

RIETI BBL Seminar Handout

“Blockchain Foundations and Theory to Real Use Cases
Explained by Silicon Valley Based Venture Capital Firm”

April 10, 2019

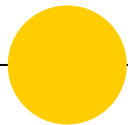
Speaker: Ms. Katerina STROPONIATI

Speaker: Mr. Yiannis VARELAS

<https://www.rieti.go.jp/jp/index.html>

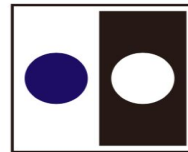
いまさら聞けないブロックチェーン 基礎から応用事例まで

～シリコンバレーVCが語る現状とは～



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little monster inc.



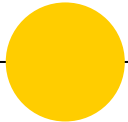
小原 隆雄
OGASAWARA
INTERNATIONAL LAW OFFICE
小原 隆雄
国際法律事務所

WHO WE ARE

- Founders/Engineers
- Based in San Francisco
- Investing in blockchain since 2012

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The future of blockchain

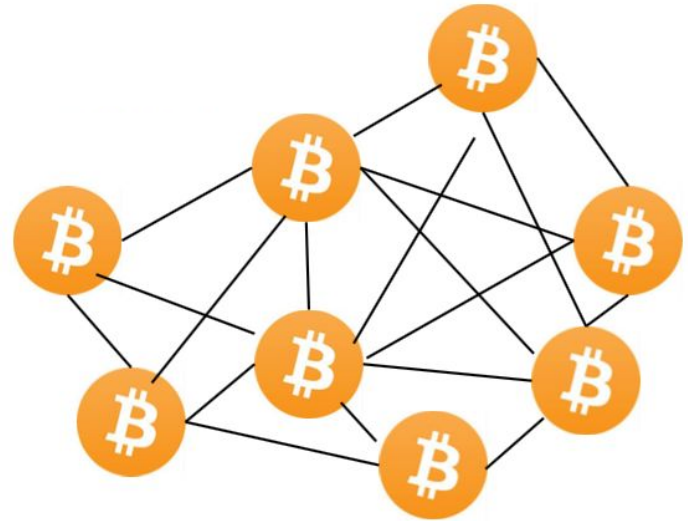




1. What is bitcoin and what it introduced us

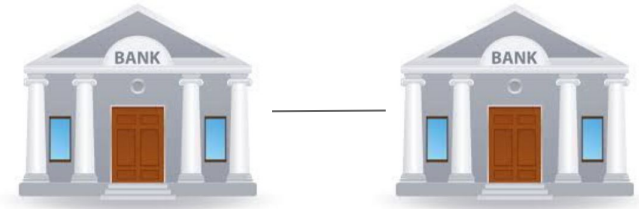
● BITCOIN

In 2009, **Satoshi Nakamoto** created a technology for the actual digital transfer of value.



● AREN'T BANKS DOING THAT ALREADY?

No hard currency is transferred from one bank to the other the moment you make a wire transfer.



● THE TRADITIONAL FINANCIAL SYSTEM

- **Custodian** banks hold the assets
- **Issuance** is controlled by central banks
- SEPA/SWIFT **validate**
- The state provides the **governance**
- Our **identity** is exposed to each one of the above organization.





WHAT DID BITCOIN ACHIEVE?

It has all the components of the above-mentioned fiat system, but **all managed by the same piece of code.**



TRANSFERING VALUE DIGITALLY

The moment you transfer a bitcoin to someone, **you instantly transfer the actual asset.**





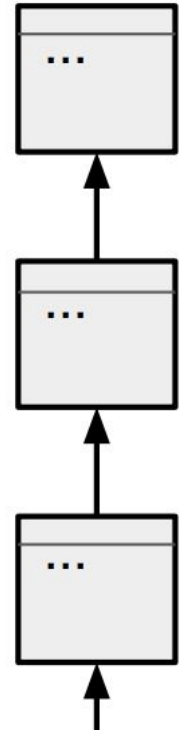
WHAT'S THE USE CASE?

It can be used as a **payment system**.



