

# Tipestry

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**Comment anywhere.**



# Tipestry – A New Kind of Social Media Platform

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Tipestry adds a meta layer to the Internet where people can interact and earn money anywhere online. The main component of the platform is the Tipestry browser extension, which effectively adds a comment section to any website where people can tip cryptocurrency to other posters and to the owner of the site being discussed. The second component is the augmented reality app Tipestry Go, which lets users leave comments at specific physical locations and search for digital coins hidden throughout the world. The third component is Tipestry.com, a content aggregator that replicates the functionality of the browser add-on without the need to install any software.

There are three related problems we aim to address with this project: first is that the prevailing business model for social media platforms is to sell their users' personal information to third parties, usually without the users understanding what they are giving up in terms of privacy and security. Second is the difficulty for content creators to benefit financially from their work, which is partially responsible for an overall decline in journalistic standards and the proliferation of clickbait content. Third is the trend for large companies to push agendas – both commercial and political – by censoring or completely disabling user feedback on their sites.

Another goal of this project is to provide new uses for cryptocurrency and to put coins in more people's hands without requiring an understanding of the technical details. We believe that seamless tipping, in particular, presents a natural introduction to digital currencies and will help spread adoption.

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# Background

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## User-Generated Content

90% of all data ever created was generated in the past two years<sup>1</sup>, in large part due to Web 2.0 and the popularity of user-generated content platforms. Despite the overall benefits, however, there are growing problems with these networks. One is that the value created by contributors is almost entirely captured by corporate monopolies instead of the people creating the content. Another is that these companies abuse the power over their platforms by violating their users' privacy and acting as gatekeepers to what kind of speech is allowed, banning or de-platforming users and censoring (or promoting) content for political or commercial reasons.

## Distribution of Value

The people generating the content and data that drive the web are rarely compensated for the value they create. Of the major social media platforms, only YouTube offers revenue sharing: 55% of advertising revenue goes to qualified uploaders (many of the largest of which are major companies in their own right) and 45% goes to YouTube.

YouTube, however, is becoming stricter about the type of content that can be monetized on its platform. It recently excluded uploaders without at least 1,000 subscribers and 4,000 hours of yearly viewing. Further, in an effort to reduce the monetization of offensive content, it announced it would employ more than 10,000 contractors to help police which videos would be exempt from revenue sharing.<sup>2</sup> The result of these changes is a shrinking number of normal people who can make money by creating content for the platform.

Instead of revenue sharing, some sites let users spend money on cosmetic gifts for other users. Reddit offers the ability to "give gold" but all of the \$3.99 cost of doing so goes to Reddit and none to the gilded party. In lieu of payment, the gold receiver is granted certain symbolic benefits such as custom themes and avatars. Despite the value going to the site owners instead of the contributors, over \$1,000,000 of Reddit Gold was given in 2017.<sup>3</sup>

## Privacy

Rather than receive rewards for their contributions, users are typically further exploited by having their personal data harvested and sold to or stolen by third parties. According to a report by data consultant Dylan Curran, information stored by Facebook about its users can include:

- every login to Facebook, login location, at what time, and from which device
- every message ever sent or received

- every file sent or received
- all the contacts on one's phone
- every audio message ever sent or received
- every application ever connected to one's Facebook account<sup>4</sup>

In addition to tracking users on Facebook, the company was fined in the EU for violating privacy laws by tracking people on over 10,000 third party sites through cookies, like and share buttons, and invisible pixels. This type of tracking harvests the user's location, IP address, sites visited, and session details even for visits to sites outside of the company's own network.

Facebook is not the only tech giant harvesting user data. As Google's CEO once said, "If you have something that you don't want anyone to know, maybe you shouldn't be doing it in the first place." According to Curran's report, Google can store the following information:

- location history (if location tracking is turned on) every time one's phone is used
- search history across all devices
- every app and extension ever used
- entire YouTube history
- data from calendar, Google hangout sessions, music listened to, Google books purchased, Google groups, websites created, phones owned, pages shared, and how many steps walked in a day

One of the more disturbing consequences of this type of tracking was revealed when political consulting firm Cambridge Analytica used Facebook to influence the 2016 US presidential election. As the scandal showed, organizations can effectively combine targeted personal data with psychometric profiling not only to make advertising more effective, but also to decisively influence the political process. According to Cambridge Analytica's website before it was recently shut down, they had "up to 5,000 data points on over 230 million American voters."

In addition to these types of abuses, there are also risks of storing personal data even when it's not used for advertising or political influence. One recent example was Equifax's 2017 data breach, which exposed millions of names, social security numbers, birth dates, driver's license numbers, phone numbers, and email addresses to potential fraudsters and identity thieves.<sup>5</sup>

## Censorship

In addition to YouTube using its control over monetization to influence content, many popular sites ban or censor users outright in what critics argue is an inconsistent and opaque manner. During recent United States Congressional hearings, several congressmen criticized Facebook for politically motivated censorship. Twitter has received similar criticism, for example according to the chairman of the Federal Communications Commission, "When it comes to an open Internet, Twitter is part of the problem. The company has a viewpoint and uses that viewpoint to discriminate." This criticism was then used as part of the justification to repeal Net Neutrality.

It's also become common for media organizations to remove user comments from their sites entirely. Major sites that once featured comment sections but have since removed them include:

- Reuters
- NPR
- CNN
- MSN
- Bloomberg
- The Atlantic
- Newsday
- Vice
- Business Insider
- Recode
- International Movie Database (IMDB)
- Rotten Tomatoes
- Howard Stern Show
- ESPN
- Popular Science
- Chicago Sun-Times
- The Verge
- USA Today
- The Daily Beast
- Toronto Sun
- Toronto Star
- The Telegraph UK
- Stern.de
- The Moscow Times
- Al Jazeera

The trend is ironic considering that one of the main purposes of the media is to act as a check on various segments of society by exposing corruption and abuse of power. Once the Internet directed that same type of scrutiny back on the media itself, however, the common response so far has been the complete shutdown of user comments.

## The Decline of Journalism and the Giving Economy

Despite its overall benefits, one area where the Internet has had a negative impact on society is on the quality of journalism both online and off. As more news is consumed online, less people are willing to pay for it because the common expectation is that Internet content should be free. The result is that many media outlets, no longer able to cover the salary requirements for competent journalists through a subscription model, have switched to a combination of advertising and clickbait as an alternative.

