



Building Web3 Apps to Solve Real Problems

Building Web3 & Blockchain Applications (CS492 Special Topics in Computer Science) Spring 2023

Developing NFT and SBT

Lecture 17 (2023-05-10)

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Today's Lecture 17 Overview

Lecture Objective

- Understanding non-fungible tokens (NFTs) and ERC721
- Learning differences between ERC20 and ERC721
- Learning ERC721 interfaces and how to mint ERC721 NFTs
- Learning IPFS and Pinata
- Learning multi-token standard (ERC-1155)
- Learning Soulbound tokens(SBT) (ERC-5192)

Lecture will cover

- ERC721 and NFTs
- ERC1155(Semi-fungible) and ERC5192 (SBT)
- IPFS and Pinata

References for the lecture

- <u>Ultimate Web3, Full Stack Solidity, and Smart Contract Course</u> by Patrick Collins
 - Lesson 14: HardHat NFTs
- Ethereum EIP-721
- Ethereum ERC-721 Tutorial
- <u>What is ERC-721?</u> by thirdweb
- OpenZeppelin ERC721 docs
- OpenZeppelin ERC721 codes
- NFT MINTER TUTORIAL
- <u>What is ERC-1155?</u> by thirdweb
- Ethereum EIP-1155
- OpenZeppelin ERC1155 codes
- <u>What is SBT?</u> by thirdweb
- IPFS Concepts
- IPFS Simply Explained Youtube

A NFT and SBT contracts

Examples from various sites with some modification

Clone the code here!

git clone https://github.com/web3classdao/nft-sbt.git

ERC721 NFT Standard



ERC-20

Non-Fungible Token (NFT) **ERC-721**

ERC721 Token Standard

- ERC721: a standard interface(format) for non-fungible assets(NFT) on the Ethereum "non-fungible" means they cannot be exchanged on a one-to-one basis due to their unique properties
- Benefits of ERC721 NFTs
 - Standardization: save time and resources to develop
- **Interoperability**: easily interact with various wallets, marketplaces, and decentralized applications (dApps) on the Ethereum
 - Ownership: allow users to own, transfer, and manage unique digital assets securely
 - Digital scarcity: establish digital scarcity with a limited supply and transparent

provenance

- **Programmability**: enable creators to build additional functionalities into their NFTs, such as royalties for artists, in-game utilities, or evolving attributes

8 Use Cases for ERC721 NFTs

- Gaming: in-game asset such as Axie Infinity, and Gods Unchained
- **Digital Art and Collectibles**: Platforms like OpenSea, Rarible, and Art Blocks allow artists to create and sell their artwork as NFTs
- Virtual Worlds: used to represent land parcels, buildings, and other assets in virtual worlds like Decentraland and The Sandbox
- **Domain Names**: Projects like the Ethereum Name Service (ENS) and Unstoppable Domains
- Event Ticketing: used to create unique tickets for events
- **Music and Media**: Musicians and other content creators can tokenize their work, allowing fans to purchase and own unique pieces of content
- Identity and Certification: used to represent digital identities, educational certificates, or professional licenses
- **DeFi and Financial Instruments**: used to create unique financial instruments, such as tokenized real estate, insurance policies, or bonds in DeFi

How ERC721 NFTs work



NFT Identifier

The pair (contract address, uint256 tokenId)

Note that the content that an NFT points to is not itself an identifying element of the NFT

ERC721 NFT Example with metadata & tokenURI, IPFS





video (MP4)

3840x2880

47 MB

Etherscan 🛈 Metadata 😭 IPFS

Is dollar fragile? \$ 🔨 💎 ...what do you think? -Animated version of Mr Misang's original series, [Modern Life Is Rubbish]

DETAILS

Medium Dimensions File Size



https://superrare.com/artwork-v2/11.-money-factory-23418

ERC721 NFT Example: How it works



Data Structure: ERC20 vs. ERC721

ERC20 Token

Manage only which addresses hold how many tokens

balances



ERC721 NFT

Manage who owns each token and how many tokens each address holds

owners



balances

address	amount			
addr1	1			
addr2	2			
addr3	1			
•				
addr10	5			

tokenUris

tokenId	tokenUri	
1	uril	
2	uri2	
3	uri3	
•		
100	uri100	

ERC721 NFT is more complicated

Data Structure: ERC20 vs. ERC721

ERC20 Token

// This creates an array with all balances mapping(address => uint256) private _balances; // This creates an array of mapping of the addresses authorized to spend // This creates an array of mapping of the max amount they can spend // mapping(address => mapping(address => uint256)) private _allowances;



