SPECIAL ISSUE PAPER

BArt: Trading digital contents through digital assets

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Summary
Since digital artworks are indeed digital content, they face the inherent problem digital content has: the link between content and its original author is very difficult to keep. Additionally, retaining control over digital copies of the content is also a challenging task. Digital coins have solved this very same problem through cryptocurrencies (for instance, Bitcoin) and have opened the door to apply the same techniques to other similar scenarios where ownership of digital assets needs to be preserved. In this paper, we propose BArt, a transparent and distributed mechanism for artists to commercialize their digital artwork, keeping control of the copies, monetizing its usage, and maintaining ownership. BArt allows artists to publicly register their work in the Bitcoin blockchain and sell usage rights in exchange for bitcoins. Buyers are allowed to exert the acquired rights. Proper behaviour from all parties is enforced by the system with cryptography and economic incentives.

KEYWORDS:
Digital assets, Blockchain technology, Bitcoin, Colored Coins.

1 | INTRODUCTION

One of the main challenges digital currencies face is to ensure the effective transfer of a coin when a payment is performed. Giving the digital nature of these systems and, as a consequence, the easiness of producing exact copies of content, preventing double-spending (the transference or usage of the same coin more than once) is the cornerstone of such schemes. Bitcoin solves this problem by using an immutable ledger in which all transactions are included. The main property of such ledger, known as the blockchain, is that it can be extended to add new information, but once any information is included, no modification is allowed. The interesting idea behind Bitcoin is that the immutable ledger is maintained in a distributed way. The special entities in the system that maintain the ledger are called miners, and their main task is to make the ledger grow by including new Bitcoin transactions into the blockchain. Information (i.e. Bitcoin transactions) inside the ledger is public and determines the ownership of every bitcoin in circulation. This mechanism was created (and used for the first time) by the Bitcoin cryptocurrency, and was afterwards popularized under the term blockchain technology. By providing such a mechanism, Bitcoin opened the door to deal with similar environments where ownership of digital assets needs to be determinable at any time and transferable between different parties, for instance, shares of a company or, as we will discuss, digital artworks.

Indeed, the problem artists face when they try to commercialize their digital works is somehow similar to the one of digital currencies: how is it possible to prove ownership of a digital work? The artist, as the main author of the artwork, should be able to retain its authorship and, at the same time, he should be able to commercialize it, granting usage rights over the artwork and obtaining revenue in exchange for those rights. To that end, in a similar way than Bitcoin users prove that they own some bitcoins, buyers of digital content should be able to prove they are the legitimate owners of a digital work, or even that they
possess some rights over the digital content (that have been granted by the legitimate owner of the work, usually in exchange of some amount of money).

In this paper we present BArt, a scheme that represents usage rights over digital artworks as digital assets in the Bitcoin blockchain. BArt allows artists to:

1. publicly register their work in the Bitcoin blockchain, allowing thereafter to prove its ownership in a transparent way;
2. represent usage rights over their work and enforce those rights through cryptography;
3. and trade those rights on top of Bitcoin (e.g. sell visualization rights over their works in exchange for bitcoins).

Since BArt is build on top of the Bitcoin blockchain, it has all the benefits that a distributed and public ledger has: transparency (all transactions involved in the system are public), traceability (artists can keep track of their artworks), security (it is possible for an owner of an asset to cryptographically prove ownership and, at the same time, it is not possible for an adversary to prove it), decentralization (there is no central authority in charge of the system), and censorship-resistant (there is no way to censor or forbid transactions between artists and buyers). Therefore, such approach serves both established artists and (new) emerging artists to commercialize their artwork, since it allows to perform all the procedure without the need of any large third-party content provider that manages the distribution and commercialization of the artworks.

The rest of the paper is organized as follows. Section 2 reviews some existing proposals that use blockchain technology for digital rights management. Section 3 provides an overview of the colored coin technology, a mechanism to define digital assets on top of the Bitcoin protocol. In Section 4 a general overview of BArt is provided, and its detailed description is given in Section 5. The main security and privacy properties of BArt are analyzed in Section 6. Finally, Section 7 concludes the paper and gives some guidelines for further research.

2 RELATED WORK

Ascribe is a platform that allows artists to create links between themselves and their works through the Bitcoin blockchain. It supports to transfer ownership, consign (grant the rights to transfer content to another user) or loan (display or use the content for a period of time) digital creations. Ascribe uses the SPOOL (Secure Public Online Ownership Ledger) blockchain protocol to encode the needed information into the blockchain, that is, Ascribe is not build on top of a generic colored coins protocol but uses its own protocol, designed specifically for managing creative works.

Mediachain is a proposal for a protocol to associate metadata to creative works by using a blockchain to timestamp metadata, which is then stored in the InterPlanetary File System (IPFS). One of the differentiating features Mediachain offers is the usage of perceptual fingerprinting to find and aggregate information about different versions of the same image. The Mediachain Attribution Engine is a project build on top of mediachain which has linked 125 million images from existing sharing platforms with their creators. It is now possible to search for those images using keywords, obtaining both the images and the information about their creators. Thanks to the perceptual fingerprinting engine, it is also possible to upload an image whose author is unknown to try to discover authorship information. If the exact same image is not found, the engine returns images and authorship information about similar visual works.

Both works are aimed to solve just a part of the problem artists face when distributing their creations, that is, to link artists with their works and/or to represent the rights granted over these works. With the proposed systems, one can securely link identities with works and transfer ownership of these works, but none of the reviewed systems provide means of enforcing the rights represented by the protocol or monetizing the creative work.

From the academic arena, there exists a report from the Blockchain For Creative Industries Research Cluster that identifies the potential uses of blockchain technologies with respect to recorded pieces of music. The report is introductory and does not intend to provide specific solutions to the identified uses. Other academic papers that try to describe schemes for artistic content management on the blockchain just provide a general idea but lack any specific descriptions of the proposed systems.

In the same line of work, the JPEG committee has recently started a working group for exploring the usage of blockchain technologies in their standard. They have published a report that identifies the challenges the media industry faces where blockchain technologies can be of help, although no specific solutions are designed yet.
BACKGROUND: REPRESENTING ASSETS IN THE BITCOIN BLOCKCHAIN

Bitcoin is a cryptocurrency based on public key cryptography. Bitcoin users have a wallet with a set of ECDSA key pairs. Bitcoin addresses are derived from public keys and are used as pseudonyms to which Bitcoins can be sent, whereas private keys are used to authorize payments through signatures. Payments are performed by broadcasting transactions, a data structure that specifies the movement of Bitcoins from a set of inputs to a set of outputs. Interested readers can refer to Narayanan et al., book and Antonopoulos for a complete explanation of Bitcoin.

Although Bitcoin is only a cryptocurrency by design, its scripting language provides some flexibility. On the one hand, this flexibility allows to create transactions that can be redeemed with special scripts, other than just a user signing to release funds. This allows to build complex protocols on top of Bitcoin, that accomplish much more than just transferring bitcoin funds from one user to another user. On the other hand, Bitcoin’s scripting language is also capable of storing some bytes of additional information in Bitcoin transactions, in such a way that transactions are still valid and can be redeemed. These additional bytes can be used to encode all sorts of metadata in standard Bitcoin transactions.

