



# Unlimited IP White Paper

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## White Paper on the Future Copyright UIP

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## Preface

During every technological innovation after the Industrial Revolution, it seems that entertainment industry gradually falls behind the development of era. As in this time, only the products like VR make the public feel refreshing. However, compared to the subversive development presented by other industries, the frequency of innovation in the entertainment industry seems far lower than people's expectation. It is a historical necessity that the blockchain technology as the ladder towards value Internet will eventually be integrated with the entertainment industry. So many key problems in the information Internet era, such as piracy, copyright use in confusion, difficulties for intellectual property to liquidate, and the excessive length of supply chain from input to output between entertainment creators and users, will get effectively resolved under the blockchain technology. As the new-generation infrastructure of the entertainment industry, the "UnlimitedIP" (hereafter as UIP) will continue working on the basic business functions like copyright evidence in the course of entertainment creation, intellectual property asset transaction, intellectual property dissociation and integration, etc. Meanwhile, UIP will explore a new model that under the context of sharing economy, the ownership of copyright is only owned by its original author, yet its usage right is shared

in a certain scope. We believe that, the UIP will revolutionize the whole entertainment industry, subverting the intermediate media industry in the course from creation to delivery, achieving a point-to-point, disintermediated supplying model, and providing fans with the opportunities to hold the IPs that they cherish. Our vision is to promote the integrated development of scientific technology and entertainment and fulfill the “New Renaissance” in this century.

## **1. The Background of Blockchain and Entertainment Market**

### **1.1 Brief Discussion of Blockchain**

#### 1.1.1 Blockchain: The 2.0 Era

Blockchain is, after steam engine, electricity, information and Internet technology, the most potential core technology by far that can motivate the fifth-round subversive technological revolution. Just like the steam engine improving human productivity, the electricity resolving people’s most essential life demands, and the information and Internet technology utterly changing the business modes of traditional industries

(such as music and publishing), the blockchain technology will probably bring about decentralized secure transference for digital assets.

“Blockchain” sounds as it is covered with sense of future and technology, yet in fact, it is a distributed account book with decentralization. Decentralization means all transactions happen on the point-to-point level, without any need of credit intermediaries or centralized auditing agencies. The distributed account book means when one transaction happens, all of the participants on the chain will receive the information on their own book. These transaction records are completely open to the public, encrypted and non-tampering. It is based on the fact that the blockchain technology has such features that when applied in various situations, it will bring four main aspects and their meanings for the participants as follows:

1. Eliminate the necessity of existence of transaction intermediary in order to lower transaction cost: Due to the accomplishment of point-to-point transaction, central processing or liquidation organization becomes excessive; as the authentication of transaction is jointly certified and maintained by all the participants on the blockchain, the credit intermediary as the third party has therefore lost its existing value.
2. The settlement of transaction is nearly instantaneous, so this would raise the transaction efficiency and therefore greatly improve asset utilization.
3. The non-tampering of the information on blockchain and the decentralized means of data storage make it the best carrier of data and information records.

4. The programmable blockchain enables transaction process to be fully automatic: the default transaction principles are inserted in blockchain, so when the predefined conditions are achieved, the transaction would be automatically done. This can raise the automatic level of transaction.

With the problems of valued information dissemination and decentralization being solved, the blockchain technology is deemed to be the most subversive technological innovation since the invention of Internet, even honored as the “next generation of Internet”. More and more enterprises have deeply understood the great power conceived in the blockchain technology and so they actively carry out the industry layout; in addition, the business application scenarios have also reached more and more industries and fields.

### 1.1.2 Market Potential

The mention of market potential instead of value is because the determined projects at the core of the blockchain technology are by far very few. As far as the situation is concerned, most of the researches and applications on the blockchain bottom technology platform are still based on the accounting function. By the end of March 2016, there have been 43 financial institutes around the world in the league association

named “R3CEV”. The first test of distributed account book will use the Baas Technology from Azure of Ethereum and Microsoft cloud services. With the development and expansion of the blockchain industry ecosystem, it is believable that each industry will generate more diversified blockchain-determined applications.

On the other hand, the Chinese government is also providing full support towards the blockchain industry: since the end of 2015, China has established the Blockchain Application Research Center (区块链应用研究中心) in Beijing and Hangzhou, China Blockchain Industry League (中国区块链产业联盟) and Ganzhou Blockchain Industry Sandbox Industrial Park (赣州区块链产业沙盒产业园).

### 1.1.3 The Application Scope of Blockchain

The “White Paper on Blockchain Technology and Its Application Development in China (2016) (《中国区块链技术和应用发展白皮书(2016)》)” issued by the Ministry of Industry and Information points out that fields such as finance, supply chain, entertainment, smart manufacture, social public welfare, education and employment are the



key application scenarios. In 2016, the blockchain project investments mainly focused on the fields of mining, trading platform, payoff, information, etc. With the scenarios getting further developed, the focus of the investments in 2017 will be transferred to the technological application field.

#### 1.1.4 The Forerunners of Blockchain

In the computing field, there have been P2P file-sharing and transmission technology like BT and eMule, grid computing projects such as “Folding@home” and “SETI@home” from BONIC (伯克利开放式网络计算平台), and the “RPOW (可复用工作量证明)” originally used to examine junk mails. In cryptography, we have the Asymmetric Elliptic Curve Cryptography Algorithm, the “Hash Function”, the Schnorr Digital Signature Algorithm and Merkle Tree. The application of all the specific methods above on a mature and wide basis provides essential conditions for the emergence of bitcoin blockchain.

## 1.2 The Entertainment Industry: Development and Shackles

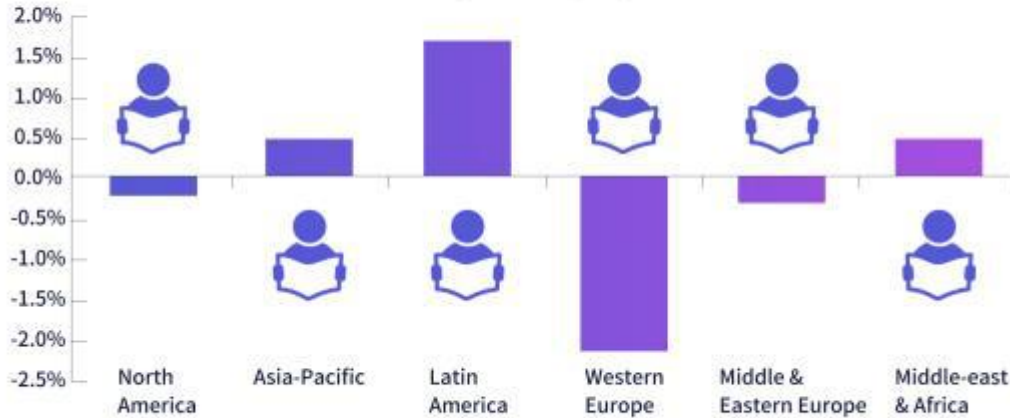
After 2016, the global development of the entertainment industry majorly focuses on the following aspects:

### 1.2.1 The Size of Young-User Market Is Significant to the Development of Enterprises

The young population is one of the key factors to influence market, because compared to the elderly, the young would be inclined to media expenses and more easily acceptable to new technology. Presently, the average expenditure growth rate in ten youngest markets around the globe is almost three times than that in ten oldest ones. The change of average expenditure on entertainment and media is more relevant to the average age of people in the local region than the relatively abundant level of life.

**The increasing middle class and economy will propel the income from consumer magazines in the developing market, but fall down in the developed economy.**

**Compound Growth Rate of Consumer Magazines By Region (%), 2015-2020**



Source: Global Entertainment and Media Prediction (2016-2020), PWC

The increasing middle class and economy will propel the income from consumer magazines in the developing market, but fall down in the developed economy.

Compound Growth Rate of Consumer Magazines By Region (%), 2015-2020

North America

Asia-Pacific

Latin America

Western Europe

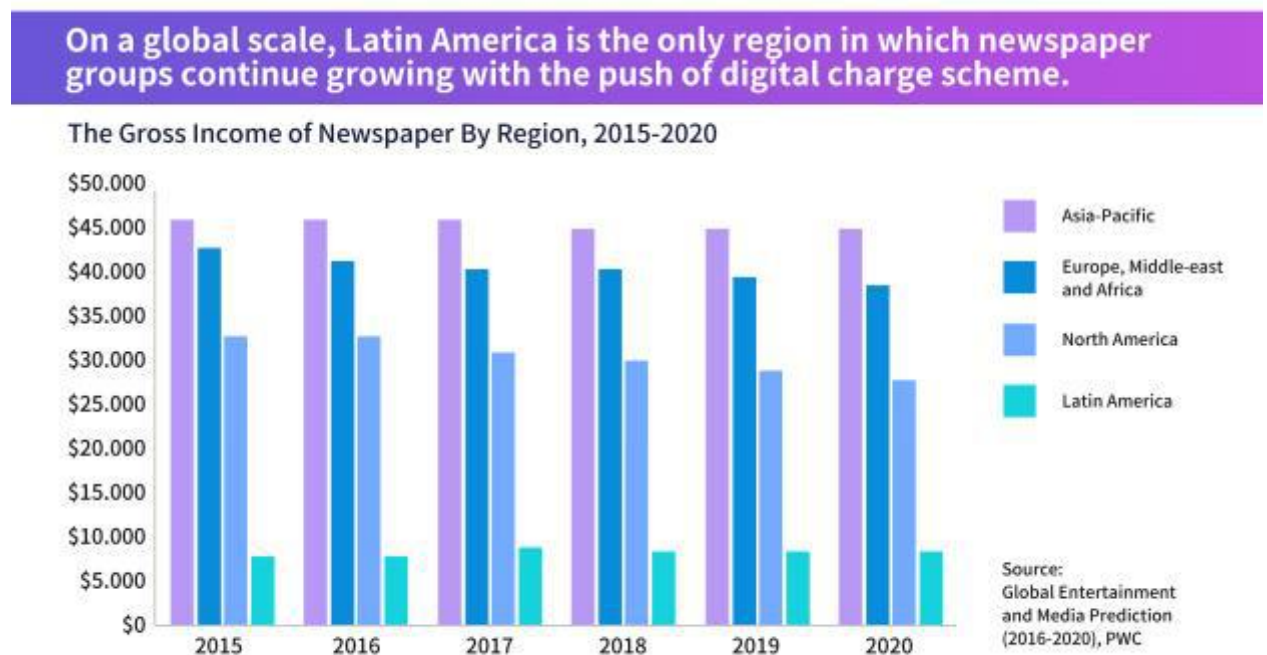
Middle & Eastern Europe

Middle-east & Africa

Source: Global Entertainment and Media Prediction (2016-2020), PWC

### 1.2.2 The Importance of Developing Markets Is Apparent

This tendency in the developing countries is extremely obvious: the average growth pace of expenditure on entertainment and media surpasses its GDP growth pace.



