



A Bundle of Sticks or a Blockchain? – A Lawyer’s Guide to Traversing the Decentralized Webpace

By John Chambers

All lawyers have heard the expression that property rights are a “bundle of sticks,” but what happens when these “sticks” are transformed into a blockchain? The Southern District Court of New York is first to field this question as an art collector is seeking judgment on their status as copyright owners of the painting "Lightning" by Maqbook F. Husain against the artist’s estates.¹ But, Tamarind Art Collectors purchased “an exclusive license to display, reproduce and resell the work, including in digital form” in 2002², and still display the work front and center on its homepage,³ so why are they suing now and for what reason? Well, Tamarind does not wish to present and reproduce the work in a traditional manner, but they plan to break it up into a series of NFTs to be sold.⁴ As these questions about the rights associated with NFTs begin to arise, the need for lawyers to develop an understanding of NFTs and the underlying blockchain becomes apparent.

With the rise of the cryptocurrency, and Web3, the decentralized internet network where these transactions occur, so too have the number of the number of legal questions as lawyers and

¹ See *TamarindArt, LLC v. Husain et al.*, No. 1:22-cv-00595 (S.D. N.Y. filed Jan. 21, 2022).

² Elise Hansen, *Art Collector Sues For Right To Sell NFTs Of Indian Mural*, LAW360 (Jan. 24, 2022, 7:44 PM), <https://lawlibproxy.ad.unc.edu:2147/articles/1457889/art-collector-sues-for-right-to-sell-nfts-of-indian-mural>.

³ TAMARIND ART COLLECTORS & PUBLISHERS, <https://www.tamarindart.com/> (displaying a snippet of the vividly colored mural of charging white horses).

⁴ See *id.*

government regulators alike are struggling to understand it.⁵ Blockchain technology has created *true* privatization of internet space, as peer-to-peer transactions allows for practically anything to be created into a NFT (even yachts!⁶), and has given rise to many interesting legal implications.⁷ Unhindered by regulation, developers are frantically trying to implement blockchain in any conceivable way to see what takes off, so the landscape of the decentralized webspace is dynamic and unpredictable.⁸ Nevertheless, the key question in any transaction is, “what rights are transferred?”⁹ This question can only be answered by an understanding of the specific smart contracts associated with each NFT, which will be explained below.

This report will provide a succinct explanation of blockchain, NFTs and Web3 and how they correspond to each other. This will be followed by an analysis of the NFT that sold for \$69 million, with a particular focus on its smart contracts and the rights conferred in their terms. Finally, there will be a brief discussion of how to properly advise clients in navigating this new space and the potential legal implications of these transactions. Despite the volatility of the

⁵ “[T]he challenge for insurers is that NFTs are ‘unregulated, volatile and new.’” The EU is “is in the process of developing its Markets in Crypto Assets framework” to require licenses for crypto exchangers to operate, and the IRS and SEC have plans to include crypto capital gains on 1041 tax forms along with other regulations, but they are yet to be seen. With the “crazy high valuations” of crypto exchanges and high degree of self-regulation, there is a lot of uncertainty in the market that is ripe for legal disputes. See Angela Childers, *NFT Thefts Leave Experts Wondering How to Insure the Asset*, LAW360 (Jan. 14, 2022, 8:03 PM EST), <https://lawlibproxy.ad.unc.edu:2147/articles/1454182/nft-thefts-leave-experts-wondering-how-to-insure-the-asset>.

⁶ Aaron Chow, *The Metaflower Super Mega Yacht NFT Sells for a Record \$650,000 USD*, HYPEBEAST (Nov 24, 2021), <https://hypebeast.com/2021/11/the-metaflower-super-mega-yacht-nft-sells-for-a-record-650000-usd> [<https://perma.cc/7QQX-J7CN>] (noting it that “sold for 149 ETH (approximately \$650,000 USD), making the digital yacht the most expensive NFT asset in The Sandbox”). A 360 view of the asset can be viewed here. *The Metaflower Super Mega Yacht*, OPEN SEA, <https://opensea.io/assets/0xa342f5d851e866e18ff98f351f2c6637f4478db5/69268721851518851203477350973661279010842020632441619262890672708376456069120> (owned by 0x35d0ca92152d1fea18240d6c67c2adfe0cca287c).

