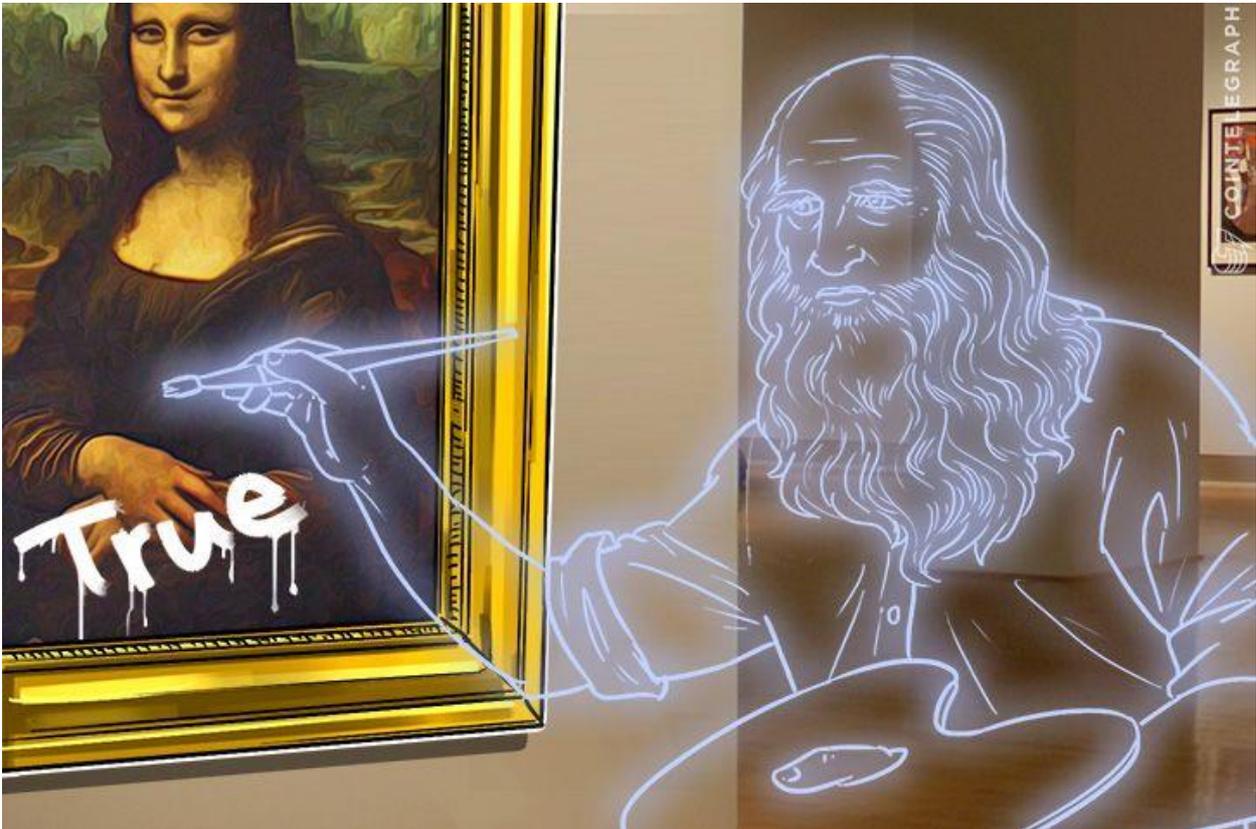AiA Art News-service

Blockchain To Change World of Fine Arts As We Know It

Perhaps you have heard of [John Myatt](#), the famous forger behind the "biggest art fraud of the 20th century." Myatt recreated over 200 art pieces from famous 19th and 20th-century painters.

His fakes were so genuine that auction house experts valued them at enormous prices and buyers were [tricked](#). Such deceptions and sophisticated forgeries are not an isolated case, nor are they decreasing.

In fact, 2016 has even been labeled the "[year of the fake](#)" for the complex art forgery scandals it brought.

While many consider [Blockchain](#) to be a disruptive technology that could have a transformative effect on our global economy, I must at least agree on its versatility. I have yet to find an industry where it won't have a tremendous impact and the fine art world is also one that could harness Blockchain to solve some of its issues.

The actual system of transferring fine art suffers from great opacity that makes it difficult to track provenance and the movement of items. Transaction records are still paper-based most of the time, which exposes them to a plethora of risks - they can be easily lost, destroyed, altered or stolen.

Blockchain to certify provenance and track ownership

This is where Blockchain is particularly fit to solve these issues. As a distributed ledger, it can be used to provide an immutable and censorship-resistant database of ownership.

Indeed, many organizations are looking to leverage this technology in issuing certificates of authenticity.

One of these organizations is Verisart, which is building a worldwide permanent and decentralized ledger of art and collectibles. Its [mobile application](#) can be used by artists to generate a certificate of authenticity, and by collectors to verify provenance in real-time. We previously detailed its ambitions [here](#).

[Ascribe](#) and Monegraph are other startups that have entered this space. The Berlin-based Ascribe allows artists to generate a certificate of ownership for each one of their creations. Each piece is assigned a unique cryptographic ID from which its complete history can be retrieved.

Artists can then share their work, gain visibility on where it spreads on the Internet and use Blockchain to license it and generate revenues.

As for [Monegraph](#), it is also using Blockchain to verify digital assets. Artists can submit the URL of their online creations, and receive a Blockchain key and value to be stored in a Namecoin wallet.

Namecoin is an open source decentralized key/value registration and transfer system based on Bitcoin technology. By using this method that looks at art as a digital currency, online artists can store certificates of ownership of their creations.

Monegraph, in turn, can spot if an illegitimate person is trying to claim ownership of the same creations in the future.

Proof-of-concept

Besides, Blockchain's ability to certify provenance has not only attracted new entrepreneurs. Professional services firms, such as Deloitte, have also expressed their interest in the technology.

"The Blockchain distributed ledger can trace the journey of artworks. When this technology is used in the art market, all events in the life cycle of an artwork are recorded and traceable. The application addresses one of the main concerns in the art market today, namely the fragile documentation related to the provenance and movements of a piece of art," explains Patrick Laurent, partner and technology leader at Deloitte Luxembourg.

Deloitte has built a platform enabling anyone, from artists to galleries to owners, to access a distributed ledger of the provenance and transportation history of physical art pieces.

Dubbed "ArtTracktive," this proof-of-concept validates movements on the supply chain through reached consensus, therefore shortcutting the need for a trusted third party.

The initiative shows how Blockchain technology can solve the current authenticity and traceability issues in the art world, by recording the full history of an artwork in a secure environment available to all.

Although Blockchain technology is still in its early days and business models are still under development, it is very likely that Blockchain will gain momentum among artists who are interested in gaining greater control over their work and being fairly compensated for it.