On a global scale, Latin America is the only region in which newspaper groups continue growing with the push of digital charge scheme.

The Gross Income of Newspaper By Region, 2015-2020

Asia-Pacific

Europe, Middle-east and Africa

North America

Latin America

Source: Global Entertainment and Media Prediction (2016-2020), PWC

### 1.2.3 The Mature Markets Remain Their Essentiality

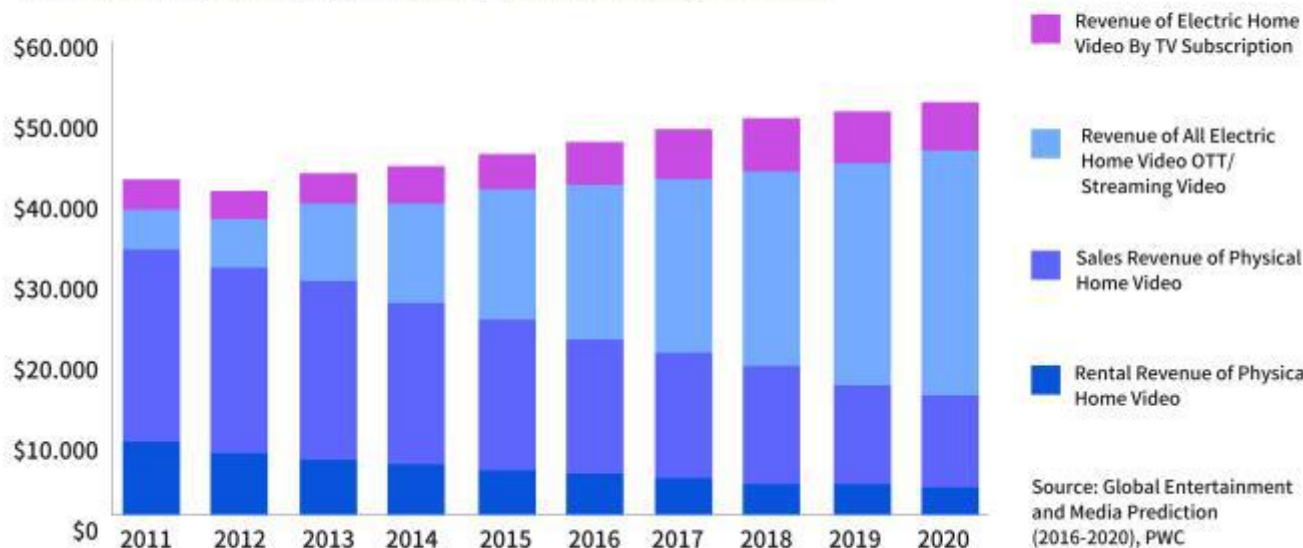
China and America are the two of the best among the mature markets of the entertainment industry, yet America's market share is far more than China's.

For the time being, North America is still the biggest revenue market in respect of the TV industry. Meanwhile, the revenue in home video subscription in America and OTT streaming video services is expected to a total of \$17.19 billion, almost taking one-third of the global revenue in the industry. In the upcoming decade, the revenue in home video in China is expected to usher in a tremendous growth. Just for the current growth momentum, China is expected to climb up to the second

profitable region in terms of the revenue in home video.

**Nowadays, although the American market is leading all the way, the Chinese market is already in a rapid development on the right track.**

The Gross Revenue of Home Video By Category (\$), 2011-2020



Nowadays, although the American market is leading all the way, the Chinese market is already in a rapid development on the right track.

The Gross Revenue of Home Video By Category (\$), 2011-2020

Revenue of Electric Home Video By TV Subscription

Revenue of All Electric Home Video OTT/ Streaming Video

Sales Revenue of Physical Home Video

Rental Revenue of Physical Home Video

Source: Global Entertainment and Media Prediction (2016-2020), PWC

## 1.2.4 The Chinese Market Achieves Full-scale Development

In 2016, in respect of gross market value produced by various fields, China's entertainment industry created a market with a total revenue of 380 billion RMB. Among them:

Games: 160 billion RMB (Acceleration Rate: 8-10%)

TV Series and Variety Show: 100 billion RMB (Acceleration Rate: 25-30%)

Movies: 70 billion RMB (Acceleration Rate: 5-10%)

Live Entertainment: 45 billion RMB (Acceleration Rate: 25-30%)

The amount of fees that subscribers pay for Chinese video sites is close to 60 million RMB.

As you can see, Chinese movies have the least acceleration, which is mainly because the starting point is already at a high level. Till this year, China is expected to become the world's largest market in movie box office. In the meantime, the army of We-Media in the form of VR and PGC/UGC living broadcast suddenly rises. The new scientific revolution has caused great increase on the delivery of on-site entertainment.

### 1.2.5 The Globalized Entertainment Enterprises Are Facing Great Challenges

Although Netflix dominates many markets around the world, but the Chinese home entertainment market is still controlled by local enterprises such as Alibaba and Tencent. Centralized resource monopoly will become shackles to the future development of the entertainment industry. The excessive voice of core resource is likely to cover the high-quality contents made by the minority.

### 1.2.6 The Traditional Stereotyped Habits Still Exist

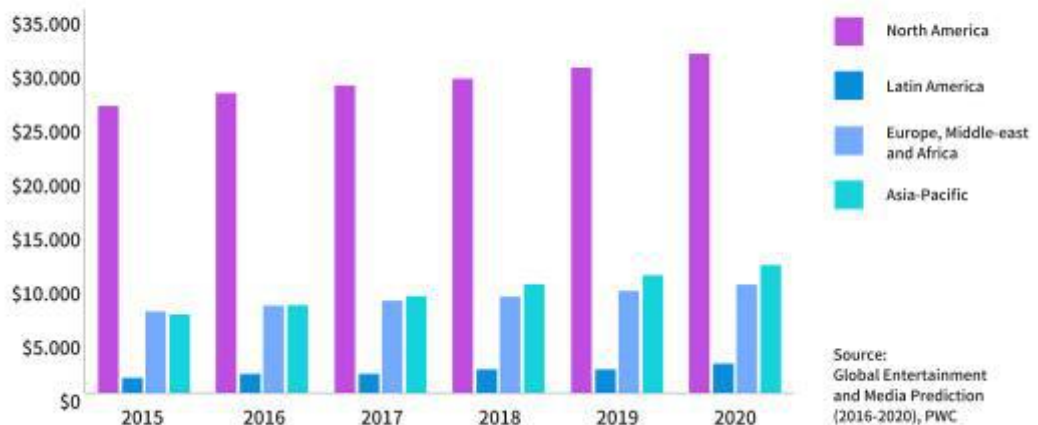
Cable TV manufacturers with traditional set-top box are fighting back by the increase of rebroadcasting instantaneous sports events and monopolizing entertainment contents. Take this year's Super Bowl as an example: for many years, with the ratings of 40% to 50%, the Super Bowl has been the highest rated TV show in America. Therefore, its limited "golden spots" for advertisements are undoubtedly the focus for major manufacturers to compete. Naturally, the advertising fees have been lifted up: for every 30 seconds broadcasting advertisements during the



Super Bowl, the fees have been risen up to 5 million dollars from 4.5 million in 2015. IPs are held in fewer hands: the excessive liquidation of hot IP puts overloaded stress on the buyers, and such economic stress will eventually be moved onto the consumers.

The biggest group of cable TV audience has put more and more attention on the broadcast of sports events and high-level entertainment services, which detonates the price of sports programs and relevant advertising fees.

Profits From Television-based Multimedia By Region (Unit: Million Dollars)



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Profits From Television-based Multimedia By Region (Unit: Million Dollars)

North America

Latin America

Europe, Middle-east and Africa

Asia-Pacific

Source: Global Entertainment and Media Prediction (2016-2020), PWC

## **2. Insights on Blockchain & Pan-Entertainment Industry**

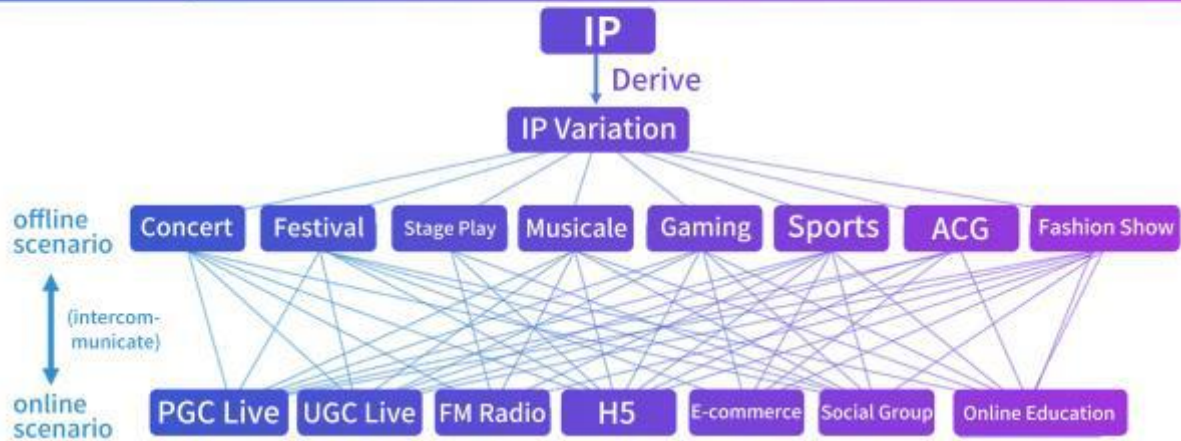
### **2.1 The Combined Power of Blockchain & Pan-Entertainment**

At the very beginning, Pan-Entertainment meant multi-field symbioses based on Internet and mobile Internet, establishing a fan economy with star IP (Intellectual Property). The core is IP, which can be a story, a character or any other things that numerous users would adore.