⁷ In Web3, all data put into the internet comes with a NFT token. Therefore, all data by the user is not only unchangeable, but also everything from tweets to digital art is owned by the user. Since all transactions are conducted seamlessly between peers on the network, the owner can choose to transfer it to any user for any other NFT, allowing for ownership and control of user’s data *by the user*. See Megan Baca et al., *Opportunities And Legal Implications In The Metaverse*, LAW360 (Jan. 7, 2022, 4:01 PM EST), <https://lawlibproxy.ad.unc.edu:2147/articles/1453228/opportunities-and-legal-implications-in-the-metaverse>.

However, this also means that the decentralized market is ruled by caveat emptor as “What is actually conveyed and how it is conveyed depends on a variety of factors including the inherent features of the technology itself and the metadata associated with the NFT.” See Collin Starkweather, Izzy Nelken and Sam Miller, *How Intellectual Property Rights Can Complicate NFT Market*, LAW360 (Aug. 17, 2021, 5:26 PM), <https://plus.lexis.com/newsstand#/article/1412858?crd=49f32317-8f65-44ad-ac65-b56cd0b1c97c>.

For further discussion on the differences between Web2 and Web3, see Sam Richards, *Web2 VS Web3, ETHEREUM* (Dec. 11, 2021) <https://ethereum.org/en/developers/docs/web2-vs-web3/> [<https://perma.cc/9VUA-MF9A>].

⁸ “People are now looking at NFT’s in a variety of different ways and trying to incorporate them into their business strategy and their product offerings going forward.” Rachel Rippetoe, *Greenberg Traurig Leader On The Evolution Of Blockchain*, LAW360 (Apr. 14, 2021, 4:44 PM), <https://plus.lexis.com/newsstand#/article/1374855?crd=d77e90cd-93d9-40e8-85bf-e85b791bc2a2> [hereinafter *Greenberg Traurig Interview*].

⁹ “When thinking about intellectual property law, the key consideration for NFTs is understanding precisely which intellectual property rights are associated with a given token.” See Alan Cohn & Evan Abrams, *What Retailers Selling NFTs Must Know About Legal Regimes*, LAW360 (Jan. 10, 2022, 6:55 PM), <https://lawlibproxy.ad.unc.edu:2147/articles/1452817/what-retailers-selling-nfts-must-know-about-legal-regimes->

decentralized webspace, one thing remains certain, it is here to stay.¹⁰ It is our duty as lawyers to understand the fundamentals of blockchain in order to diligently serve and advise our clients with modern legal problems.

What is a Blockchain?

In the context of Web3, a blockchain network means that all users have access to *all* the data on the network. This differs from Web2, where a central entity that controls access on the platform and provides a host of advantages over this previous format.¹¹ (Figure 1) Not only does it make improvements to Web2, but it also empowers new forms of digital transactions.¹² It can be thought of as a “backend” revolution of the internet as it changes the functionality, more than the appearance of the Internet.¹³ In order to understand this functionality, one must understand the blockchain itself.

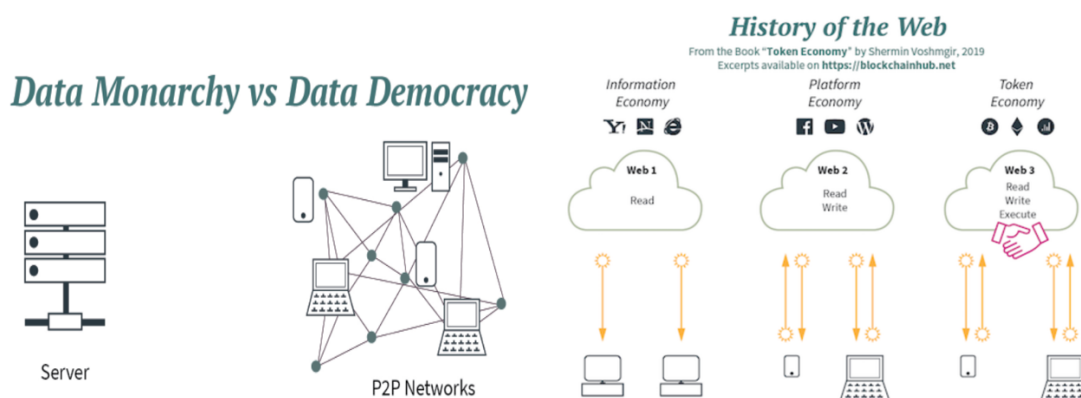


FIGURE 1
Web2 vs Web3. Creds: Shermin Voshmgir, Token Economy (2019)