The concept of colored coins is based on the idea of representing real world assets on top of the existing Bitcoin system. With colored coins, one is able to create a representation of an asset in the Bitcoin blockchain and manage this asset, for instance, transferring ownership or adding metadata with information about the asset.

An entity that creates an asset in the blockchain is called the asset issuer. Asset issuers compromise themselves to exchange the digital tokens they issue by the real world asset they represent, hence allowing the digital tokens to have value. An entity in possession of asset tokens may then redeem the tokens by the real world assets they represent.

Colored coins may be used, among other use cases, to issue financial assets (like stocks or bonds), to certify credentials (such as academic certificates), or to prove existence of digital documents (e.g. with a timestamping service).

Currently, there exist several protocol proposals at different maturation stages, that instantiate the general idea of colored coins. Each of these protocols may have one or many actual implementations of the protocol. The exact way in which the Bitcoin scripting language is used to carry information about assets is defined by each individual colored coins protocol. In a similar way, asset manipulation rules are defined individually by each protocol and thus may differ from one protocol to another. The set of available manipulation actions depends also on the specific protocol used.

3.1 Colored Coins protocol

Colu’s Colored Coins protocol (from now on, we will be using the expression colored coins to refer to this specific proposal) is one of the proposals that offers the most functionalities, even though some of them are documented but still not implemented. They currently have a working API that allows to issue and transfer assets. A part from the API, they also offer some graphical interfaces that allow non technical users to perform basic operations within the system.

Colored coins transfer and issuance manipulation instructions are stored in an OP_RETURN output. Each Bitcoin transaction may only have at most one OP_RETURN output. This output is used to encode the basic properties of the issued asset (on issuance) or the transfer instructions (on transference).

Additionally, metadata may be included into the colored transactions. Metadata is stored in torrents and a hash of the metadata is included in the transaction, thus assuring integrity. In order to include this hash, additional space may be needed in the transaction to encode it. If it is the case, colored coins use 1-of-2 and 1-of-3 multisignature addresses to obtain this additional space.

The two operations that can be made with colored coins assets are asset issuance and asset transfer.

Figure shows an example of a Bitcoin transaction with colored coins data embedded into an OP_RETURN output. The Bitcoin transaction has only one input, and thus the colored coins transaction will also have the same input. If the colored coins transaction is a transfer transaction, the assets on that input will be moved, following the instructions encoded in the transaction. On the contrary, the Bitcoin transaction has two outputs: one of them (in the example, the first one) will be interpreted also as an output of the colored coins protocol (and thus assets can be moved to the address specified in the output), whereas the other one contains an OP_RETURN opcode that encodes colored coins issuance or transfer instructions. In the general case, Bitcoin transactions encoding colored coins data will always have one single OP_RETURN output encoding instructions for moving or issuing assets to the rest of the outputs.

† Although theoretically, we could create digital assets on top of other Blockchains, in this paper we refer to the most extended definition of colored coins, that includes assets represented on top of Bitcoin.
FIGURE 1 Example of a Bitcoin transaction with colored coins data embedded into an OP_RETURN output.

For simplicity, in the rest of the paper we specify only the contents of the colored coins transactions, without detailing the specific encoding of the colored coin transaction inside a Bitcoin transaction.

3.1.1 Asset issuance

Asset issuance allows to create new assets. Some of the properties of the created asset are assigned at the creation time:

- The **amount** of issued assets, that is, the number of assets issued.

- The **divisibility** of the asset, which allows to specify the smallest tradeable unit of the asset. Some assets will be indivisible (e.g., assets representing tickets for a concert) while others may allow some kind of partitioning (e.g., a currency may allow to exchange half of a unit).

- The ability to **reissue** more units of the same asset. When an asset is issued, the issuer may decide to lock it from further issuances. In that case, no one (not even the issuer himself) can make any subsequent issuance of the same asset. On the contrary, assets can be issued in an unlocked fashion, allowing the issuer to create more units of the same asset in the future.

- The **aggregation policy**, that is, whether different units of the same asset are the same. Some assets will be aggregatable (e.g. cinema tickets with unnumbered seats), such that they can be transferred together, whereas other assets will be dispersed (e.g. cinema tickets with a single seat assigned), needing individual treatment.

- **Asset metadata**, that is, additional information associated to the asset. The protocol describes two classes of metadata: **static data** and **rules**. In turn, static data includes both protocol defined data (that is used by the colored coins protocol) and user data (that can be arbitrarily added by issuers to convey additional information from the asset). Rules are used to further restrict how assets can be traded or created.

Additionally, when an asset is issued it obtains an identifier, that is, an immutable string that identifies the issued asset. The asset identifier is derived from the reissuance, divisibility and aggregation policies of the asset, together with some information from unspent transaction output (UTXO) referenced in the first input of the issuance transaction. However, note that the asset identifier is not chosen by the issuer, since it is derived directly from properties the issuer does not fully control.

Asset metadata provides additional functionalities that are needed in order to deploy a secure colored coins system. In the next paragraphs, we review the functionalities that are used, afterwards, in our proposed scheme.

Static metadata includes, among others, **issuer verification** data. In order to allow the colored coins assets to have value, users of the system need to trust their issuer, that is, they need to be sure that the digital tokens can be exchanged by the asset they represent. One of the ways to obtain this trust is to verify the issuer, for instance, by linking the issuer of an asset to an

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‡The exact information from the issuance transaction that is used for creating the identifier depends on the reissuance policy of the asset. Unlocked asset ids consider the output script of the UTXO referenced in the first input of the issuance transaction. Instead, locked asset ids are created from the transaction identifier and the index of the Bitcoin UTXO referenced in the first input of the issuance transaction. In this way, the reissuance policy is embedded into the assets identifier, since it won’t be possible to create more assets with the same id for locked assets, while it is indeed possible for unlocked assets.
TABLE 1 Example of an issuance transaction.

<table>
<thead>
<tr>
<th>From:</th>
<th>UTXOₙ</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>Addr₁</td>
</tr>
<tr>
<td>Amount:</td>
<td>200</td>
</tr>
<tr>
<td>Divisibility:</td>
<td>0 (no decimals allowed)</td>
</tr>
<tr>
<td>Reissuable:</td>
<td>True</td>
</tr>
<tr>
<td>Aggregation policy:</td>
<td>Aggregatable</td>
</tr>
<tr>
<td>Metadata:</td>
<td></td>
</tr>
<tr>
<td>Static data:</td>
<td></td>
</tr>
<tr>
<td>Asset name:</td>
<td>Gala dinner ticket</td>
</tr>
<tr>
<td>Issuer:</td>
<td>International Association Of Gala Dinners</td>
</tr>
<tr>
<td>Description:</td>
<td>This asset represents tickets for the gala dinner</td>
</tr>
<tr>
<td>Verifications:</td>
<td><a href="https://iagd.com/assetfile">https://iagd.com/assetfile</a></td>
</tr>
<tr>
<td>User data:</td>
<td>{place: a very nice hotel}</td>
</tr>
<tr>
<td>Rules:</td>
<td></td>
</tr>
<tr>
<td>Fees:</td>
<td>No fees - inheritance 0 (no new fees may be added)</td>
</tr>
<tr>
<td>Expiration:</td>
<td>Expires on 08-04-2019 - inheritance 0 (no changes can be made)</td>
</tr>
</tbody>
</table>

existing company or individual the users already trust. One of the alternatives the colored coins protocol provides to achieve this functionality is by linking the issuer to a website protected by https: a url of the company website behind https is included in the metadata of the issuance transaction and a text file with the asset ids is created in the given url.