Clickbait is both cheaper to produce than quality journalism and more effective at generating ad revenue since people can be reliably enticed to follow emotionally arousing article titles to pages with little actual content. According to science journalist Bryan Gardiner, some of the ways clickbait creators uses psychology to manipulate people are:

- Numbers and lists, which generates cognitive ease
- Piquing curiosity, creating the need to relieve a feeling of cognitive discomfort
- Extreme sentiment, arousing either positive negative emotions, especially excitement or anger
- Hyperbole and superlatives to create unrealistic expectations<sup>6</sup>

A giving economy has developed in recent years in part as a response to these problems. Patreon, which allows creators to receive money directly from patrons without the need for advertising or a commercial exchange, recently doubled its active users to 1 million per month.<sup>7</sup> Other areas of the giving economy are also quickly growing - over \$3.6 billion has been raised with Kickstarter since launching in 2009 and over \$5 billion by GoFundMe since 2010.

These systems are limited in several ways, however. First, since they rely on traditional financial institutions, they lack the convenience made possible through cryptocurrency transactions - givers normally have to use a credit card for every donation. Second, they require both the giver and recipient

to be part of the same centralized network, limiting the amount of giving possible to a subset of a subset of the population. Further, they can, and often do, exclude participants for political reasons or to avoid controversy. Most importantly, they require users to give up personal information, adding to the ever-expanding amount of harvestable personal data in the world and the ongoing erosion of privacy.

## Cryptocurrency

The advantages of cryptocurrency over traditional payment methods include pseudonymity, borderless transactions, and censorship resistance.

## Tipping

These three features are what make tipping possible on our platform. If not for pseudonymity, for example, account creation would be a lengthy process comparable to creating a bank account rather than the way it works on Tipestry, which involves simply entering an email address and password. Public/private key pairs are generated automatically without users needing to know about the technical details. This allows for a significantly faster and more user-friendly experience than would be necessary with fiat currency.

Another reason pseudonymity is important is that it makes it easier for users to voice their opinions without fear of reprisal. Normally someone sending money would need to submit their personal information to the platform being used. On Tipestry, on the other hand, tipping posts and donating to site owners requires no submission of personal information. This isn't to say that these transactions are completely guaranteed to be anonymous, since in theory blockchain's public nature allows the origin of currency to be traced to its source, but it does mean that users don't need to create a data trail by submitting their personal information to send money.

Cryptocurrency's borderless nature is also required for tipping to function seamlessly. If tipping were implemented with fiat currency, on the other hand, users would have to be segregated by country for it to work properly. For example, if someone in the United States wanted to tip someone in China, a lengthy conversion process from USD to RMB would be necessary comparable to an international wire transfer with all the fees and long delays normally involved. In the same way that Bitcoin and other cryptocurrencies have revolutionized international remittance, they also make borderless Internet tipping possible.

Censorship resistance is another important aspect of cryptocurrency as it prevents third parties from deciding who can receive money online. Several companies including credit card and online payment processors have blacklisted organizations and individuals from receiving money for political reasons. Although they were arguably well-intended in most of these cases, it demonstrates the concentration of power in the hands of a small number of corporations. Cryptocurrency, on the other hand, is inherently

resistant to such control by centralized entities.

## Site Governance

There are two problems that make operating a traditional social media site democratically impractical. First is that without cryptocurrency, it would be difficult to create a system where the interests of the voters are aligned with the interest of the overall community. On content aggregator sites with voting systems, for example, users commonly use upvote/downvote as an agree/disagree button rather than an objective judgement of content quality.

Cryptocurrency offers a solution here by linking voting power to ownership of a token. Since the success or failure of the platform influences the value of the token, the owners have an economic incentive to vote in the interest of the overall community instead of according to their own personal biases.

Another factor is that without cryptocurrency it would be prohibitively difficult to prevent gaming the system through vote manipulation. For many popular sites there's a thriving market for paid voting, reviews, and likes, allowing motivated actors to influence and often dominate content visibility. Preventing this type of abuse through technical means is a never-ending battle that is never completely successful, and preventing it by requiring users to give up personal information is neither desirable nor practical.

Cryptocurrency again offers a solution here in the form of proportional voting. No matter how many identities a user creates, voting power is unaffected since it's based on the number of tokens owned instead of by number of accounts.

## Token Sales

Token sales raised more than \$5 billion USD by the end of 2017 and more than \$12 billion in 2018. One of the benefits of this disruptive new source of fundraising is that it allows entrepreneurs to raise money earlier in the development cycle than would normally be possible through venture capital. Due to its democratic nature, it also makes it possible for concepts that wouldn't typically attract establishment investors to receive funding. For example, many blockchain projects are run by organizations focused primarily on societal goals rather than profits.

Fundraising, however, is only part of the appeal token sales hold over conventional startup models. There are two additional factors that, in the long run, could potentially have a greater impact. First is the creation of network effects that help entrepreneurs address one of the most difficult problems facing new companies – how to attract users to a platform when the value of that platform depends on the number of users. Token sales answer this question by bootstrapping a user base from the ranks of the token purchasers, who have an incentive to support the platform by acting as early adopters and spreading awareness through word of mouth.



The second advantage is that token sales allow companies a source of revenue that doesn't require violating the privacy of its users. Increasingly, the business model for Internet companies is to give products away for free and then make a profit by selling their users' data to advertisers, banks, and government organizations. This model is particularly unfair considering that the users being exploited are the same people creating value for these companies. This is true not only in straightforward cases like social media sites relying on user-generated content, but also on services such as Internet search. The machine learning that search providers utilize to improve their engines is fueled by the information generated by their users, leading some analysts to refer to data as the oil of the digital economy.<sup>8</sup>

Companies with significant user bases, then, face a difficult choice: remain ethical, with little hope of covering their costs and competing with companies willing to sell their users out, or, they can join the growing ranks of data harvesters. The latter choice is particularly attractive considering the compounding effect of data tracking – more users mean more data, and more data means the ability to attract and retain more users.

Token sales offer companies a potential alternative to this temptation by providing a revenue source that doesn't rely on the violation of their users' privacy. The transaction is straightforward and clear – token purchasers choose to support companies as they see fit based on their personal values and their belief in the projects. In that sense, selling tokens is the opposite of selling data; transparent instead of opaque, direct rather than involving third parties, and fair instead of predatory.

For all these benefits, however, token sales are not perfect. The advantage of early financing in particular has a drawback – by raising funds early and all at once, there is a problem of incentives compared to traditional models where startups only get money upon the completion of certain milestones. This misalignment of incentives has led to an unfortunate trend of token sales for projects with little or no merit designed solely to extract money from backers. For this reason, it is important when evaluating a project that there's an actual purpose for the token sale beyond just fundraising. For companies in industries where challenging incumbents is unrealistic due to network effects, the bootstrapping benefit of a token sale is one such reason. Another is that it gives projects that operate in sectors such as social media and Internet search an alternative to harvesting user data. In those cases, token sales offer a unique opportunity for companies to compete ethically.

