



INSIDE THE GALLERY PODCAST – SERIES 3 EPISODE 1 (Late January 2022)

CHARLES BILlich LAUNCHES NFT SERIES

GEOFF McDONALD – MD BILlich ALIVE

Tim Stackpool:

Thanks for chatting with us on the podcast.

Geoff McDonald:

You're welcome.

Tim Stackpool:

Now, in terms of NFTs and they're very much in vogue at the moment and it seems to be very cutting edge, but it's very significant having Charles Billich involved in this.

Tim Stackpool:

Can you give us though a bit of a background before we get into Charles's actual work here? How NFTs work?

Geoff McDonald:

Sure. I think there is some misunderstanding about their true value, in that an NFT is an identifier. It's the technical tenure. There's a contract, there's a contract under the blockchain, but there is an identifier of the art attaching to the NFT.

Geoff McDonald:

The NFT itself doesn't have the value but it does attach to some art, which you do hope has value, and you can identify it. You can protect the intellectual property. You can protect the, not quite the copyright, but the ownership.

Tim Stackpool:

Right.

Geoff McDonald:

And when you move, when the world is moving into digital art, and you can email a valuable piece of art, because it is just a PDF or a JPEG file or whatever, it's too easy to just share these things. And it's difficult to protect the intellectual property. The intellectual property can just be passed on.

Geoff McDonald:

So, the NFTs do create this unique marker. It's funny, it's a legal concept: 'first in time'. So, if you create an NFT for this piece of art...

Geoff McDonald:

Imagine this two people have a photo of something and they both create an NFT and they say, "Hey, I've got an NFT of this wonderful, wonderful photo." Well, do you have this first in time? Which one was created first?

Geoff McDonald:

So there you go. That's one way of protecting real intellectual property and you have a marker. So, that is it. That NFT, first in time, says that this is the genuine thing. That's where it can really help the world of art.

Tim Stackpool:

Yeah. And is it like a code which is embedded in the work, Geoff?

Geoff McDonald:

Not so much embedded in the work, but you do have to attach the work to the NFT blockchain contract. So when you create your contract, you say, this is the piece of art, the JPEG file, the document, the picture that attaches to this NFT, this token on the blockchain.

Tim Stackpool:

And so this then tracks it across the internet, I guess, as it's being shared. I'm just trying to make sure that the concept is well understood here.

Geoff McDonald:

It's not well understood, but you're right, you got it. You can track it. It is publicly displayed on these art platforms, on these NFT art platforms. And you can see it.

Geoff McDonald:

You can see who has it, because you do identify yourself. I mean, you use code names and all sorts of things, and avatars as to who you are. But Bob transfers it to whoever, to Sandi and et cetera, it goes on.

Geoff McDonald:

And you see it and you see what price it was paid, you see when, you see who owned it. So if you did, for example, have two photos of the same thing floating around, you could say, "Well, hold on. This was the first one. That is the genuine NFT for what it's worth."

Tim Stackpool:

The other one's kind of the forgery.

Geoff McDonald:

Yeah, yeah. And if you multiply that concept around for the million of pieces of digital art around the world, you are starting to protect something that I'll say might be valuable.

Geoff McDonald:

And that's the question, what's a photo worth? What's a photo of your dog worth, really? And that's where we have done something, what we think is unique for Charles Billich's art.

Tim Stackpool:

Yeah. And there's no way today, I guess, that this can be ignored. If you are doing any sort of online publishing of your art, you really have to consider about attaching an NFT to it. I'm guessing.

Geoff McDonald:

Exactly.

Tim Stackpool:

Yeah.

Geoff McDonald:

It is how I expect the world of art to move and I think it is a good thing. Consider this, okay, you might spend certainly time and a little bit of money to create an NFT. Some people say, "I will do it for free," but you've got to spend your time. You've got to have a wallet. There's a world you have to enter, but it might be costing 100 bucks.

Geoff McDonald:

Okay. But consider this... I think the other day there was 20 million pieces of art available on the OpenSea platform, but consider art in your city. You could go to an art gallery. You could go to the local fairs or the local markets, and there will be art for sale. What's the average price? It is 100 bucks, 200 bucks, 300 bucks.

Geoff McDonald:

A lot of it you wouldn't want to buy. So there is a world of physical art out there that isn't worth much money. Isn't massively desirable and people don't particularly want to buy it. Well, multiply it even further by the world of digital art. And that's what you've got.

Geoff McDonald:

So there's lots and lots of digital art, and you might attach an NFT to each one to identify it, but it still doesn't make it worth much money.

Tim Stackpool:

Yeah.