Rules allow to specify additional constraints about how the asset may be issued and transferred. Our proposal uses two different kinds of rules: fees and expiration. Assets may have a fee, that is, a price to pay for asset transference. In order to specify a rule concerning fees, one must declare the asset in which the fees are paid (it may be BTC or any colored coins asset), the amount, and the address to which the fee must be paid. The expiration rule allows to create assets that have a caducity. Expiration can be specified either with a given block height or with number of blocks mined on top of the issuance transaction.

Rules in the colored coins protocol have also an inheritance parameter, that allows to specify how are the rules transferred when the asset is transferred. For instance, different inheritance levels in fees rules allows to specify whether the recipient may add additional fees to the transferred asset.

Table 1 provides an example of data encoded in an issuance transaction. For the sake of simplicity, we have omitted some of the fields that the protocol allows to include but that are not used in our proposal.

3.1.2 Asset transfer

Assets can be transferred between Bitcoin addresses. The colored coins protocol allows to trade multiple assets in a single transaction. For instance, one colored coins transaction may have a single input with ten assets of type 1 and five assets of type 2, and may distribute those assets between five outputs, assigning two assets of type 1 and one asset of type 2 to each of the outputs. In this way, we can say that the colored coins protocol colors UTXOs, that is, it assigns assets to UTXOs, so that whoever is able to spend that UTXO becomes the owner of the asset.

Colored coins transfer transactions may also include metadata. For instance, they may include the asset id to ease processing or information about the physical asset they represent.

Note that asset transference must follow the rules specified during the issuance procedure.

Table 2 provides an example of data encoded in a transfer transaction.
### Transfer transaction

<table>
<thead>
<tr>
<th>From:</th>
<th>UTXO₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>Addrorarily 1</td>
</tr>
<tr>
<td></td>
<td>Addraturity 2</td>
</tr>
<tr>
<td></td>
<td>Addraturity 3</td>
</tr>
<tr>
<td></td>
<td>Addr₁</td>
</tr>
</tbody>
</table>

**Metadata:**

- **Static data:**
  - **Asset id:** Ua3WSEuChgqsip9nHkmCrz4XELfkn4agKkvNN
  - **Asset name:** Gala dinner ticket
  - **Issuer:** International Association Of Gala Dinners
  - **Description:** This asset represents tickets for the dinner
  - **Verifications:** https://iagd.com/assetfile
  - **User data:** {place: a very nice hotel}

- **Rules:**
  - **Fees:** No fees
  - **Expiration:** Expires on 08-04-2019

**TABLE 2** Example of a transfer transaction.

## 4 | OVERVIEW OF BArt

This section provides a basic high-level description of BArt, presenting the participating actors, the actions they can perform, the usage of colored-coins assets in the system, and the desired security properties. Then, Section 5 provides a detailed description of each of the procedures in the protocol, together with the colored coins transactions involved in each of them.

Three different types of actors participate into BArt. An **Artist A** (that may be an artist himself, a group of artists cooperating together or even a producer) has some content \( c \) (any digital media, for instance, a song, a movie, a document, etc.) he wants to distribute. A **Buyer B** is interested in acquiring some rights for the content \( c \). The buyer is in possession of a **Player P**, that is able to reproduce or allow the Buyer to visualize the content. The player (a software or hardware device) has been developed by a certain **Player Manufacturer PM**, that is incentivized to wellbehave within the system. Figure 2 summarizes the actions each kind of actor may perform within the system and the entities affected by those actions.

Each of the actors must perform an initialization procedure the first time they join the system (the initialization phase for PM, A, and B is described, respectively, in Sections 5.1.1, 5.1.2, and 5.1.3). Then, once the actors are initialized, each of them may perform a different set of actions. The player manufacturer PM is able to create (and authorize) new players (Section 5.2.1) or revoke the authorizations he has conceded to players that misbehave (Section 5.2.2). The artist A may add new content to the system (Section 5.3.1). Finally, both the artist A and the buyer B may cooperate so that the buyer ends up reproducing a content created by the artist: first, B buys some usage rights for a content \( c \) that A has created (Section 5.3.2); then, A sells the requested usage rights (Section 5.3.3); afterwards B may want to make effective the usage of the rights he has bough (Section 5.3.4); in response A gives him the information he needs to reproduce the content (Section 5.3.5); and finally B reproduces the content (Section 5.3.6).

**Table 3** summarizes the kinds of assets created in our system.

**BArt** uses colored coins assets to create a system where artists can claim authorship of their works, represent and enforce usage rights for those works, and trade them in exchange for bitcoins. In particular, **BArt** uses two different kinds of assets: **Player Authorization assets** (**AssetPlayerAuth**) and **Visualization Rights Assets** (**AssetVisRights**). Player authorization assets are created by PM during his initialization and transferred afterwards to their players P in order to certify them. Thus certified players will be in possession of authorization assets, which will allow them to play or visualize the contents. If any of the players misbehaves, its PM may revoke its authorization rights. The visualization asset is issued by A whenever new content \( c \) is created. It describes the desired policy for the visualization of the content, that includes the usage rights of such content, for instance, expiration date, valid time frame, number of times the content can be used, etc. A will trade its contents by selling to B the corresponding asset that would enable B both to prove the possession of the designated rights and the secure access to the content. Table 3 summarizes the kinds of assets created in our system.
FIGURE 2 Overview of the entities in the proposed scheme.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Represents</th>
<th>Created by</th>
<th>Transferred to</th>
</tr>
</thead>
<tbody>
<tr>
<td>AssetVisRights</td>
<td>Usage rights for a content ( c ).</td>
<td>( A )</td>
<td>( B &amp; P )</td>
</tr>
<tr>
<td>AssetPlayerAuth</td>
<td>Authorization from a ( PM ).</td>
<td>( PM )</td>
<td>( P )</td>
</tr>
</tbody>
</table>

Table 3 Assets summary.

In BArt, \( B \) will be able to reproduce a content \( c \) in a player \( P \) only when:

- \( P \) has been authorized by \( PM \) through an authorization asset,
- \( A \) recognizes \( PM \) as a valid producer for the given content (as detailed on the policy of the content \( c \) asset), and
- \( B \) has obtained a visualization asset from \( A \).

The reproduction of a particular content \( c \) provides revenue both to \( A \) and to \( PM \). The payment to \( A \) will be made through the purchase of a visualization asset while the payment to \( PM \) will be performed directly when the content is reproduced.

Table 3 summarizes the notation used to describe the scheme.

