Ethics on the Block:

Ethical Considerations in a Web 3.0 World

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@IPProfEvans #EvansOnTheBlock #PrivacyPowerEthics2019

Overview

Blockchain 101

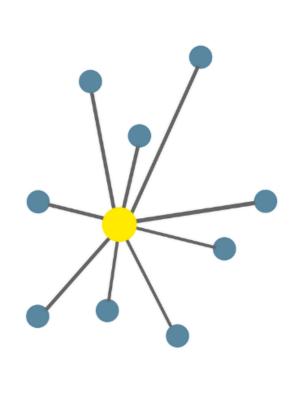
Stages of the Internet

Characteristics, Components & Concerns

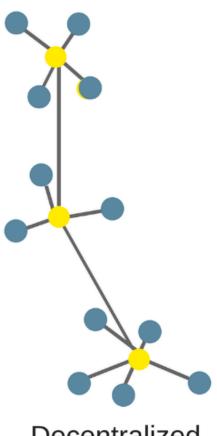
Mechanics

Ethical Issues

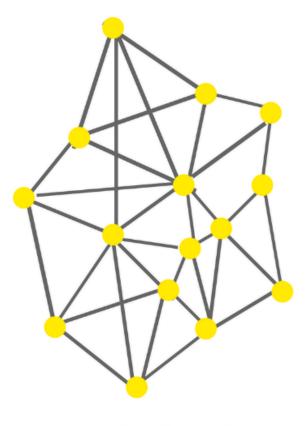
Three Stages of Computer Network Revolution



Centralized



Decentralized



Distributed

Source: Daxx.com



Blockchains are decentralized databases, maintained by a distributed network of computers that rely on network effects and economic incentives to secure the network.

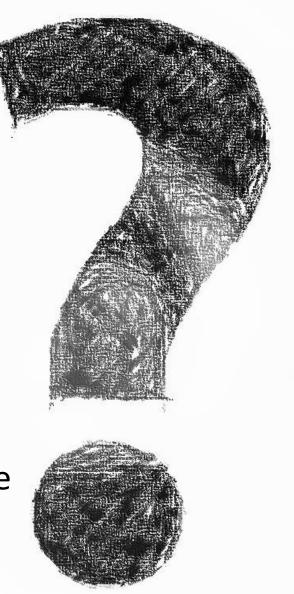
Blockchain's Origin

Created by "Satoshi Nakamoto" in 2008 (launched 2009) to solve the double-spending problem for digital currency

[Satoshi White Paper]

Different from current digital veneer that involves "trusted" parties to maintain separate transactional ledgers & reconcile them

[Central Bank +Mint]



Consensus Mechanisms

Market-Based or Game Theory

Core Characteristics

Append-Only

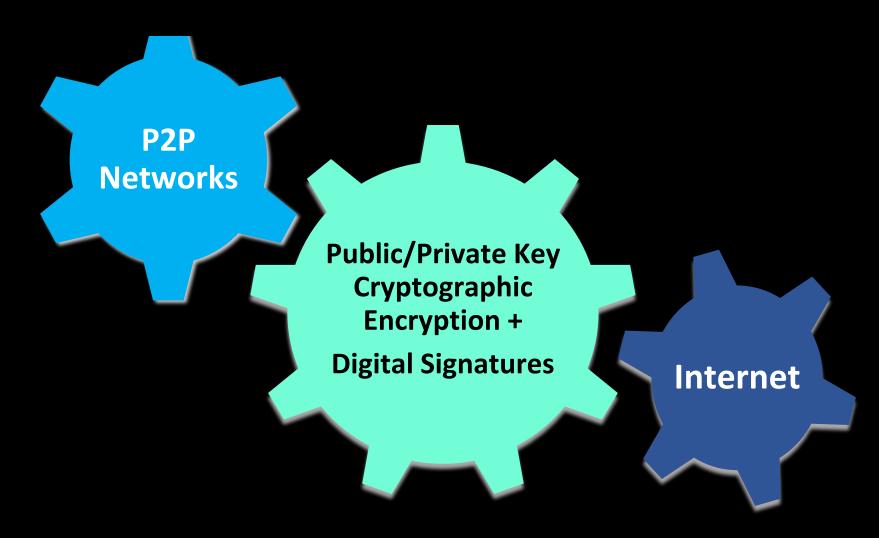
Resilient,
Resistant to
Change

Disintermediated

&

Transnational

Core Technological Components



Core Concerns



Technological characteristics give rise to:

- No central point of accountability and lack of geographical boundaries makes blockchains
 - difficult to govern
- Append-only nature makes it
 - difficult to change
- Pseudonymous nature raises
 - concerns of illegal activity
- Transparent, traceable nature raises
 - concerns of privacy

Blockchain Mechanics 101

Digital spreadsheet of transactions shared across computer network

Each computer that runs a full version of a blockchain's software is called a node New transactions are broadcast to the network and verified by each node

New blocks are added to the **chain** by a special node called a **miner** (PoW)z

A group of verified transactions is called a **block**

Verified transactions are grouped in regular intervals by network consensus

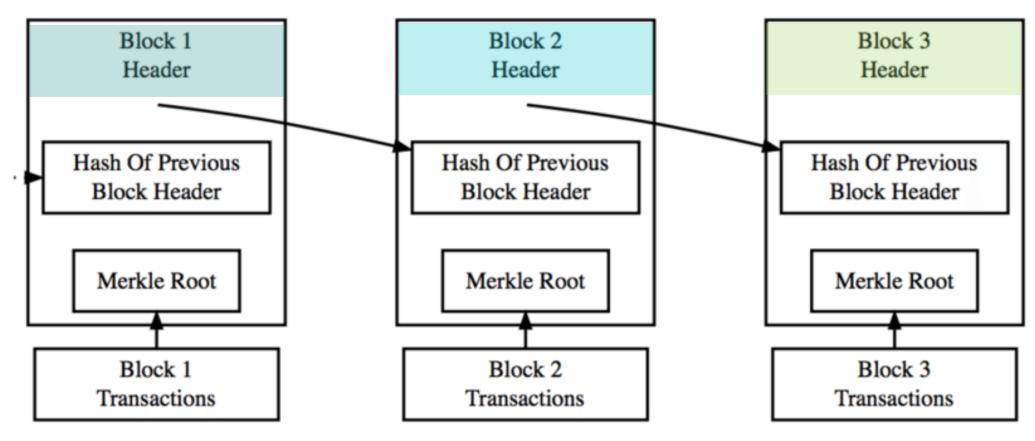
Miners **compete** to solve a mathematical **equation**

The winner gets the **block** reward (new bitcoin); new block is added to chain

Blocks are interrelated in a **chain** because each block contains part of previous block's **data**

Blockchain Illustrated

An interrelated chain of blocks



Core Security Concerns



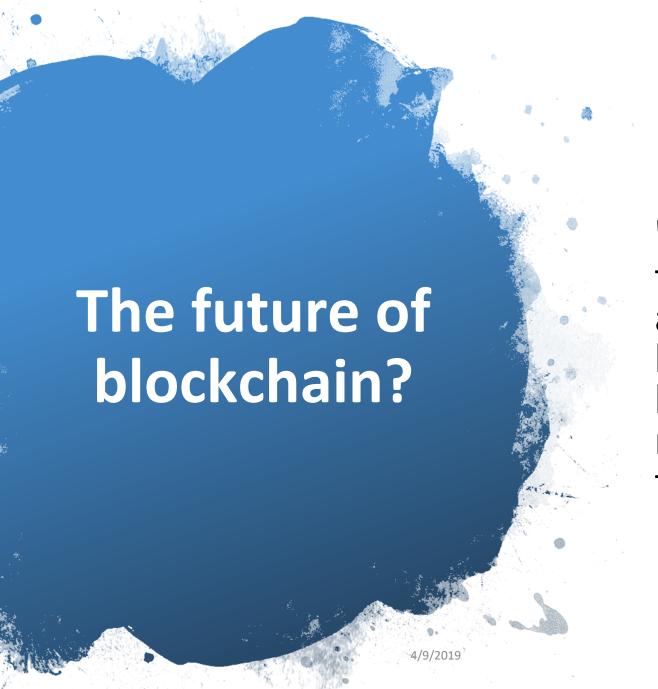
51% Attacks

Exchange Vulnerability

Core Privacy Concerns



- Hyper-availability of transactional data runs contrary to long held norms
 - EX: financial, medical, and legal sectors
- Even pseudonymous transactions are problematic
- Private, permissioned blockchains mitigate some concerns



"Distributed trust and therefore security and privacy are at the core of the blockchain technologies, and have the potential to either make them a success or cause them to fail."