BLOCKCHAIN: THE UNDERLYING TECHNOLOGY

A blockchain, is a growing **list of linked transaction records**, grouped in blocks. Each block has a position in the chain, defined using cryptography.



● WHAT'S THE FUTURE OF BLOCKCHAIN?

20 years ago they thought that **the internet is just the e-mail.**



By 2005, it would become clear that the Internet's effect on the economy is no greater than the fax machine's.

Paul Krugman, 1998

Nobel Prize-winning on Economics





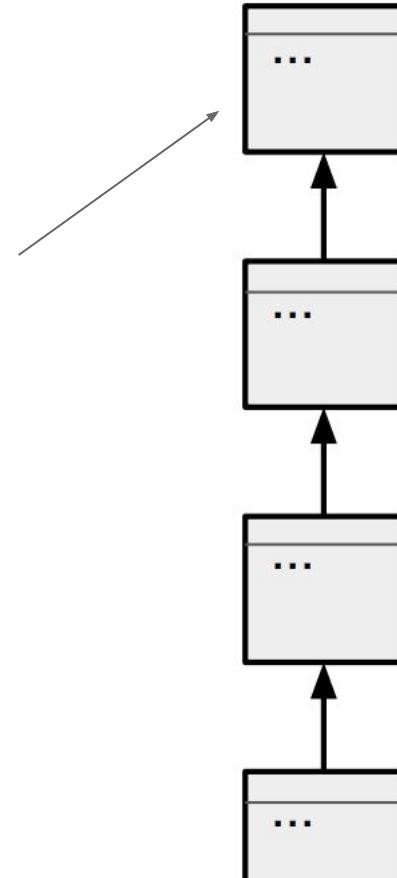
2. Going further: programmable law...



Clearly this disruptive technology opens up many **new opportunities for consumers and businesses.**

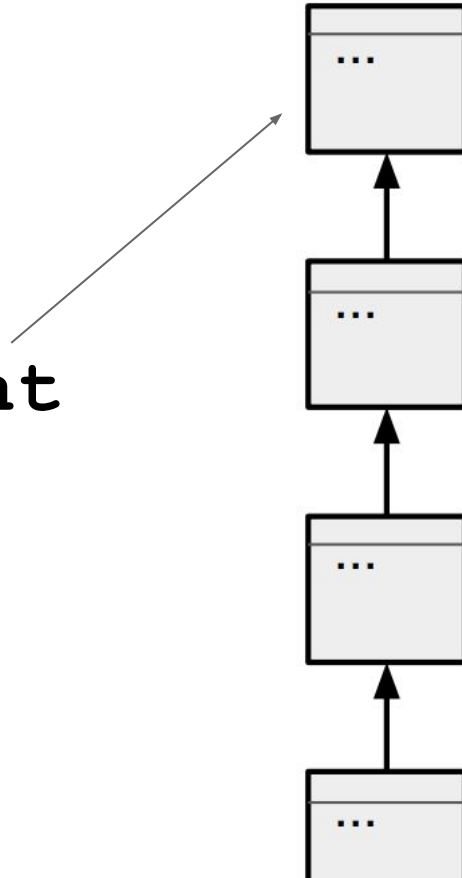
● GOING FURTHER

What if we had **logic**,
like **programmable law**
on blockchain?





Like **if this-then-that**

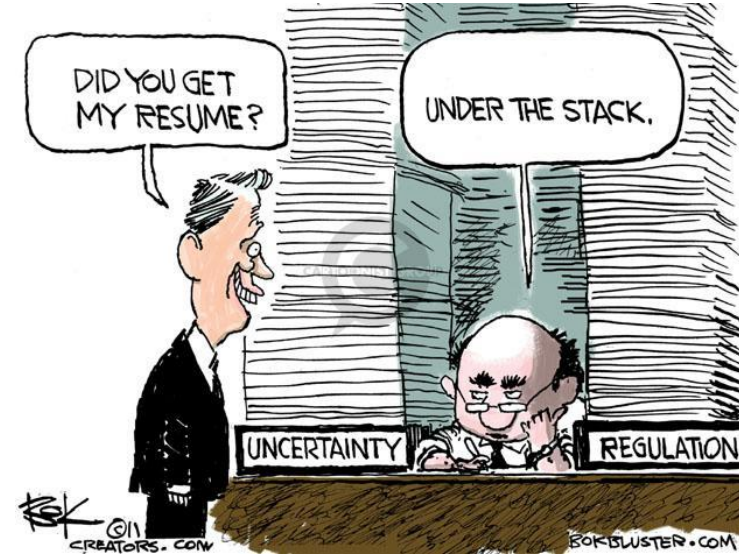




...and we could **automate** many
different kinds of **processes and**
operations between us...



