We are working on crypto infrastructure for the commerce of physical things. To that end, we are building a suite of tools that support the lifecycle of digital rights to physical goods.

Physical commerce over distance requires two primitives: ownership and possession. Think of a package stollen on its way to delivery. The relevant questions are: “Who owned this?” i.e. who was entitled to it, and, “Who possessed it when it was stollen?”

In our system, every physical thing maps to two tokens: one for possession and one for ownership. Our base contract will support the mint, transfer, and burn of these tokens. What’s more important is what can be done with these primitives on layers above.

All commerce over distance requires a separation of ownership and possession. When an owner gives up possession, it is under some arrangement: legal, social, financial, etc. To a large extent, the efficiency of commerce depends on the incentive systems between owners and possessors: How well do they work? How often do they fail? What's the barrier to entry? What's the cognitive load?

We think we can build a more efficient system of commerce by allowing people to encode (via smart contracts) arbitrary cooperation incentives for owners and possessors. Such as: before mint, the would-be owner of possession-X must post collateral equal to trading price of ownership-X to serve as security while X is in their possession.

We can imagine further layers: insurance, fraud protection, transport services.

What’s the go-to market?

To the extent that the incentives works, ownership tokens serve as “rights to collect” on some physical asset. If people believe an ownership token will enable them to collect the actual item in a matter of days, they will treat it as if it were the physical thing for many uses: trading, collateralizing, etc. This is great because digital coordination is in general much more efficient than physical.

The go to market must wins are convincing people that our digital assets are (1) as good as the physical good and (2) that they are better for many uses.

To accomplish 1., we will begin with a very limited set of minters and possessors/custodians. Anyone with an ownership token should be able to exercise their rights to collect and obtain the physical asset related to it in a matter of days.

For 2., we have two ideas.

1. Speciality NFTs. there's a lot of physical things that people buy but are really speculating on: watches, sneakers, etc. If we could get a couple of great verifiers—sneaker shops, watch stores—to serve as minters/custodian, people might trade the NFT ownership token forever and never actually exercise possession. Why

2. Mass market NFTs. Imagine a service: you can ship in a box of items. For each item, you get an NFT and a IPFS photo page with 5 high quality photos. Your NFT gives you the right to demand shipment at any time to anywhere. These NFTs could be bought with very low cognitive load (buyer knows the photos are legit, in possession with trusted third party). They could be used as collateral for a loan. Or they could be used in a new service marketplace, like renting or eBay consignment as a service.