# Tipestry Platform

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## History

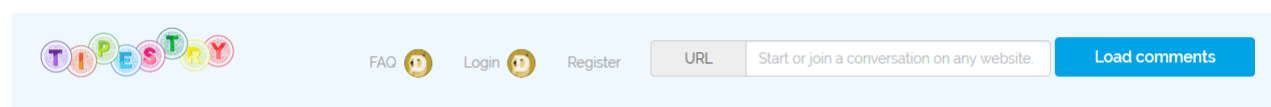
The Tipestry project began in 2014. The basic goals were to make Bitcoin tipping easier and to allow users to comment on any website. The first iteration was a browser add-on that entered alpha testing in 2015 and the second was a mobile app that entered testing in 2016. Based on early feedback, both

versions were cancelled in favor of the social media website implementation Tipestry.com, which entered alpha testing in 2017. The browser addon was then reintroduced in 2019.

The companion app Tipestry Go began development and entered testing in 2017 and was released on the Apple Store in 2018. Where Tipestry.com lets users comment on any website, Tipestry Go lets users comment on any physical location.

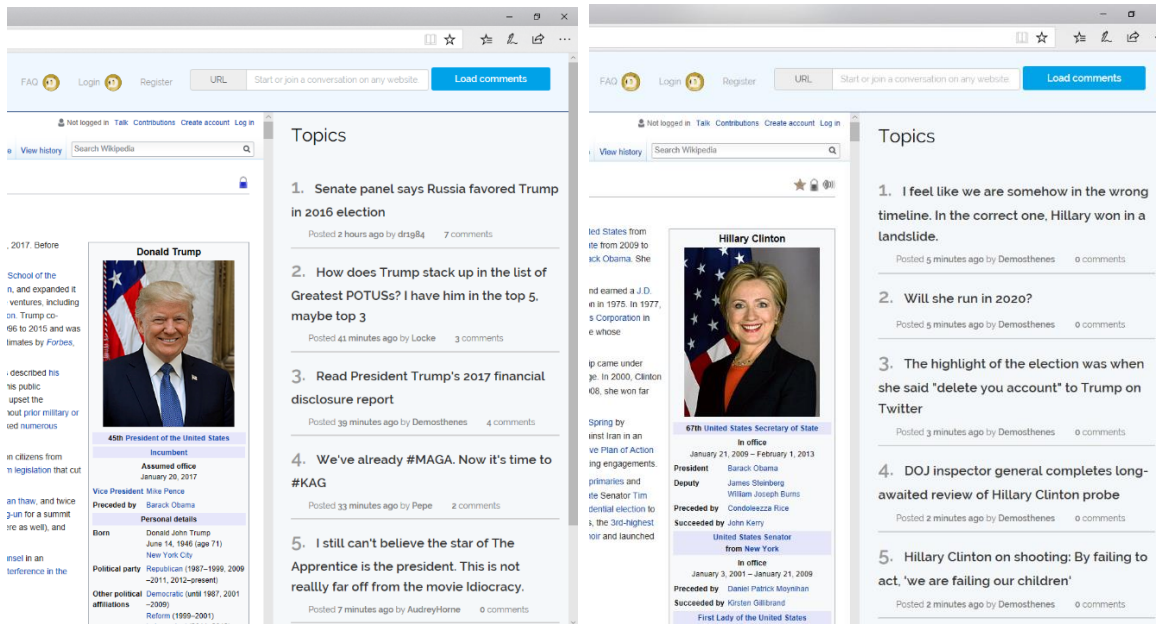
The Tipping, a site for voters to help shape platform policy and elect or remove moderators, is scheduled for release in late 2019.

## Tipestry.com and Tipestry Browser Addon



Tipestry effectively adds a comment section to other websites. Some of the possible uses include:

- Find out what people are saying about a particular website. Is the site legitimate – is it a phishing scam, is its information up to date, is it fake news? Sometimes it's hard to tell based just on a site's content or its search engine rankings. A quick look at what other people are saying can serve as a helpful guide.
- Discuss sites where the comment sections have been removed. Many major news organizations have removed their comment sections in recent years. The justification often used is that the quality of the comments is generally too low to justify the cost of hosting them, and although that might be true in some cases, it also conveniently prevents readers from voicing contrary opinions or criticizing the media itself.
- Comment without signing up for a new account for every site. Signup on Tipestry.com requires only an email address and password, does not require submitting any personal information, and lets you comment on millions of sites.
- Discuss topics where there's no obvious place to do so. For example, if I wanted to share my thoughts on rutabagas, but there's no message board dedicated to that subject in my language, I can enter [www.rutabagas.com](http://www.rutabagas.com) on Tipestry and talk about it there.
- Discuss very specific topics. After watching a movie, you can sometimes find a forum to discuss it (although now with IMDB shutting down its message boards, even that can be difficult). However, what if you want to discuss a specific TV episode, or a specific song? With Tipestry you could go on the Wikipedia page or summary for a particular episode or the lyrics page for a particular song and discuss it there.
- Find and share information about new product releases. When software is updated and you encounter a bug, it's often difficult to sift through years of forum posts about that software to find a discussion relevant to your problem. Going to that software's homepage through Tipestry is a way to find the latest and most relevant discussion.



Tipestry also lets users tip each other and donate cryptocurrency to website owners. The purpose of post tipping is to provide a way for users to earn rewards for the value they create. This not only provides an incentive to post good content, but it also is fairer than the traditional model where only the platform owners reap the rewards of the content created by its users. Social media is only as valuable as the users make it, so those users ought to benefit financially from their contributions.