Geoff McDonald:

It depends on the quality of the art. And it comes back to collectable, these Bored Apes that are selling for \$100,000 each because they're trendy or something that is quite unique, something that is special.

Geoff McDonald:

So, there is a market for it. There's a market for the digital art that is identified and recognised and attached to an NFT.

Tim Stackpool:

Now, looking at Charles' work that's been specifically put together, I guess, for this project called Journey of Flat Earth. I mean, that's one of the aliases, I think, of this particular collection. It has been produced specifically for this type of online distribution, with the NFT attached.

Tim Stackpool:

Do you think that art should be customised for distribution with an NFT attached? Or do you think that any sort of existing art should have an NFT attached to it?

Tim Stackpool:

If you understand where I'm going with this question. I'm not sure that I do Geoff, but maybe you could make sense of it.

Geoff McDonald:

It is a really good point, really good point. You use the word customised, and that is what we wanted to do. We wanted to differentiate. We wanted to customise our art because every piece of art could have a photo taken of it. And there's your digital image, and you can then attach a Non Fungible Token to that digital image. There you go.

Geoff McDonald:

So, what have you got? You've got a photo of a piece of art and that's nothing, with all respect, nothing too special. If you've created digital art, that in itself might be special, but still it is just a digital image.

Geoff McDonald:

What we've done is we've had Charles paint a Non Fungible Token. That's how it started. It was quite funny. I said, "Charles, can you paint a Non Fungible Token? He said, "What the hell's that?" And I can delve into it, but he came up with what I think is brilliant piece of art, but then we brought it alive. We had an 3D animator turn it into a short film that is different and it is quite special.

Geoff McDonald:

And it's different. It's not just the still piece of art. It is a motion picture moving. And that is the digital image or film that we've attached a NFT to it, to say, "Well, we've got something a bit different, something bit special."

Geoff McDonald:

You can buy the traditional art if you want it, by the way, but you're getting this feature. There's something different. It's alive. It's moving.

Tim Stackpool:

Yes.

Geoff McDonald:

So, we have customised it. We've tried to be different. So, we're going to see where that up. It might be one of the most famous things ever or not. I don't know. We'll see.

Tim Stackpool:

Yes. The piece itself, if we were to describe it, it's typical of Charles' surrealist work. It's a combination I think, of modern concepts combined with, I guess, more traditional classic art, if you like, and set up in different layers.

Tim Stackpool:

Anyone who kind of understands After Effects will understand what I mean, how foregrounds and backgrounds move. It is a very dynamic piece. I think it is typical of what you might expect Charles to turn out in an animated form.

Tim Stackpool:

I don't think there's any doubt about that, but unique, I guess... And really kind of reflecting what the opportunity that NFTs provide, you mentioned it a little bit earlier regarding blockchain technology and this, of course, harks back to crypto currencies as well.

Tim Stackpool:

And I'm guessing NFTs, have they kind of come out of the same concept of trying to control something that would otherwise be uncontrollable across the internet?

Geoff McDonald:

To a degree. I think it all emerged as a trend, a bit of fun where CryptoPunks and Bored Apes were the relatively famous collection, where you just take one image and then you just change components of it into 10,000 different images. And it became trendy, and there's 10,000 of them available to be exchanged and swapped.

Geoff McDonald:

And it was cool to be part of the CryptoPunks or the Bored Apes, and that's how it kind of started. And how did you track it?

Tim Stackpool:

Yeah.

Geoff McDonald:

Yes. You had this NFT attached to it. So yeah, NFTs gave the power to exchange them, to identify them. But I think it does come back to the quality or uniqueness of the art.

Geoff McDonald:

I don't think there's anything fantastic about a Bored Ape, but other people don't agree with me. They think there's something wonderful about it and are paying lots of bucks for it. So, I think it's here to stay.

Tim Stackpool:

Yeah, yeah. And I guess one of the questions I have to ask you is, we've seen how technology has developed enormously over the past three years because of the condition that we've found the world in, is this as far as NFTs will go?

Tim Stackpool:

Or do you think there's opportunity for somehow this technology to develop even further, and perhaps help artists track their work in the online space, even more than this?

Geoff McDonald:

I think it's gone as far as it can go. Well, I think what you and I have talked about is actually further than what most people have identified.

Geoff McDonald:

I've really taken this to the limit and given an appreciation to NFTs that others aren't identifying. And that is, that it truly tracks the art, identifies the art and gives power to the creator as they're called, to get value on their digital images.

Geoff McDonald:

Now, that doesn't mean that these images are that unique and that valuable. The world is out there still of digital art and some of it just ain't worth it, but if it is, you can track it.