ERC721 NFT

ERC721 Interface

// SPDX-License-Identifier: MIT // OpenZeppelin Contracts (last updated v4.8.0) (token/ERC721/IERC721.sol) pragma solidity ^0.8.0; import "@openzeppelin/contracts/utils/introspection/IERC165.sol"; interface IERC721 is IERC165 { event Transfer(address indexed from, address indexed to, uint256 indexed tokenId); event Approval(address indexed owner, address indexed approved, uint256 indexed tokenId); event ApprovalForAll(address indexed owner, address indexed operator, bool approved); // Returns the number of tokens in ``owner``'s account. function balanceOf(address owner) external view returns (uint256 balance); // Returns the owner of the `tokenId` token. function ownerOf(uint256 tokenId) external view returns (address owner); function transferFrom(address from, address to, uint256 tokenId) external; // Safely transfers `tokenId` token from `from` to `to`, checking first that contract recipients // are aware of the ERC721 protocol to prevent tokens from being forever locked. function safeTransferFrom(address from, address to, uint256 tokenId, bytes calldata data) external; function safeTransferFrom(address from, address to, uint256 tokenId) external; // Gives permission to `to` to transfer `tokenId` token to another account. function approve(address to, uint256 tokenId) external; function getApproved(uint256 tokenId) external view returns (address operator); Approve or remove `operator` as an operator for the caller. function setApprovalForAll(address operator, bool approved) external; function isApprovedForAll(address owner, address operator) external view returns (bool);

https://github.com/OpenZep pelin/openzeppelincontracts/blob/master/contra cts/token/ERC721/IERC721.sol

Transfers may be initiated by

- The owner of an NFT
- The approved address of an NFT (required to be set in <u>tokenApprovals</u>)
- An authorized operator of the current owner of an NFT (required to be set in <u>operatorApprovals</u>)

IERC721Metadata Interface

```
// SPDX-License-Identifier: MIT
     // OpenZeppelin Contracts v4.4.1 (token/ERC721/extensions/IERC721Metadata.sol)
     pragma solidity ^0.8.0;
     import "@openzeppelin/contracts/token/ERC721/IERC721.sol";
      * @title ERC-721 Non-Fungible Token Standard, optional metadata extension
      * @dev See https://eips.ethereum.org/EIPS/eip-721
     interface IERC721Metadata is IERC721 {
12
         function name() external view returns (string memory);
13
         function symbol() external view returns (string memory);
         function tokenURI(uint256 tokenId) external view returns (string memory);
```

IERC721Receiver Interface

Any contract that wants to receive ERC721 NFT via safeTransfer() SHOULD implement this interface

→ It shows the contract can handle ERC721 NFTs

```
1
     // SPDX-License-Identifier: MIT
     // OpenZeppelin Contracts (last updated v4.6.0) (token/ERC721/IERC721Receiver.sol)
     pragma solidity ^0.8.0;
      * @title ERC721 token receiver interface
      * Odev Interface for any contract that wants to support safeTransfers
      * from ERC721 asset contracts.
10
      */
     interface IERC721Receiver {
11
12
          * @dev Whenever an {IERC721} `tokenId` token is transferred to this contract
          * via {IERC721-safeTransferFrom}
14
          * by `operator` from `from`, this function is called.
          * It must return its Solidity selector to confirm the token transfer.
          * If any other value is returned or the interface is not implemented
          * by the recipient, the transfer will be reverted.
          * The selector can be obtained in Solidity with
          * `IERC721Receiver.onERC721Received.selector`.
23
         function onERC721Received(
             address operator,
             address from,
             uint256 tokenId,
             bytes calldata data
           external returns (bytes4);
```