**Coinbase's latest acquisition** (coindesk.com)

Posted 2 hours ago by Tim 4 comments 1000 10

**Armenia's prime minister resigns amid large-scale protes**

Created at 2 hours ago by Zhang Daqian 0.00002 1

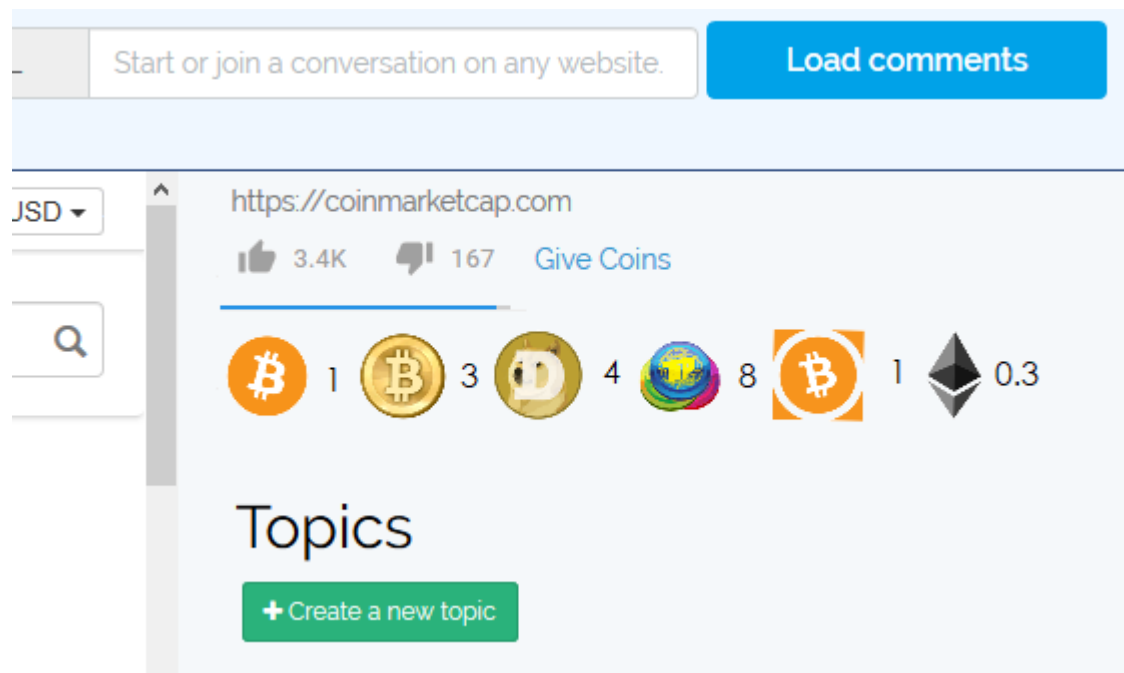
**Tipestry.com feedback thread April 2018** (tipestry.com)

Posted 2 hours ago by Tipestry 20 comments 0.00002 1000

**Report: Iran officially bans use of cryptocurrencies**

The purpose of site donating is to provide a convenient, practical way to support content creators to help make it easier to make money without resorting to clickbait or invasive advertising. One advantage of this system over currently available solutions is that givers do not have to deal with a credit card, which preserves their privacy and allows giving with as few as two button clicks once their account has cryptocurrency deposited. The convenience and lack of credit card fees also makes giving any amount viable, even fractions of a penny, opening up new opportunities of micro-giving that were never feasible before Bitcoin and other cryptocurrencies were invented.

Tips to website owners are opt-in; users can only tip sites that have been claimed by their owners.

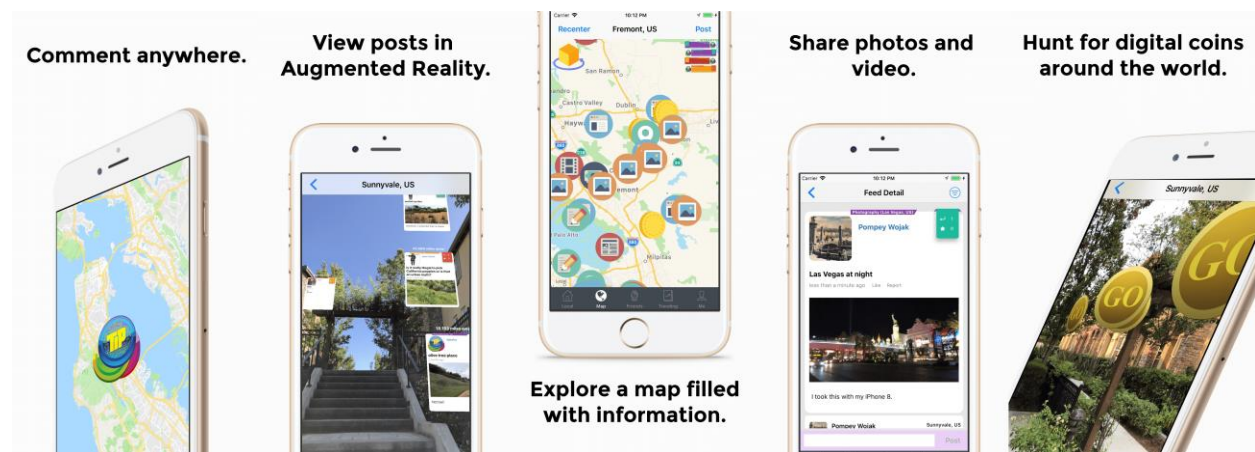


Tipestry.com's homepage features a Trending section showing recent posts. The main purpose of this page is to give new users access to the site's content without having to take the steps of entering a URL or installing the addon. This makes Tipestry on the its surface resemble content aggregator sites like Reddit, even though the basic underlying functionality is fundamentally different. We will add more features to the Trending section in the future such as the ability to filter what kind of content is displayed and a list of Best Of material.

## Tipestry Go



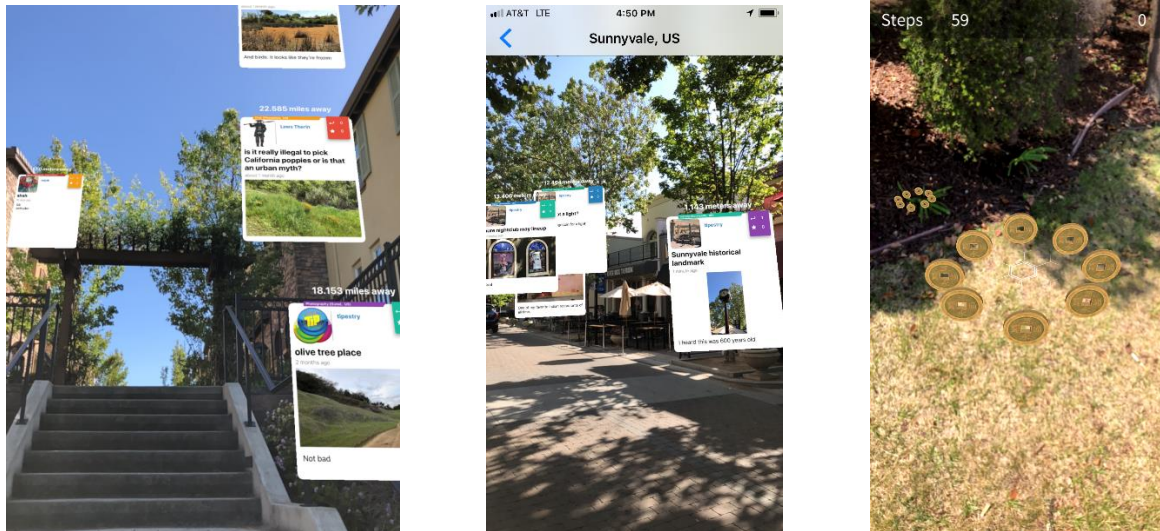
Similar to how Tipestry.com lets people comment on any website, Tipestry Go lets users leave comments at any physical location. Users can leave comments anchored to their current location and see a feed of comments made within an adjustable range. Alternatively, they can change their location by selecting a different spot on the map screen, allowing them to engage in discussion located at areas beyond their current physical location.