¹⁰ Most tech and legal experts seem to agree that the use of blockchain will be a major part of our future. *See generally, Greenberg Traurig Interview, supra* note 6; Yusuf Berkan Altun, *NFTs: The Fad That Is Here To Stay*, FORBES: FORBES TECHNOLOGY COUNCIL (Nov 8, 2021, 7:00 AM), <https://www.forbes.com/sites/forbestechcouncil/2021/11/08/nfts-the-fad-that-is-here-to-stay/?sh=2602a14823a0>. Even the critics still do not deny the significant role blockchain technology will play in the future. Rachel Warren & Toby Bordelon, *Are Crypto and NFTs Here to Stay?*, THE MOTLEY FOOL (Feb 9, 2022, 5:25 PM), <https://www.fool.com/investing/2022/02/09/are-crypto-and-nfts-here-to-stay/> [<https://perma.cc/D2ZA-QT38>] ("I don't think [crypto and NFTs are] going anywhere [laughs] . . . But I tend to think it's here to stay.")

¹¹ *See* Sam Richards, *supra* note 4 (describing some of the practical advantages of Web3 over Web2 are “no single point of failure,” difficulty to censor “as information has many ways to propagate across the network,” and “no gatekeepers” to participate).

¹² “It allows us to send files in a copy-protected way, enabling true P2P transactions without intermediaries, and it all started with the emergence of Bitcoin. . . . [B]lockchains introduced a method for each participant in a network to hold and transfer value in a digitally native format, without the need for trusted intermediaries. [It] is designed in a way that the network can collectively remember preceding events or user interactions.” SHERMIN VOSHMGIR, *TOKEN ECONOMY* (2019), <https://blockchainhub.net/web3-decentralized-web/> (uses an excerpt of the book).

¹³ *Id.*

A block is made up of three parts, the hash of the previous block, the data, and the hash of the current block.¹⁴ The “hash” is just the identifier of the block, that represents the data forming the block’s identity, called the “block header”.¹⁵ The blockchain begins with the aptly named “genesis block,” and then all new transactions and uses of the data in the block are appended to it, creating the chain.¹⁶ (Figure 2) The data within a block depends on the blockchain used. It can hold all sorts of data, but typically stores personal and transactional information, like the recipient’s name and amount of cryptocurrency transferred, or an individual’s medical records.¹⁷ Each user, called a node, has a copy of this digital ledger which is used to authenticate transactions before a new block is added to the chain.¹⁸ From here, any changes to the underlying data will create a new block with a new hash, preventing alteration or fabrication of data.¹⁹ Therefore, a blockchain can be thought of as a digital notary, keeping track of the information from transactions and any associated changes to it.

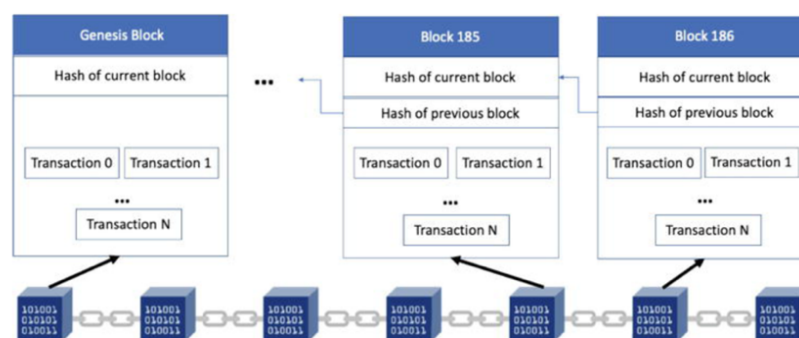


FIGURE 2
The architecture of a data chain in a blockchain network. Credits: Jian Zhang, *Deploying Blockchain Technology in the Supply Chain* (Ciza Thomas et al., eds., 2019) (Open Access chapter from *Computer Security Threats*) <https://www.intechopen.com/chapters/67390>.

