Distributed Autonomous Organizations

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Overview

- The Phenomenon
- The Technology
- More Background
- What's Happening
- What if Something Goes Wrong?

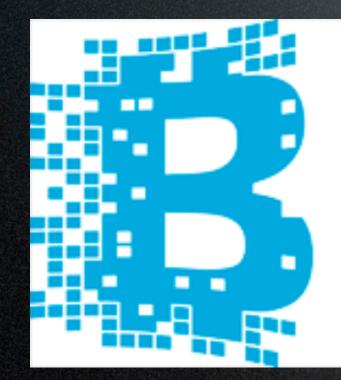


The Phenomenon

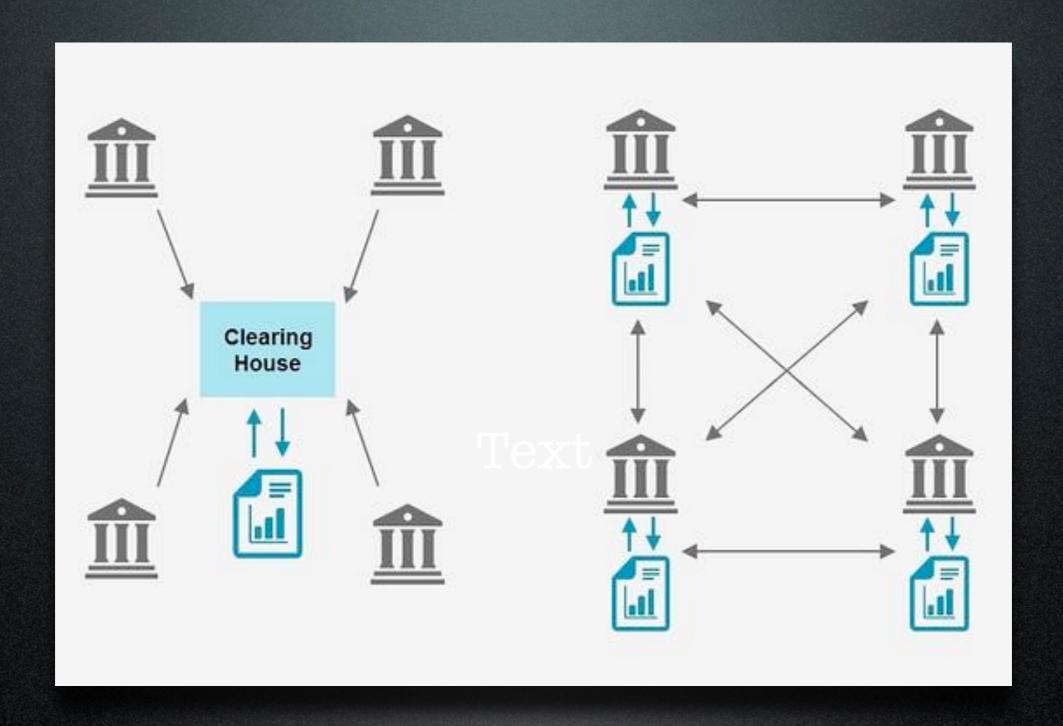


Bitcoin!

The Technology



BLOCKCHAIN



Source: Wall Street Journal http://online.wsj.com/media/0201_cio_ledg_G_20160201185005.jpg

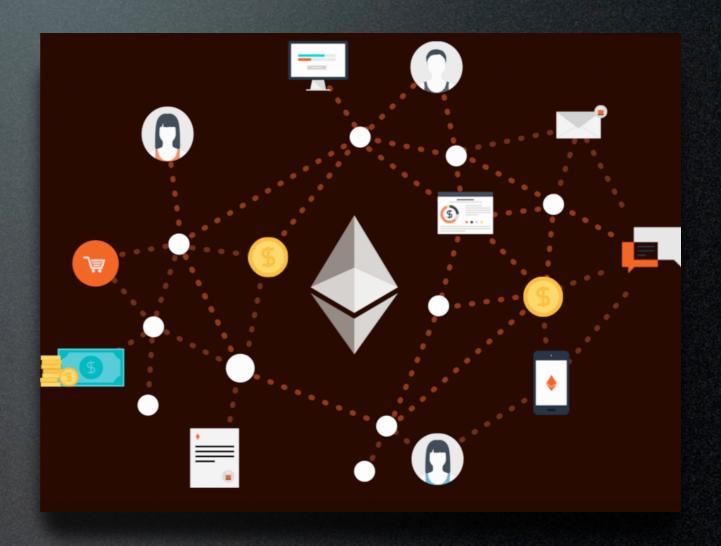
Blockchains

- Record transactions ...
- ... in a reliable manner; and
- ... in a manner that precludes refutation of the transaction (by either party)

More Background

Next Steps

- Blockchains are proven
- Can you make an app for that?
- Ethereum, PyThereum, Lisk, StratusPlatform, others...
- Javascript, Python...
- Artificial Intelligence?



