

NFT Royalties: The Fight Over Secondary-Sale Payments

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When non-fungible tokens peaked in 2021, most marketplaces treated creator royalties, the 5% to 10% cut taken from every secondary sale, as a core feature. A few years later that payment is optional almost everywhere, and the argument over whether this is theft from artists or a correction to a broken business model remains unresolved.

A convention, not a contract

Royalties were never enforceable by the blockchain itself. The ERC-721 standard says nothing about resale payments, and EIP-2981, proposed in 2020 by Mintable founder Zach Burks, only records a suggested percentage on-chain. Each marketplace decides whether to honor it. Because the payment is executed in the marketplace's own contract, a collector can always bypass royalties by trading on a venue that declines to collect them, or by using peer-to-peer infrastructure such as Sudoswap's sudoAMM.

Marketplaces break ranks

Competition dismantled the norm quickly. X2Y2 made royalties optional in August 2022, LooksRare cut its default to 0.5%, and Magic Eden did the same on Solana in October 2022. Blur launched with royalty-optional trading and token incentives, and during 2023 it routinely handled the large majority of Ethereum NFT volume. OpenSea answered in November 2022 with an on-chain operator filter that blocked marketplaces paying nothing, then retreated: in February 2023 it moved new collections to optional royalties, and on 31 August 2023 it shut the filter down entirely.

Creators try enforcement

Creators built their own mechanisms. In February 2023 Yuga Labs tied staking rewards for Bored Ape and Mutant Ape holders to royalty compliance, cutting off collections that skipped payments. Limit Break introduced ERC-721C, which writes royalty rules into the token contract along with programmable transfer restrictions, and OpenSea and others later adopted it. Neither reversed the trend. In August 2024 Magic Eden extended optional royalties to the chains where it still enforced them, drawing the same complaint creators had made for two years.

The legal and economic stakes

There is no baseline legal entitlement to rely on. United States copyright law grants no resale royalty, and the European Union's *droit de suite*, set out in Directive 2001/84/EC, covers physical artworks sold through art-market professionals, not tokens. Economically, the case is genuinely contested: traders argue that royalties tax liquidity and make collections harder to price, while creators and their supporters argue that zero-royalty venues captured volume by subsidizing trades with tokens, not by offering a better product. Total royalty payments fell sharply from their 2022 peak.

Some projects now substitute other revenue for resale fees, using token-gated perks, staking rewards, or airdrops. Those depend on a project staying relevant rather than on a trade happening, which is a different bargain from the one the 2021 market advertised. The debate is less about technology now than about who should pay artists, and whether anyone can oblige them to.

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RANDOM MNEMONIC WORD SETS

For reference, 84 sample BIP39-style phrases are printed below, each combining 12 words from the standard list.

- | | |
|---|---|
| 1) negative cycle main catch voice hundred
immense universe celery action view shed | 2) head skate pottery negative tent soul happy brush
stone peanut napkin drink |
| 3) gaze pilot strong course current hire age cheese
brand return miracle unable | 4) physical hope hammer exhibit muffin shiver draft
marble cloth educate decline unit |
| 5) toy machine vibrant economy stem normal setup
flag spike cactus infant dirt | 6) total receive notice expire debris raw ability tray
opinion gospel apple orbit |
| 7) gravity choose vendor dizzy slogan peasant case
name under deer liar cannon | 8) catalog soul marriage sadness music furnace
measure negative this spy ocean method |
| 9) warrior camp ankle gas agent total join genius
resource pyramid hill income | 10) brave glide mansion include hungry tongue limit
around fame diamond amazing steel |
| 11) major sentence isolate economy wrist rain bus
mail fantasy window often cement | 12) quiz kingdom pride panda share jungle giggle jar
tissue bounce road access |
| 13) anxiety output casino clarify business tissue
neither safe once involve combine cousin | 14) ready income burden remove dial parent slam
wage tissue glare exercise various |
| 15) case stool network moon balcony judge domain
kid garage skin picnic repeat | 16) mass monkey lizard labor west reopen waste
spatial frown uncover luggage brick |
| 17) north pull dice battle gold crush odor abuse
permit vote move kitchen | 18) consider humble spin news limit voyage figure
famous dizzy pass nature entire |
| 19) admit enjoy future disease dwarf airport sport
sadness play caution metal load | 20) wrist route humor cruel second surround bus
pond leisure brown weapon switch |
| 21) cover quarter cement debris evoke road file
practice visa vapor domain aunt | 22) crumble safe kit clap cry glow later cave soft also
maximum wrap |
| 23) hero enforce try forget juice believe ice onion
rapid alone soup basic | 24) nasty shoot verb spatial plunge scan attack girl
long monster similar oven |
| 25) current inhale hold use carpet run series lend
behave airport buyer retire | 26) host absurd fashion penalty already flower
mother price suit bullet focus daring |
| 27) genius vivid sustain wave outside glory inner
south solid diamond disagree sea | 28) cave box account daring access sweet motor
region atom settle festival term |
| 29) symbol marine trim december resource wrong
reason bitter diesel lock domain feature | 30) begin yellow valve giraffe tackle unlock remove
color wheel grass rebuild fashion |
| 31) hybrid luggage kangaroo now glimpse vocal
autumn fiber route donkey maximum attack | 32) pill ignore swing unlock behind measure antique
express defense combine apple mirror |
| 33) juice dwarf dress bronze salute elite bamboo
suggest envelope turtle visit crucial | 34) that call width lady project drastic health obtain
captain crucial cabin brief |
| 35) educate major chief used moon pretty question
lift super neither junior lumber | 36) melt about mushroom surprise weasel void field
voyage fish smooth monster depend |
| 37) bone dish vintage action wasp frozen tiny joke
exotic advance oyster text | 38) snap off all moment burger scissors supreme
picnic book antenna legend simple |