So we don't need **neither a broker nor a lawyer** in order to do a transaction or sell a house between us?



● SMART CONTRACTS (PROGRAMMABLE LAW)

Smart contracts give us the tools to build **decentralized business logic**.

Logic
(Smart Contracts)

Blockchain



PROMINENT SMART CONTRACT PLATFORMS



ethereum



RSK

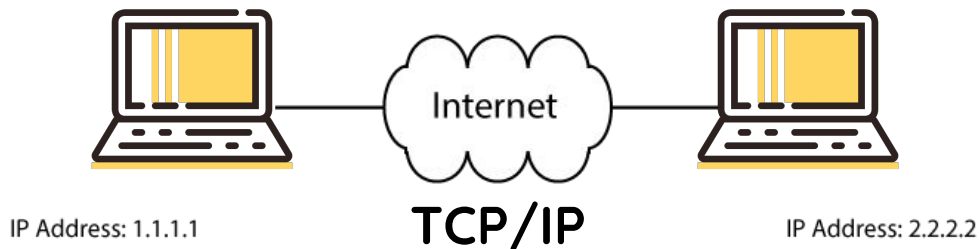
ROOTSTOCK SMART CONTRACTS



3. The analogy with the internet

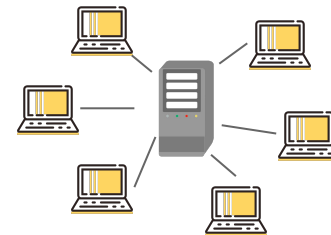
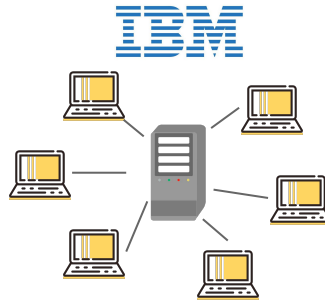
BLOCKCHAIN IS A PUBLIC TECHNOLOGY

The same way the **protocols of the internet are public**



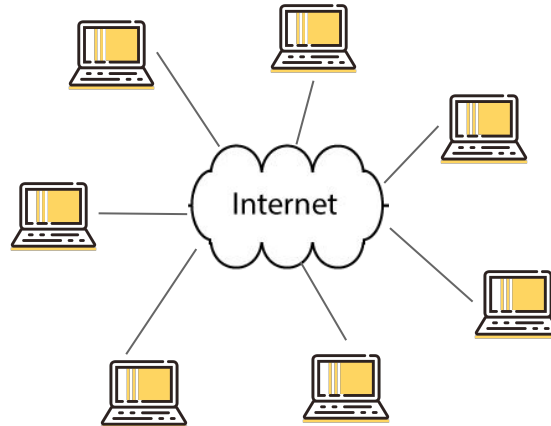
● INTRANETS (90's)

In the beginning, everyone was building their own **isolated internal network**.



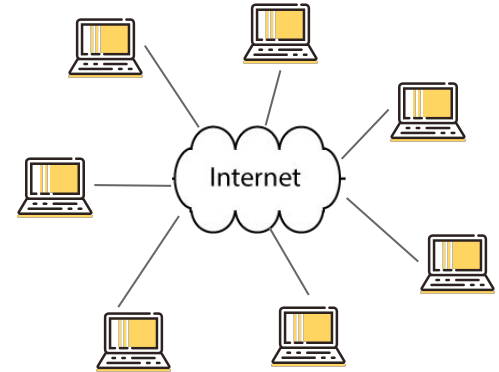
● INTERNET (2000 - today)