Since this year, pan-entertainment has been redefined in width. The transboundary between industry and IP is in fact the transboundary of scenario liquidation. Like the online game “Arena of Valor” that you are obsessed with, its theme will be probably used as a concert in the future, and you will probably buy the ticket and even a certain kind of financial product with the stunt of this game in the exhibition zone of the concert.



**Conclusion: The means of diversified derivative operation aiming at liquidation is the core of IP commercial value!**



The essence of pan-entertainment is that IP contents generate cultural transmission and economic liquidation over time in various space (scenarios). The core of IP commercial value is to achieve the ultimate goal of liquidation by means of diversified derivative operation.

The Transboundary Between Two Industries

The Transboundary Between Two Scenarios

Generate Cultural Transmission & Economic Liquidation Over Time In Various Space (Scenarios)

Conclusion: The means of diversified derivative operation aiming at liquidation is the core of IP commercial value!

IP (Derive) IP Variation

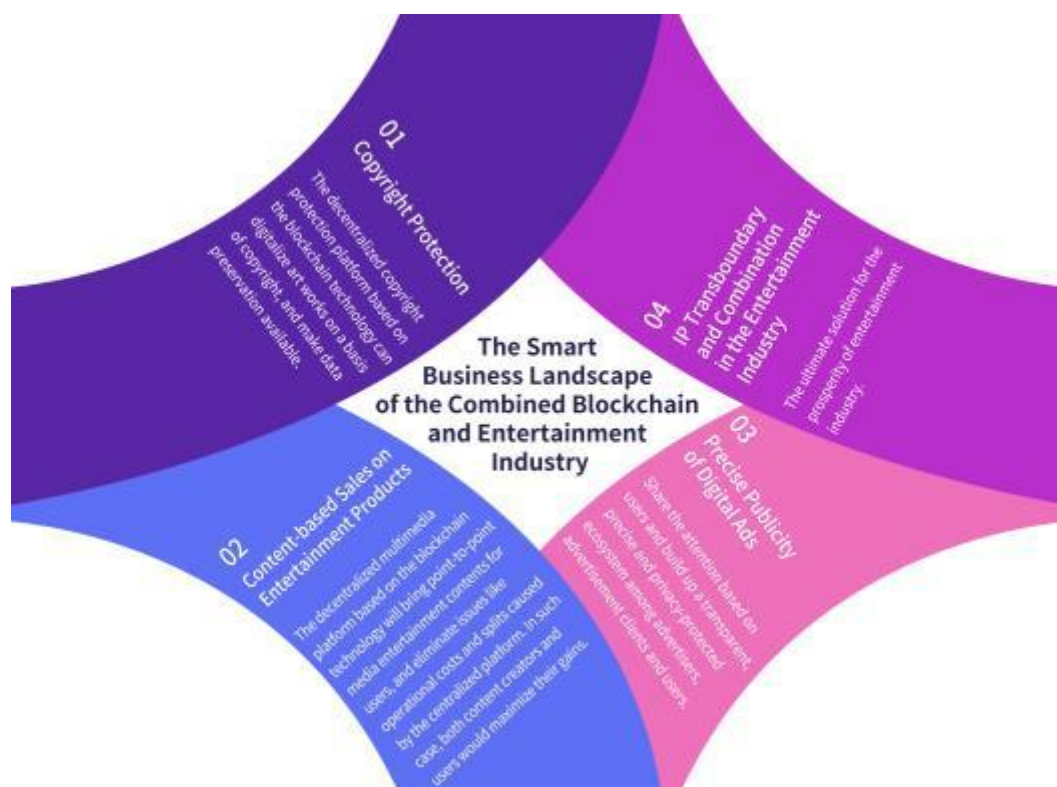
offline scenario (intercommunicate) online scenario

Concert Festival Stage Play Musicale Gaming Sports ACG Fashion Show

PGC Live UGC Live FM Radio E-commerce Social Group Online Education

## 2.2 The Smart Business Landscape of Entertainment IP

Nowadays, the IP-ized market has been overly deciphered, causing varieties of messy situations, such as mess in authorization, identical contents, chaotic pricing system and opacity in transaction. Throughout the above, our team combined blockchain and entertainment industry into the smart business landscape based on a large number of artistic creation practices and commercial transactions.



This contains copyright protection, content-based sales on entertainment products, precise publicity of digital ads and IP

transboundary and combination in the entertainment industry.

## The Smart Business Landscape of the Combined Blockchain and Entertainment Industry

### Copyright Protection

The decentralized copyright protection platform based on the blockchain technology can digitalize art works on a basis of copyright, and make data preservation available.

### Content-based Sales on Entertainment Products

The decentralized multimedia platform based on the blockchain technology will bring point-to-point media entertainment contents for users, and eliminate issues like operational costs and splits caused by the centralized platform. In such case, both content creators and users would maximize their gains.

### Precise Publicity of Digital Ads

Share the attention based on users and build up a transparent, precise

and privacy-protected ecosystem among advertisers, advertisement clients and users.

## IP Transboundary and Combination in the Entertainment Industry

The ultimate solution for the prosperity of entertainment industry.

### 2.2.1 Copyright Protection

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### 2.2.3 Precise Publicity of Digital Ads

Share the attention based on users and build up a transparent, precise and privacy-protected ecosystem among advertisers, advertisement clients and users.

### 2.2.4 The Privately-owned Entertainment IP Sharing Era

In the future entertainment copyright market, everyone who loves IP should have it in hand, just like product stockholders. When the value of an IP is distributed to various hands on a scattered sense, we can implement smart sharing on a good IP copyright under the regulation of smart contracts following personal requests. The value of a good IP should be examined by the market, not imposed by any IP holders or resource monopolists. Once the trend of decentralization is settled, the tendency of centralizing entertainment resources will be effectively contained.

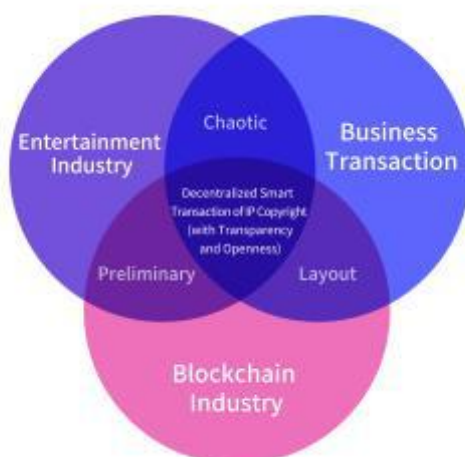
### **3. The Smart Trading Market for Entertainment IP Copyright**

#### **3.1 Brief Introduction of the Smart IP Trading Market**

Most of the current IP transactions are conducted in the intermediary mode, which leads to the fact that a large amount of capitals is paid to the intermediate market. Meanwhile, the reliance of IP transactions on intermediaries has caused a large amount of communication cost in the cross-border IP deals, including time, energy and money. In order to intensify the global IP trades in depth, artistic communication should eliminate borders and intermediaries. Therefore, we have concluded as following:

The intersection among entertainment IP, business transactions and blockchain connotes the smart trading market for entertainment IP copyright.





Entertainment Industry Chaotic Business Transaction Preliminary  
 Decentralized Smart Transaction of IP Copyright (with Transparency and  
 Openness) Layout Blockchain Industry

At present, the smart trading market covers four levels:

**Level 1: Copyright Protects Evidence**

**Level 2: IP Derives Smart Transaction**

**Level 3: IP Interest Split**

**Level 4: IP Interest Sharing**

Every IP on the smart trading platform should simultaneously meet: (1) the accomplishment of the first deal; (2) its transaction medium based on UIP token will generate an exclusive “IPUnit”, and buyers will decide whether to sell its percentage on the trading platform (the percentage

represents the amount of interests possessed by the IP). On one side, this kind of asset split can alleviate enormous economic stress on buyers; on the other side, this stock “IPUnit” will be held by the stockholder who really adores it—as a digital asset, a good IP itself should also have the value of sharing and collecting on some level.

We call this form of future copyright the “UnlimitedIP (UIP)”. In the meantime, UIP will also log on to the pan-entertainment smart trading platform. Apart from the 100% IP derivative contents being cross-sold, you can also hold shares on the derivative value of this IP. All of this can be achieved on our future entertainment copyright trading platform.

Meanwhile, we are exploring the multi-forms of online IP trading: under the condition of no harm on the original creators’ benefit, can we refer to the concept of sharing economy and share a certain amount of IP resources by setting rules? This is the trend after the future UIP platform enters into the 3.0 and 4.0 eras.

### **3.2 Theoretical Basis of Products on the Market**

In order to construct this entertainment IP trading platform, we refer to

the following theories:

### 3.2.1 The “Silent” Spiral Theory

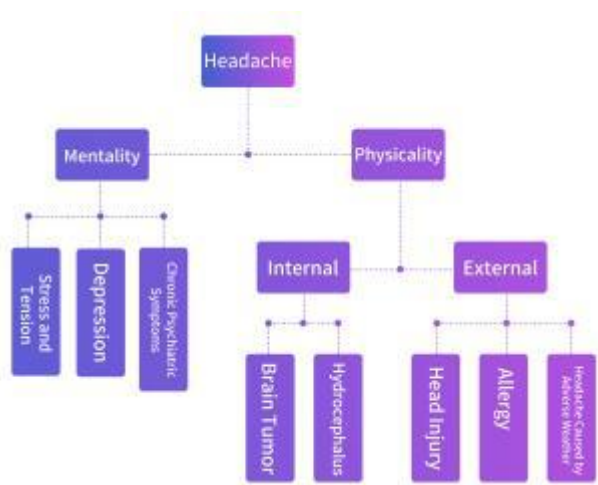
it belongs to the theory of politics and public communication. This theory is based on such an assumption: the majority of people would try to avoid the isolation generated by individually holding on some attitude and conviction. Basically, it describes such a phenomenon: when people convey their own thoughts and perspectives, if seeing the viewpoints they agree with have got widely supported, they will take an active part in it, and this kind of viewpoints will be broadly addressed and spread out; however, if finding that (hardly) no one understands a viewpoint (even having an experience that everyone points an accusing finger at it), they will keep silent even though they agree with it. The silence from one side of a viewpoint will cause the uprising momentum of the other. So, after many circulations as above, it will form as a spiral development process that one side’s voice will become more and more powerful, whereas the other will become more and more silent.