OpenZeppelin ERC721 NFT Reference Implementation

27

37

42

47

ERC721.sol

You can easily understand most codes of ERC721.sol since it's similar to ERC20.sol Please look at the source code

https://github.com/OpenZeppelin /openzeppelincontracts/blob/master/contracts/ token/ERC721/ERC721.sol

```
contract ERC721 is Context, ERC165, IERC721, IERC721Metadata {
   using Address for address;
   using Strings for uint256;
   string private _ name;
   string private symbol;
   // Mapping from token ID to owner address
   mapping(uint256 => address) private owners;
   // Mapping owner address to token count
   mapping(address => uint256) private balances;
   // Mapping from token ID to approved address
   mapping(uint256 => address) private tokenApprovals;
   // Mapping from owner to operator approvals
   mapping(address => mapping(address => bool)) private operatorApprovals;
     * @dev Initializes the contract by setting a `name` and a `symbol` to the token
    constructor(string memory name, string memory symbol) {
       name = name ;
       symbol = symbol ;
```



ERC721Holder: Ref. Implementation of IERC721Receiver

You can inherit this contract to allow your contract to receive ERC721 NFTs through safeTransfer()

return the selector of

onFRC721Received



OpenZeppelin ERC721URIStorage Reference Impl.

You can inherit this contract to implement ERC721 NFTs with a tokenURI storage // OpenZeppelin Contracts (last updated v4.7.0) (token/ERC721/extensions/ERC721URIStorage.sol)
abstract contract ERC721URIStorage is IERC4906, ERC721 {
 using Strings for uint256;

```
// Optional mapping for token URIs
mapping(uint256 => string) private _tokenURIs;
```

function tokenURI(uint256 tokenId) public view virtual override returns (string memory) {
 __requireMinted(tokenId);

```
string memory _tokenURI = _tokenURIs[tokenId];
string memory base = _baseURI();
```

```
// If there is no base URI, return the token URI.
if (bytes(base).length == 0) {
   return _tokenURI;
```

```
// If both are set, concatenate the baseURI and tokenURI (via abi.encodePacked).
if (bytes(_tokenURI).length > 0) {
```

return string(abi.encodePacked(base, _tokenURI));

```
return super.tokenURI(tokenId);
```

}

function _setTokenURI(uint256 tokenId, string memory _tokenURI) internal virtual {
 require(_exists(tokenId), "ERC721URIStorage: URI set of nonexistent token");
 _tokenURIs[tokenId] = _tokenURI;

```
emit MetadataUpdate(tokenId);
```

```
3 |
```

21

Minting ERC721 NFT

Deploy & Run ERC721 Contracts with Remix

NFT Minter with React Frontend

Connected: 0x20ef...fbda

Meb3@KAIST NFT Minter

Simply add your asset's link, name, and description, then press "Mint."

Link to asset:

e.g. https://gateway.pinata.cloud/ipfs/<hash>

e.g. My first NFT!

hescription:

e.g. Even cooler than cryptokitties ;)

Mint NFT

Write a message in the text-field above.

NFT Minter with React Frontend

https://ethereum.org/en/developers/tutorials/nft-minter/

Import NFTs to Metamask

IPFS & Pinata

IPFS(InterPlanetary File System) is a **decentralized storage and delivery network** which builds on fundamental principles of P2P networking and content-based addressing

IPFS Simply Explained Youtube

Addressing files in IPFS

CID = hash(file content)

-> CID: Content Identifier

- -> IPFS Path: /ipfs/QmS4ustL54uo8FzR9455qaxZwuMiUhyvMcX9Ba8nUH4uVv
- -> Gateway URL: https://ipfs.io/ipfs/QmS4ustL54uo8FzR9455qaxZwuMiUhyvMcX9Ba8nUH4uVv

https://docs.google.com/presentation/d/1w4n9yttx4zZSzkZgppuCsJC2jiBcW6se4XVP-hA59Yg/edit#slide=id.p1

Tamper proof in trustless nodes

Tamper proof by block hash

Tamper proof by content addressing

Brave browser IPFS extension

Ø Bravel

IP

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		EXPLORE	대역학이 사용된 시간 내트워크 트라픽 1MBb- 0.5 MBo- 0.5 MBO- 0	
htt	ps://ipfs.tech/#install	€මී} settings	o Maise Lating the block of the second secon	

Availability of files in IPFS

- Importing a file in a local IPFS node
 - It returns the CID of the file, but does not mean the CID is retrievable