Eventual dominance of a **public**
universal network



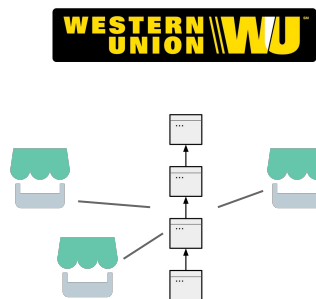
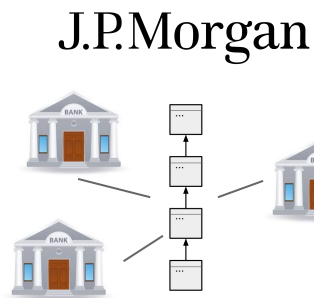
● CATALYSTS

- **Interfaces** (Mosaic, Netscape)
- **Security** networks
- **Social software tools** (Yahoo, Google, Yammer, etc)
organized and managed the
web content inexpensively



● BACK TO THE BLOCKCHAIN

Similarly, corporations today build **their own blockchain networks**



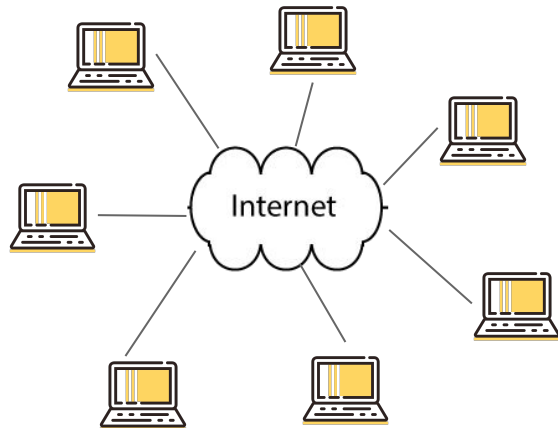


How **the internet of value** will look like?



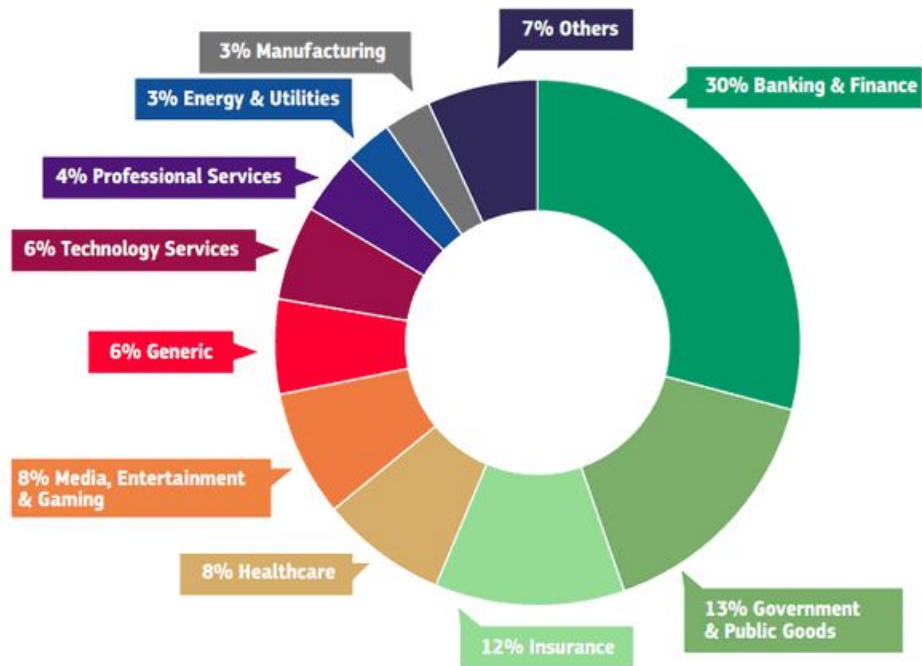
POTENTIAL CATALYSTS

- ◉ **Interfaces**
- ◉ **Security** networks (custodian etc)
- ◉ **Social software tools**
- ◉ **?**





SECTORS CURRENTLY USING BLOCKCHAIN





TOP BANK INITIAL USE CASES FOR BLOCKCHAIN



● BANK SETTLEMENTS & REMITTANCES

Western Union is implementing a private blockchain to allow 24/7 remittances with 0 risk and instant settlement.