Due to the specialty of the entertainment industry, to ensure the normal operation of our trading platform, we will actively bring people who have the right to speak about entertainment into our team. The entry of the

second half of the Internet majorly means to take control of the right to speak and guide the trend to the public. It is such a large invisible cake that the current exploitation of the blockchain technology still needs more influential professionals to guide the public to participate.

### 3.2.2 The Transboundary-based IP Smart Trading Theory—MECE Analysis

This theory is based on mathematical aggregation theory. It contains two parts: “Mutually Exclusive” and “Collectively Exhaustive”.



Headache Physicality External Head Injury Allergy Headache Caused by Adverse Weather

Internal Brain Tumor Hydrocephalus

Mentality Stress and Tension Chronic Psychiatric Symptoms Depression

This theory connotes a way that when a big issue occurs, we are able to make classifications without overlaps and omissions, and by this means effectively grab the core of the problem and solve it.

It includes four directions: collecting information, describing findings, conclusion and bringing out solutions.

As the new ways of Internet use, new forms derived from IP is continuously generating. While establishing the types of IP copyright derivative transactions in the early stage, including those small-amount contents unacceptable to the traditional entertainment such as GIFs and short videos. Due to the level of their abundance, we will also make classifications for them. We will make IP classifications as many as we can in the early stage.

### 3.2.3 The Derivative Process of IP: Principle of Voice Communication



Voice Communication Cycle

Starting from Consumers' Inner Voice

Ending with Consumers' Sympathetic Response

Origin Area Voicing Area Echoing Area Soundless Area

Little Wave Energy Wave Single Sound Wave Innovation Wave Emotion Wave Culture Wave

Reorientation Upgrading Products Reshaping Image Grouping

With the scope of sound expanding, the acoustic intensity strengthens.

A high-quality IP development always goes through the above four phases. With a certain amount of energy wave in the Origin Area, the acoustical radiation starts, then by consistently expanding, product-upgrading and reorienting, it will eventually produces a new powerful IP system.

The growth of an enterprise is just a process of unceasingly expanding the circle of sound wave. Its core is the inner power constructing your origin, namely, the voice prosthesis. Along with various innovative means of communication making sounds, it will form as sound wave in the end. Voice communication enables brands and communications to become more simplified, clarified, visualized and animated. A brand represents a life, and voice communication is attempting to depict the growth path of this life.

### 3.2.4 Cluster Analysis—Big-data Prediction: The Future Trend of Entertainment IP Copyright Derivative Market

Cluster analysis is a process of analysis with aggregations of substantial or abstract objects grouping into several categories consist of resembling objects. It is a vital human behavior.

The aim of cluster analysis is to collect data on the similar basis and then classify them. Cluster stems from many fields, including mathematics, computing science, statistics, biology and economics. In the varied application fields, many cluster technologies have developed. These technological methods have been used to describe data, measure the similarities among varied data sources and classify these sources into varied groups.

As the data on the trading platform precipitates, we are going to use cluster analysis to get familiar with traders' habits to make interface more humanized. If possible, with the analysis of fans behavior, we will even output the data to the IP producers and support them to build up the IP contents more suitable for the market.

#### **4. Team Members**



Coming from three distinct fields, our team members bring in powerful and unique resources for the UIP project, and consistently enrich and improve this project:

**Entertainment Field:** It consists of the leading Hollywood entertainment celebrities and other IP creators from overseas. This aims at promoting more general citizens to be a part of our trading platform. From this moment on, the blockchain technology will not work behind closed doors; instead, we hope to take advantage of this opportunity to integrate this revolutionary technology with the entertainment industry.

**Technological Field:** The project provider associates Tai Yi Yun Technology (太一云科技) R & D team as the undertaking party for this project, as well as introducing EOS team as their professional technical guidance. At present, some part of the functional module has been in the prototype-testing phase. We hope that in the future iterative development, we can accept new technical schemes with open minds and carefully select technical routes, doing the best we can to manage it as the normal form of the blockchain-determined projects.

Technology & Entertainment Mangement Team: As the transboundary team between the blockchain technology and the entertainment industry, we will build up the first blockchain pilot project in the country that is legitimate and follows the supervision and guidance of our government.

Detailed Introduction of Team Members:

### **Chi Jingchao**

Ms. Chi Jingchao is the CEO of Tian Lang Qing Qing Ltd. and the deputy director of “16 Is Good” Executive Committee.

She has the experience of overseas study, graduating from the Ukrainian National Dnieper University with a master degree of computer programming and networking in the department of radio electronics.

After graduation in 2004, she returned to China and got employed continuously in Zi Guang Gu Han, Guanghua Foundation for Science and Technology, China-Japan-Korea SME Promotion Association. She also co-founded Ling Qian Cai (Beijing) Technology Co., Ltd., Xiao Cai Technology Co., Ltd. and Beijing Tian Lang Qing Qing Cultural

Communication Co., Ltd., etc. She used to associate major strategic partners to accomplish many classics with the varied-typed IP Transboundary linkage operation, such as the movie “Never Gone”, the concert “What if I am Tayu Lo” and “I Do: To Love”, and the product announcement “Haier High-level Brand: Casarte”, turning her into the most newly potential pan-entertainment IP operator in the scientific entertainment industry of China.

### **Zhang Hao**

Mr. Zhang Hao has been working on entertainment for 20 years, focusing on pop music performance brokerage. In 2000, he created EWB Inc. in New York, committing to cultural communication between China and overseas. He has organized and schemed over 40 solo concerts in America, Europe, Australia, etc. for Chinese musicians like Song Zuying, Sunnan, Naying, Cuijian and Zhang Liangying, etc. Especially in 2003, he consecutively planned and held two times of Chinese Song Ranking Awards Ceremony in America; in 2013, the *Panda Show* was presented in Las Vegas for a year, setting a record in time duration of Chinese entertainment overseas performances. In recent years, he brought in Broadway musicales like “RENT” and “Fuerza Bruta” (setting a record of 350 times during the nationwide performing tour). Additionally, he also

attended many Asian performing tours held by music celebrities such as Madonna, Mariah Carey, Ke\$ha, Boys II Man, Backstreet Boys, Bon Jovi, Guns & Roses, The Scorpion, The Queen and Air Supply in Korea, Singapore, Malaysia and Thailand, etc.,

### **Zhao Lingyan**

Ms. Zhao Lingyan is a master of media management in Murdoch University of Australia. Before this, she graduated from Communication University of China with two bachelor degrees: Electronic Information Engineering and Broadcasting and Television Directing. From home to abroad, She has worked as China-Australia newspaper editor, production of CG movie “Little Door Gods”, Internet movie “DJ Taoist Priest”, CG animation movie “Intelligent Beijing”, “Battle of the Morning Peak” and “Passion Kitchen”, etc., executive director for variety shows, IP transboundary operator and others related to project producers. She used to work in Wanda Screen, Light Chaser Animation Studios and Australia Eastern Post, etc. Now she is the founder and CEO of Link Entertainments Technology Inc. Deeply digging in the industry of technology and art combination, she has a profound perception on the production and derivation of IP contents.

## **Greg Silverman**

Mr. Greg Silverman is the former president of Warner Bro. Entertainment Company. He participated and produced a large number of blockbusters with high reputation and profitable box office, such as *The Dark Knight Trilogy*, *Inception*, *Interstellar*, *Man of Steel*, *Batman V. Superman: Dawn of Justice*, etc. During his movie career of over 20 years, he has established stable relationships with so many respected and outstanding moviemakers, including Ben Affleck, Christopher Nolan, Steve Carell, Alfonso Cuarón, Todd Phillips, Guy Ritchie, Margot Robbie, Sandra Bullock, Will Smith, Anne Hathaway, Bradley Cooper, Patty Jenkins, David Yates and Steven Spielberg, etc. Now Greg Silverman has founded his own company, which is Warner-based and mainly focuses on scientific entertainment. He thinks the traditional business mode is on the way of subversion, so he and his company are looking for new opportunities in the revolution of scientific entertainment. As the partner of UIP in American office, he will bring in high-quality American IP resources for the future copyright.

## **Teddy Zee**

Mr. Teddy Zee is one of the most important golden producers of Chinese

and Asians in Hollywood. The films he produced and supervised have amassed more than 2.6 billion dollars in revenue. He is a member of Academy of Motion Picture Arts & Sciences (Oscars), Academy of Television Arts & Sciences (Emmys) and Producers Guild of America. He served as Executive Vice President at Columbia Pictures, Senior Vice President at Paramount Pictures, President of Sony-based Overbrook Films, President of Fox-based Davis Entertainment, and now under the banner of Teddy Zee Productions. In addition to film and entertainment, his company has built an integrated consulting and advisory practice that spans media, technology and commerce while bridging Hollywood with Asia. As the partner of UIP in American office, he will engraft and bring in investments on UIP's IP resources in America.

### **Wu Peng**

Mr. Wu Peng has been engaged in the marketing industry for 9 years. Now he is the co-founder and CMO of Tian Lang Qing Qing, associating business team to create a new model of "9 Steps for IP Transboundary Operation" in pan-entertainment. Cored with Internet thinking and user needs, this model will provide solutions of various marketing channels, pluralistic profit models and multi-polarized fan liquidations for pan-entertainment IP. With the idea of transboundary integration, this

model will also help make new contents tailored to brand and cross-settle new groups, enhance the incremental market of pan-entertainment IP transboundary operation, and exert new momentum of entertainment IP with technology.