• Pinning a file with the CID

- It allows the node to advertise that it has the CID, and provide the file to the network
- Retrieving a file from IPFS
 - It discovers the CID, fetches the file blocks and caches them
- Garbage collecting a file
 - It deletes the file blocks and frees the disk space
- Retaining a file in IPFS
 - 1) Run your IPFS node and pin the file

- 2) **Use pinning services** that run lots of IPFS nodes and allow users to pin data on those nodes for a fee

- Pinning services: Pinata, Web3.Storage, NFT.Storage, Infura, Filebase, etc

https://docs.ipfs.tech/concepts/lifecycle/ https://docs.ipfs.tech/concepts/persistence/#persistence-versus-permanence

IPFS gateway

- IPFS gateway provides an HTTP-based service to access IPFS content IPFS path is like ipfs://QmSAgLcBpo9f2EdRadTZ8yL8vvz93KGDxkPg3QJUfsqMfY
- Gateway URL example https://ipfs.io/ipfs/QmSAgLcBpo9f2EdRadTZ8yL8vvz93KGDxkPg3QJUfsqMfY
- Gateway providers
 - Your local gateway
 - Private gateway: use cloud-based private gateway like Pinata
 - Public gateways: publicly available gateways
 - https://ipfs.io
 - https://gateway.pinata.cloud, etc
 - lists: https://ipfs.github.io/public-gateway-checker/

Pinata: IPFS pinning & gateway service

Pinata			Upgrade	plan ⑦ ~ JH
Files	Files	Pin Statu Pinned	os Gateway to Use black-negat ▼ ▼	Filters + Add Files
DEVELOPERS	Public Private	Centrel Idoutifies (CID)		
🖉 API Keys	No name set ③ 5/8/2023 188 8	QmQ6H5RUpqk88n4hdiFcrQ3mMP9fBMFpNYmkbMhdiXbX8x	D	< Share 🕴 More
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	No name set 5/8/2023 163 B	QmZwkxtjtcqZk9BoB1c9vD1rRyu4JCFKeV5ywrkSPXhPcX		< Share 🗄 More
	w3k-mentor-nft-metadata.json ③ 5/8/2023 274 B	QmSAgLcBpo9f2EdRadTZ8yL8vvz93KGDxkPg3QJUfsqMfY		Share 🗄 More
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	web3kaist-logo-circle.png 5/8/2023 56.31 KB	QmaHwANk5NbRvuHMZvMvCShHcZ8jU2MtL2PgB744c6FGF7	D	Share : More

https://app.pinata.cloud/

ERC1155: Multi Token Standard

If we need multiple tokens

ERC1155 Multi Token Example

```
// SPDX-License-Identifier: MIT
     pragma solidity ^0.8.4;
     import "@openzeppelin/contracts/token/ERC1155/ERC1155.sol";
     contract AwesomeGame is ERC1155 {
         uint256 public constant GOLD = 0;
         uint256 public constant SILVER = 1;
         uint256 public constant SWORD = 2;
         uint256 public constant SHIELD = 3;
10
         uint256 public constant CROWN = 4;
12
         constructor() ERC1155("https://awesomegame.com/assets/{id}.json") {
13
             _mint(msg.sender, GOLD, 10**18, "");
             mint(msg.sender, SILVER, 10**18, "");
             mint(msg.sender, SWORD, 1000, "");
             mint(msg.sender, SHIELD, 1000, "");
17
             _mint(msg.sender, CROWN, 1, "");
```

https://docs.alchemy.com/docs/how-to-create-erc-1155-tokens

How is it possible?

All operations of blockchain such as transfer are **just changing states!** (rewriting a ledger)

ERC1155 Multi Token Standard

• **ERC1155**: A standard interface for contracts that manage multiple token types such as fungible tokens(ERC20) and non-fungible tokens(ERC721)

Vending machine for NFTs and fungible tokens, with advanced usability features and functionality like batch transfers - by Witek Radomski, co-creator of ERC-1155

• Benefits of ERC1155

- **Efficient Transactions**: allow for the transfer of multiple token types (fungible, non-fungible, and semi-fungible) in a single transaction, reducing tx costs and saving time

- **Flexibility**: enable developers to create and manage various tokens for different use cases

- **Reduced Redundancy**: reduce the redundancy on the Ethereum blockchain, conserving space and resources