To preserve users' privacy, posts left at the user's current location are only shown in the post feeds and AR (not on the map), and posts made from a spot selected from the map are shown on the map, in AR, and in the feeds. We will also add the ability for users to make posts visible only to specific users on their friends list in the future.

Posts can also be viewed in augmented reality mode. One reason to view posts in AR is that it offers finer level of detail than is possible on the map, allowing users to identify individual comments when the post density is too high even for the maximum zoom level on the map screen. Another is that, once AR glasses become more common, the ability to view posts through Tipestry will become a completely new way to interact with one's environment.





In addition to cryptocurrency tipping, users can also discover coins hidden throughout the world, both on the map screen and in AR mode. In order to reward users for posting good content, the frequency of coin generation is tied to the popularity of the users' posts. We also run Treasure Hunts where users are given clues to discover the location of coins we manually place around the map.

The five main screen in the app are:

1. Local – shows a feed of posts within a certain range of the user's location. The range can be adjusted. The location that serves as the center of the feed can be adjusted on the Map screen.
2. Map – shows a visual representation of nearby posts. User can tap on the map to change their location or leave a post at a selected location.
3. Friends – shows a feed of posts made by people on the user's friends list, regardless of location.
4. Trending – shows the most popular posts around the world, regardless of location.
5. Me – user can adjust their profile details, see a list of their posts, friends, likes, and adjust their settings.

Posts can be tagged by category: Social, Photography, Video, Review, Classified, News, Random, and Other, where a custom category can be manually inputted.

Some of the possible uses include:

- Permanent digital records of notable events. For example, if you record an interesting occurrence, anyone visiting that spot in the future can watch a video of it.
- Leaving virtual notes for specific people instead of physical objects that could be viewed or taken by anyone.
- Share digital information with people in the physical world. For example, post your email address and the person you're talking to can then see it floating in the air in AR mode so they can save it for later.
- Ticket sales and other local event-driven commerce.
- Meet new people and discover interesting activities while traveling.

- Comment on local businesses, either formally with a review, or more casually e.g. I just had the Chicken Paillard at Cha Cha Cha in Haight Ashbury and it was pretty good.
- Location-based commerce and sharing. For example, you run out of milk and don't want to go to the store but you don't know anyone in your apartment building, you could post a micro-classified ad offering 100 Dogecoin for some milk.
- Warnings about rattlesnake sightings etc.

To prevent abusive posts and content that local communities don't want in their area, we plan to use the Tipping to assign moderators to different regions, each with their own sets of rules. There will be various tiers, with national or continent level moderators down to smaller regions such as school campuses or individual neighborhoods.

The goal is to allow different levels of strictness in what is allowed based on the sentiment of the local user base. We plan to experiment with different methods to encourage voting by locals on local rules, possibly through geofencing for certain vote events or perhaps through the creation of additional cryptocurrencies unique to specific areas. For example, someone in San Francisco would receive a San Francisco Tipcoin for every normal Tipcoin earned, which would then grant voting rights not only for San Francisco, but also for California and for United States level votes and elections.

## Moderation

Moderation is an unfortunate necessity on sites that allow user-generated content. As important as free speech is, having no rules is impractical on a platform like Tipestry due to bad actors. Spam, illegal content, scams, and doxing all have to be addressed. Some of the possible approaches are:

1. Allow any content and have no rules at all. This is illegal in most countries due to laws against certain pornography, defamation, violent threats, etc. Blockchain actually makes this approach feasible in the same way that peer-to-peer file sharing networks like BitTorrent make media piracy possible, but we have no desire - whether it's legal or not or feasible or not - to enable the distribution of those types of content.
2. Let the users decide through a voting system which content is visible. This approach sounds fair and democratic in theory but it suffers a similar problem that direct democracy has in politics - by letting the majority make the rules without limitation, the rights of individuals and minorities can then be trampled upon. Similarly, by letting users decide which content is visible, only popular opinions are encouraged. This can be seen on aggregator sites where the voting system creates echo chambers and ever-increasing polarization between subcommunities because pandering to a specific ethos is rewarded while unpopular opinions are downvoted and discouraged.
3. Have site administrators enforce a set of rules. One problem with this approach is that it's usually impractical because of the amount of content that requires moderation compared to the resources at hand. Another is that it is a form of centralization of power that can be abused by site administrators, either for political or personal reasons, or to dishonestly push a commercial agenda.
4. Have both site administrators and volunteer moderators enforce a set of rules. This is the most common model and generally preferable to the others. It is more scalable since the number of willing moderators correlates to the number of users, and it offers some decentralization since the user-moderators can police their own communities. The drawback of this approach is that

volunteer moderators often have goals that conflict with the interests of the platform and the overall user base - since they have no financial incentive to do a good job, they are sometimes driven by altruistic motives, but, probably more often, by the motive to advance an agenda or to increase their own power. Another flaw of this model is that selecting and removing moderators costs time and energy on the part of the administrators in proportion to the size of the community, which negates some of the scalability the system is designed to provide. The result is often a situation where the administrators are slow to deal with bad actors while the general user base grows hostile towards not only rogue moderators but the admins as well.

5. What we propose is a new approach made possible by blockchain. On Tipestry, moderators will be chosen and the rules determined by owners of Tipcoins, combining the best features of previous models:
  - a. It's scalable, since moderators are drawn from the user base.
  - b. It's more decentralized and democratic than traditional approaches without creating complete anarchy that would allow for illegal content or allowing for the direct mob rule and ideological bubbles fostered by upvote/downvote systems.
  - c. It reduces the conflict of interest inherent to traditional volunteer moderation. Since the owners of Tipcoins have an incentive to prevent the system from failing, they would be acting against their own financial interest by choosing unfit moderators.
  - d. It is resistant to Sybil attacks where users can create multiple accounts to game the system since voting power is proportional to token ownership.

## Tipcoin and Tipestry Token

We use two tokens to drive the Tipestry ecosystem – Tipcoin (TIPC) and the Tipestry Token (TIP). Both were created using Ethereum's ERC-20 standard.

Ownership of Tipcoins partially determines voting power for Tipestry content policy and moderation. It will initially be given out as part of an airdrop and bounty campaign and then rewarded over time to active Tipestry users and moderators. 1,000,000,000 Tipcoins have been created to reward Tipestry bounty hunters, posters and moderators.

