Deru Truth Bonds

White Paper (version 0.9)

GENERAL OVERVIEW

Deru Truth Bonds allow users to lock away crypto currency as a guarantee against any promises or commitments. Other users can make claims against the bond should they believe the promise or commitment was violated. Claims are ruled on by arbitrators.

This relatively simple functionality has an enormous variety of use cases which increase potential for cooperation by providing accountability.

- Individual Promises
- Merchant Reputation
- Escrow Services
- Letters of Credit
- Honest Journalism
- Political accountability

MISSION STATEMENT

Improve Cooperation!

GOALS

1) Build core functionality.
2) Curate a community of Arbitrators.
3) Onboard initial users.
4) Allow third parties to build specialized interfaces and functionality.

MODULES

Make Promises - A wizard that helps the promises compose a precise, measurable promise and put it on chain.

Make Claims - An interface which allows users to search promises, view their details, and file claims against them.

Arbitrators - A community of people who will judge claims and be paid for their work, plus the interface they need to interact with claims.

VOCABULARY

Promiser - The party making a commitment and creating a bond.

Promise - The guarantee made by the promiser.

Bond - A commitment secured by some amount of crypto currency.

Period - The time period during which the promiser pledges to abide by their promise.

Grace Period - An additional period of time immediately after the period during which claims can still be made. (This is necessary to mitigate last-second violations of a promise.)

Claim - An appeal made against a promise claiming it was violated.

Claimant - The party making a claim.

Award - The portion of a bond awarded to a claimant when an arbitrator deems the claim valid.

Standing - The set of parties (EOS Accounts) able to make claims against a promise. (The initial version of Deru Truth Bonds allow these options: all EOS account holders, specific accounts, users who meet a description -- e.g. "my customers".)

Benefactor - The person or party receiving the funds from a bond after a successful claim. (You can specify the claimant, specific account(s), or burning tokens.)

Arbitrator - A person who assesses claims. ("Oracle" was proposed as an alternative term.)

Arbitrator Forum - In later versions, promisers will be able to choose arbitrator forums instead of individual arbitrators. Also, groups of arbitrators will be able to register as a forum to consolidate their reputations.

Appeal - Future versions of Deru Truth Bonds may allow a two-step arbitration process where either the claimant or the promiser has some recourse to appeal decisions which they consider unfair. (As an alternative to an explicit appeal process, a similar thing may be achieved by requiring arbitrators to post bonds which promise that they're decisions will not be deemed flawed by some third party oversight board.)

Closing Comments - Arbitrators will have to put some text onto the blockchain with every decision they make.

RISKS & MITIGATIONS

- Community indifference.
+ Active outreach & involvement. Keepting it simple. Joint marketing already agreed upon with the other Truth Bond project (Tungsten). Using a precise vocabulary. Engaging key personalities for initial adoption.

- Arbitrator indifference & slow processing time.
+ Economic incentive for responsible Arbitrators.

- Bad Arbitators
+ Limited access initially. Reputation system. Oversign board. Arbitrator forums (group reputation).
+ Closing comments added to blockchain for every decision.

- When using promises to bolster reputation, users may misrepresent the details of the promise.
+ Recognizable official widgets which allow anyone to quickly and directly access the details of a promise.

- Promiser making vague, non-measurable promises.
+ Wizard, UI.

TOKENOMICS

The beta version of Deru will charge a fee of 2 EOS to make promises, and 1 EOS to file claims. These funds will go toward arbitrators and community management. We will set up a multisignature account to control proceeds together with some other key partners.

Successful, active arbitrators will be rewarded from ALL Deru fees – not just the fees associated with the promises and claims they arbitrate.

TIMELINE

Prototype currently under development: http://truthbonds.herokuapp.com/

2018 – beta launch

September 30 – MVP pre-launch

October 15 – MVP running on Jungle Testnet

October/November – focus on community building and version 1 design. Recruit initial users. Arbitrator recruiting. Compose codes of conduct as standard promises.

December 15th – Launch on main net.

2019 - Q1

Community engagement.

Branded seal which users post to bolster reputation.

Competing Arbitrators & Arbitrator Forums.

Data Analytics

2019

Custom interfaces/modules for specific industries / niche users.

The first Journalist uses Deru Turth Bonds to guarantee factual reporting.

2020

Launch Governance Layer and fully abandon central control of arbitrators.

OPEN QUESTIONS

1) How to structure the incentives of arbitrators?

2) How to manage arbitrator reputations?

- Arbitrators put comments on chain with every ruling.
- Promiser and Claimant also have option of putting comments on chain regarding the ruling.
- Reputation system (?)
- Oversight committee of Arbitrators.
- Structure for Arbitrator Forums so they can self-organize and have group relationships.

3) How do we build a governance layer and make it a fully community-owned project (est. 2020)?

4) Who will share the responsibility of managing Deru proceeds?

WHY "Deru"?

The etymology of the English word "Truth" seems to trace back to the proto-Indo-European word "Deru" which meant tree. Conceptually, tree evolved to solid/reliable which evolved to truth.

deru-
Also **dreu-**.
To be firm, solid, steadfast; hence specialized senses "wood," "tree," and derivatives referring to objects made of wood.
Derivatives include *tree*, *trust, betroth*, *endure*, and *druid.*
1. Suffixed variant form **drew-o-*.
    1. TREE, from Old English *trēow*, tree, from Germanic **trewam*;
    2. TRUCE, from Old English *trēow*, pledge, from Germanic **treuwō*.
2. Variant form *dreu-*.
    1. TRUE, from Old English *trēowe*, firm, true;

POINT OF CONTACT

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