● SUPPLY CHAIN & FOOD SAFETY

Walmart is implementing farm-to-table supply chain tracking for its groceries. In case of a food born illness, they are able to trace the infected crops in seconds.



● SMART PROPERTIES

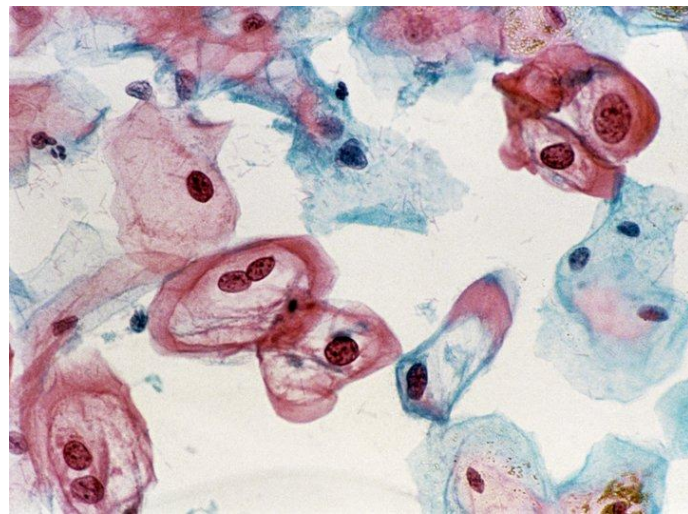
A community buys a car.
They program a wallet.
The car acts like a cab.
People collect profits end
of day from their **smart
property.**



● AI DETECTION OF CERVICAL CANCER/HPV

Current process problems:

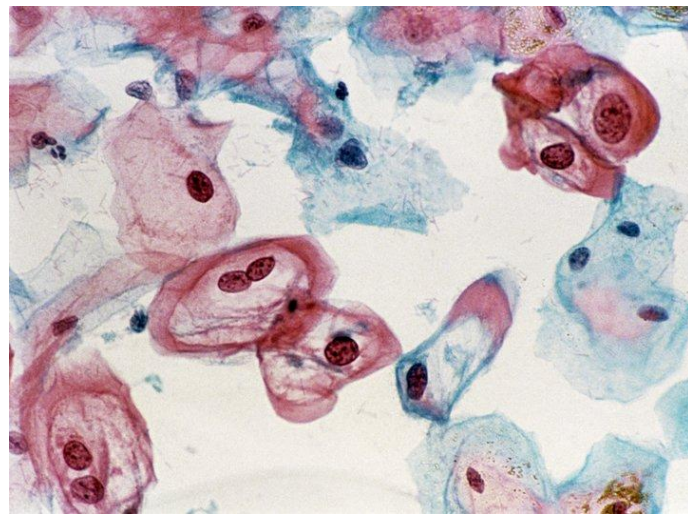
- **Lack of data** (privacy issues)
- **Isolated doctors**
- **Single point of failure**



90% accuracy

● WITH BLOCKCHAIN: COLLABORATIVE TRAINING OF GLOBAL ASSETS

- An image can be assessed by **many doctors, in different regions.**
- Unlimited data with **protected privacy**
- **500x** faster results



97.9% accuracy

● HEALTHCARE

While on vacation you need medical care and:

Your **medical records** were all **connected** and immediately accessible—while still being totally **private**.



● VIRTUAL WORLDS

Virtual worlds are new societies that will create **new economies and currencies** that need to be functional **in both worlds**.