Transactions
Sending value to the contract

"Smart Contract"

Events
Sending information to the contract

Transactions
Sending value from the contract

Events

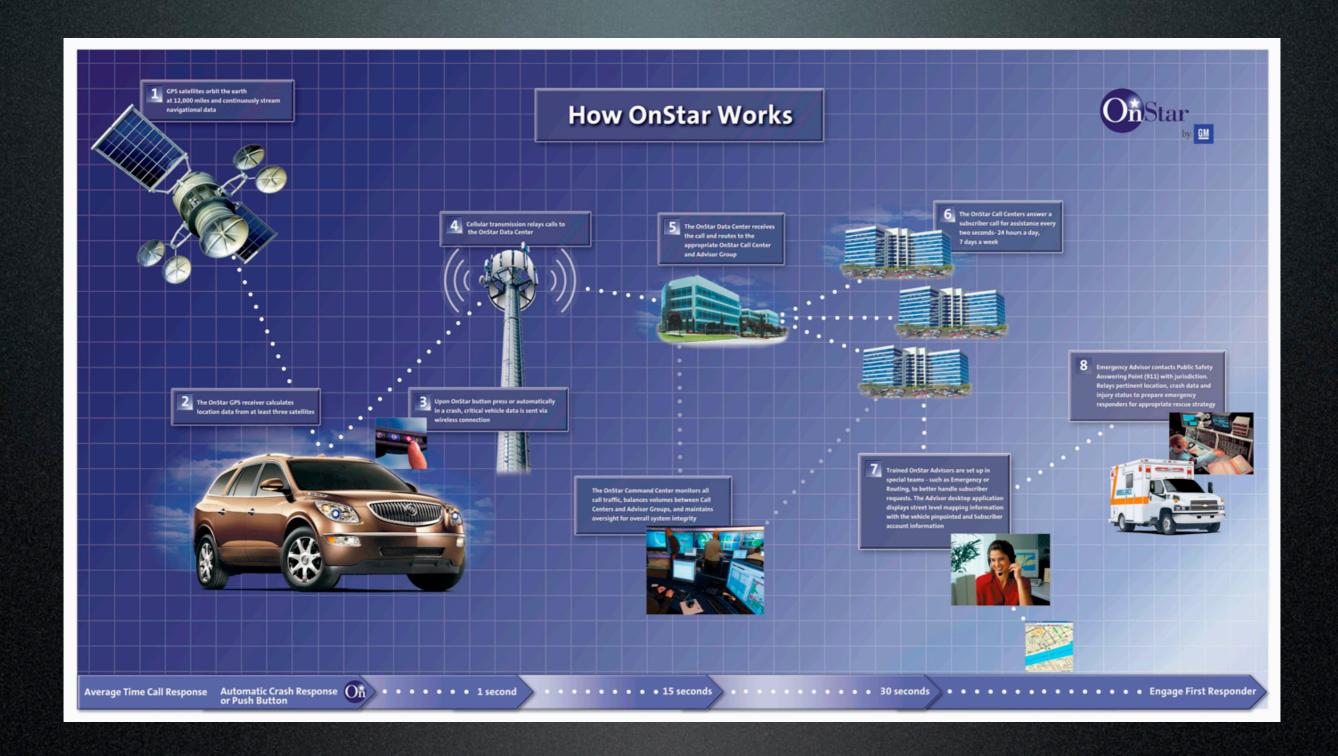
Sending information from the contract

Replicated, Shared Ledger

State

Value

Smart Contracts



Smart Property



The IoT

Smart contracts - simple to complex

Digital value exchange



A family member sends some bitcoin to another family member Smart right and obligation



Consumer buys a digital content stream

Basic smart contract



Landlord remotely locks nonpaying tenant out of apartment Multiparty smart contract



Seller lends buyer funds to buy a house Distributed autonomous business unit



Unit of a corporation issues its own bonds, and buyers monitor payments via a shared ledger Distributed autonomous organization



Self-driving trucks make P2P deliveries, pay local toll road fees, and buy local electricity Distributed autonomous government



Settlers of a previously uninhabited area code their own self-enforcing government services Distributed autonomous society