In addition to Tipcoin ownership, voting power will be weighted by the owner's account level. The level of accounts will be determined by a combination of factors including account age, number of tips and likes received, and several other factors. As users level up, they receive Tipcoin and other coins as rewards. The reason token ownership is weighted by account level is that otherwise people could simply acquire tokens on the open market and effectively buy unlimited influence over site governance. Preventing tokens from being tradable is an ineffective solution to this problem because doing so would eliminate the financial incentive to vote in the interests in the platform - the value of an untradable token, and therefore the health of the platform in that scenario, wouldn't matter to the owner.

The Tipestry Token will be sold in our token generation event to help cover the costs of running the platform. Tipestry Token will be redeemable for Tipestry Premium, an upgraded version of a normal Tipestry account, and will be used as a payment method for listing tokens on Tipestry and other services offered on the platform. There are 1,000,000,000 Tipestry Tokens.



## Tipestry Premium

Users with Tipestry Premium accounts will be able to upvote or downvote individual websites. One purpose of this feature is to help combat the practice of phishing scams and SEO optimized pages designed to trick search engines into listing them. The reason this is only available to Premium users is that otherwise it would be easy to abuse through vote manipulation. The reason it's not based simply on token ownership is that the style of proportional voting we use for site governance only works for one-time voting events, whereas a website's upvote total will be on ongoing tally. In other words, a user would be able to vote, transfer their tokens to another account, and vote again under an ongoing proportional voting system.

Likes and tips from Tipestry Premium users will also determine which posts are eligible for Best Of voting during the Tipping. Again, the reason for this is that without some kind of cost incurred for being able to like a post, manipulation would be too easy, and since these likes are tied to cryptocurrency payouts there's a financial incentive to try to cheat the system. The cost of a Premium account makes cheating unprofitable by imposing a cost per like.

We will also experiment with cosmetic benefits for Premium accounts over time. Some possibilities include inline image posting, font control, avatars, and custom emojis.

## The Tipping

The Tipping is a governance system where owners of Tipcoins can discuss, make proposals, and vote on the following aspects of Tipestry:

- Moderator nomination, election, and recalls
- Content policy
- Which sites are white- and blacklisted from Tipestry.com
- Physical location districting for Tipestry Go
- Best Of content

Best Of winners will be rewarded with Tipcoins and those posts will be visible for the next 24-hour period on the Tipestry homepage.

The goal of this system is to make Tipestry more democratic than traditional platforms. Since the community is what makes social media valuable, that community ought to have a say in how a platform is governed. The design is modeled off of modern constitutional systems, where power is checked and balanced between an elected executive branch (moderators), legislative voting (content policy and whitelist voting), and a high court upholding a basic set of rules (us at Tipestry), including overriding the voters when necessary for legal reasons. To start out with, the basic rules (which can change over time based on supermajority voting) are:

- Nothing illegal in the United States is allowed
- No spam
- No doxing or other violations of individual privacy
- No sexualization of minors

- No spoilers for new movies, books, etc. in post titles
- For Tipestry Go and future apps, and the browser extensions: nothing in violation of Apple or Google's app store policies
- For the Chinese version of the site: nothing illegal in the PRC

The rules will evolve and become more granular over time, allowing for different norms in different parts of the web. For example, .org or .edu sites might have stricter rules than .com or .gov sites, and we could create special rules for sites with certain DNS settings.

Posts that violate the rules will be deleted and repeat offenders banned. Although in a perfect world it wouldn't be necessary to have this kind of regulation, in the real world it's impossible to run a platform like this without them. Our philosophy is that as long as there must be rules, the community ought to play a major role in shaping and enforcing them.

## Browser Addon and Website Integration API

The browser addon for Tipestry offers additional convenience and customization options for the platform. The number of posts about a particular site are visible at a glance from the browser, it isn't necessary to copy and paste URLs on Tipestry.com to view comment sections, and votes on and direct donations to sites are be more easily accessible.

The addon will also feature the ability to open a real-time chat room specific to the site the user is on. This feature is designed to allow more casual and temporary conversations with other users rather than the permanent annotation design of Tipestry.com and Tipestry Go.

In the future we will also add the ability for webmasters to integrate Tipestry comment sections directly onto their own sites. The plan is to allow sites that integrate Tipestry comments to share in tipping fee revenue in order to provide new opportunities for content creators to earn money without relying on advertising.

## Future Developments

We are also currently in either the planning or early development stages of the following:

1. An Ethereum Dapp to let people tip sites without it going through our servers so webmaster can be assured they can never be deplatformed.
2. An augmented reality collectible RPG called Silk Route Heroes that will complement Tipestry Go.
3. A privacy-focused messenger app called Tipestry Messenger.
4. A QR code point of sale cryptocurrency payment system called Tipestry Pay that will be integrated into the Tipestry app, Tipestry Go, and Tipestry Messenger, and available to other apps.

## Preventing Abuse

As with all avenues for user-generated content, there exists a potential for abuse through Tipestry. For example, an anonymous user publicly posting a defamatory comment about someone else's personal homepage would be an extremely poor use of the platform and is not what this project is about. However, we cannot simply allow every site to disable Tipestry comments because doing so would nullify much of its value as an avenue to criticize fake or biased news, corporate and government malfeasance, scams, and sites designed to game search engines.

The plan is to have three main tiers:

Large organizations: <ul style="list-style-type: none"><li>• Government websites</li><li>• Corporate websites</li></ul>	Users can publicly post about the site whether the site owner likes it or not.
Social networking pages (which are inherently about individual people and normally have their own comment sections anyway).	Comments are private by default for individual pages (although not for the entire site), but can be made public if verified by the page owner.
Personal websites.	The site owner can moderate or disable public comments at their discretion.

Individual sites can also move from tier to tier based on the decisions of voters during the Tipping.

Given Tipestry's nature, it would be irresponsible to allow it to be used for harassment. Even though comments technically reside on our own servers, they are about other sites and locations and we therefore have a responsibility to avoid creating a vehicle for abuse. Part of the purpose of the Tipping is to help us achieve an optimal balance between freedom of expression and preventing harm.

We plan to implement two features to encourage sites to allow public Tipestry comments. First, if Tipestry commenting is enabled, users can tip cryptocurrency directly to the site owners. Second, if Tipestry comments are integrated into the site, a percentage of the coins tipped on that site can be earned by the site owners.

In the future, in order to make it easier to balance freedom and preventing abuse, we will add the ability to make comments visible only to users in the same groups or friends lists, thereby preserving the ability to "comment anywhere" even in situations where comments are publicly unavailable for a particular site. In other words, users would always be able to comment on any site, but the comments wouldn't necessarily be visible to all users in those situations.