¹⁴ Yazz Krdzalic, *Blockchain Explained: The Complete Guide [2018 Update - Part 2]*, TRENTON SYSTEMS (Jun. 6, 2018, 10:48 AM), <https://www.trentonsystems.com/blog/blockchain-explained-the-complete-guide-part-2> [https://perma.cc/U9ZD-LMHQ].

¹⁵ Block headers identify individual blocks in a blockchain, and contains a version number, a timestamp, the hash used in the previous block, the hash of the Merkle root, the nonce, and the target hash. This information is the main objective for miners as they rehash different iterations of the previous header information to help find the new block. See <https://www.investopedia.com/terms/b/block-header-cryptocurrency.asp>

¹⁶ Krdzalic, *supra* note 9. For a working illustration of the process, see Maryanne Murray, *Blockchain Explained*, REUTERS GRAPHICS (2018) <http://graphics.reuters.com/TECHNOLOGY-BLOCKCHAIN/010070P11GN/index.html#:~:text=A%20blockchain%20is%20a%20database,across%20a%20network%20of%20computers.&text=The%20records%20that%20the%20network,previous%20block%20in%20the%20chain.>

¹⁷ There is huge potential for applications of blockchain in healthcare, finance, property records, and supply chain management in addition to its current role in cryptocurrency. See Adam Hayes, *Blockchain Explained*, INVESTOPEDIA (Feb. 16, 2022), <https://www.investopedia.com/terms/b/blockchain.asp> [https://perma.cc/Y5TB-CU9N] [hereinafter *Blockchain Explained*].

¹⁸ “Blockchain technology utilizes computers (or nodes) on its network to verify a transaction simultaneously. Anyone with a computer can join the network and act as a transaction validator (think bitcoin miners). These nodes approve the transaction, which is stored on multiple devices as a block of code. Any subsequent transaction of the same dataset is added to a chain (hence blockchain) to keep a historical record on the DLT (hence distributed ledger), virtually eliminating the possibility of hack-attacks. This secure exchange of data without a third party is what makes Blockchain Technology so appealing.” Krdzalic, *supra* note 9.

¹⁹ “Any minor change in the block will fire off another block of code, append it to the existing block, thus creating a chain.” Krdzalic, *supra* note 9.

So how is a block authenticated? By hashing – this is where the “crypto” prefix comes into play. Hashing allows for transactions to occur without a middleman as the data is encrypted and stored on every single node on the network.²⁰ Hashing uses a one-way mathematical function that takes arbitrarily sized data, like a crypto transaction, to a fixed form of data, which is the hash value, or just hash.²¹ Accordingly, the hash cannot be used to locate the data itself but instead to verify that the data is unaltered.²² The decentralized nature of blockchain technology makes for an extremely complex system of information transfer, but this is a feature not a bug.²³ It prevents tampering of the blocks since a change in any part of the block data will create a new hash value.²⁴

This system of hashing functions provides a means of security for the blockchain.²⁵ Hacking a decentralized network would require going into a majority of the nodes to alter the data and thus, “verify” the change in data, which becomes exponentially more difficult with more nodes and blocks added.²⁶ As a security measure, it works to prevent a hacker from outpacing the other nodes’ authentication efforts by requiring evidence by each node that they computational effort to authenticate the block, hence the name “proof-of-work.”²⁷ Proof of work is made to “keep nodes honest” as hacking the network becomes more of an issue of time than processing power.²⁸ Accordingly, a hash value of appropriate difficulty is chosen based off the amount of processing time required to locate the correct hash value.²⁹ Once a valid hash value is

²⁰ “Due to proof of work, Bitcoin and other cryptocurrency transactions can be processed peer-to-peer in a secure manner without the need for a trusted third party.” Jake Frankenfield, *Proof of Work*, INVESTOPEDIA (Jul. 22, 2021), <https://www.investopedia.com/terms/p/proof-work.asp#citation-1> [<https://perma.cc/YZW9-TKVJ>].

²¹ Hashing is considered deterministic because the results will be the same for the same input every time. This allows for outputs to be quickly processed, but “also makes determining the input very difficult, especially for large numbers, and makes small changes to the input result in a very different hash output.” Adam Hayes, *Target Hash*, INVESTOPEDIA (Jun. 29, 2021), <https://www.investopedia.com/terms/t/target-hash.asp> [<https://perma.cc/BJZ3-L3X2>] [hereinafter *Target Hash*].