BArt allows both to represent usage rights for a specific content and to enforce those rights. With respect to the enforcement of rights, the security goals our system aims to achieve are:

- Buyers should not be able to reproduce a content without first buying the adequate rights. Buyers can just reproduce the content adhering to the rights they have bought, and need to have an authorized player in order to reproduce content.

- Malicious behaviour from artists should be detectable. If artists misbehave, affected users should be able to create proofs of the fraud verifiable by any external observer (with access to publicly available information stored in the Bitcoin blockchain).

- Malicious behaviour from players and player manufacturers should be desincentivized, that is, the system must give incentives to player manufacturers to behave as expected.
TABLE 4 Notation summary.

<table>
<thead>
<tr>
<th>Entities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Artist</td>
<td>A</td>
</tr>
<tr>
<td>Buyer</td>
<td>B</td>
</tr>
<tr>
<td>Player manufacturer</td>
<td>PM</td>
</tr>
<tr>
<td>Player</td>
<td>P</td>
</tr>
<tr>
<td>Content</td>
<td>c</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Keys</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private and public key pair</td>
<td>(SK, PK)</td>
</tr>
<tr>
<td>Bitcoin address from user U associated to a public key</td>
<td>Addr[PK_U]</td>
</tr>
<tr>
<td>Symmetric key</td>
<td>k</td>
</tr>
<tr>
<td>Hierarchical Deterministic Wallet from user U</td>
<td>HDW_U</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Encryption</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Encrypted content</td>
<td>( \hat{c} = E_k(c) )</td>
</tr>
<tr>
<td>Encrypted k (which decrypts ( \hat{c} ))</td>
<td>( \hat{c} = E_{PK_P}(k) )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset representing player authorization rights</td>
<td>AssetPlayerAuth</td>
</tr>
<tr>
<td>Asset representing visualization rights</td>
<td>AssetVisRights</td>
</tr>
</tbody>
</table>

5  | DETAILED DESCRIPTION OF B\(\text{Art}\)

We have provided a high level overview of the proposed system. In this section, we describe in detail each of the procedures that can happen within B\(\text{Art}\), together with the colored coins transactions involved in each of them. The procedures are grouped by purpose: Section 5.1 details the initialization procedures for each of the three types of actors in the system (detailed in blue in Figure 2); Section 5.2 describes the actions involving players’ authorization (in green in Fig. 2); and Section 5.3 explains the procedures affecting content (red actions in Fig. 2). Finally, Section 5.4 presents a summary of all the Bitcoin transactions that may appear in the system.

5.1  | Initialization

The first time a new actor joins B\(\text{Art}\), he must perform an initialization step. The exact set of actions conforming this initialization depends on the type of actor.

5.1.1  | A new Player Manufacturer joins the system

The first time a Player Manufacturer (PM) operates within the system, he performs the initialization phase consisting on two different tasks:

1. Create a Bitcoin wallet.

2. Issue an asset representing authorization rights for their players (AssetPlayerAuth).

Concerning wallet creation, PM needs to have a hierarchical deterministic wallet. Therefore, PM generates a new master seed and creates a wallet from the seed. Once the wallet, HDW_PM, has been created, PM obtains an address from the wallet, FeeAddr_PM = Addr(PK_0_PM), that will be used for issuing the asset and for collecting the fees PM will receive for each reproduction of content one of his players performs.

Afterwards, PM issues the asset Player Authorization Rights (AssetPlayerAuth). Units of this asset will be transferred to players manufactured by PM in order to allow them to prove they are authorized by the PM.

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8 See Hierarchical Deterministic Wallets informational BIP 32 for a detailed description of the properties and implementation details of HDW.
<table>
<thead>
<tr>
<th><strong>AssetPlayerAuth</strong> Issuance transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: FeeAddr&lt;sub&gt;PM&lt;/sub&gt;</td>
</tr>
<tr>
<td>To: FeeAddr&lt;sub&gt;PM&lt;/sub&gt;</td>
</tr>
<tr>
<td>Amount: ( n_{auth} )</td>
</tr>
<tr>
<td>Divisibility: 0 (no decimals allowed)</td>
</tr>
<tr>
<td>Reissuable: True</td>
</tr>
<tr>
<td>Aggregation policy: Dispersed</td>
</tr>
<tr>
<td>Metadata:</td>
</tr>
<tr>
<td>Static data:</td>
</tr>
<tr>
<td>Asset name: Player Authorization Rights PM</td>
</tr>
<tr>
<td>Issuer: PM</td>
</tr>
<tr>
<td>Description: This asset represents player authorization rights from PM</td>
</tr>
<tr>
<td>Verifications: <a href="https://PM/assetfile">https://PM/assetfile</a></td>
</tr>
<tr>
<td>User data: {price per vis.: ( \sigma_{pm} ) BTC}</td>
</tr>
<tr>
<td>Rules:</td>
</tr>
<tr>
<td>Fees: No fees - inheritance 1 (the recipient may add fees)</td>
</tr>
<tr>
<td>Expiration: No expiration - inheritance 0 (no changes can be made)</td>
</tr>
</tbody>
</table>

**TABLE 5** Tx<sub>0</sub>: **AssetPlayerAuth** Issuance transaction.

**AssetPlayerAuth** is issued by sending a Bitcoin transaction, Tx<sub>0</sub>, with colored coins data to the Bitcoin network. Table 5 describes the colored coins information encoded in Tx<sub>0</sub>. Since PM may not know in advance the exact number of units of the asset needed, the asset will be unlocked, and thus the asset can be reissued in the future if more units are needed. The minimum unit of **AssetPlayerAuth** will be 1 (hence divisibility is set to 0, allowing only integer divisions of units). Furthermore, the asset will be dispersed, so that each unit of the asset is treated by separate transfer instructions and maintains its own metadata. Regarding rules, no fees nor expiration will be set. However, fees will be open, so that the recipient of the asset can add fees to further transactions involving the asset. Additionally, the player manufacturer informs about the price per visualization he sets for players authorized by this asset, \( \sigma_{pm} \). This price will be payed for each reproduction of content in the system to PM, and acts as incentive for players to well-behave. Note that including \( \sigma_{pm} \) in the metadata has only informative purposes: in the procedure detailed afterwards in Section 5.2.1 this price is added as a fee, and thus it’s payment is enforced by the colored coins protocol.

A PM needs to perform the Player Manufacturer setup phase only once (when PM joins the system). However, if PM transfers all units of **AssetPlayerAuth** to its players and needs to create more units of the asset, PM may send another transaction to the Bitcoin network reissuing more units of **AssetPlayerAuth**. Note that, in this case, there is no need to generate a new wallet (the same address, FeeAddr<sub>PM</sub>, is used for the reissuance).

### 5.1.2 A new Artist joins the system

The first time an artist joins BA<sub>Art</sub>, he proceeds to perform the initialization phase:

1. Create a Bitcoin wallet.

In this case, the wallet does not necessarily have to be a HDW. Addresses from this wallet will be used to issue assets representing usage rights for the artist’s content. Note that there is no need for the artist to communicate with any other party within the system at this moment (wallet creation may be done offline).

