Squatting

It is a common practice to “squat” on a valuable piece of digital real estate in the hopes that its value will increase over time.

For example:

- Registering short or popular usernames on a new social media platform (eg. “beyonce”)
- Buying cool domain names for future use or resale
- Buying ENS names for prospective candidates and using them to lure people into interviewing for your startup
- This is also playing out on new apps like warpcaster which have takenaction against users who squatted on popular channel names

There is a related but separate phenomenon around sniping digital representations of physical goods.

For example:

- Restaurant reservations
- Visa apointments https://www.visard.io/
- Sneakerbots https://www.reddit.com/r/sneakerbots/

For now, we’ll focus on digitally native goods. But sniping would also be quite interesting to explore further in SUAPPs.

Inefficient markets

This all begs an interesting question. What is the market for squatted digital goods? How efficient is it? From an outsider’s perspective, it seems that this market is not actually very good or efficient.

Some anecdotes:

- A friend of mine wanted to start a company. Someone was squatting on their handle. The only way they could reach out was through twitter dms and it took weeks to get a reply. The owner made ridiculous requests and it became difficult to safely navigate a payment/handover process. My friend abandoned it and just picked up a worse handle.
- This “how to guide” on twitter handles is also kind of funny. In that it shows how bad the process is. https://boostlikes.com/blog/2014/10/buy-taken-twitter-account-5-steps#Step_2_Deal_With_the_Active_User
- On warpcast they solved the problem by just manually changing ownership of the channel and refunding the original squatter the $25 channel creation fee.

Unique properties

Here is an interesting observation: These assets are not entirely web3 native. All the originalexamples I listed, save for ENS, involve some kind of centralized web2-like database or third party.

Of course this trend may decrease over time as crypto eats the world™. But

1. It’s prevalent enough now to be interesting
2. Even decentralized platforms like farcaster are often coupled with centralized elements like the warpcast client to enhance the experience

So it would seem that we are facing a different challenge from something web3 native like NFT marketplaces. Trading these goods is not as simple as trading a purely digital permissionless asset. There is some AWS server run by eg. twitter in between. You need a more customizable, and more powerful, trading platform to be able to handle things like this…

… a platform like, SUAVE?

SUAPP Ingredients

SUAVE gives us a few useful things. First, it allows us to perform sensitive actions (like using an API key to make requests to a web2 service) under preprogrammed conditions. And second, it gives us all the regular EVM functionality we need to run a DEX/trading platform. What would happen if you combined these primitives into a SUAPP?