Groups of settlers from different areas establish selfenforcing trade agreements

Simple

Complex

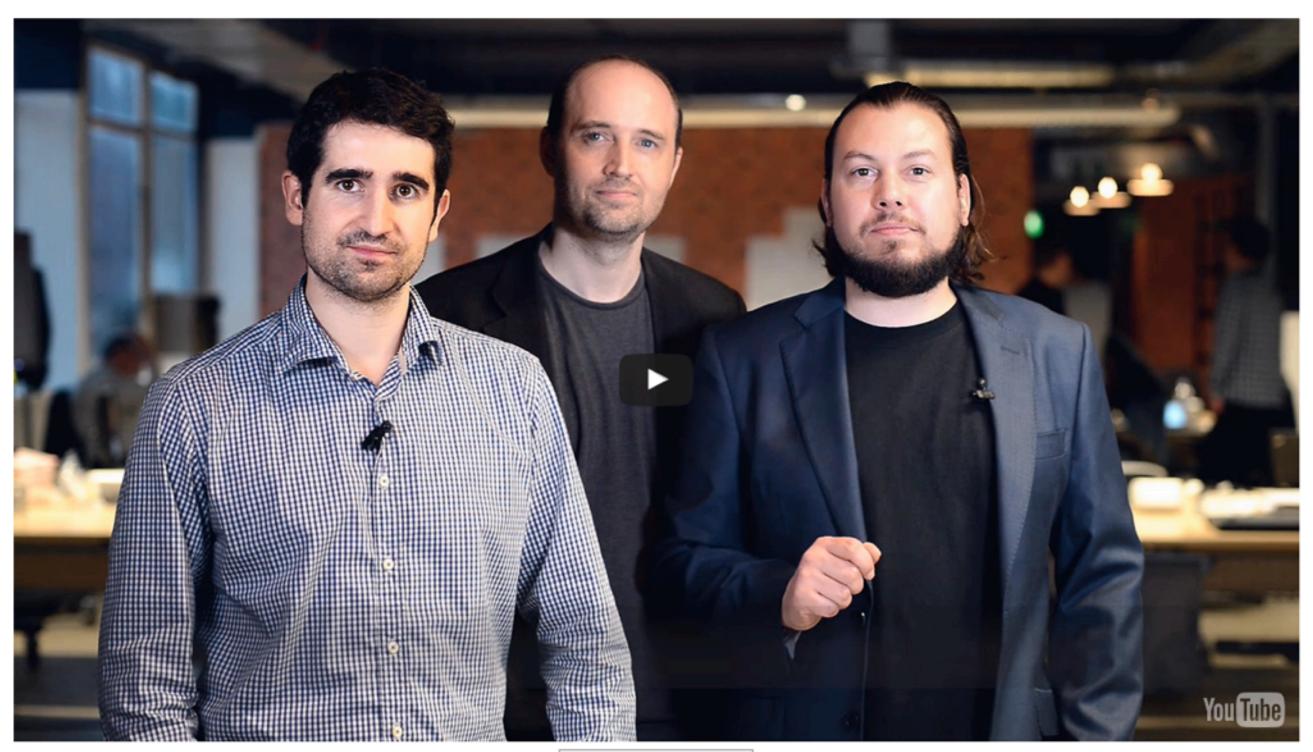
The Spectrum

Distributed Autonomous Organizations

- A corporation in software
- No employees
- No central location
- No need to incorporate

```
pragma solidity ^0.4.0;
/// @title Voting with delegation.
contract Ballot {
    // This declares a new complex type which will
   // be used for variables later.
   // It will represent a single voter.
    struct Voter {
        uint weight; // weight is accumulated by delegation
       bool voted; // if true, that person already voted
        address delegate; // person delegated to
        uint vote; // index of the voted proposal
    // This is a type for a single proposal.
    struct Proposal
       bytes32 name; // short name (up to 32 bytes)
        uint voteCount; // number of accumulated votes
    address public chairperson;
```

What's Happening



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1 DAY

What if something goes wrong?