²² *Blockchain Explained*, *supra* note 14.

²³ Once data has been recorded, it can only be removed or altered by rewriting the information in a majority of the nodes (the technical term for each user on the blockchain). This task is virtually impossible due to a security measure called “proof-of-work,” which will be expound upon later. See Satoshi Nakamoto, *Bitcoin: A Peer-to-Peer Electronic Cash System*, BITCOIN.ORG 1-3 (2008) [hereinafter *Bitcoin Whitepaper*]. It is worth noting that Satoshi Nakamoto is not a real person, but a pseudonym for the person(s) that created the Bitcoin system. It is speculated that they are the owner of the Bitcoin genesis block.

²⁴ The hash value is generated by hashing the contents of the block (block header) adding a random string (nonce) and then hashing the value again, thus, any change in the block header information makes a new hash. See *id.*

²⁵ Since the function itself is unknown, the process requires running hash functions in parallel that test every possible iteration until a value less than the target hash is reached. While hashes appear to be a random assortment of letters and numbers, the computer processes them into a binary number that can be compared to the target hash value. See *Target Hash*, *supra* note 17. The process can be likened to solving Wordle but the only word you knew in the English language was the word of the day before.

²⁶ “To modify a past block, an attacker would have to redo the proof-of-work of the block and all blocks after it and then catch up with and surpass the work of the honest nodes. We will show later that the probability of a slower attacker catching up diminishes exponentially as subsequent blocks are added.” See *id.*

²⁷ Frankenfield, *supra* note 17. This term was first coined in the *Bitcoin Whitepaper*, *supra* note 20.

²⁸ See *Bitcoin Whitepaper*, *supra* note 20, at 3.

²⁹ Bitcoin uses the SHA-256 hash algorithm that generates verifiably random numbers in a way that requires a predictable amount of computer processing power. The target hash is adjusted periodically to possess specific properties designed to make the blockchain (and its cryptocurrency) secure. *Target Hash*, *supra* note 18. The

found, the block is “mined,” meaning the transaction is recorded to that blockchain and “verified,” and the miner is compensated for their efforts. (Figure 3)

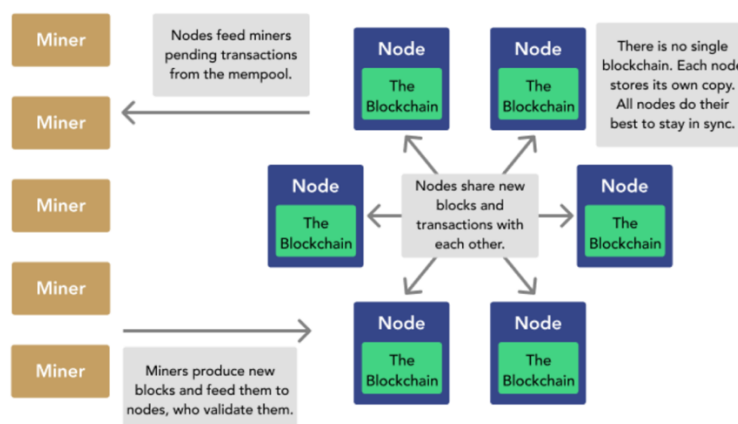


FIGURE 3
Diagram of interactions between miners, nodes and the transaction in a blockchain network. Credits: River Financial, What is a Bitcoin Node?, <https://river.com/learn/what-is-a-bitcoin-node/> (last visited Feb. 20, 2022).

How Should You Advise Clients on Transactions in the Decentralized Webpace?

Traditional intellectual property rights in the associated asset may or may not be transferred with the NFT, and in many NFT marketplaces, conveyance of IP rights such as copyright is the exception rather than the rule.³⁰ In this sense, NFTs are essentially digital tokens that *represent* ownership of an asset.³¹ The conveyance of rights varies widely from what is traditionally thought of as ownership, as rights conveyed depends on a variety of factors including the inherent features of the technology itself and the metadata associated with the NFT.³² While this allows for buyers and sellers to “craft transactions with terms that were not feasible or practical under traditional forms of conveyance,” it is also ripe for oversight and fraud as the maxim *caveat emptor* rules once again.³³

difficult level boils down to the number of leading zeroes added to the nonce value, which increases processing time. Bitcoin is encoded so a blocks is mined every 10 minutes. Frankenfield, *supra* note 17.