An artist only needs to create a wallet once, the first time he joins the system.

### 5.1.3 A new Buyer joins the system

Similarly, the first time a buyer joins BA<sub>Art</sub>, he initializes by performing one task:

1. Create a Bitcoin wallet.
Again, the wallet does not necessarily have to be a HDW. Addresses from this wallet will be used to pay artists for content, to store visualization assets already bought, and to transfer those assets in exchange for the content. Again, there is no need for the buyer to communicate with any other party within the system at this moment.

A buyer only needs to create a wallet once, the first time he joins the system.

## 5.2 Players’ authorization

When new players are created, they are authorized by their player manufacturer, who may decide to revoke this authorization afterwards (if a player is found to be misbehaving). This section describes the procedures related to authorization and revocation of players.

### 5.2.1 New Players are created

Once a Player Manufacturer has joined the system (Section [5.1.1]), he may proceed to create and authorize its players $P$. This procedure is performed before the players are distributed to end users. The Player setup phase consist of two steps:

1. Create a Bitcoin wallet (derived from HDW$_{PM}$).
2. Authorize the player by transferring $AssetPlayerAuth$ to addresses on the player’s wallet.

With respect to wallet creation, in this case $PM$ derives a new wallet account from the master wallet, HDW$_{PM}$, and saves it into $P$ (specifically, the child private extended key is stored into $P$). By deriving a new wallet account from HDW$_{PM}$ and storing it in the player, the player manufacturer is able to maintain control over all addresses any of his players generate, seeing all transactions involving the player and, at the same time, being able to operate with them. This allows $PM$ to revoke the authorization rights of any player if he misbehaves. Moreover, it allows to do so in an efficient way, since player addresses can be derived from information known by the $PM$ (and thus there is no need to store all addresses individually).

Regarding player authorization, $PM$ generates and authorizes $m$ addresses of $P$, Addr($PK^j_P$) for $j = 1, \ldots, m$, by transferring 1 unit of player authorization rights, $AssetPlayerAuth$, to each generated player address.

<table>
<thead>
<tr>
<th>Transfer transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: FeeAddr$_{PM}$</td>
</tr>
<tr>
<td>To: Addr($PK^1_P$)</td>
</tr>
<tr>
<td>...</td>
</tr>
<tr>
<td>Addr($PK^m_P$)</td>
</tr>
<tr>
<td>...</td>
</tr>
</tbody>
</table>

**Metadata:**

- **Static data:**
  - **Asset name:** Player Authorization Rights $PM$
  - **Issuer:** $PM$
  - **Description:** This asset represents player authorization rights from $PM$
  - **Verifications:** https://PM/assetfile
  - **User data:** {price per vis.: $\sigma_{pm}$ BTC}

**Rules:**

- **Fees:** 1 unit of $AssetPlayerAuth$ to FeeAddr$_{PM}$ - inheritance 0
  (no new fees may be added)
- **Expiration:** No expiration - inheritance 0 (no changes can be made)

**TABLE 6** Tx$_1$: $AssetPlayerAuth$ units are transferred to the player.
AssetPlayerAuth are transferred by sending a colored coins asset transfer transaction, \(Tx_1\), to the Bitcoin network. Table 6 describes the contents of \(Tx_1\). The transaction source address corresponds to FeeAddr\(_{PM}\), the address that has all the units of AssetPlayerAuth after issuance. Transaction outputs send 1 unit of the AssetPlayerAuth to each of the \(m\) addresses generated for the player. Note that the same transaction can be used to authorize different players. As we will see later in Section 6, using the same transaction for authorizing multiple players is recommended, since it improves privacy while minimizing costs.

PM needs to ensure that AssetPlayerAuth units are non-transferable once they have been transferred to a player. By doing so, the PM ensures that he retains the power to revoke players authorization rights if any player starts misbehaving. For this reason, a fee is added, such that any further transfer of the asset needs to pay 1 unit of the asset to FeeAddr\(_{PM}\).

A PM may add new players to the system whenever he wants.

### 5.2.2 Player rights revocation

If a player \(P\) starts misbehaving, its PM can revoke his privileges:

1. Transfer all units of AssetPlayerAuth from the player back to the player manufacturer.

By transferring all units of AssetPlayerAuth from the player back to an address controlled by the PM alone (the address used to collect fees), PM is effectively revoking the authorization to the player. Because the wallet included in the player is a child account of a HDW whose master seed is known by the player manufacturer, PM can derive any of the players private keys and transfer any asset the player has to someone else by sending \(Tx_2\) to the Bitcoin network (Table 7 shows the colored coins content of \(Tx_2\)).

<table>
<thead>
<tr>
<th>Transfer transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: Addr(PK(_P))</td>
</tr>
<tr>
<td>To: FeeAddr(_{PM})</td>
</tr>
<tr>
<td>Metadata:</td>
</tr>
<tr>
<td>Static data:</td>
</tr>
<tr>
<td>Asset name: Player Authorization Rights PM</td>
</tr>
<tr>
<td>Issuer: PM</td>
</tr>
<tr>
<td>Description: This asset represents player authorization rights from PM</td>
</tr>
<tr>
<td>Verifications: <a href="https://PM/assetfile">https://PM/assetfile</a></td>
</tr>
<tr>
<td>User data:</td>
</tr>
<tr>
<td>{price per vis.: (\sigma_{pm}) BTC}</td>
</tr>
<tr>
<td>Rules:</td>
</tr>
<tr>
<td>Fees: 1 unit of AssetPlayerAuth to FeeAddr(_{PM}) - inheritance 0 (no new fees may be added)</td>
</tr>
<tr>
<td>Expiration: No expiration - inheritance 0 (no changes can be made)</td>
</tr>
</tbody>
</table>

**TABLE 7** \(Tx_2\): AssetPlayerAuth units are transferred back to the player manufacturer.

### 5.3 Content management

The main purpose of BArt is to be able to properly manage content, handling the usage rights the artist decides to grant and providing the means for the buyer to acquire, pay, and use these rights. This section describes the procedures related to content management within the system.

#### 5.3.1 New Content is created

Whenever an artist \(A\) wants to make his new content \(c\) available on the network, he proceeds to:

1. Freely distribute the encrypted content.
2. Issue an asset *AssetVisRights*, representing visualization rights of content \( c \).

In order to create an encrypted version of the content \( c \), \( A \) first generates a random symmetric key \( k \). Then, he encrypts the content \( c \) with the symmetric key \( k \) and obtains \( \overline{c} = E_k(c) \). Finally, \( A \) freely distributes the encrypted content \( \overline{c} \).

With respect to asset issuance, \( A \) derives a new address from his wallet, \( \text{Addr}(PK_A) \), and issues \( n_{vis} \) units of *AssetVisRights*, the asset representing the usage rights for content \( c \), by sending the colored coins transaction \( Tx_3 \) to the Bitcoin network. Units of *AssetVisRights* will be bought afterwards by interested buyers in order to acquire the rights to visualize \( c \) together with the means to do so. Table 8 summarizes the colored coins information encoded in \( Tx_3 \).