### **The technological part is solely in the charge of Beijing Tai Yi Yun Technology Co., Ltd.**

Starting research and development in 2014, Tai Yi nowadays has created multi-asset lossless superconducting network that leads the world and has applied for over ten patents on it. The Tai Yi superconducting network is a new-type network built on Tai Yi blockchain, supporting lossless transference on multiple types of digital assets. Among the currently popular blockchain system, all the transactions need to be written into block and broadcast to spots of the whole network. Due to the limitation of block volume and its formation speed, the transaction pace of the whole network has got limited dramatically. Superconducting network builds superconducting channels among multiple transaction spots, and based on the smart contract, it can initiate fast transactions out of blockchain along with customizable fields and security verifications. In the large-scale performance test based on the environment of public cloud

d, superconducting network keeps operating for one hour, accomplishing 400 million transactions—nearly 110,000 out-of-blockchain transactions are managed per second. The specific testing data is as follows: the superconducting network operates in the midst of 350 virtual machine instances, consistently operating 3669 seconds and finishing 402,803,740 transactions, which means 109785.7 transactions are managed per second. That being said, even from an international perspective, it is at the highest level.



## 太一区块链超导交易网络

# 测试报告

(完成日期: 2017-5-22)

产品类别: 区块链超导交易网络  
产品名称: \_\_\_\_\_  
委托单位: 北京太一云科技有限公司  
测试类型: 委托测试



工业和信息化部电信研究院

Tai Yi Blockchain Superconducting Trading Network Test Report

(Complete Date: May 22<sup>nd</sup>, 2017)

Product Type: Blockchain Superconducting Trading Network

Product Name:

Entrusted Agency: Beijing Tai Yi Yun Technology Co., Ltd.

Test Type: Entrusted Test

Telecommunications Research Institute, Ministry of industry and information technology

## **5. The Business Module of the Future Copyright Trading Platform**

### **5.1 An Overall Observation of the Trading Platform**

UnlimitedIP is a kind of DAPP. The whole trading platform provides spontaneous trading with bottom oriented system without centralization.

Based on the silent spiral theory, in order to realize the operability of the trading platform, we use the pilot centralized model for our early resources grounding and promotion. That is to say, to ensure the deep mobilization, we invest IP producers and purchase the big IP. With the prosperity of the trading platform, the action of centralized IP producing will slowly fade away.

In order to strictly guarantee the purity of artistic creation platform, we only deal with entertainment IP products. At the same time, in order to achieve maximum possible landing project, we had a-year-long resource layout. Including IP cross-border product research and development, the inculcation of block chain thinking for Hollywood and domestic entertaining stars, we encourage them to put their IP at hand on the trading platform and to stand up to voice for the future copyright. We want to call for more common people to participate in the understanding of the block chain techniques. It is never a patent for interior industry. It is not only worth developing, but also worthy of more people's understanding, witnessing and participation. It won't take long from digital money to credit society.

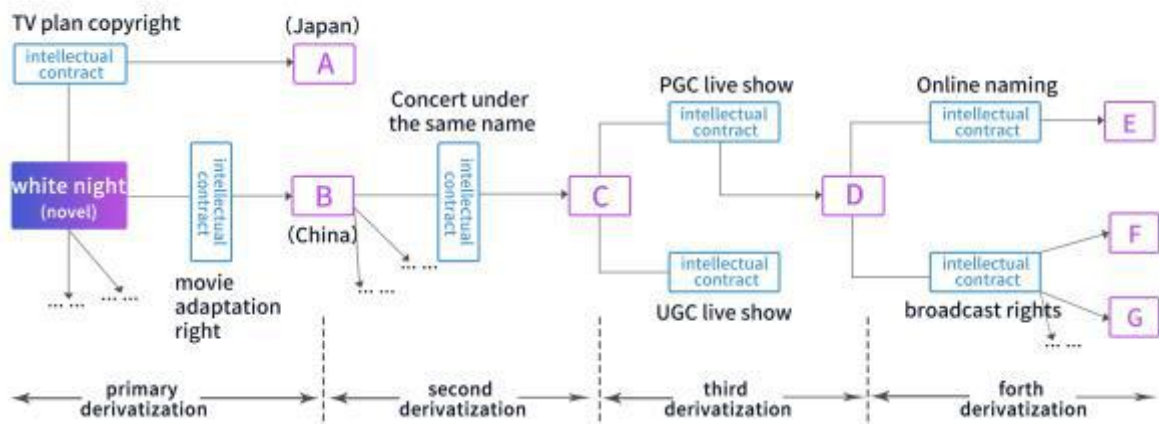
The types of entertainment products that can be traded are, in theory, infinitely subdivided over time. It is now divided into the following

categories: writing, live entertainment, film and television, events and ACG. It is clearly that these categories can be divided into specific sub-categories as well, such as narration, application and demonstration. Among them, the narrative literature produced the greatest value of IP. For example, to realize live entertainment, it contains the landing event itself (concerts, music festivals, live house and so on.) Including two-degree transmission based on the scene, such as PGC live broadcast (Current official video platforms include Tencent, Youku and other live broadcast), UGC live broadcast (Like Huajiao, Yingke, Douyu live from the media etc.), VR live broadcast (Science and technology, to enhance the audience's sense of deep experience) and so on. Hundreds of people, or even a single person, can be exposed to the whole audience, which may bring to real-deep liquidation.

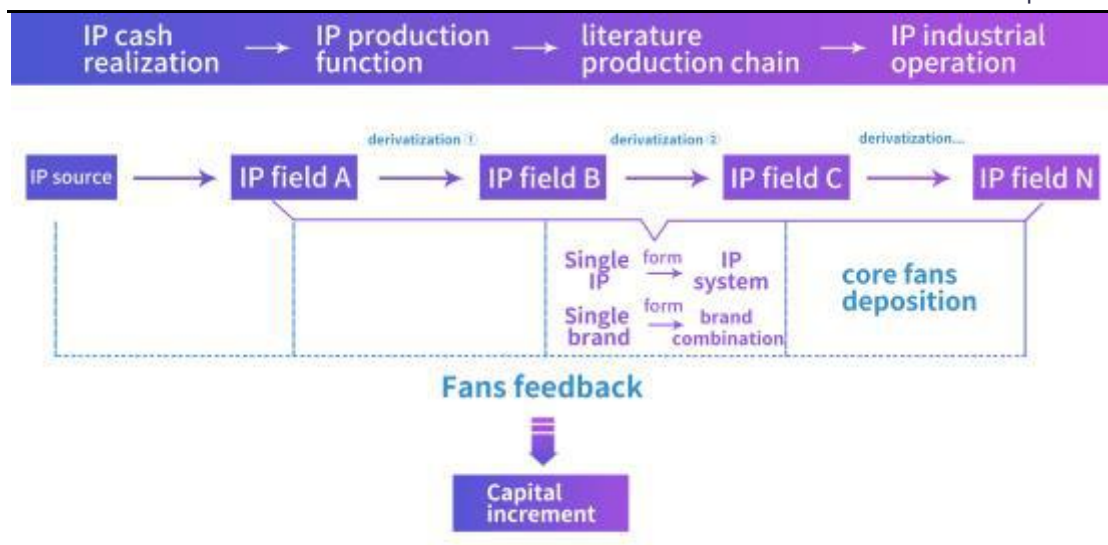
Based on that, it is clearly for us that entertainment IP industry content is deeply overlapped. We will make a hypothesis here. Mr. Keigo Higashino's novel *Journey Under the Midnight Sun*. We can sell its derivative drama rights to a Japanese company A to make the TV show *Journey Under the Midnight Sun*. At the same time, we sell the film adaptation right to the company B in China. B sells the concert's copyright rights to the Chinese C party for its own box office sales. In order to ease the concert box office pressure, C sells the concert live PGC

copyright to a live video company D and UGC live broadcast copyright to company E. Because of its own liquidation needs, D sells some part of the PGC copyright to online titles and the other to the content purchasing of site F and G for requesting right. Finally, Mr. Keigo Higashino is likely to see the movie's concert on the LED screen after taking an airline seat.

As a result, the derivation of entertainment IP must be a re-creation



process. Therefore, we make the further conclusion:



## 5.2 The Business Module of the Trading Platform

### 5.2.1 Level 1: Copyright Proof (only as proof, not for certification)

Traditional methods of copyright proof: An original method of protecting intellectual property rights that the industry knows is to send a printed copy of the work by express mail. After receiving the envelope, the writer will not open it, but use the time on the postmark to prove that he has already owned the work. There are many disadvantages of this method. Firstly, the postmark can be fake. Secondly, it is difficult to prove that the envelope has not been opened. Thirdly, only part of the entity's copyright can be stored in this way. Therefore, the preservation of copyright has always been a pain point in the entertainment industry. However, based on the original method we can still learn its basic principle and elements, that is to say, the reliable vectors, non-tampering

proof, privacy protection, timestamp and so on.

It can be traced, distributed, and difficult to tamper with block chain itself. Based on hash algorithm, asymmetric encryption, timestamp and other technical characteristics, it is easy to implement an inventory of user digital IP assets.

When users upload each work, they are automatically stamped with timestamps on the trading platform. To avoid the criminals who plagiarize others and gain illegal benefits through the platform, we all adopt the real name system to register the transaction pattern. At the same time, we use personal credit scoring system. If copyright disputes arise later, several steps will be taken:

First, the trading platform will provide fully uploaded information and timestamps for legal evidence from the originator.

Second, the outcome of litigation disputes will have an impact on their personal credit. Later, we will gradually link this credit with Zhima Credit, with a goal to promote the establishment of social credit system.

