

Non Fungible Token

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In News

- Musician Grimes recently sold her crypto art through non-fungible tokens or NFTs for \$5.8 million, while Chris Torres, creator of Nyan Cat, a famous internet meme, sold a one-of-a-kind version of his viral GIF for 300 ethereum or around \$600,000

What are non-fungible tokens?

- A non-fungible token (NFT) is a cryptographic token that represents something unique, and has an individual characteristic that sets it apart.
- Owning an NFT is like owning a one-of-a-kind work of art or a collectible antique.
- NFTs are unique tokens or digital assets that generate value because of their uniqueness.
- For example, if two individuals hold a bitcoin each, they can exchange their bitcoins, which are replicas of each other and have the same value. However, NFTs are not interchangeable, as they are more like pieces of art where each and every token is unique in itself. While bitcoins are also digital assets, NFTs are unique digital assets with each token representing a unique value.

What are the different uses of NFTs?

- Right now, the crypto industry is still trying to figure out what's going to be the best use case for NFTs.
- The applications start from as trivial as unique images representing each NFT.
- For example, in the real world all of us can have prints and copies of iconic painting Mona Lisa, while there is only one real portrait.

- Another application of NFTs could be online to offline integration. “Today when you buy pieces of offline art, you have to either custody it or keep it somewhere, that’s how the ownership is decided. But tomorrow, they can also be tokenized where a digital form of that art exists and whoever owns that token, own the real art,”

Outlook of NFTs in the Indian context

- According to experts, NFTs is a new concept in India and will take some time for this trend to get popular here.
- However, an immediate application of NFTs could be in protecting intellectual property rights of Indian artisans.
- India has lakhs of traditional artisans who could benefit from using NFTs to verify their original work. Add to that the growing number of artists working in digital media who can protect their creations with a tokenized “wrapper” to show that it’s an original work
- The crypto exchange is planning to become the first Indian company to launch an NFT, which will be named ‘Dazzle’, which is the name for a herd of zebras.