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RANDOM MNEMONIC WORD SETS

- 39) donor stereo gown guess example chicken fit
gauge sting public slender move
- 41) tonight remain snake lucky small source piece
install trim loud rival sword
- 43) pioneer staff feature erase sphere then purchase
various urge guilt perfect review
- 45) inject spider fresh online room dad inmate
walnut glass squeeze banner amount
- 47) forward above spy elevator degree wealth this
top need share alley peanut
- 49) sport celery sense diamond govern panther
volcano design car vote argue ridge
- 51) approve fiber ladder ethics clown beauty
meadow strike speak much quantum stock
- 53) concert connect click leader amount suffer alpha
pizza chat custom tuition swear
- 55) ritual veteran solar dirt potato gesture shrug
pepper denial loop episode logic
- 57) bunker acid tilt today catch also happy suffer
estate bus trash orient
- 59) clump road shield issue dynamic develop shop
recipe okay cube jungle sunny
- 61) mule else beef luxury life jaguar company inspire
raven kite seat please
- 63) buffalo ask hub park envelope still enforce dial
brave army rack snow
- 65) rotate degree call leaf wrist lamp nurse thank
deal material bachelor front
- 67) portion pause animal exotic buyer twenty long
sign impact olympic sell express
- 69) paddle prevent wheel depth divorce crawl before
rival raven solution equal suit
- 71) tattoo vocal cable kidney potato question anger
planet space rack rose regular
- 73) laundry smile stock sport critic test trick trim mad
tobacco inflict abstract
- 75) quote fat meat donor access bag clock crawl
multiply sniff sure turn
- 77) toe fruit skirt play frame vanish join exile parrot
chimney iron lucky
- 79) royal term deal cool one spend ripple innocent
snack monster angle bomb
- 81) summer morning priority organ very lady digital
beyond awful sing tattoo fabric
- 40) squeeze belt science antenna column cannon
actual festival expand book check sugar
- 42) scene ask expose hour replace glass husband
desert license pass unusual mosquito
- 44) twice lend van dinner lamp lens dish genius
layer suit vacuum ugly
- 46) sadness second fox brown topple couch luxury
project garden humble model jelly
- 48) can scrub logic oppose rather capital analyst
tomorrow later rifle menu over
- 50) poet topple duty token avocado involve climb
wreck success garbage easily armor
- 52) enrich upon exhibit easily shove material
material black carbon buzz gallery clog
- 54) faith dirt liar neutral identify differ badge noble
orient burden artist fence
- 56) shallow execute raven real crisp spring loyal
enlist sleep table siege patrol
- 58) trust dress harsh suit erupt flame horse undo
mouse senior design merry
- 60) tape vote soup disease ten delay puzzle life
object street give depend
- 62) save satisfy token often spoil rice bag castle
holiday decade mouse clarify
- 64) hello thunder foil song ball media floor trouble
weather reward traffic soldier
- 66) brand brass adjust home glare want grass sad
cage awake path weather
- 68) join kitchen potato enjoy plate shoe scale mule
orient police decide skin
- 70) uncle estate setup when ring photo water
transfer stone initial defy bike
- 72) daughter effort cloth laugh head opera damp
sight phone gun cinnamon evoke
- 74) onion essay raccoon unveil exact liberty same
knock fire badge replace adjust
- 76) unusual carbon seed eye grace cancel youth
canoe cake faith endless candy
- 78) tube thought brother limit song gloom genuine
property taste notice pair olive
- 80) essence twenty spell limb comic nurse nurse
gather air stomach must outer
- 82) antique mistake column slam wheat lunch lonely
audit there inmate only shift

RANDOM MNEMONIC WORD SETS

83) jewel sting absorb equip whisper ripple hip
saddle worth soul symbol hamster

84) hand custom risk coffee pledge panel suit collect
govern depth infant service

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– [The Ongoing Debate Over NFT Royalties — BIP39 Seed Phrases \(September 04, 2026\)](#)
(2026-09-04)

– [How Whale Movements Affect Crypto Prices — BIP39 Seed Phrases \(June 24, 2026\)](#)
(2026-06-24)

– [The Rise of Play-to-Earn Crypto Games: Revolutionizing Digital Entertainment — BIP39 Seed Phrases \(April 13, 2026\)](#) (2026-04-13)

– [what-is-infura-bip39-phrase_2025-11-12.pdf \(bip39-phrase_2025-11\)](#)

Educational examples only. Randomly generated, not valid wallet phrases - never use them to store funds. Details: [bip39-phrase.com/security/](#)
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