Law is the Regulation of Transactions Among Humans



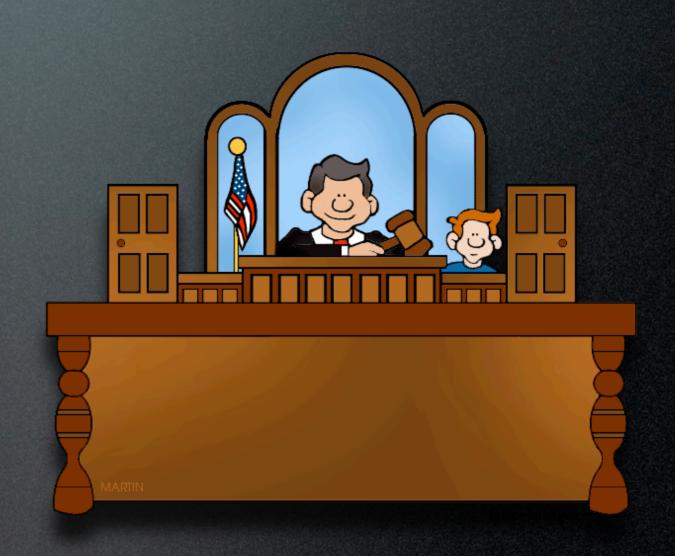
Redress of Wrongs

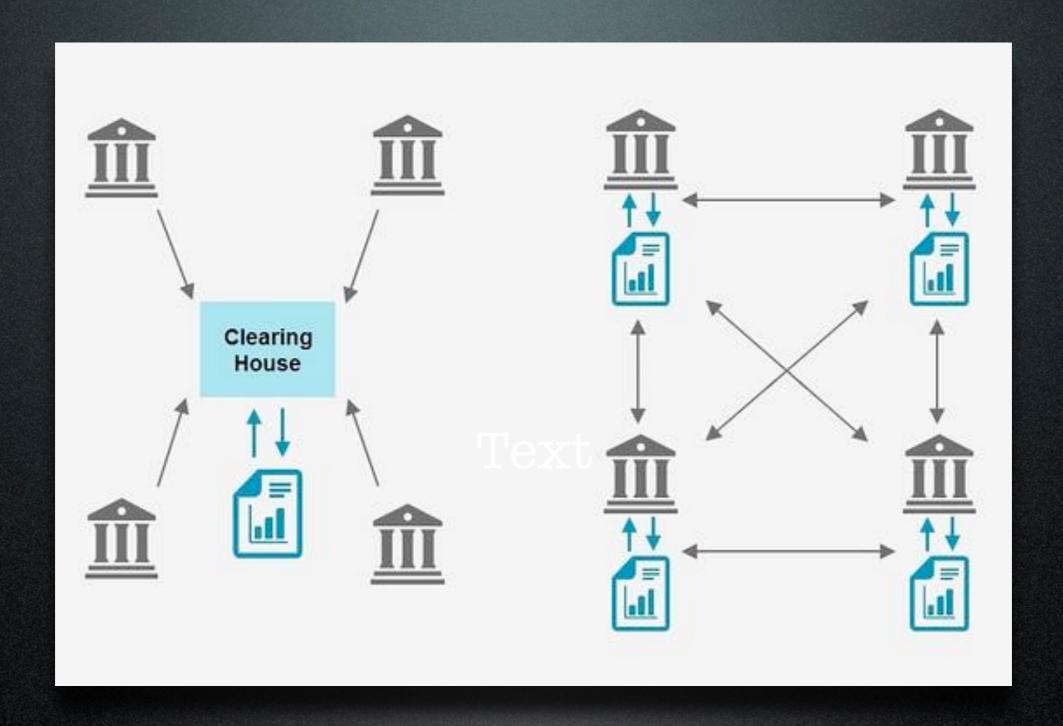
Courts Require

Courts Require Jurisdiction

Jurisdiction

- Jurisdiction comes in two main types:
 - In Personam
 - In Rem





Source: Wall Street Journal http://online.wsj.com/media/0201_cio_ledg_G_20160201185005.jpg

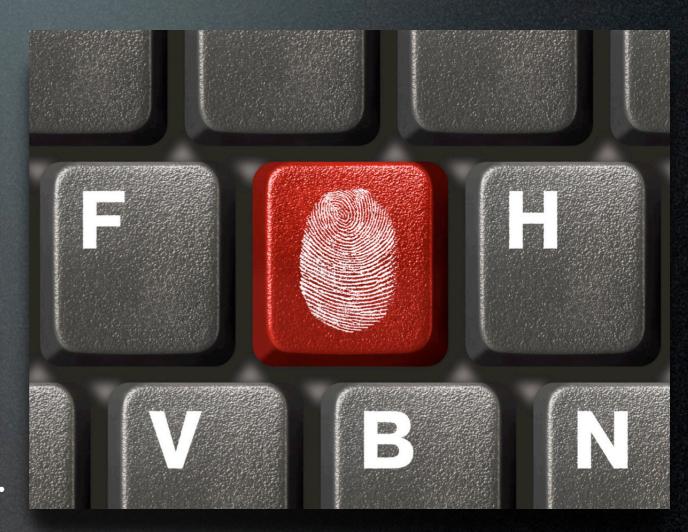
Problems

- Nodes of the blockchain aren't owned by the defendant
- Nodes can be conducting other lawful activities



Evidence

- Find the nodes...
- Employ a blockchain analyzer...
- Follow the money...
- Find the person...
- Establish jurisdiction.