- Safe Transfers: provide a safe transfer function that allows tokens to be reclaimed if they are sent to the wrong address

10 Projects using ERC1155

- Enjin
- Horizon Games
- OpenSea
- Rarible
- The Sandbox
- Decentraland
- Gods Unchained
- Axie Infinity
- Parallel Alpha
- SuperRare

ERC1155 Interface

IERC1155.sol

OpenZeppelin ERC1155 Reference plementation

all accounts requested

batchBalances[i] = balanceOf(accounts[i], ids[i]);

return batchBalances;

OpenZeppelin ERC1155 Reference plementation

ERC1155.sol

decreasing the sender's balance and increasing the receiver's balance with a corresponding token type ID

What about NFTs?

https://github.com/OpenZeppelin/openzeppelincontracts/blob/master/contracts/token/ERC1155/ ERC1155.sol

```
function _safeBatchTransferFrom(
               address from,
               address to,
              uint256[] memory ids,
               uint256[] memory amounts,
              bytes memory data
           ) internal virtual {
               require(ids.length == amounts.length, "ERC1155: ids and amounts length mismatch");
               require(to != address(0), "ERC1155: transfer to the zero address");
               address operator = _msgSender();
               _beforeTokenTransfer(operator, from, to, ids, amounts, data);
204
               for (uint256 i = 0; i < ids.length; ++i) {</pre>
                  uint256 id = ids[i];
                  uint256 amount = amounts[i];
                  uint256 fromBalance = _balances[id][from];
                   require(fromBalance >= amount, "ERC1155: insufficient balance for transfer");
                       balances[id][from] = fromBalance - amount;
                  balances[id][to] += amount;
               emit TransferBatch(operator, from, to, ids, amounts);
218
               afterTokenTransfer(operator, from, to, ids, amounts, data);
               doSafeBatchTransferAcceptanceCheck(operator, from, to, ids, amounts, data);
```


ERC1155 Use Case: adidas Into the Metaverse NFTs

https://nftevening.com/adidas-metaverse-everything-you-need-to-know/ https://thenewstack.io/erc-1155-an-nft-standard-for-online-games-and-gamified-apps/

ERC5192: Soulbound Token(SBT)

What if I send **my diploma NFT** to someone else?

Some types of NFT must be **non-transferable**

SBT and ERC5192

• SBT (Soulbound Token)

- a non-transferable NFT, which are blockchain-based digital assets that cannot be transferred to others

- permanently tied to a specific individual, unlocking new use cases for NFTs

 ERC5192: Minimal Soulbound NFTs

 Minimal interface for soulbinding EIP-721 NFTs

https://nftnow.com/guides/soulbound-tokens-sbts-meet-the-tokens-that-may-change-your-life/ https://blog.thirdweb.com/soulbound-tokens/

ERC5192 Minimal SBT Interface

IERC5192.sol

	1 // SPDX-License-Identifier: CC0-1.0
	2 pragma solidity ^0.8.0;
	3
	4 interface IERC5192 {
	5 /// @notice Emitted when the locking status is changed to locked.
	6 /// @dev If a token is minted and the status is locked, this event should be emitted.
	7 /// @param tokenId The identifier for a token.
	<pre>8 event Locked(uint256 tokenId);</pre>
	9
	10 /// @notice Emitted when the locking status is changed to unlocked.
	11 /// @dev If a token is minted and the status is unlocked, this event should be emitted.
	12 /// @param tokenId The identifier for a token.
	<pre>13 event Unlocked(uint256 tokenId);</pre>
	14
	15 /// @notice Returns the locking status of an Soulbound Token
	16 /// @dev SBTs assigned to zero address are considered invalid, and queries
	17 /// about them do throw.
	18 /// @param tokenId The identifier for an SBT.
t to transfer 🛛 🛶	<pre>19 function locked(uint256 tokenId) external view returns (bool);</pre>
	20 }

lock the token not to transfer

Minting My ERC5192 SBTs

MySBTFactory.sol

It's almost similar to MyNFT.sol except isLocked variable

Minting My ERC5192 SBTs

MySBTFactory.sol

Wrap-up

We Learned

- ERC721 NFT
- ERC1155 Multi Token
- ERC5129 SBT
- IPFS and Pinata