## Implementation

Most of the main features of Tipestry are currently live and available to try out on Tipestry.com and Tipestry Go, which is available on Apple's App Store and Google Play Store.

## Roadmap

Currently implemented:

- Tipestry.com
  - Site is live
    - Comment on any website
    - Tip Bitcoin, Ethereum, Dogecoin, Tipcoin, Tipestry Token, Silk Route Coin
  - Donate to sites
  - Vote on sites
- Tipestry Go
  - iOS version is live
  - Android beta is live
  - Augmented Reality
  - Coin hunting
- Tipcoins and Tipestry Token
  - Created, tippable
- Tipestry browser addon

Future implementation:

- Tipestry.com
  - Tip more types of coins
  - API to integrate comments on other sites
- Tipestry Go
  - Cryptocurrency tipping
- Tippening
  - Vote on moderation, policy, and Best of
- Dapp, Games, Messenger, Payment system

## Supported Cryptocurrencies

Tipestry is the world's first platform to enable multi-cryptocurrency user-to-user tipping and site donations. Our philosophy is that rather than only use our own coin, or choose a single cryptocurrency to support, users ought to have a variety of options to choose from. We currently support Bitcoin, Ethereum, Dogecoin, Silk Route Coin, Tipcoin, and Tipestry Token. We also have the ability to add other ERC-20 tokens and are working on adding other types of coins.

Tipping on the platform was initially implemented on the blockchain. It became clear during testing, however, that network fees make this approach impractical. One reason was that the fee was often larger than the amount tipped, eliminating the ability to casually give small amounts. Another was that tipping Ethereum-based tokens requires having Ether in the user's account, which might have been

inconvenient or confusing for new users. Withdrawals and deposits are still implemented on chain and do incur network fees. We may in the future return tipping on chain depending on the success of various scaling solutions under development.

# Business

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## Business Model

One of the primary goals of this project is to create a sustainable business model for social media without the need for data harvesting. The concept of privacy is disappearing from the world due to how easy and profitable spying on people has become, but fortunately cryptocurrency offers a potential alternative to the current paradigm.

One way we will generate revenue is by charging fees collected as a small percent of tipping. The plan is to charge a 10% fee for tips, although the exact numbers are subject to change.

We will also explore other revenue paths through cryptocurrency, for example selling other coins to users. This requires certain licenses though so in the beginning we will be limited in offering referral links to sites where users can purchase coins from third parties.

We will also experiment with non-invasive, anonymous advertising especially on Tipestry Go, since even without targeted data, location-based advertising is potentially viable. For example, a restaurant or retail store could advertise a sale and effectively reach likely customers by virtue of physical proximity, which doesn't require any sharing or storing of information about the user.

Advertising is often met with resistance for several legitimate reasons. One is that the personalization of advertising is normally accomplished by massive data harvesting and privacy violations. Another is that advertising is often misleading, either masquerading as content (as is the case with most search engines) or in the form of astroturfing where agents of corporations pose as normal users while promoting products. Another is that some ads are presented in an invasive manner such as popups or sites that require endless page clicks so more ads can be served. Another is that advertisers can apply editorial pressure to content creators. In the rare absence of these factors, though, advertising can potentially be implemented ethically.

## Market

The online giving economy has grown to over \$10 billion since crowdfunding platforms launched less than a decade ago:

- GoFundMe: \$5 billion given since 2010
- Kickstarter: \$3.6 billion given since 2009
- Indiegogo: \$1.5 billion given since 2008
- Fundly: \$330 million given since 2009

- Patreon: \$150 million given in 2017

According to Fundly's website, \$34 billion worldwide has been raised through crowdfunding so far, including \$25 billion in peer-to-peer lending, \$5.5 billion in donation crowdfunding, and \$2.5 billion in equity crowdfunding.

Fees collected for cryptocurrency transactions have also risen exponentially since the launch of Bitcoin in 2009. The US-based exchange Coinbase reported over \$1 billion in revenue in 2017 and Bloomberg estimates that both Tokyo's Binance and South Korea's Upbit generate over \$3 million every day in fees.<sup>9</sup> Several exchanges including Binance, Hong Kong's OKEx, and Singapore's Huobi handle more than \$1 billion in transactions daily.

To put those number in perspective, Binance earned more profits in the first quarter of 2018 (\$200 million) than Deutsche Bank (\$146 million)<sup>10</sup>, one of the largest financial institutions in Europe. Germany's largest bank was founded in 1870, while Binance started operations less than a year ago.

Both the giving economy and cryptocurrency are in their infancy and can be expected to continue to grow in the coming years, especially as more user-friendly systems reach the market. According to Dan Morehead, founder of the hedge fund Pantera Capital, "the industry as a whole is \$400 billion. It easily could go to \$4 trillion, and \$40 trillion is definitely possible."<sup>11</sup>

In addition to the giving economy and cryptocurrency market, online freelancing is another avenue for revenue growth. Current e-lancing platforms normally feature extremely high fees largely due to the expense of international transactions. Since cryptocurrency makes value transfer across countries much less expensive, and since Tipestry is a natural avenue to connect clients and freelancers, we plan to add commercial features to eventually serve this market. E-lancing can be expected to grow significantly in coming years, especially as AI-based automation replaces traditional employment. According to one estimate, for example, 54% of jobs in Europe are at risk of replacement by computers.<sup>12</sup>

## Growth

Gaining a following in industries with network effects (where the value of a product rises with the number of users) is difficult in the beginning - if a service is only valuable if people are using it, how to get people to use it before it becomes valuable? Fortunately, token sales and bounty campaigns offer a way to address this chicken and egg problem – since the token's value is tied to the platform's performance, holders of the token have an incentive to act as early adopters.

Another method of solving this problem is focusing on specific segments of the market rather than the whole world in the beginning, thereby magnifying the network effects of the initial small user base. In other words, acquiring a hundred random users may have little value if none of them are interested in the same thing. A hundred users all interested in a specific topic, all speaking the same language, though, benefit more from each other's contributions. An example of this is the way Amazon focused on selling books at first rather than the broader market so that customers and the offerings were more likely to match up, and then gradually expanded over the years to almost every facet of e-commerce. Some of the subsets of the overall market we plan to focus on in the beginning are cryptocurrency and political enthusiasts on Tipestry.com and travelers and augmented reality gamers on Tipestry Go.