³⁰ Collin Starkweather et al., *How Intellectual Property Rights Can Complicate NFT Market*, LAW360 (Aug. 17, 2021, 5:26 PM), <https://plus.lexis.com/newsstand#/article/1412858?crd=49f32317-8f65-44ad-ac65-b56cd0b1c97c>.

³¹ “NFT blockchains validate and record ownership of assets through cryptographically verifiable scarcity.” Baca et al., *supra* note 7. As a lawyer with experience in NFTs described it: “One way it’s often explained ... is it’s like buying a fine poster of an artwork: it’s unique in itself, but it doesn’t buy you any rights to the underlying work. It’s just an authenticated version of this particular artistic endeavor. In most of the NFTs I’ve seen, most people aren’t even purporting to convey any meaningful transferable rights.” Elise Hansen, *NFT Craze Generates a Slew of Legal Questions*, LAW360 (Apr. 2, 2021, 7:56 PM), <https://plus.lexis.com/newsstand#/article/1371872>.

³² In most NFTs, the metadata will show that the asset is located off the chain, which indicates that rights to the work are not transferred, just to own the token with the associated asset. Starkweather et al., *supra* note 30.

³³ As the technical features of NFTs are important determinants of value and rights conveyed, understanding them may be the first step in performing due diligence. *See id.* The Beeple NFT provides an example of this, as an examination of the smart contract shows that what may appear to be a \$69 million purchase of a cool digital piece of art, merely conveyed an “ability to transfer MakersTokenV2 #40913,” (the data address to the painting) to someone

NFTs are governed by smart contracts, but with much less clear value than a Bitcoin, understanding the smart contract and the rights purchased in the NFT is essential to successfully navigate your client through the decentralized webspace. A smart contract is a software code that exists on an individual block that will automatically execute certain conditional functions and govern the terms of the transactions.³⁴ The smart contracts inherent to NFTs can be written to include various terms, as some marketplaces offer smart contract templates, while others take on a laissez faire approach.³⁵ The typical rights conferred in an NFT are “a personal, nonexclusive right to display that content, either in your wallet or within that marketplace's display portal or through third-party platforms, but not really to use for commercial purposes.”³⁶

Since all the transactions on the blockchain are completely anonymous, when fraud and oversight does occur, there is little legal recourse available. Even if a responsible party were identified, it is unclear as to what choice of law would govern, or whether rights would be based off contract or property law.³⁷ There even remains the question of the extent that law applies to the metaverse *at all*.³⁸ These issues are further complicated when considered on the international level, as there is even less uniformity on the global stage.³⁹ As suits centered around blockchain technologies are slowly dwindling into courts dockets internationally, the courts will be forced to field these inquiries.⁴⁰

With such uncertainty about market, the key to successfully navigating the crypto market is to avoid situations that give rise to legal issues. Just like with written contracts, an informed

else. Robert Graham, *Deconstructing the \$69 Million NFT*, SECURITY BOULEVARD (Mar. 20, 2021, 12:01 AM), <https://securityboulevard.com/2021/03/deconstructing-that-69million-nft/> [<https://perma.cc/2U8D-QXS9>]

³⁴ Smart contracts are “software code that memorializes the terms of a contract and can self-execute when pre-specified criteria are met.” See Hansen, *supra* note 31. For example, the NFTs associated with Beeple's digital art provide that he will receive a 10% royalty every time the NFT changes hands. Starkweather et al., *supra* note 30.

³⁵ A marketplace could provide general terms that apply unilaterally to all sales, or it could allow minters of an NFT to include bespoke terms of use that apply to the sales of their specific works. Most current marketplaces grant a nonexclusive and nontransferable license to use, copy and display the creative works underlying the NFT for personal use. The typical NFT terms of use also sets forth certain restrictions on how the creative work underlying the NFT may be used. For example, the NFT License 2.0 prohibits use of a creative work in connection with media that depicts hatred, intolerance or violence, or that otherwise infringes upon the rights of others. See Stuart Levi, et al., *Decoding The Fine Print On Nonfungible Token Licenses*, LAW360 (Mar. 30, 2021, 4:59 PM), <https://plus.lexis.com/newsstand#/article/1370247?crd=363f5236-a867-4673-a74b-b943e0fa20ef>.