[Computer.org Magazine]

Ethical Issues in Web 3.0

Technological Competence in Law

Technology and Education

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MRPC 1.1: Competent Representation

Client-Lawyer Relationship

A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

Source: ABA Pro Rep Guidelines

MRPC 1.1: Comment 8

Maintaining Competence

[8] To maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology, engage in continuing study and education and comply with all continuing legal education requirements to which the lawyer is subject.

Source: ABA Pro Rep Guidelines



Lawyers should keep abreast of changes in the law and its practice

Maintaining Competence



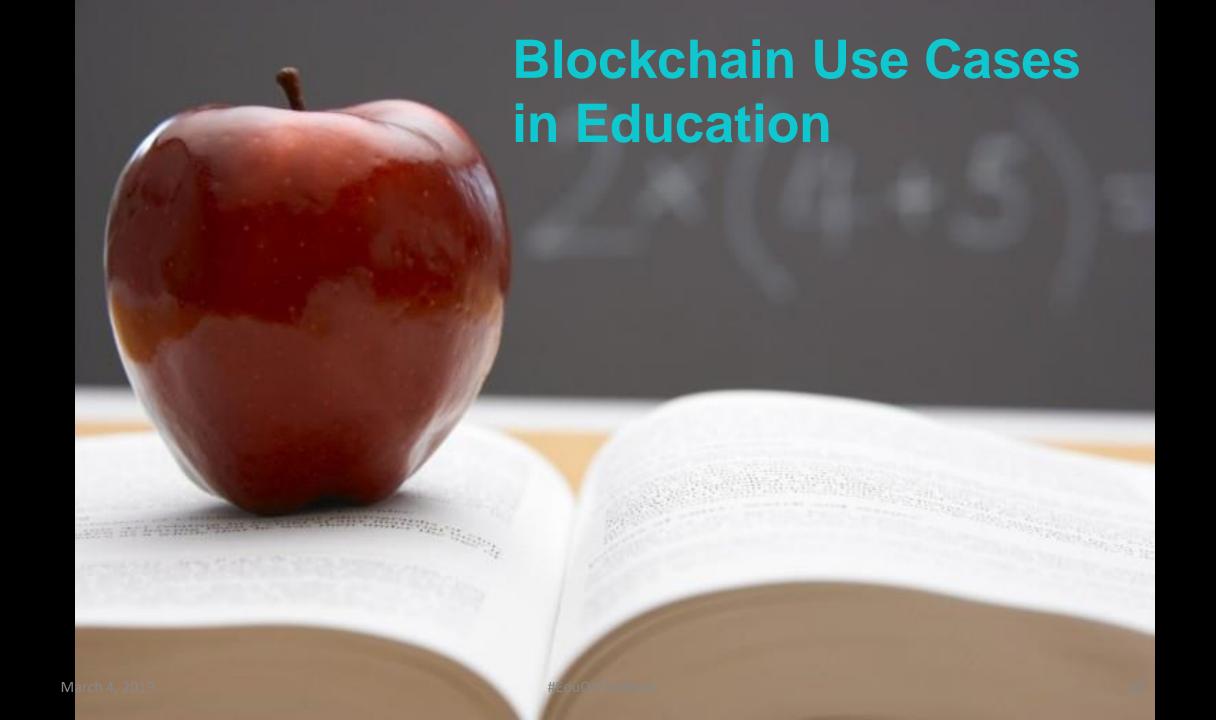
Including the benefits and risks of relevant technology through continuing study and education



Comply with all CLE requirements

Source: ABA Pro Rep Guidelines
MRPC 1.1

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Credentials

Skills Badges

Identity Verification

Use Cases

Decentralized Marketplace

Financing/Payment

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