<table>
<thead>
<tr>
<th>AssetVis Issuance transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
</tr>
<tr>
<td>To:</td>
</tr>
<tr>
<td>Amount:</td>
</tr>
<tr>
<td>Divisibility:</td>
</tr>
<tr>
<td>Reissuable:</td>
</tr>
<tr>
<td>Aggregation policy:</td>
</tr>
<tr>
<td>Metadata:</td>
</tr>
<tr>
<td>Static data:</td>
</tr>
<tr>
<td>Asset name:</td>
</tr>
<tr>
<td>Issuer:</td>
</tr>
<tr>
<td>Description:</td>
</tr>
<tr>
<td>Verifications:</td>
</tr>
<tr>
<td>User data:</td>
</tr>
<tr>
<td>{hash of the content: ( H(c) ), hash of the encrypted content: ( H(\overline{c}) ), hash of the decryption key: ( H(k) ), price per visualization: ( \sigma_v ) BTC, PM list: list of accepted PM with their fee collecting addresses}</td>
</tr>
<tr>
<td>Rules:</td>
</tr>
<tr>
<td>Fees:</td>
</tr>
<tr>
<td>Expiration:</td>
</tr>
</tbody>
</table>

**TABLE 8** \( Tx_3 \): *AssetVis* Issuance transaction.

Metadata of the asset includes the hash of the content, \( H(c) \), the hash of the encrypted content, \( H(\overline{c}) \), and the hash of the decryption key \( H(k) \). These values are used as commitments made by the artist, that is, by sending \( Tx_3 \) \( A \) is claiming that the \( k \) whose hash is \( H(k) \) can be used to correctly decrypt the content \( \overline{c} \) whose hash is \( H(\overline{c}) \), and that the result of the decryption will be the content \( c \), with hash \( H(c) \). As we will explain later in Section 6, those values can be used to demonstrate that a certain \( A \) is performing fraud (if this is, indeed, the case).

Note that the artist will use an independent address for each content he distributes. This allows users to ask for a specific content using the Bitcoin P2P network, without the need for any additional channels between \( A \) and \( B \). Buyers may discover the address associated to a specific content by looking at the assets’ metadata (which includes the name and the description of the content). A list of all assets from a given content producer can be found in the assets file under the \( A \) domain. Additionally, \( A \) may provide other interfaces for users to access this information, e.g. a content browser in their site.

An artist may add new content to the system as many times as he wishes. Each new content added to the system will have its own asset, representing its usage rights.
5.3.2 | Buyer acquires visualization rights

Whenever a user wants to acquire usage rights for a certain content \( c \), he proceeds as follows:

1. Obtains metadata associated to content \( c \)
2. Pays for the usage rights of \( c \).

A user interested in acquiring visualization rights for a given content \( c \) first retrieves the metadata associated to the visualization rights asset of content \( c \). With the information contained in the asset’s metadata, the user is able to check the identity of the issuer (by accessing the verification url and checking the validity of the SSL certificate) and to verify that the player manufacturer \( P \) in his possession is recognized to reproduce the content (by looking at the player manufacturer list under the user data field). The buyer also learns the price per visualization the issuer has set for the content, \( \sigma_a \), and the Bitcoin address used to issue the asset, Addr(\( PK_A \)).

If all the validations are successful and the buyer wants to proceed with the purchase, the buyer sends a transaction \( Tx_4 \) to Addr(\( PK_A \)) paying \( b \) bitcoins. The input of the transaction has a particularity: it must spend a 2-out-of-2 multisignature output, with one public key belonging to the user’s wallet and the other public key belonging to the player’s \( P \) wallet. That is, the output \( Tx_4 \) spends is of the form: 2 <\( pubKeyPlayer \)> <\( pubKeyBuyer \)> 2 OP_CHECKMULTISIG. The purpose of this transaction is threefold: 1) pays \( A \) for the visualization rights 2) asks \( A \) for visualization rights for content \( c \) and 3) informs \( A \) about the player’s public key, \( PK_P \). Note that \( Tx_4 \) is a normal Bitcoin transaction, that is, it does not contain any colored coins metadata appended to it (no assets are issued nor transferred by this transaction).

5.3.3 | Artist sells visualization rights

Upon reception of a transaction (\( Tx_4 \)) paying bitcoins to any of the artist’s addresses used to issue \( AssetVisRights \), the artists proceeds to:

1. Validate the received transaction, \( Tx_4 \).
2. Transfer \( AssetVisRights \) to the payer.

First, with respect to transaction validation, note that \( A \) receives \( Tx_4 \) through the Bitcoin network, and thus the transaction will already be a valid Bitcoin transaction. \( A \) needs to check whether one of the public keys in the output that \( Tx_4 \) is spending has authorization from a manufacturer to operate. That is, the address has authorization assets (\( AssetPlayerAuth \)) from a player manufacturer recognized to operate with the requested content (as specified in the metadata of the issuance transaction of the asset, \( Tx_3 \)). If it does, \( A \) retrieves the fee collecting address from the player’s manufacturer (for instance, by looking at the input of the transaction that transferred the assets to the player’s address, \( Tx_1 \)).

Then, \( A \) sends a transaction \( Tx_5 \) to the Bitcoin network transferring visualization rights for content \( c \) to both \( B \) and \( P \) by using a multisignature output (a 2-out-of-2 multisig script with a public key from the buyer and a public key from the player). Note that at this point, neither the user nor the player alone are able to redeem the visualization rights. The exact amount of visualization assets (\( AssetVisRights \)) is computed from the price of the asset \( \sigma_a \) (as displayed in the asset’s metadata of \( Tx_3 \) under the price per visualization tag) and the amount of bitcoins payed to \( A \) in \( Tx_4 \), \( b \).

Table 9 presents the colored coins information encoded in \( Tx_5 \). In this transaction, \( A \) adds a set of rules regarding fees that ensure the correct operation of the system. On the one hand, each transfer of \( AssetVisRights \) assets needs to pay back 1 unit of \( AssetVisRights \) to \( A \), thus effectively spending a visualization token. Moreover, each transfer also pays a fixed amount of bitcoins to the player manufacturer \( P \).

An artist will execute this procedure each time he receives bitcoins to any of the addresses he has used to issue visualization rights assets for any of his content.

5.3.4 | Buyer asks to visualize content

Once the buyer \( B \) has acquired visualization rights for a given content \( c \), he may decide to use them to actually visualize the content. Then, \( B \) proceeds as follows:

1. Transfers 1 unit of \( AssetVisRights \) back to the artist (paying the corresponding fee to the player manufacturer).
Transfer transaction

From: Addr(PK_A) 
To: Addr(PK_B, PK_P) \( \sigma_b/\sigma_a \) AssetVisRights

Metadata:
Static data:
Asset name: Content Authorization Rights for content c
Issuer: A
Description: A description of the content (for instance, a summary, size of the file, codification, etc.)
Verifications: https://A/assetfile
User data: {hash of the content: \( H(c) \), hash of the encrypted content: \( H(\bar{c}) \), hash of the decryption key: \( H(k) \), price per visualization: \( \sigma_a \) BTC, PM list: list of accepted PM with their fee collecting addresses}

Rules:
Fees: 1 unit of AssetVis to Addr(PK_A) \( \sigma_{pm} \) BTC to FeeAddrPM
Expiration: No expiration - inheritance 0 (no changes can be made)

TABLE 9

\( \sigma_a \) units of AssetVisRights are transferred to the user and the player.