Geoff McDonald:

The other thing is... What happens is you can rotate the ownership in that, as with all art, you on-sell it. Because it is so computerized, these programs capture the movement of the art, the change in ownership of the NFT and there's royalties.

Tim Stackpool:

Yeah.

Geoff McDonald:

There's on ongoing royalties to the artists. So there's a greater incentive to sell it, maybe to sell it at a lower price because you then get 10 or 15 or 20% royalty on the next sale, and the next sale.

Tim Stackpool:

Yeah.

Geoff McDonald:

So, it's really giving value to the artists to the extent they can create something different. And that's where we really turned our mind to doing something different.

Geoff McDonald:

We've got a film, there's music to it. There's all sorts of things that make it, what we think, a bit special. And Charles got into it. He was wrapped, he was dancing. He was thinking, "Hold on, I might be at the cutting edge here of the new world. A 88 year old explorer of the new way. A leader in the new way." He was really... He was jumping.

Tim Stackpool:

Yes. Well, I mean, he certainly has cutting edge history to him, I think as explained in the introduction. So not surprising as I say that, that this opportunity is something that he's grasped hold of.

Tim Stackpool:

In terms of media, online, tracking of perhaps music works and motion picture works, it has been a lot easier to do because of the establishment of digital fingerprints. For instance, it's very rare that you can upload a piece of music to YouTube and not get a copyright ping on it almost straight away.

Tim Stackpool:

And similarly now also with bits and pieces of movies and TV shows, all of those have digital fingerprints as well, albeit put together through a different technology than NFTs.

Tim Stackpool:

I think this finally gives the canvas artist, if you like and to an extent, I guess, the animator, a real opportunity of protecting their work and tracking their work.

Tim Stackpool:

And as you say, it's almost like licensing because if the item is sold again, then a royalty is paid back to the artist, which they may not have received had they just sold the piece outright to the first purchaser.

Tim Stackpool:

And then that's the end of the income from the work. So in a way it's like the canvas artist, visual artist, finally getting away to protect their works online in a way.

Geoff McDonald:

Correct, correct. And if you compare the cost again, time and money of, I think you said encrypting or fingerprinting some components of digital movies and things like that...

Geoff McDonald:

I mean, there is a cost. There's a cost in betting those fields and then monitoring and then tracking and then saying to somebody, "Don't do it." There's all of that cost versus getting your NFT, putting it online and just watching it happen.

Geoff McDonald:

So yeah, there is a big contrast between two ways of doing the same thing. Protecting one's intellectual property, but there's a become a cheaper, quicker, easier way with these NFTs. So, you're right.

Tim Stackpool:

And because it's some blockchain as well, it doesn't need to be a central agency like it would be a copyright agency to be able to monitor this, right?

Geoff McDonald:

Well, the blockchain is in effect, that monitoring agency. The publicity or the public access to blockchains allows things to be monitored. And there's a self interest, let's face it.

Geoff McDonald:

If you are the artist or the creator that's got an NFT and you've listed it, well, you are the one that's going to watch it. You are the one that's going to watch where it goes and what happens to it.

Geoff McDonald:

So there is a degree of publicity about this whole blockchain technology, that no government owns it, no central agency owns it, but it's there for everyone.

Tim Stackpool:

Yes.

Geoff McDonald:

There's that concepts there.

Tim Stackpool:

Now, going back to the piece that Charles has offered at the moment. Now, I understand that's being made available to people via an auction. Is that correct?

Geoff McDonald:

Well, that's where we're at. We're creating some variations on the one piece of art, so that there will be a number of unique films, unique short films. So we will still have motion.

Tim Stackpool:

Yeah.

Geoff McDonald:

At the moment, I have got NFTs of the art within this motion picture, this short film. And that is really just risks ..., really at the moment, just showing that these pieces of art do exist, but we're not looking at simply attaching an NFT to a piece of traditional art. We want to bring this traditional art alive.

Geoff McDonald:

We also didn't want to just Photoshop it. You can have some very simple computer programs that simply take bits here, move them around, call it motion picture. We spent a lot of time and effort, a very good animator, 3D animator doing a lot of work, a lot of work.

Geoff McDonald:

We are tens of thousands of dollars worth of work in bringing it alive. So that's, again, is unique. And also it's going to be in a form and we're providing a form. It's nearly a gigabyte size file of the final product that you could put on a USB stick, plug it into your plasma TV at home and press play. And have it in the background.

Tim Stackpool:

There it is. Yeah. Yep.