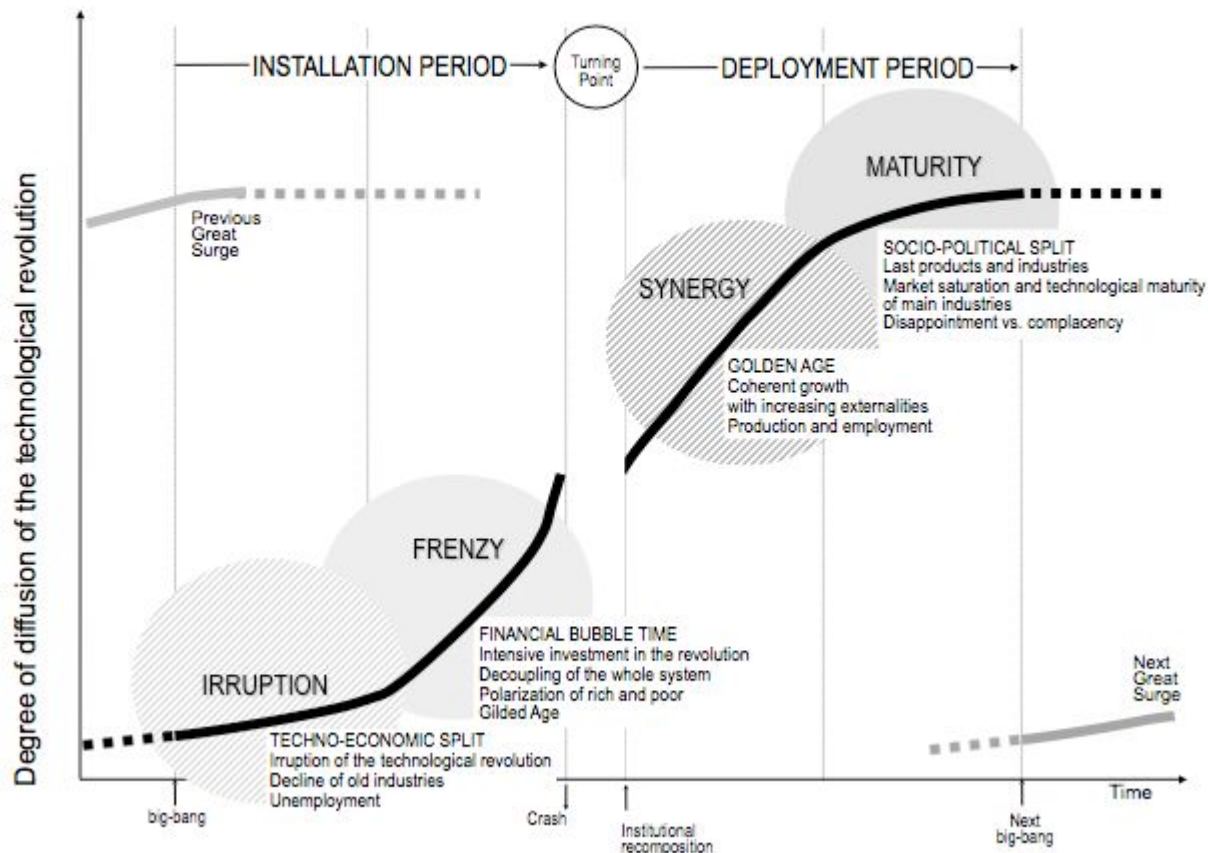
4. Bubbles and crashes during technological revolutions



Every **technological revolution** starts with a lot of **excitement**.

● THE THREE PHASES

- The **installation** period → **bubble** and **crash**
- **Recession**
- And the **deployment** period → **golden age**





WHERE WE ARE

Web1 to Web2 took **3-4 years** to get adoption due to technological limitations. Browsers of Web1 were not capable of browsing Web2 (http upgrade)



CONCLUSION

Societies shape their own future by **understanding the potential of each technological revolution** and designing how it will be deployed.



Thank you!

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Questions?

CONTACT

- Monday Capital
- Monday Capital Japan

Yiannis Varelas
y@monday.capital

- Monday Capital
- Monday Capital Japan

Katerina Stroponiati
k@monday.capital

- Monday Capital Japan
- Little Monster, Inc

Kengo Noiri
k-noiri@littlemonster.io

“

Monday Capital Japanは
Little Monster, IncとMonday Capitalの共
同出資企業となっております。
(登記完了予定日: 4月末)