### **5.2.2 Level 2: The Derivative Trading Function of IP (by voting of the**

### **Committee do transactions going on the market)**

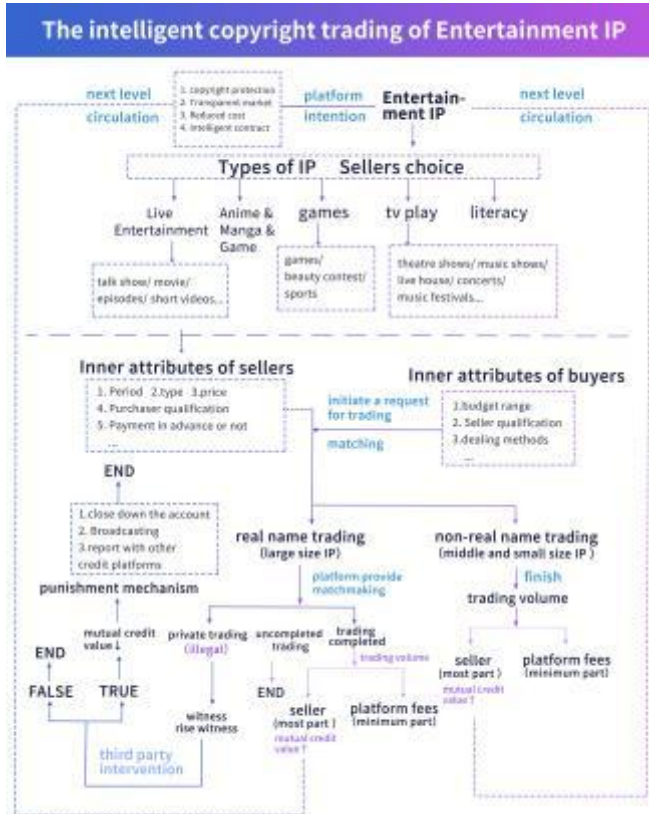
Here, we demonstrate two examples:

1. A is a student majoring in film, drama and literature in an art school. She is interested in script creation. One day, a small script that she wrote was sold directly on the transaction site, and she harvested 50,000 yuan in cash. After that, the development of the IP has nothing to do with her.
2. B is a great writer on a literary website, whose copyright of work is owned by both him and the website. Since the novel has a huge amount of fans, he only intends to sell the right of movie adaptation while holding the copyright of literature.

There are two circumstances for IP transaction. The first is the small and medium IP presented in the first situation. In the process of trading such IP, traders have low impact due to short creative cycle. They usually want to sell their IP products directly for liquidation. Under this circumstance, buyers and sellers basically follow only one decision: the highest bidder gets the product. In such cases, buyers and sellers may even need only the most basic anonymous transactions. Since the description of the text



will be difficult to understand, we will show the trading platform transaction model according to the following flow chart:



platform trading volume 3% for the token holders/ platform trading volume 0.1% for the platform fees  
private trading(illegal)/witness/ rise witness

With the category of entertainment IP uploaded, four effects can be achieved:

1. copyright protection
2. transparent market
3. reduced cost

#### 4. intelligent cooperation

Copyright protection, which is mentioned in Layer 1, can exert copyright proof by uploading. During the process, users need to register with their real name before uploading their own data. The examination of real-name registration is carried out by the UIP Certification Department voted by the autonomous community. When the real-name registration is finished, users generate a basic value of credit. The registered users will have the right to upload the work.

1. When sellers have transaction demands, the type of IP they sell will be defined automatically according to the clear choice of the trading platform. For example, the literary IP will sell rights of movie adaptation or even all the televised adaptation rights at the same time. The platform will provide a very friendly operating interface to ensure that the art creators who guarantee no knowledge of block chain can also fill in requirements successfully. Sellers will be guided by the interface to fill out their own requirements attributes: including the IP adaptation cycle (permanent or within a few years), the adaptation type (movies, television dramas, short video or other content), the price range

(usually can set a reserve price), the purchaser qualification (person or film company), whether payment in advance or not, etc.

At the same time, accordingly, there will be buyers initiating trading requirements, including the acceptance scope of the budget (generally set a hardtop), qualification for buyers (person or company), trading mode (full payment, cash payment or part of cross-industry cooperation), and plausible cycle for IP (full buyout or no difference).

2. Once the seller initiates a transaction request for his uploaded work, the system will review and secure the seller's work through the Trading Committee of the autonomous community. Only works of art, which pass the examination, can be used for trading to prevent someone who just changes the name of *Journey Under the Midnight Sun* for trading on the trading platform. Once the Committee finds someone uploading others' copied work, we have the right to make a credit deduction or close his account. The behavior is entirely based on the block chain technology, which

will be visible to all holders of the transaction platform and may be broadcast if necessary.

3. When the seller uploads his legal works in accordance with the formal procedure, the system will systematically match the buyer and seller according to their requirements. The buyer will filter the matched content and select the items he likes to proceed to the next transaction.
4. For small and medium IP transaction like the first situation mentioned above, when the buyer and the seller both choose the transaction, the two parties have the right to ask for anonymous or non-anonymous transactions.
5. For many medium-sized and large IPs, the source of copyright often regards its artistic creation as treasure. In this case, they will not only maintain the IP source itself, but also be cautious about the transactions of IP derivatives. The highest bidder is not the sole purpose of the transaction. Buyers and sellers require multiple rounds of communication and collisions of ideas. Even the seller will continue to communicate with the buyer in the process of making derivative products to ensure that the

derivative work satisfies the seller's original vision of the content of the literature. IP cross-border transaction in the broad entertainment environment has become the most important productivity of the future entertainment copyright transaction. In this case, both buyers and sellers are required to issue real-name requirements. The system will provide matchmaking for both parties based on demand from both parties. No matter how many rounds are involved, as soon as the transaction is reached, the platform needs to be validated and finalized.

There's a validation mechanism: If both A and B meet with real identities and eventually pay money through the trading platform to complete the the IP derivative transaction, then it is seen as the end of the transaction; if the completion of the transaction is not achieved, the validation Committee of the autonomous community will be required to come forward and conduct verification of the transaction.

If the result is true, then the transaction is closed and the trust value of both parties will not be affected.

If the result is false, then it shows that the two parties have conducted private transaction. Since earlier the trading platform has provided a

large number of services for both parties, the Commission needs to come forward to negotiate with both so that they can move the transaction to the trading platform. Otherwise, the verification committee will submit the results and evidence to the management department, and the management department will take a vote to reduce the credit of both parties or close their accounts as a consequence.

6. After the transaction is successfully done, the buyer can use the IP for further derived products, and hang it on the trading platform for future selling to alleviate the pressure on the capital flow.

The above A~G represents the whole process of trading IP or IP derivative value on the trading platform. The trading content includes two levels of copyright protection and IP liquidation. Next, we'll talk about Level 3, the most important level of the trading platform.

### **5.2.3 Level 3: A good IP should be a digital collection for anyone who adores it**

In Level 2, the trading platform works as the content of the electricity supplier, allowing sellers to make a choice:

When both parties need only ordinary transactions on IP or IP derivatives, they can accomplish them with traditional currency. When both buyers and sellers need to have their own IP securitization requirements, then IPUnit must be introduced.

The generation of IPUnit: UIP tokens are required to work as the way to proceed, that is to say, the buyer pays for UIP and the seller converts the IP copyright into its unique IPUnit token and pays the buyer. The seller and the buyer shall negotiate the issue and distribution of IPUnit tokens before the transaction. Each IP's IPUnit is unique to its IP and is not intended for general use.

For example, the copyright holder of *Batman* wants to distribute its film distribution rights. The buyer can carry on the transaction by trading 1000 UIP. The Batman IPUnit will be created during the transaction. 10000 Batman IPUnit is set up by negotiation between the seller and the buyer. The Batman IPUnit token costs 0.1 UIP. The tokens shall be held by the buyer for at least 51% (to ensure its access). The buyer obtained Batman's film and television rights through the transaction. At the same time, due to the internal fund needs of the company, the remaining IPUnit can be traded on the trading platform.

1. Without affecting the use of the right, the buyer who owns Batman IPUnit on the trading platform can sell it to some fans. This Batman IPUnit makes deals via UIP. At the same time, the buyer will trade the sold Batman IPUnit into UIP. This part of UIP can be cashed in the second market for the company's capital turnover.
2. When the parties hold a delicate balance of IPUnit Holdings on the platform (This balance will be explained by consensus mechanisms), The person who owns the IPUnit has the right to share the Batman opportunity. In order to prevent the loss of value caused by IP abuse and joint malignant fraud, the use of this opportunity requires confirmation by the IP source holder and the autonomous community committee after voting.

#### **5.2.4 Level 4: The Privately-owned IP Sharing Era**

There must be part in the future copyright transactions that can be privately owned and the rest can be partially shared. In the book *Brief History of Time*, the purpose of the author's writing is to allow more people to accept the enlightenment of content rather than make a profit.



So future sources, authors and autonomous committees will be able to share IP sources (you can refer to some of the currently open copyright IP, such as the “Four Classics”). Reaching a certain number of people to hold UIP or IPUnit can apply for IP shared use.

### 5.3 The Autonomous Committee of the Trading Platform

The formation of the Autonomous Committee: the autonomous committee will be voted by all members of the community in accordance with the share held by the currency;

Autonomous Committee Ruling Mechanism:

1. The members of the Autonomous Committee will vote for a transaction on the platform. IP's shelving request was rejected when 10% of the members of the Autonomous Committee held that the IP had plagiarism and other fraudulent practices.
2. Members of the Autonomous Committee participating in the vote will receive IP commission fees in accordance with their contribution.

Members of the Autonomous Committee who participate in the voting

cannot participate in the next election, but they have the right to vote in the election. It ensures the concentration of rights.

### **5.3.1 Certification Mechanism of IP Asset Rights**

This is an authentication node operating certification mechanism selected by a large number of holders of autonomous communities. They will carry out paid certification examination through the profitable part of the trading platform.

### **5.3.2 Non-anonymous Verification Committee**

The main role of the Committee is to collect information to verify whether the buyer and the seller have reached an actual transaction when they announce they have failed for the transaction on the platform by certain buyers and sellers with real-name contact. If an actual private transaction has been reached, the Non-anonymous Verification Committee has the authority to impose sanctions on the management of both parties.