Geoff McDonald:

And there it is. There's a couple of minutes of just this magnificent motion, all sort thing. So, you can actually watch it and see it and hear it as a piece of art, not just a still photo.

Tim Stackpool:

Yeah. I mean, we have a lot of artists who listen to the podcast and gallery directors as well and curators. Ultimately, I think the great interest here is not only in the ability to be able to sell the piece and have it have value, but also in terms of protection. I think that's the ultimate for an artist. That's the ultimate concern.

Tim Stackpool:

And the ultimate worry is if I put this work out there, how can it be protected? How can I make sure that it is not stolen? And I mean, with the billions of people that use the internet, it's really hard to control that.

Tim Stackpool:

So I think this technology, although for collectors, ensures that the provenance of the item is maintained. For the artist as well, I think it's a great level of confidence, security, no doubt about it.

Geoff McDonald:

I can envisage the new era art gallery, every art gallery having... At least at some place, I saw a plasma 4K screen and right next to it saying, "Let us show you a thousand artists." Oh, okay. And you could just sit there and, "Oh, there's their image." Next, next, next.

Geoff McDonald:

And you just stand there in awe at the wonderful digital art shown by a thousand different artists because they just keep rolling and rolling and rolling. Oh, all in the space of one plasma TV screen.

Geoff McDonald:

The world's going to change on this. And I know that there's been some digital art galleries opening in Australia where that is it. There is rooms full of plasma TVs, and whole walls full of the art being displayed. And that's been art for some time, but that's the new way. So, I could see it. I could see it changing.

Tim Stackpool:

And certainly, last year doing a few interviews online regarding virtual art galleries, art galleries which are only available online. And there's a couple of those being set up, in fact, more than a couple of those being set up.

Tim Stackpool:

And in order to ensure that you have the authentic piece of art, which is being displayed, of course, the NFT is going to enable those curators to be able to do that.

Geoff McDonald:

That's exactly it. So, it gives the protection. That's why this is really a good idea. It really does work without, I suppose, the fallacy or the lack of thought that you are actually buying the art.

Geoff McDonald:

So, you really do want to like the art. You like it. You respect it. You love it, which is the way it's been for years.

Tim Stackpool:

Yes.

Geoff McDonald:

Yeah. So, let's not lose track of the art over the NFT.

Tim Stackpool:

Yeah. And of course, on top of this, as the piece of art, if it does accumulate value over time, then you want to ensure that if you on-sell it, you are on-selling the authentic piece. And the NFT again helps ensure that that's the case.

Geoff McDonald:

Exactly.

Tim Stackpool:

All right. So I think we've kind of covered off how this works, although some people may not necessarily understand the technology to ensure that it remains authentic, but we just have to have faith, I guess, to anyone who's listening regarding that.

Tim Stackpool:

That blockchain technology is well established. It is used for cryptocurrencies around the world and certain commercial banks around the world recognise this. I think blockchain technology in the IT security world as well, is a legitimate form of being able to track authenticity. There's no doubt about that.

Tim Stackpool:

You, However, Geoff, I know you have a law degree. Do you think it takes that sort of head in order to be able to not just exploit this opportunity, but also to understand it and to manage it correctly?

Geoff McDonald:

No, I've tried it to... Well, I've looked into the terms of a blockchain contract and thought, "Oh my God, what am I going to do here?" So, there's a depth you can go into and say, "Right, I understand this. And I've read articles on the internet, and I've listened to this podcast. I've got a feel for this."

Geoff McDonald:

You'll just stop and you'll say, "Okay, I've got sufficient understanding, a good enough feel. That'll do. And let me go back to the art, which one do I like?"

Tim Stackpool:

And do you also see within, I'm not going to say the law society, but within the fraternity that there will be law firms who will specialise in this sort of thing?

Geoff McDonald:

There certainly already a number of legal practitioners who hold of themselves out to have expertise in blockchain technology and blockchain contracts, et cetera, whether that's...

Geoff McDonald:

I don't think they deliver themselves to the use in the art sphere or the use of NFTs, its blockchain technology. And because it is a contract... I mean, that just fits beautifully within the legal world. Doesn't it? You just wouldn't want to read one of them.

Tim Stackpool:

Is there an easy way in? Is there an easier way in, Geoff?

Geoff McDonald:

It is complex stuff, I mean, blockchain technology, the whole world. If you start to delve into the collectibles within this NFT world, as I was saying, the Bored Apes and alike, that's when you're entering a whole new world. That's where the enticement to own a Bored Ape NFT gives you access to the club and friends and alike.

Geoff McDonald:

So, it's a lifestyle thing for those. So, you buy not just the NFT and the fairly basic art, but being part of a group. So, it's very sociable.