Transfer transaction

From: Addr(PK_B, PK_P) 
To: Addr(PK_A) FeeAddrPM \( \sigma_{pm} \) BTC

Metadata:
Static data:
Asset name: Content Authorization Rights for content c
Issuer: A
Description: A description of the content (for instance, a summary, size of the file, codification, etc.)
Verifications: https://A/assetfile
User data: {hash of the content: \( H(c) \), hash of the encrypted content: \( H(\bar{c}) \), hash of the decryption key: \( H(k) \), price per visualization: \( \sigma_a \) BTC, PM list: list of accepted PM with their fee collecting addresses}

Rules:
Fees: 1 unit of AssetVis to Addr(PK_A) \( \sigma_{pm} \) BTC to FeeAddrPM - inheritance 0 (no changes can be made)
Expiration: No expiration - inheritance 0 (no changes can be made)

TABLE 10

\( \sigma_a \) units of AssetVisRights are transferred to the user and the player.

TABLE 10

\( T_{x_6} \): A user visualizes content c.
In order to do so, he creates and sends a new transaction $\text{Tx}_6$ as depicted in Table 10. $\text{Tx}_6$ pays 1 visualization asset to $\text{A}$ and $\sigma_{\text{PM}}$ bitcoins to $\text{PM}$, complying with the colored coins fees specified by $\text{Tx}_5$. By sending $\text{Tx}_6$, the buyer is asking for the visualization key for content $c$ and, at the same time, he is both providing proof that he is spending a visualization asset $\text{AssetVisRights}$ in his possession and that he is paying the player manufacturer the adequate amount of bitcoins.

Recall that $\text{AssetVisRights}$ was transferred by $\text{A}$ to a multisignature output controlled both by the buyer and the player (by $\text{Tx}_5$). Therefore, $\text{Tx}_6$ needs to be signed by both the buyer and the player. The procedure to obtain the signature from both parties is as follows:

1. $\text{B}$ requests the player to visualize content $c$.
2. $\text{P}$ checks whether there are any visualization rights for content $c$ in his control.
3. If there are, $\text{P}$ creates $\text{Tx}_6$ and signs it.
4. $\text{P}$ gives $\text{Tx}_6$ to $\text{B}$, $\text{B}$ checks that it is correct, signs and gives $\text{Tx}_6$ back to $\text{P}$.
5. $\text{P}$ sends a petition to $\text{A}$ asking for the visualization key for $c$, by sending $\text{Tx}_6$ to the Bitcoin network.

The procedure can be repeated as many times as the buyer wishes, as far as there are any units of $\text{AssetVisRights}$ left on his wallet.

5.3.5 | Artist serves decryption key

Once $\text{A}$ receives the petition for the decryption key, that is, once he sees $\text{Tx}_6$ in the blockchain, $\text{A}$:

1. Validates the received transaction, $\text{Tx}_6$.
2. Sends the decryption key of the content, $k$, encrypted with the player’s public key.

With respect to transaction validation, note that $\text{A}$ receives $\text{Tx}_6$ through the Bitcoin network, and thus the transaction will already be a valid Bitcoin transaction. Therefore, $\text{A}$ just checks the validity of the colored coins transaction and that one of the public keys in the output that $\text{Tx}_6$ is spending has authorization from a recognized manufacturer to operate (similarly than with $\text{Tx}_4$). $\text{A}$ will then use the public key of the authorized player both to send the decryption key $k$ and to encrypt it.

Then, $\text{A}$ proceeds to encrypt the decryption key $k$ with the public key of the player, $\hat{c} = E_{\text{PK}}(k)$, and to send $\hat{c}$ to $\text{P}$, providing him with the key needed to decrypt content $c$. In order to offer transparency (that would allow to create fraud proofs when needed), $\text{A}$ sends $\hat{c}$ also through the Bitcoin blockchain: he creates a transaction $\text{Tx}_7$ to the player’s address encoding $\hat{c}$ as data (using, for instance, an OP\_RETURN opcode), and sends the transaction to the Bitcoin network. Note that $\text{Tx}_7$ is a standard Bitcoin transaction, without colored coins data embedded into it.

This procedure is performed by $\text{A}$ each time he receives units of $\text{AssetVisRights}$ to one of his addresses.

5.3.6 | User visualizes content

Finally, once the player receives $\text{Tx}_7$, he proceeds to:

1. Decrypt $\hat{c}$.
2. Decrypt $\hat{c}$ and reproduce the content $c$.

In order to decrypt $\hat{c}$, the player uses the private key corresponding to the public key to which the key was sent, $k = D_{\text{SKP}}(\hat{c})$. With this procedure, $\text{P}$ obtains the symmetric key $k$ that allows to decrypt the content.

Once he learns $k$, the player can proceed to decrypt the content, $c = D_k(\hat{c})$. Finally, the player reproduces the content $c$ and forgets $k$. As we will later explain in detail in Section 6, $\text{P}$ has incentives to forget $k$ because $\text{PM}$ gets bitcoins for each visualization, so $\text{P}$ does not want to reuse keys. Note that $\text{B}$ (that indeed has incentive to reuse $k$) never knows $k$.

5.4 | Summary of the Bitcoin transactions involved in the system

Overall, eight different kinds of Bitcoin transactions (six of which carry also colored coins metadata) can be sent to the Bitcoin network during the operation of $\text{BArt}$. Table 11 summarizes the involved transactions, detailing whether they encode colored coins data, the asset they refer to, and the agents associated to the transaction.
Table 11 Summary of the Bitcoin transactions involved in the system.

<table>
<thead>
<tr>
<th>Tx</th>
<th>Step</th>
<th>Type of tx</th>
<th>Involved asset</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tx₀</td>
<td>PM joins (Sec. 5.1.1)</td>
<td>Colored - issuance</td>
<td>AssetPlayerAuth</td>
<td>PM</td>
<td>PM</td>
</tr>
<tr>
<td>Tx₁</td>
<td>New P (Sec. 5.2.1)</td>
<td>Colored - transfer</td>
<td>AssetPlayerAuth</td>
<td>PM</td>
<td>P</td>
</tr>
<tr>
<td>Tx₂</td>
<td>PM revokes P (Sec. 5.2.2)</td>
<td>Colored - transfer</td>
<td>AssetPlayerAuth</td>
<td>P</td>
<td>PM</td>
</tr>
<tr>
<td>Tx₃</td>
<td>New c (Sec. 5.3.1)</td>
<td>Colored - issuance</td>
<td>AssetVisRights</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Tx₄</td>
<td>B buys c (Sec. 5.3.2)</td>
<td>Bitcoin only</td>
<td>-</td>
<td>B&amp;P</td>
<td>A</td>
</tr>
<tr>
<td>Tx₅</td>
<td>A sells c (Sec. 5.3.3)</td>
<td>Colored - transfer</td>
<td>AssetVisRights</td>
<td>A</td>
<td>B&amp;P</td>
</tr>
<tr>
<td>Tx₆</td>
<td>B asks to vis. c (Sec. 5.3.4)</td>
<td>Colored - transfer</td>
<td>AssetVisRights</td>
<td>B&amp;P</td>
<td>A</td>
</tr>
<tr>
<td>Tx₇</td>
<td>A serves c (Sec. 5.3.5)</td>
<td>Bitcoin (OP_RETURN)</td>
<td>-</td>
<td>A</td>
<td>P</td>
</tr>
</tbody>
</table>

6 SECURITY AND PRIVACY EVALUATION

In this section, we identify the threats BArT faces and the possible attacks any of the entities may try to perform. We describe the countermeasures BArT provides to each of the identified attacks.

