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From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2021/10/13/coinbase-announces-nft-marketplace.html>

## Coinbase is trying to cozy up to artists with new initiatives

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Coinbase is jumping on the NFT bandwagon.

The company (NASDAQ: COIN) announced Tuesday that it plans to open up a waitlist for users to join Coinbase NFT, a peer-to-peer marketplace that will connect buyers with creators and with each other. It is intended to make minting NFTs — the process by which a piece of digital art becomes a part of the Ethereum blockchain — a seamless experience, as well as making it easier to buy NFTs or browse what's available. The goal is to democratize the somewhat obscure world of nonfungible tokens and make it more accessible.

"We will make it effortless for artists to maintain creative control through decentralized contracts and metadata transparency," the company said in a press release. "The initial launch will support Ethereum-based standards with multi-chain support planned soon after. We'll provide the best user experience, but we'll never lock creators in."



COINBASE

Coinbase CEO Brian Armstrong

It will help artists reach more potential collectors and sell more works. James Zhang, founder and CEO of San Francisco-based Concept Art House, is optimistic about the potential for Coinbase to draw more artists into this new marketplace.

"The hardest thing in the world for an artist is to connect to their potential buyers," he said. "In practice, artists have to sell their art for much less than it would be worth if they could easily reach their buyer universe. As we digitize art markets we improve their efficiency with consequent benefits for the creators."

"Coinbase is simply opening up its digital wallets and exchange to this new asset class," Zhang said. "Eventually all digital wallets will support NFTs just as they will all support crypto currencies."

Hossein Azari, founder and CEO of cmorq, a consumer DeFi platform offering payments, lending staking exchange and other services to make DeFi accessible to everyone, said the arrival of the cryptocurrency giant into the NFT marketplace could mark a turning point.

"Coinbase has helped the crypto asset class to become trusted and investible. It would likely have a similar impact with the NFT market," Azari said. "However, we need to remember the value proposition of decentralized technology is the decentralization.

Coinbase also said it is partnering with New York-based music distributor UnitedMasters to make it easier to pay artists in cryptocurrency for the music they create. The move lets artists choose how they'd prefer to be compensated — either in part or in full in either U.S. dollars or cryptocurrency.

From a legal perspective, Megan Noh co-chair of the art law practice at Pryor Cashman LLP remains cautious. "We've seen an explosion of competing marketplaces in recent months. Coinbase joining the fray may not fundamentally change the landscape unless they are offering creators enhanced features such as greater optionality with minting in multiple revenue recipients or a more universal (i.e. interoperable) resale royalty right. It will also be interesting to see how Coinbase NFT approaches copyright infringement issues, particularly given the promise of "social" features by which content is more easily reproduced and shared."

"UnitedMasters believes this will further financially empower the creators behind the music and decentralize the economics of the music business," Coinbase said in a blog post.

The announcements coincided with a spike in the price of Bitcoin, which at the time of writing is priced at just over \$56,000 — getting close to the peak of \$64,863 it reached on April 14.

The company did not respond to an email for additional information.

Coinbase announced in August that the company is going fully remote, abandoning its headquarters in San Francisco.

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