it was a negotiation between tech and editorial. Tech’s starting position was a full bitcoin paywall to blanket the entire site for 30 days. Nobody allowed into the site for 30 days unless they go through the bitcoin paywall. Editorial’s starting position was, “Ah, no. Never.”

Finally, we acquiesced to a one-day, 24-hour, test of the paywall. It was not allowed to be a strict bitcoin paywall. It was required to have two additional, free, navigational paths: a “Tweet-wall” where users could tweet something positive about the paper and bypass the bitcoin payment, and a clearly visible “X” in the upper corner of the interstitial.

Clicking on the “X” would simply close the window, and the user could bypass tweeting and bitcoining altogether. I had hoped for more, but it was the best I could do.

What were the results? In the [24-hour period that we ran the test](#), we had 78,000 visitors come to the site, and 713 paid, voluntarily, with bitcoin, to access our content. This was close to a 1% conversion rate on a content paywall for a mid-market paper. *It was the highest converting paywall in the history of The Chicago Sun-Times, and they had tried many a paywall in the past.*

But the print world still functions with hard deadlines – it’s quite different than the online world in that sense. Each issue, each day, is mission critical. The algorithms behind Google and Facebook are impressive. Some experiments continued, but traction proved elusive and the show went on.

Enter Brave

Several months later, CoinDesk introduced me to a startup named Brave, and it didn’t take much to get Brendan rolling on his vision – a deep, profound vision, of how an Internet browser should work in 2016 and beyond.

Not only did Brendan and Catherine Corre, Brave's head of communications, survive two decades of the “Browser Wars”, their product passion seemed to be accelerating, not decelerating. But my first instinct was to visit the Brave.com “About” section on their website, to see who else was involved. Even the most talented browser *sicario* can’t take on the cartels on his own – the stakes in this game are massive. Going up against Chrome, Firefox, Internet Exploder (er, “Explorer”) is an immensely competitive and technical game.

I read each and every person listed in the About section. Already, they’ve hired 16 hardcore browser engineers, UI/UX experts and browser QA wizards. Not a single salesperson or marketing person listed. I thought, they are building the SEAL Team Six of browser tech, and the economic foundation was none other than bitcoin micropayments to publishers.

I waited until the payment-enabled version of Brave was released before I started testing it. My initial feedback was very granular – this little bug here, this slightly larger bug over there. The next version removed the bugs I found, and Brave has been my primary browser since.

The financial system that underpins the Brave payments network between readers and publishers isn’t perfect, but it’s not the enemy of good, either. I would describe it as the best that is realistically feasible given the current state of the art.

More interesting may be how the Brave ledger leverages the publisher’s established URL

ownership, and creates an escrow account whereby the bitcoin they earn is sent and kept until the publisher claims the funds. A quick trip through Brave’s fully open-sourced code in GitHub provides the roadmap – A [publisher identity](#) is derived from a URL and is intended to correspond to the publisher associated with the URL.

Over time, I would expect Brave to form increasingly direct contacts with publishers – large and small, around the world, and achieve a greater degree of payment specificity. There is already a system in place whereby a publisher can insert unique DNS TXT token identifiers to help align payment routing to the proper destination.

Napkin math

All of this is well and good. But what about for the rest of you? Is this something you can brave?

To start, a monthly payment content budget is configured and funded by the user, and as the user surfs across the Internet, visiting various sites, those sites are tracked on a “time spent” basis. At the end of the month, the user budget is distributed to the individual sites via the URL identification methodology above.

Payments are distributed only after a minimum of \$10 is accumulated in a given publisher account, and Brave takes a 5% fee – with 95% of balance distributed to the publishers.

Here is some real browsing data from me over the last couple days. I spent most of my time on Macobserver.com, and the second most with my trusty thesaurus (.com) by my side. If a distribution were made at this moment, Thesaurus.com would receive 11% of \$5 x .95 = \$.5255, and CoinDesk would receive 6% of \$5 x .95 = \$.285.

Quick back-of-the-napkin math would indicate that if 750,000 users visited CoinDesk using a Brave browser with a \$5.00 monthly budget, and 6% of their browsing time was spent, on average, across all users, CoinDesk’s escrow account would be holding \$213,750 at the end of the month.

All of this without a single ad, without employing a single ad salesperson, sales infrastructure, any of that overhead.

Truly brave

But this browser is not just about changing the reader-publisher payment dynamics.

The Brave browser has a number of unique privacy features. Most notably and controversially, Brave has sophisticated ad blocking built in as the quid-pro-quo for the payments that it sends to publishers.

It has integrated third-party password management, including LastPass, and it’s much faster than Chrome, with minimal CPU usage and it doesn't start the "cooling fan of death" that Chrome seems to invoke when it hogs resources.

Apparently, there are some individuals and companies that take ethical issue with Brave’s publisher, and hence their own, monetization approach. Perhaps there is a fear of creating some form of a digital [Iron Bank of Braavos](#), where Brave will deploy faceless assassins throughout the realm, enforcing debts owed by the millions of websites reliant upon the payment escrow accounts under Brave’s control.

In the face of this scrutiny, I had to ask the name question.

Brendan said that he chose the name because he wants users to be brave in their usage of the web, to take their privacy and control back from the websites that not only present you with ads, but try to collect as much information about you as possible – for free.

That said, I think the ethos of this company has a grander vision, a bolder vision – not just brave, but bold. And it’s not just the users who are brave – it’s the company itself. *But there is a third party – the combined fourth and fifth estates – who must be brave as well.*

The publishers, the content producers, the newspapers, the bloggers, the thousands upon thousands of underpaid, under-appreciated content producers worldwide who have been commoditized and cut to pieces by Google, by Facebook, by Snapchat, by ... the next centralized realm with the better algorithm.

Hundreds of billions of dollars have accumulated in the coffers of these giants by disintermediating the content creators from the user. Enough is enough.

It’s high time for the readers of content to be directly connected to the producers of the content. And there is no better payment network or technology on the planet better suited to the task than the infinitely divisible, anti-inflationary, programmable and instantaneously transmitted bitcoin.

Disclaimer: CoinDesk is a subsidiary of Digital Currency Group, which has an ownership stake in Brave.

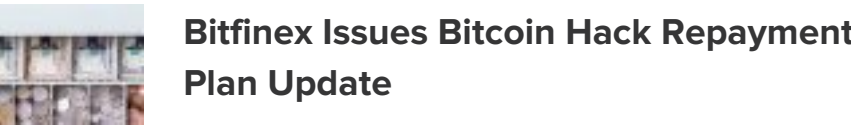
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