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This whitepaper contains forward-looking statements or information (collectively "forward-looking statements") that relate to Publica's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Publica has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, financial needs, or the results of the token sale or the value or price stability of PBL Tokens.

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Publica.io
September 2017

Publica will be a digital economy platform for publishing. The best of both worlds of traditional publishing and self-publishing because it invites everyone participating in the ecosystem, across all borders, into trustworthy and frictionless ecommerce.

Blockchains and digital books are the technical catalysts making Publica possible. Pushing for it are the gig economy and the sharing economy. Fueling it is the demand for entrepreneurial innovation, transparency, accountability, and lower costs of doing business.

PBL is the ticker for Publica’s Pebble tokens, a new money for a new country. Digital, mobile, entrepreneurial, and courageous.
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Abstract

Publica aims to serve the publishing ecosystem, a global economy unto itself. The blockchain revolution is the catalyst for doing it now.

The technology enablers are:

- Digital trust embodied by tokens in smart contracts
- Distributed computing using tokens as decryption keys for digital content
- Ereaders and ewriters doing double-duty as digital wallets
- Tokenization and atomization of intellectual property
- Global, live online, multi-currency ecommerce including cryptocurrencies

The cultural forces calling for it are:

- The gig economy
- The sharing economy
- Independence and self-publishing
- Public crowdfunding
- Institutional funding innovations
- Entrepreneurial innovations (every book project is a startup with commercial potential)
- Demand for transparency and accountability
- Demand for lower costs of doing business

Publica will become a multi-sided platform for igniting global network effects within the ecommerce of books for all markets — scholarly, educational, recreational, independent, regional, scientific, institutional, niche, and general.

Publica is a platform for all kinds of ecommerce throughout the publishing ecosystem. Any writer, any entrepreneur, any institution, any affinity group, has had the potential to self-publish in some form ever since the Internet revolution. Along the way they lost the best parts of traditional publishing, and they want it back. The best of both worlds.
The Commercial Challenge
— Best facets of self-publishing and traditional publishers

The publishing economy has few technical problems but it has loads of commercial problems. Amazon’s online innovations addressed the easiest, smallest portion of publishing commerce, i.e., retail. Find book, pay, download or ship. In the illustration called the Publica Circle it’s easy to see how much commerce was left out, i.e., most of it.

Amazon brought the retail corner to online shopping over 20 years ago, and left the rest of the publishing ecosystem to fend for itself. Since then, publishing has been a mixed bag of entrepreneurial wins and fails, but mostly disintermediation and partial reformations.

The most notable consequence of online publishing was self-publishing, because it costs less and authors can keep more of the revenue. But the baby went out with the bathwater and the baby’s name was Commerce.

Anyone can publish anything now, ranging from brilliant to just plain bad. Short-form content and journalism address that problem in their own ways, building commercial solutions that work for them. Books pose different problems.

Book projects are teamwork, for a long time. Creative writing is an essential ingredient, but project management is the day job. Network effects apply 100%. Teams form and reform based on trust. It’s fun and social, but money changes hands.

The gig economy and the sharing economy belong in publishing’s ecosystem. It’s time for publishing’s versions of Lyft and Airbnb.

Books lead to derivative rights products like movies, games, merchandise, sequels, editions, and even theme park attractions and songs. That’s digital commerce over years and decades.

20 years ago, fiat money was the only money the publishing ecosystem could use. From now on, fiat money will become more and more a locally-convenient money, less trustworthy than before, costing more and more to use in day-to-day commerce.

Trust and money are the essence of the challenge in book publishing.

Book publishing’s core challenge doesn’t lie in clever ad-or-subscription-supported websites. It lies in trust and money, long-term. Here are several reasons why.

Publishers can serially cheat, accidentally or intentionally, and authors know it. Audits cost too much, and they need to be run again every year.
The Solution
— Trust, Money and Network Effects

Start the money at funding books. Crowdfunding is this generation’s latest version of funding, where trust is easy, concentrated on belief in a book’s value, based on what an author has written before, a trending topic, or a demonstrated expertise. The same criteria that traditional publishing has used since Gutenberg’s printing press. Whether it’s a new book idea that resonates with a readership, a scholarly work, an institution offering its constituency books by like-minded authors, or simply a new edition of a popular text. (Gutenberg’s Bible was an early example of self-publishing on a trending topic, funded by a printer.)