## Ethics

The primary ethical consideration with this project is the balancing act of enabling free expression while preventing abuse. Due to the inherent difficulty in balancing freedom of expression against what, in our case, is a particular issue with low-value comments, we believe it would be impractical to try to set the rules in stone. In fact, not only would it be impractical, it would run counter to the overall philosophy of the project – that the Internet should more closely resemble its original design of decentralization and its original spirit of democracy. To that end, our aim is to leave the moderation of the site as much as legally and technically feasible up to the community.

## Competition

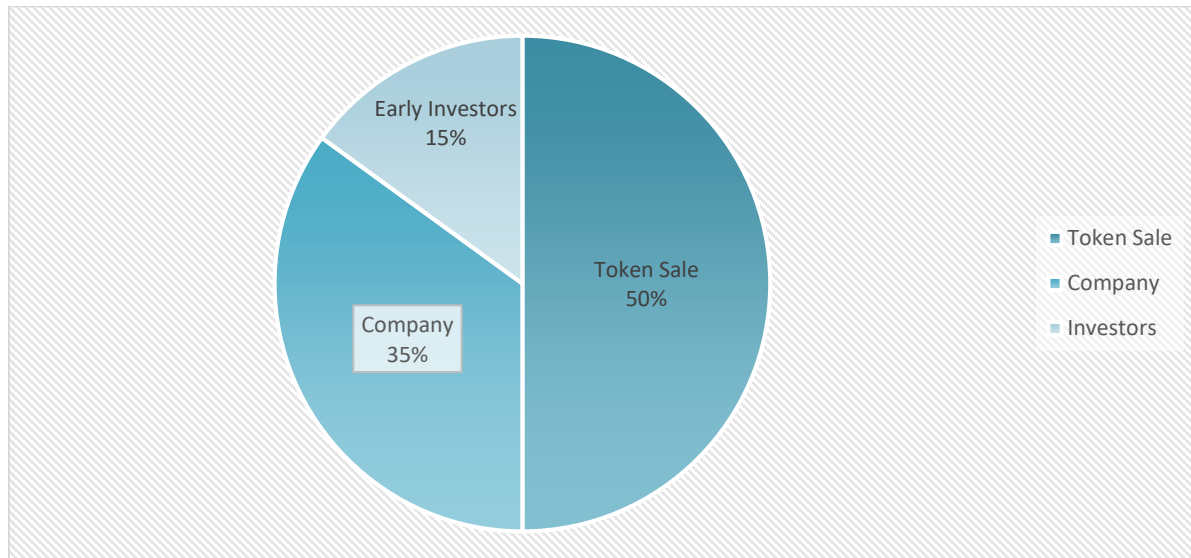
The Tipestry.com home page looks on the surface somewhat like content aggregator sites such as Reddit. The way Tipestry is structured, however, is fundamentally different. Content aggregators are normally aggregators first and commenting systems second, where Tipestry is primarily focused on comments. The reason we have a content aggregation style homepage is mainly to give new users a sample of the content on the platform before becoming familiar with how the site works.

Discussions on aggregator sites tend to be limited to a short time period (usually a single day) due to the way the sorting algorithms work - to keep the flow of content fresh, a karma decay system is employed to make room for new content. This works well for the content aggregation itself, but it has the effect of limiting discussions to a brief window that is effectively a snapshot in time. Tipestry, on the other hand, is designed for ongoing conversations that can last for as long as people are interested in the topic at hand, more in the style of a traditional message boards and forums.

## Token Sale

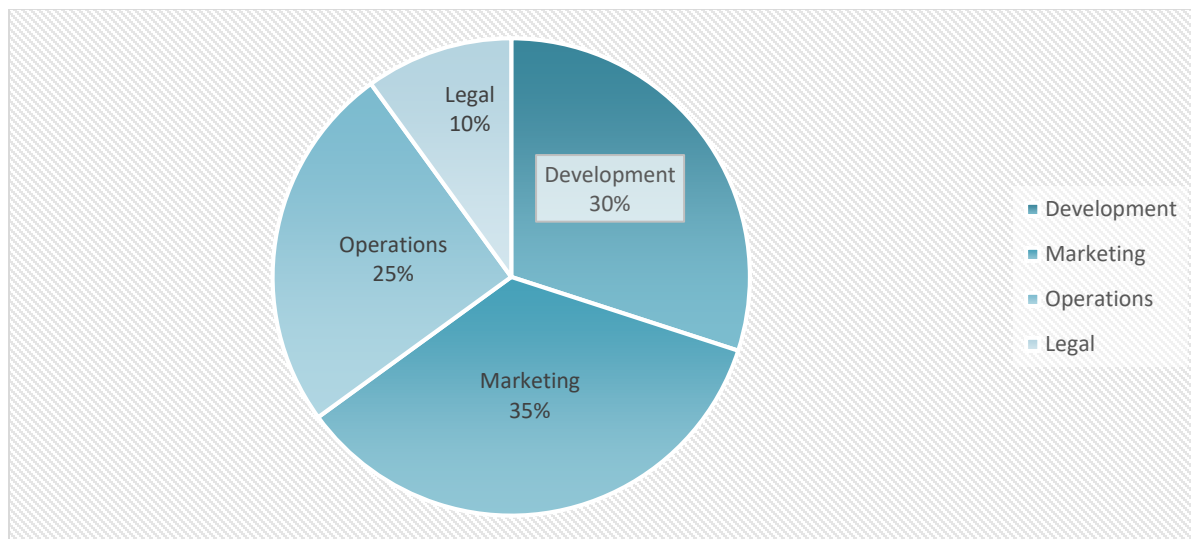
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## Distribution



50% of the Tipestry Tokens will be sold in the token sale. 35% will be kept by the company and 15% sold to early investors and awarded to founders.

## Use of Proceeds



Tipestry development is already far enough along that we can use proceeds from the token sale primarily for platform growth. The estimated use of proceeds is 35% for marketing, 25% for operations, 25% for further development, 10% for legal, and 5% for developer bonuses.



## Risk Factors

It is possible that Tipestry will be unwelcomed by certain governments. It is also possible that we will meet resistance from organizations antagonistic toward cryptocurrency. Twitter, Google, Reddit, and Facebook have all banned cryptocurrency advertising on their platforms and several billionaires have attacked the technology recently. It is also probable that Tipestry will be met with resistance from individuals and organizations opposed to free speech, particularly within the mainstream media.

## Conclusion

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Contributors to social media platforms ought to share in the profits and governance of the communities they create. It also ought to be possible to use the Internet without sacrificing privacy. Privacy is a basic human right and it's under threat of extinction if we don't act now to preserve it.

Tipestry was created with these goals in mind. Through built-in cryptocurrency transactions and proportional voting, users can earn money for their contributions and become part of the platform's governance. By creating a business model for social media based around cryptocurrency, we can run the platform while respecting people's privacy.

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