Tim Stackpool:

Yeah.

Geoff McDonald:

But then when you look at what they do and how they communicate and the platforms they communicate on and the terminology and the minting of an NFT and the gas fees, it is a different world, but you can break it down to the core of an NFT is a contract or an identifier of this piece of art.

Tim Stackpool:

Bricks and mortar art galleries have certainly been hit hard right around the world over the last two years, because the footfall, it just hasn't been there.

Tim Stackpool:

I can well think that the Billich Gallery in The Rocks in Sydney suffered similarly, particularly because of the lack of the tourist trade. Is this a great way of future proofing an artist business?

Geoff McDonald:

I think it will complement what they do, but I think they really do need it to differentiate between the traditional art and the digital art, the new era art, quite some.

Geoff McDonald:

If you've painted something wonderful, you still want someone to come along, fall in love with it, buy it and put it on their wall. Now, if you have a photo of it with an NFT, I just don't think that alone is going to be a new stream.

Geoff McDonald:

If you turned around and said, "Well, here's my traditional art and I've done something with it," maybe just Photoshopped it, or brought it alive or done something different, yes. Then that's a separate identifiable asset as the words used, piece of art, that people will love as well.

Geoff McDonald:

So I think for identification purposes if your arts were sufficient, yes, you will use it to track it. But as a separate stream, I think you're going to have to do more than simply take a photo of what you've painted.

Tim Stackpool:

Oh, yes, absolutely. And I think artwork is all about the environment as well, Geoff, because sculpture and statue works in a certain space and people are drawn to it because of how it will work in a certain space.

Tim Stackpool:

Same with artwork that will hang on the wall. Will that complement the environment that it's in or will it clash? If it clashes, well, perhaps I may not purchase for that reason.

Tim Stackpool:

I think if you are looking at a high tech NFT opportunity, you really want it to complement the media in which it is viewed and that maybe online or on screen. And therefore, there's this certain expectation as to how that may appear.

Tim Stackpool:

So, as you say, just taking a photo of a piece of art, adding an NFT to it, holds probably very little attraction to a buyer.

Geoff McDonald:

Correct.

Tim Stackpool:

However, if you make it work in its digital realm, whether that be online or on screen, or perhaps in some sort of holographic emitter who knows where this can go-

Geoff McDonald:

Exactly.

Tim Stackpool:

... and of course, it more complements its surrounding. So I guess I was wondering whether this sort of technology is where art and other industries have had to reach in order to find a way of, as I say, future proofing what traditionally has been a walk-in gallery experience.

Geoff McDonald:

I'm not sure about the chicken and the egg there. Which started the NFTs to protect the future art and the future of art and the way it's going to go, or that's just the way it's going to go? I'm not sure.

Tim Stackpool:

Yeah. All right. Well, Geoff, look, thank you very much for that chat. I think it gives people a lot of comfort seeing that Charles has moved into this as well and helped legitimising the idea at least.

Tim Stackpool:

And certainly the artwork is very striking as you would expect. But as you say, it does work within the realm that it is to be presented in. And I think it's a very compelling piece, to be honest. There's no doubt about it.

Tim Stackpool:

Plus the others that you say are in the works. And perhaps when people are listening to this podcast, they will already be published. So, check it out on the website as well.

Geoff McDonald:

All right. So, you mentioned the Journey of Flat Earth and I mentioned earlier how it was created. So I just to share that story, Charles and I were having a nice red wine and I said, "Charles, you can paint anything for this project. Well, what about this painting and NFT and Non Fungible Token?"

Geoff McDonald:

And that's when he said, "Geoff, I don't even know what that is." And I said, "Well, this is what it's about." Had a bit of a chat. And then in the end, he came back to me and said, "Look, you know what it reminded me? It reminded me of days when people thought the earth was flat.

Geoff McDonald:

And everyone thought that was right. Everyone thought the earth was flat, but let's say I could change that. Why couldn't it have been a cube? Why couldn't flat earth have been a cube where you do still sail over the end of the earth because it's a cube, not flat like a pancake?

Geoff McDonald:

So, I'm going to make flat earth. I'm going to make earth, yeah, flat. I'm going to make it, but I'm going to make it a cube. Why can't a Non Fungible Token take the shape of a cube rather than a token?"

Geoff McDonald:

"Oh, okay, Charles. Why should I challenge your thoughts?" And from there he just went, he just went and you'll see the art from there.

Tim Stackpool:

Excellent. Geoff McDonald, thank you very much for your time.

Geoff McDonald:

You're welcome.