Let entrepreneurs invent new business models. Because every new book idea is like a startup. Let readers, authors, publishers, project managers, institutions, patrons, and everyone else in a book’s production process, share the obligations and rewards according to a book’s business model.

Make the platform their marketplace. Roles are fluid, like any gig economy. A book’s best editor may not be a full-time self-declared copy editor. The best publicists and marketers may also publicize and market things other than books. When they work on a book project in any capacity, they should do it from the Publica marketplace of goods and services, selling their wares onward into all the other markets where books and derivative rights are bought.

Export. Publica will host an online bookstore because that’s a valuable utility. But export is the true end-game business of publishing. The publishing ecosystem is its own economy whose finished goods are very exportable to businesses and consumers outside of Publica. Like a new country that exports finished goods more valuable than the raw goods it imports, its economy only gets better for its residents.

Continue the ecommerce all the way into derivative revenues. Digital trust increases in scope and complexity as a project involves more people in more roles, and in more smart contracts that have to persist through ownership updates and periodic revenues.

Altogether, the solution becomes a multi-sided platform for network effects. Somewhat like social platforms LinkedIn and Facebook where trust is passed on by association with whoever brings you into a group, supported by your own timeline. Unlike social platforms, in publishing there’s always money involved.

Somewhat like sharing platforms Airbnb and TaskRabbit where financial roles are fluid, and transactions lead to social network effects. Individuals, teams and organizations can take buyer and seller roles for similar goods and services at different times. Amateurs, semi-pros and pros have the same opportunities to flourish by the fruits of their own labor. Friends bring friends and colleagues into transactional relationships, expanding their own network effects and getting paid for it.

So Publica’s solution is trust and money on a platform designed for the publishing economy.
Why Blockchain

Blockchains are append-only databases supported by protocols for reading, writing, and distributing them, to share the workload and disincentivize cheating. Publica will use blockchains for transfers of intellectual property rights, smart contracts holding arrays of financial stakeholders and formulas, as well as for holding digital keys to decrypt digital book files for reading in ereaders, for machine-translation, for machine-formatted editions, for verifying secure content distribution supply chains, and so on.

Append-only is critical, so that long-term automation can be entrusted to machines, and people won’t cheat them. Blockchain protocols are critical, so that the distributed databases can be verifiable by anyone. Publishing is also a global economy with short, medium, and long supply chains, similar to how pharmaceutical companies are using blockchains now.

Financial audits are necessary in publishing. But the more closely teams work together, the more socially awkward their audits become. Audits are also expensive and recurring. With blockchains, anyone can run their own audits, in the privacy of their own offices, on the same append-only database distributed to their own machines, with automated software.

Visualizing Publica as a new country, it’s made of tribes. Tribes sometimes band together in common cause. Individuals can journey from tribe to tribe. Tribes intermarry, so to speak, and become irrevocably related to one another. Blockchains mean that a tribe’s history can’t be changed or denied after the fact. “Trust, but verify.”

Blockchains are a natural immutable ledger for publishing’s core asset, intellectual property. Blockchains are a natural key store for publishing’s core digital decryption event, i.e., reading a digital book’s contents. One key on a blockchain, the other in a digital wallet. Publica’s ereaders do double-duty as digital wallets. Which leads to...

The publishing ecosystem needs its own money. Independent of the nation-states where the team workers live, independent of those who may seek to influence the work to their own ends.

Also, people working in the publishing ecosystem don’t spend their “work money” as soon as they receive it. They keep a working balance. They don’t send their work money to currency exchanges until they need to, and they can’t always be certain which currencies they’ll need later. When they pay bills and earn income, they demand near-instantaneous delivery of funds. They account for it separately, even if they’re part-timers or skilled amateurs working for a cause they believe in. Many of them have valid reasons for getting paid on delivery but leaving their money out of danger for a while. Many books are for entertainment but the majority are non-fiction, and some of them can be life-threatening.

They all need a stable form of money that won’t lose value to inflation, or fluctuate unpredictably in response to events that happen outside of the publishing ecosystem itself.

Publishing has always been a long game with immediate consequences. Truth is prized, as it is in blockchains. After all, cryptocurrency blockchains publish too — they just publish money instead of books.
Token Choices

Publica needs three kinds of tokens. They’re all ERC20 because they need smart contracts distributed with their blockchain database.