### **5.3.3 Vote for the IP Demands In the Case of Sharing IP**

When the IPUnit holds a party to hold the equilibrium state, the Autonomous Committee is responsible for the ability check of the token-holders who proposed to use the IP.

#### **5.3.4 Governance Report**

The trading platform is provided by Lianyu Technological Co. Ltd, which has been set up in Jiangxi, Ganzhou Block Chain Finance industry department. After that, we will gradually open up the domestic regulatory authorities, to provide real-time reporting transaction data. Once the illegal trade and content is found, we will ask regulatory authorities to come forward to supervise the management of both buyers and sellers.

### **6. The Business Model of the Future Copyright Trading Platform**

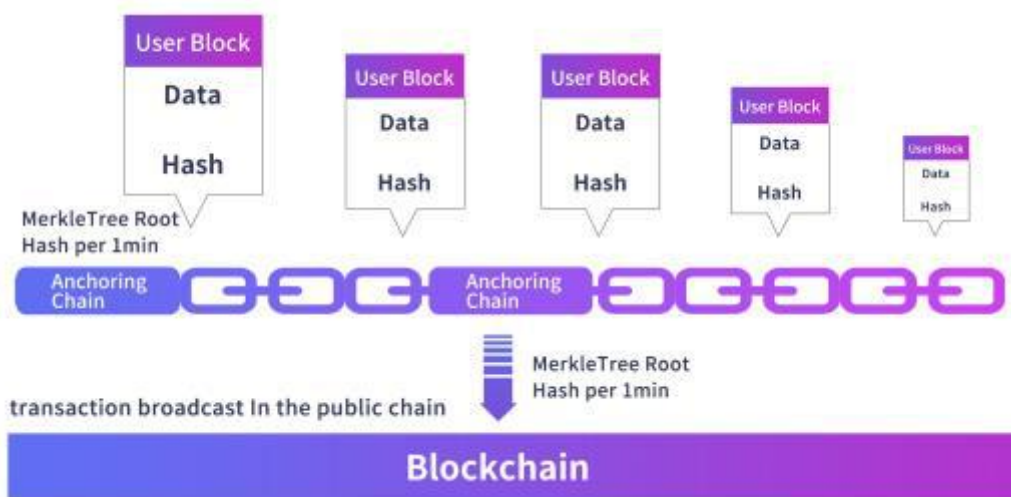
The whole business logic of UIP can be defined as three layers, that is, 1., digital copyright is right; 2., transaction on digital copyright usage rights; 3., dissociation on digital copyright ownership.

#### **6.1 Digital Copyright Is Right**

The Blockchain technology has the feature of being traceable, difficult to tamper and other native features will make the right of digital assets become very simple.

1. The user will upload the digital file to the UIP system, and UIP will generate the user block and calculate its hash value.
2. UIP records the root hash value of the user block Merkle Tree into the block of the anchor block chain.
3. UIP anchors the root hash value of the anchor block Merkle Tree through the transaction broadcast to the union chain.

Based on the mechanisms, UIP will minimize the cost of users as well as ensuring that the deposit data is broadcast to a chain of alliances, to make sure the data of its deposit card are difficult to be tampered with by any individual or organization.



## 6.2 The Traditional Trading Model for The Future Copyright Trading Platform

In the process of conducting IP copyright transactions, we provide the right of traditional customers to choose freely. So they can choose the centralized trading method, which uses the traditional currency as a medium for trading assets. At the same time, the future copyright trading platform as an intermediary, charge a certain amount of service fees. A portion of the service charge is distributed by UIP tokens in proportion to UIP held by all users.

The advantage of this traditional model is that it ensures that traditional customers can effectively avoid transaction risks associated with UIP price fluctuations. But at the same time, it has lost the right to issue

IPUnit on the future copyright trading platform.

We recommend customers who are forward-looking in the form of future copyright and adopt a new disintermediation UIP asset-trading model. This trading model will be discussed in the following sections.

### **6.3 The Economic Model for Copyright Transaction And Dissociation on the Future Copyright Trading Platform**

#### **6.3.1 Basic Principles of Creating Economic Models**

In the atomic world, the transaction of assets involves the transfer of the physical property and the right of use to the credit intermediary. The emergence of block chain brings us into the era of quantum economy. Digital copyright is human's digital assets. Its right of ownership and right of use can be stripped off, and the right to use it can be broken down indefinitely. At the same time, under the distributed credit mechanism of block chain, we can realize the disintermediation of transactions in the process of trading digital assets to greatly reduce transaction costs. The characteristics of the free division and reorganization of digital assets in the quantum economy coincided with the uncertainty and richness of the copyright form in the future.

With this mode, the split and free trade of digital assets can cause confusion in the real world, such as the use of copyright after the separation of interests overlap may cause disputes. As a consequence, it is necessary to introduce intelligent contracts over the block chain technology to establish the necessary consensus to enable UIP's economic model to operate successfully in the real world.

In the process of creating consensus mechanisms, we follow the following principles:

### **The Code Is the Law**

The emergence of block chain and intelligent contract can help the parties in the transaction to run the corresponding contractual terms on the Internet. And ensure that once the code is running, the contract is started and cannot be tampered with or forged.

### **Privately-owned Digital assets & Sharing Usage Rights**

In block chain systems, the ownership of digital assets is recognized along with the creation of digital assets. That is to say, the person who creates has the ownership. Due to the traceability of block chain, the original author's absolute right of ownership of digital IP assets cannot

be stripped in any form. However, its right to use can be transferred with digital assets. The split nature of digital assets makes it possible to share digital assets.

### **The Full Principle of Community Autonomy**

The autonomous community will reduce the cost of centralized certification system, and give full play to the strength of the community to protect community interests.

### **6.3.2 Disinter mediated Transaction Consensus Model of the Future Copyright Trading Platform**

The transfer of IP usage rights: when a IP's IPUnit holder is more than one, the use rights of the IP comply with the following rules. All the holders of the IPUnit will abide by this rule by default. This rule is implied in the contract signed by both parties and is protected by the contract law.

1. The initial use of digital assets will be owned by the creator of the earliest deposit card, i.e. who holds the card and who owns it;



2. Once the digital asset is indeed the right, the digital assets of the receiver need to be certified by the autonomous committee before it can be traded so as to prevent plagiarism
3. When a party holds a 51%IPUnit token, the party has the right to use and fork out the IP; the right of forking is the interest that arises to ensure that the original IP generates the right to use the derivative IP.
4. When a party has the right to use IP, it may reduce the percentage of its IPUnit to below 51% with the consent of the original author, but lose the right of forking at the same time. Until any participant in the UIP market regains 51% of the IPUnit, The party will acquire the right to use and fork out the IP. The right of use of the holder of the original right of use shall be automatically removed after one year from now.
5. In order to avoid the situation that the right of usage is owned by many parties at the same time, IPUnit holders need to be cautious of it trading actions and take responsibility for its consequences. The situation of multi-party owners of the right of IP usage, that is to say, IP ownership is exclusive but the right of usage is shared.

The UIP platform considers it reasonable and has practical application scenarios.

6. A party holding 51% tokens of a digital asset will have the right to split the asset into sub assets. However, the right must be carried out under the following conditions:
  - a. The creation of new asset tokens must be converted from part of the old token. The right to use the assets of the representative still follows the 51% rules of this consensus;
  - b. The token may be destroyed if the holder holds only 100% of the new assets; or revert to a parent chain or produce a new chain. The premise of producing a new chain needs to be agreed upon or later issued by the IP source's intelligent contract, and the new chain can be issued only after being approved.
  
7. The Fourth-Layer Assumption of the Trading Platform:

When the IP assets are split up and one day comes to some sort of shared mode (Neither party holds more than 51% of its assets). Then either party has the opportunity to use the asset. For example, in reality, the use of copyright in the world famous works has been opened up, and anyone has the right to use it.

The Era of IP exclusive sharing, that is to say, in the case of guaranteeing the original author's absolute ownership of the IP, the usage rights are open to all IPUnit holders. It not only protects the rights and interests of the author of IP, but also guarantees the threshold of certain use. At the same time, it greatly enriched the resources that IP can combine. So that the original author of IP, IP itself and its IP holdings fully enjoy the bonus IP era bonus shared by blockchain.

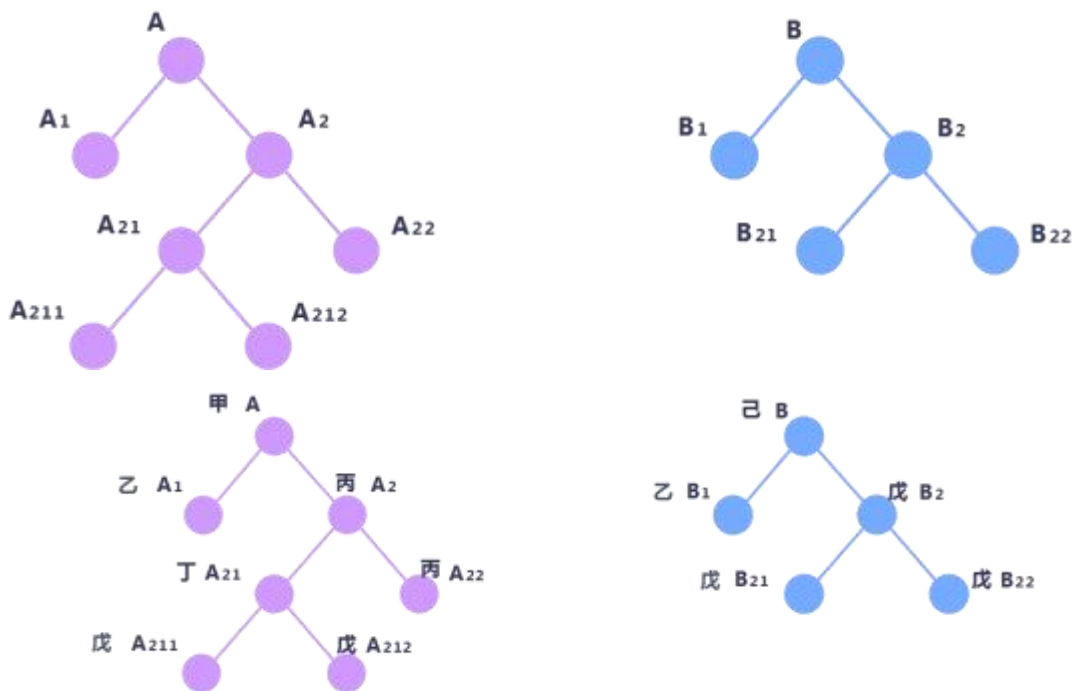
In order to ensure the quality of this IP continuity, the demand side needs to put forward the IP application on the trading platform, the IP source holders and platform community autonomous committee jointly audited. The concrete mechanism will be perfected step by step in the construction process.