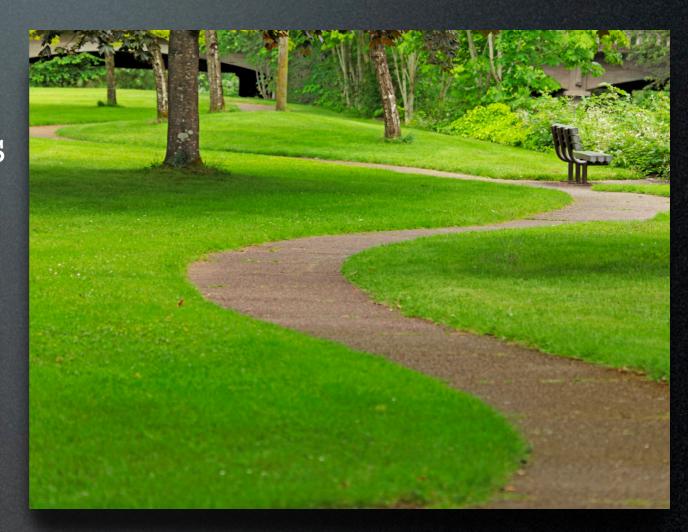
What about encryption?

- Blockchain transactions can be encrypted
- So how can you obtain jurisdiction if you don't know what the transactions are about?
- You don't have to
- That the transactions took place is all you need



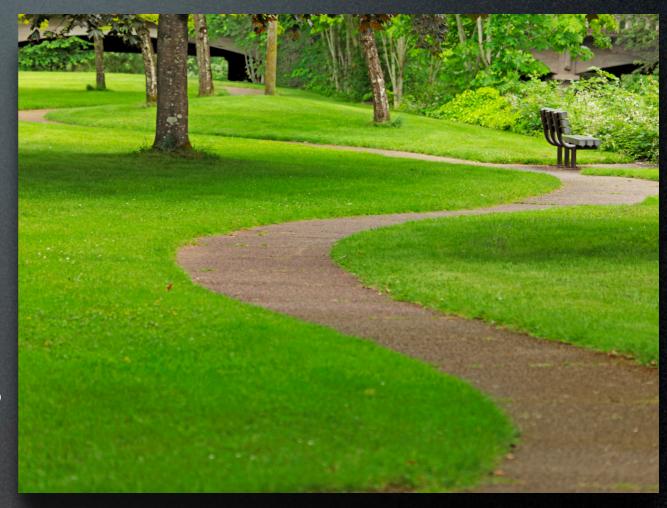
Other Interesting Twists

- No persistent storage necessary (but possible)
- Even during function calls
- Have to stop DAO process on ALL nodes before you disable a DAO
- Can't delete previous transactions without breaking blockchain



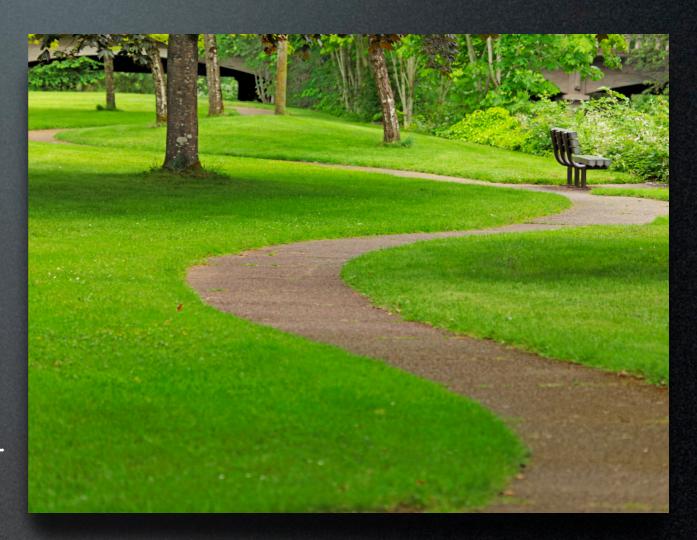
Other Interesting Twists

- No slack
- No swap files
- Have to discern s/w behavior by piecing together transactions
- Would "sting" transactions be permissible to establish jurisdiction?



Other Interesting Twists

- Code for smart contracts can be compiled from files on multiple (remote) servers
- DAO's can subcontract to other DAO's
- DAO can be given artificial intelligence



Questions?

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