1. READ tokens do double-duty as digital keys to decrypt books for e-reading, machine translation, etc., as well as blockchain smart contract identifiers to copyrights, and books as bearer assets. Paper books have always been bearer assets, so READ tokens get very interesting. There’s more on that topic in another Publica paper about the trajectory of books and publishing.

2. RIGHTS tokens identify derivative rights holders, and serve smart contracts regarding their rights to revenues from movie scripts, games, merchandise, sequels etc. Publica is involved in extending Ethereum smart contract technology to support the intent of RIGHTS tokens.

3. PBL tokens, colloquially called Pebbles, are the new, stable, money for Publica-the-country. Pebbles meet the economic postulate of no-intrinsic-value, while acting as a speedy transfer of value. Conversely, READ and RIGHTS tokens are assets-in-themselves, meaning, they’re digital keys to something of value: books or their derivative project revenues. They’re valuable as-is and you can’t easily spend them in fractions, or heap them in millions. So Pebbles make a better currency within the publishing ecosystem.

Publica also needs to be able to move tokens and smart contracts to another blockchain if Ethereum encounters a traumatic problem or evolves in a direction that can’t support the publishing ecosystem’s commercial needs. Options already exist, including appendices to the original Bitcoin blockchain.
Why an ICO

As we said, start the money at funding books. So Publica needs to issue Pebbles before the inaugural set of books are funded. Whether the books are already written and ready for publication, or they need advances to finance their production. Either way, book funding events are token launches in themselves, i.e., Book ICOs. Pebbles will buy READ tokens. Later, Pebbles will buy RIGHTS tokens.

At every Pebble holder’s convenience, Pebbles will buy other currencies including Bitcoin, Ether, alt-coins and fiat currencies.

This illustration shows how the token exchanges, inside and outside of Publica, play out in the long and varied lives of books.
Development of User Experiences

Like any ecommerce platform, user experiences (UX) will vary by role.

An author or project manager starting a funding event will see a website, in a template made and maintained by Publica, guiding them through the standard forms and questions they should answer for their funders. Number of READ tokens available, minimum and maximum contributions, escrows, whether or not third-party advertising is allowed on the site to help the funding, etc.

Funders joining the event will see a related website, in a Publica template, guiding them through the digital wallet process, commenting, newsletter subscriptions, user forums etc.

Authors or project managers are responsible for communications with their funders. Publica’s community managers will be on hand to assist and inform.

Publica’s content distribution network will make ebooks available to Publica’s ereader apps on all common platforms. Ereader apps will work in the familiar fashion, including libraries.

Publica will develop automated recommendation systems for books and for the people who work on them. Because recommendations by people working in the industry matter more amongst themselves, their UX will differ from recommendations to readers from other readers. Readers will want to see both kinds. So the algorithms and filters will differ from those found on simple online ebook retail sites.

Recommendation can develop into an entrepreneurial business of its own (curating), another function for Pebbles, which are far more divisible than fiat currencies, so micropayments may come into play.

Publica will develop ereader devices for workers and consumers (readers). Because publishing is a work process, Publica will also develop ewriter devices so collaborators can edit, mark up, illustrate etc., on the page with a stylus, and share their work, encrypted. READ tokens will restrict access to the various pre-release editions, to their authorized users.

RIGHTS tokens are subject to a legal framework that doesn’t exist today in regard to blockchains and smart contracts. Publica and its legal team are committed to working with accredited bodies to establish, test and validate that legal framework in software. It will probably vary by country, spreading by rule of law over time. Publica will make templates and websites for that ecommerce as the issues are defined and codified. Meanwhile, READ tokens, copyrights, and other book production and publicity functions will march on.

Pebbles won’t be a highly visible part of the publishing ecosystem’s daily UX. Book project websites can be denominated in the user’s choice of currency, like most ecommerce sites today. Book prices and service provider rates too. Switching currencies is just a click away. Exchanging Pebbles for other currencies will work however the third-party exchanges work. Pebbles are just another currency in a digital wallet.
Economics of the Platform, Tokens and Transactions

READ and RIGHTS tokens have their own economics, tied simply to their contracted values in the creative and scholastic book marketplaces, linked to smart contracts for distributing revenues.