³⁶ See Hansen, *supra* note 31. Even then, nothing in the smart contract prevents the artist from making more NFTs with the same artwork, or even hash value. Starkweather et al., *supra* note 30.

³⁷ “It remains uncertain whether property in the metaverse will be governed unilaterally through contractual means, such as terms of service, or whether property rights more akin to those in the physical world would evolve.” Baca et al., *supra* note 7.

³⁸ How to enforce the rights explicitly enshrined in code, where to litigate IP issues and how to enforce judgments are all questions that will need to be answered, but may be determined to a significant extent by rules created by the particular AR/VR world the issue occurs in. *Id.*

³⁹ While the technology to implement blockchain on a large-scale exists, the rules and regulations necessary to move forward with it, will vary by country. This in turn “puts pressure on other countries to keep moving forward with global or local initiatives to remain competitive.” See *Greenberg Traurig Interview*, *supra* note 6.

⁴⁰ BBC, *HMRC Seizes NFT For First Time In £1.4m Fraud Case*, BBC NEWS (Feb. 15, 2022), <https://www.bbc.com/news/business-60369879>; Chris Dolmetsch, *Man Charged in \$4.5 Billion Crypto Scam Denied Bail by Judge*, BLOOMBERG (Feb. 14, 2022, 5:55 PM), <https://www.bloomberg.com/news/articles/2022-02-14/man-charged-in-4-5-billion-crypto-scam-denied-bail-by-judge>.

decision in a NFT transaction requires reading the contract and ensuring the terms are carried out properly.⁴¹ Similarly, as these NFT marketplaces grow, “[u]nderstanding the terms of use of these marketplaces and drafting agreements that address NFT rights will be critical.”⁴² A proper assessment of the value of the work requires due diligence to determine the rights conferred, and authentication of the underlying work.⁴³ It is particularly important to recognize the abstract nature of the entire transaction in this assessment.⁴⁴ In advising clients that wish to create or market their NFTs, careful consideration should be paid in crafting the terms of agreement.⁴⁵ Without any trustworthy method to determine this, it would be unwise for lawyers to rely on legal remedy for a NFT transaction. The best practice is to simply get it right the first time.

Conclusion

While regulation is beginning to enter the decentralized webspace, in the form of both government and marketplace directives, they vary greatly between marketplaces, and countries.⁴⁶ Consequently, lawyers should look entirely to the smart contract for the protocols of each transaction until a clear rule of law has been established. The lawyer’s job is to not only know the significance of the smart contract, but also to be able to explain to their clients’ what rights are really conveyed by the smart contract. This is why understanding blockchain will be so important as these non-traditional forms of ownership and property are not easily understood without an understanding of their foundations in blockchain. As many of the advantages of NFTs, make it extremely attractive to a wide variety of applications like house deeds, taxes and medical records, all lawyers should be paying attention to the decentralized webspace. This will be a skill essential to all lawyers of the future, as the developments now will set precedent for other areas of cyberspace. In order to diligently serve our clients, we must understand these issues, or we risk being discarded into the past with the vestiges of Web2.

⁴¹ Many legal scholars have questions about the enforceability of certain smart contract language, and the binding power of the terms on subsequent parties. *See* Hansen, *supra* note 31; Starkweather et al., *supra* note 30.

⁴² Levi, *supra* note 35.

⁴³ The diligence required to purchase a NFT is arguably more extensive than for the real-world equivalent. The hash value can be verified by any interested party by using a hash value accompanied with digital asset at a publicly available address on the internet using a uniform resource identifier. It should be assumed that IP rights are not transferred unless it states otherwise. Levi, *supra* note 35.

⁴⁴ “Those who participate in markets for NFTs should also be aware of important factors that form the basis of value of the NFTs that are being transacted, particularly where they differ from those of traditional assets.” Starkweather et al., *supra* note 30.

⁴⁵ This requires studying the marketplace’s terms and any additional terms that the client wishes to add. Levi, *supra* note 35.

⁴⁶ Levi, *supra* note 35 (describing the “three types of NFT marketplaces today” by their varying level of verification procedures). For examples of different approaches between countries, *see* the discussion, *supra* note 5.