Misbehaving buyers have a very limited set of actions since they do not know the decryption key k or the decrypted content c at any stage of the protocol. Indeed, they can try to record the content while it is being played (an attack common to any DRM scheme) or try to extract private keys from the player’s internal memory. However, they can not double spend units of AssetVisRights if the artist waits for the adequate amount of confirmations nor try to obtain a decryption key without spending a unit of AssetVisRights.

Player manufacturers get revenue for each visualization performed by one of their players. Therefore, PM has incentives to follow the rules of the system. If any PM starts misbehaving, for instance, by not revoking AssetPlayerAuth to their misbehaving players, content producers may start removing the player manufacturer as a recognized PM for their contents (by not including it into the PM list in the metadata of their visualization assets).

Since players know the decryption key k whenever a content is reproduced in their system, misbehaving players would be able to keep the k for subsequent free reproductions of the content or even to sell k to third parties. However, on the one hand, players are produced by players manufacturers, that have high incentives to follow the rules of the system and thus are discouraged to program such behaviour into their players. On the other hand, an individual player may be hacked into performing actions not originally indicated by its player manufacturer. In this case, the player manufacturer will revoke its AssetPlayerAuth, making it unusable from that point. Players may also misuse by not reproducing the decrypted content to the buyer once they receive the decryption key k. Again, since PM gets revenue for each visualization, players are incentivized to show content to the buyer, so that the buyer keeps using them as his player.

Artists may try to subvert the system by not sending AssetVisRights in response to a buyer’s payment. Because the Bitcoin blockchain offers transparency (all transactions are public), such behaviour would be detected and publicly noticeable by any observer. If a A does not respond to a buyer payment, a proof of that behaviour will remain in the blockchain forever (a transaction paying for and requesting the asset will remain in the blockchain whereas no assets will be transferred back to the payee).

Similarly, artists may also try to subvert the system by sending a corrupted decryption key. Again, any player that detects this behaviour will be able to construct a fraud proof, that is, a proof that anyone can verify that the artist tried to cheat. Let \( h₁ = H(k) \), \( h₂ = H(\bar{c}) \) be, respectively, the hash of the decryption key and the hash of the encrypted content the artist committed to on asset issuance (recall that these values can be found in the metadata of the respective AssetVisRights). Moreover, \( \bar{c} \) is the publicly accessible encrypted content. The fist way A may try to cheat is by sending to B a corrupted key \( \bar{c}' = E_{PKP}(k') \) (with \( k \neq k' \)). Then, since \( \bar{c}' \) is published in the blockchain, the player may reveal his private key, demonstrating that \( D_{SKP}(E_{PKP}(k')) = k' \neq k \). Recall that all the information is publicly available in the blockchain, and thus the fraud proof is accessible by any observer. The second way A may try to cheat is by committing to a corrupted key k during asset issuance. Again, it is possible to demonstrate that the artist cheated by using information in the blockchain. Indeed, the player may present the decryption key k he has obtained. Showing that \( H(k) = h₁ \) (and thus \( k = k \)), \( H(\bar{c}) = h₂ \), \( D_k(\bar{c}) = c' \) and that \( c' \) is invalid, the player has a fraud proof.

Considering that all colored coins transactions in our scheme are public, external observers may also try to subvert the system with the information they obtain by analyzing the blockchain. However, as far as the entities’ private keys remain secret, external
observers will not be able to steal assets nor to decrypt content keys thanks to the usage of cryptography. Nonetheless, one of the existing threats is to take advantage of the fact that all transactions are public to try to compromise buyers’ privacy. During the player setup phase, PM creates a transaction $Tx_1$ to transfer player authorization rights to addresses of the same player $P$. In order to avoid linkability between the different addresses of the same player, which would allow an external observer to construct a profile of the visualization preferences of a certain (unknown) user, the PM can mix different players addresses in the same transaction and/or distribute addresses from the same player into different transactions. By doing so, one achieves protection in front of external observers. Note, however, that since the player manufacturer is in possession of the master seed from which the player’s wallet was derived, the PM is still able to link different addresses of the same player.

7 | CONCLUSION

A widely known problem the entertainment industry faces is the proper attribution and enforcement of rights to artists, together with the monetization of their artworks. Previous studies performed by Marcus O’Dair et al. have claimed that blockchain technologies have transformative potential for certain digital artworks, for instance, for recorded music. In their study, Marcus O’Dair et al. identify four areas in which blockchains may be able to solve problems the current music ecosystem has:

1. Provide a networked database for music copyright information.
2. Facilitate fast, frictionless royalty payments.
3. Offer transparency through the value chain.
4. Provide access to alternative sources of capital.

BARt indeed contributes in all these four areas and, additionally, presents a solution to one of the areas not mentioned in the study: the enforcement of the rights the artists grant over their artworks. BARt provides a mechanism for managing digital artworks, serving as a networked database for copyright information, where the database corresponds to the Bitcoin blockchain with colored coins data embedded. Moreover, the system facilitates royalty payments, made through transactions in the Bitcoin system. The use of the Bitcoin blockchain offers transparency through the publication of both artworks’ metadata and protocol information. Such transparency ensures the proper behavior of all parties interacting in the system, since actions are recorded and can be later retrieved to prove its correctness. Finally, BARt also enforces the usage rights authors set for their artworks using an open vision where, not only special devices but any player is encouraged to follow the usage rights model through an economic incentive scheme. Such open model, where the artists do not need neither an expensive infrastructure nor a direct control of special devices with DRM capabilities, provides new artists, that have just started their career, with an alternative source of capital (since they can directly monetize their artwork).

Further research faces two different approaches. On one hand, in a theoretical plane, the system could be enhanced with its integration with the lightning network in order to provide more flexibility to the payments. On the other hand, from a practical point of view, a proof of concept of the proposed system could be developed using the Bitcoin Testnet network.

ACKNOWLEDGEMENTS

This work is partially supported by the Government of Catalonia (2017 SGR 00705). Cristina Pérez-Solà was funded by the Martí i Franquès research grants programme (2017PMF-POST2-06) during part of the time when this work was done. The authors also gratefully acknowledge support from the Spanish Government, under grants RTI2018-095094-B-C22 CONSENT and TIN2014-57364-C2-2-R SMARTGLACIS.

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