PBL token supply is fixed and locked to 1 billion tokens at Publica’s token generation event (ICO). Each token is divisible into 1,000 units. This should supply all the granularity the system may require. Atomization of Pebbles will empower entrepreneurial business models like pay-as-you-read, paying multiple authors according to the chapters most read, and many other creative business model ideas we’re already hearing from our advisors.

51% of Pebbles will be sold to the public in the PBL ICO. 4% will be spent on ICO costs. 25% will be held in Publica’s Treasury and gradually released as platform incentives over 5 years. 20% will be retained by Publica and locked for 5 years.

Publica will charge service fees, in fractional Pebbles, for building and hosting crowdfunding websites, for Book ICO transactions (small percentages), and for writing and posting smart contracts and transactions that cost blockchain miner fees like Ether gas.

Pebbles will be held in short, medium, and long positions. Some books publish quickly, some take years, and some publish in serial forms. Some production goods and services deliver quickly, others take more time. Escrows are necessary for milestone deliverables.

The macroeconomic indicators aim up and to the right. The total amount of Pebbles locked from circulation, total number of platform users circulating Pebbles, total value of goods and services bought and sold with circulating Pebbles, and demand for Pebbles to circulate. Pebbles locked in short, medium, and long positions will, over time, decrease the supply of Pebbles available for circulation.

The supply curve for Pebbles goes down while the demand curve goes up. The price system will kick in. Pebbles will cost more so people will buy less. The price of Pebbles will drop in response, and people will buy more again. Rounded by Publica’s own spending of its Pebbles, earned in fees, to support its operational costs.

Publica-as-a-new-country has no debt. Export of finished goods exceeds the value of raw goods it imports. So in macroeconomic terms, the value of Pebbles should stabilize in a positive growth scenario, as illustrated here in a classical Demand and Supply Equilibrium graph.
Publica’s Roadmap

**PBL Initial Coin Offering (ICO)**
Sometimes called a token launch, Publica will offer its PBL digital tokens in a crowd sale. PBL is the currency to be used in Publica’s ecosystem. Proceeds from the token launch will fund the development depicted on this roadmap as well as Publica’s Treasury for funding new books and other economic utilities.

**End-to-end demonstration of Book ICO and READ token system**
Publica’s first development project will demonstrate the user experiences and platform systems that enable the public to crowdfund books. A book’s crowdfunding event is provisionally called a Book ICO and people who join it buy READ tokens that also enable them to read the book later.

**Inaugural book(s), ereader apps and token exchange**
This is Publica’s public debut of the first books to be produced on Publica’s platform, the apps that read them, and the exchange that allows people to exchange PBL for other currencies as well as exchange READ tokens.

**Services Marketplace & Community Management**
Everyone in the publishing economy can offer their services in book production, marketing, and retailing, sort of like the initial version of Alibaba that connected factories and buyers. Publica’s community managers will lead a service-providers marketplace that includes literary editors, scholarly editors, scientific editors, peer reviewers, copy editors, proofreaders, illustrators, cover artists, book agents, institutions, patrons, critics, social media, advertising creatives, book marketers, book packagers, printers, warehousers, shippers, bookstore owners, teachers, librarians, and yes, readers too.

**Print-On-Demand services**
Because READ tokens are property, some of them will include the right to print a paper copy of the book. Publica’s community managers will organize a network of printers-on-demand to bring that idea to fruition.
**Milestone number of books delivered and WIP**
Publica will celebrate a milestone number of books delivered and works-in-progress. This event will raise awareness of Publica’s effectiveness as a platform for the publishing economy and accelerate its network effects for the public-at-large.

**Devices available**
Publica will develop a supply chain for devices supporting Publica’s ereader apps doing double-duty as a digital wallet device. In the publishing ecosystem, ewriters will be just as valuable if not more so. Readers, editors, proofreaders, illustrators, cover artists, advertising creatives, printers, teachers and others will benefit from being able to make their notes on the page. Sort of like a Google Docs for publishing with rights managed by Publica’s platform because it’s ecommerce.

**RIGHTS token system**
In addition to books’ READ tokens, the publishing economy also needs tokens to carry their intrinsic value further into derivatives like movies, games, sequels, and prequels, i.e., just about anything that can be derived from a book or story. RIGHTS tokens are subject to a legal framework that Publica is dedicated to working out with the appropriate jurisdictions and standards bodies. RIGHTS tokens will also be managed in smart contracts on the blockchain.