8. When an IP asset is shared from the shared situation, 51% absolute access is granted. (For example, a company holds the IPUnit from less than 51% to greater than or equal to 51% due to continuous inhalation.) Prior to this, other IP users, made by the autonomous Commission, have the right to use the IP on the specified date of the smart contract.

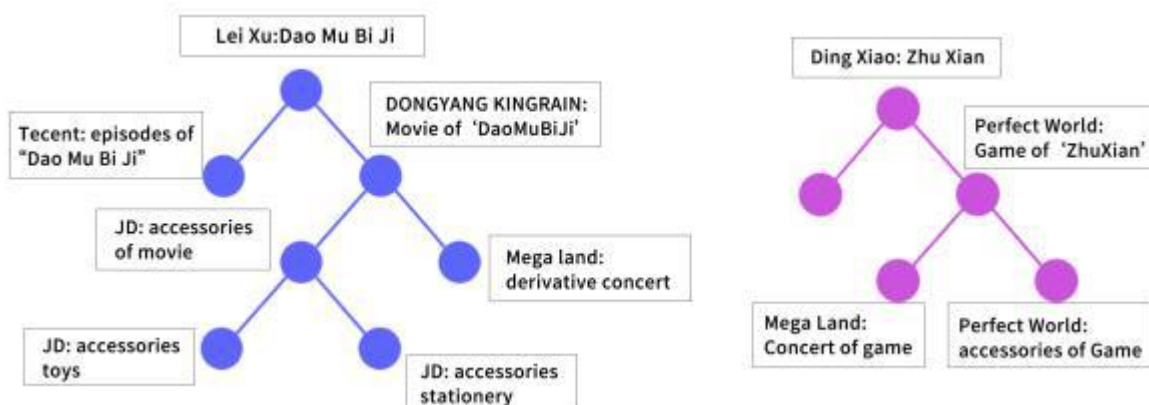
## 6.4 Demonstrations of Business Scenarios

In theory, the IP hierarchy can be continuously broken up into infinity. But in order to prevent the right is not clear, such as the movie concert derivatives and derivatives of the original sale of conflict issues. Trading platform copyright split sale will still be subdivided to the actual situations.

Situation 1:



Application scene (for example, not in reality):



## 1. Project Economy

### 1. Reward Mode

When an IP initiates a transaction with a seller and generates IPUnit for the first time, a certain percentage of development costs will be charged. And distribute 20% of the development expenses to all UIP holders at the percentage held by UIP. When IPUnit trades through the UIP, 3% of the miners' fees will be charged for each transaction. 2% of these are distributed to all IPUnit holders of the current IP in proportion. 1% distribution to holders of UIP by the percentage of UIP held. (Currently tentative, the specific proportion will be measured by the platform after the actual on-line trading pilot calculation, and then adjust the details.)

**The value of UIP tokens:** With the increasing number of IP IPUnit on the UIP platform and the increasing number of IPUnit transactions, the total fee will increase. The UIP of the UIP holders will change as the scale

of the platform expands.

**The value of IPUit tokens:** IPUit will be anchored with the use value and investment value of IP itself.

The reward patterns available to holders include:

1. The trading platform, where every IP transactions occur, is charged to a small percentage of the transaction costs to all the holders of the currency and to the workers of the autonomous community committees, the rest will be transferred to the seller.
2. The trading platform will receive a portion of the initial value of the IP currency as part of the new chain development cost when each transaction generates an IPUit. A portion of the cost will be distributed to all holders of the currency in reward, and the rest will be used for technical developments and equipment expansion of the platform
3. In the future, platform will also match the funds for entertainment IP incubation and fund construction. A portion of the profits generated in the future will be paid in full to the currency holder.

In addition to ensure the remaining profits will continue to invest in the platform, IP hatch and copyright procurement in future. The economic benefits of this batch of IP hatching will be returned to all UIP holders in the same manner. So repeatedly.

4. In the future, IP operators can draw a lottery for their own products on the platform, while the transaction platform will provide the link. All holders of UIP may, upon their own platforms, select a region and a period of time for the IP operators to perform the sweepstakes. The UIP holders who have won the prize have free access to the entertainment, performance or art works on the basis of electronic vouchers.

## **7.2 The Industrial Value of the Future Copyright Trading Platform**

According to PWC's 2015-2019 year global entertainment and media industry outlook, released in June 3<sup>rd</sup>, revenues from the global entertainment and media industry will grow at an average annual rate of 5.1% over the next five years, from 2014's 1 trillion and 740 billion U. S. dollars (about 10 trillion and 790 billion yuan) rose to \$2 trillion and 230 billion in 2019 (about 13 trillion and 830 billion yuan).

If the trading platform may cut into the asset transaction section, according to 1/1000 to count, then by 2019 trading platform trading IP transactions amounted to 13 billion 830 million Yuan. Trading platform charges 3% of the transaction costs and the total handling fee will be 41,490,000. Suppose that 80% of these IP choose to generate IPUnit, in accordance with the collection of 10% development costs, the development costs of up to 1 billion 380 million yuan. Among these, 20% are allocated to the UIP holders, and the UIP holders will receive a total handling fee of RMB 27 million 600 thousand Yuan. In 2019, according to the above calculation, all the UIP holders will receive 69 million 90 thousand Yuan.

### **7.3 Distribution of Tokens**

At present, Lianyu Technology Company will release 1 billion UIP to the community.

The entire ICO project is organized in two ICO phases, including:

In the first phase, ICO will distribute 30% tokens for private and regular public offerings members;



The second phase of ICO will be on the trading platform after the line, the specific time will be announced in advance.

Irregularly and irrationally scheduled market throw in will be placed based on specific market conditions to make every efforts to ensure the interests of holders of UIP.

25% will be used as the promotion fund for community;

15% will be used on members, with a two-year lockout period: The first half will be thawed for the first year, and the second will be thawed for the next year. At the same time, the team reserves the right to continue to freeze tokens at the end of the lockout period.

#### **7.4 Proportions of Fund Spending**

After the success of ICO, we will allocate the funds for the aspects as follows. For the specific financial expenses, we will show quarterly financial statements in the future.

In total:

About 30% are used for platform infrastructure, technical building, administrative facilities and employee recruitment;

About 32% IP for high quality copyright purchases, financing and financial support for the quality and content of hatching or cross IP, expand IP trading contents, increase market depth;

About 12% is used to invest and support the relevant blockchain entertainment industry team to form business or technology alliances;

About 8% special funds for IP future copyright incubator fund construction;

About 8% for market publicity, resource expansion;

About 4% legal support for domestic and transnational transactions;

About 4% for advanced technology development and product upgrades;

About 2% for the service expenditure formerly used on the autonomous community.

The above proportion is calculated by the team through rigorous calculations for the proportion of fund distribution. At the end of the ICO, the future copyright of UIP will be modified in the proportion of fund spending in accordance with specific situations, and a public notice to all currency holders will be issued promptly for any changes made.

## **8. Compliance and Information Disclosure**

UIP projects will strictly comply with relevant state policies, laws and regulations, and actively embrace the government's relevant supervision. Lianyu Technological Corporation, which is the founder of UIP, will reach a national and local government authorized block chain industrial park landing and strictly follow related requirement of relevant supervision. We will strive to build a UIP model demonstration project for the domestic block chain industry. Detailed methods are as follows:

1. In the ICO phase, investors are fully aware of the risks involved in the project. The project has the right to refuse to accept those investments who is without the ability to identify risks or take risks.
2. To disclose information about the project to the local government of where the principal company is founded, including the white paper, team members, business model, fund use plan, project characteristics, development objectives, development strategy, risk assessment, ICO plans and so on.

3. To achieve a positive understanding of the global ICO related laws and regulations, to promote the regulatory development process ICO.

In order to effectively protect the legitimate rights and interests of investors, after the success of ICO, UIP team will disclose the use of funds and significant progress regularly to protect the legitimate rights and interests of investors.

Information disclosure plan:

1. The funds raised by UIP will be earmarked for UIP related research and development, market development and ecological construction
2. We will disclose quarterly usage and earnings of UIP funds (if any)
3. Quarterly disclosure of research & development progress, operation progress and future work plan
4. We will disclose at any time about major research & development and operational results

## **9. Promotions and Visual Design**

With respect for the results of each team member's work, this section focuses on the visual and promotional support of the project. We want to ensure that every detail is perfect besides business logic and technology development.

### **9.1 Logo design**

IP, intellectual property, in fact, it should really be abbreviated as IPR, which stands for intellectual property rights. Only the creation of mind, including music, literature and other works of art, discoveries and inventions, and all the words, phrases, symbols, and designs devoted to the author's mind, "Intellectual property" endowed by law with exclusive rights is what we are familiar with as "IP".

The creation is a mysterious force, and some great creators feel that it is God who created his own hand. And where is God? Where does this mysterious power come from? No one can say clearly, because of the vastness of the universe, the insignificance of human beings. But it is

undeniable that those who seem to be through the stars, through the shackles of time and space, shuttling in the truth and art of the "little human", created countless miracles, which light up the world like a lighthouse.




Meanwhile, in the process of the development of human civilization, mankind is increasingly aware that we have been creating and beautifying our lives with our own wisdom, and promote the continuous progress of society. While the human civilization is beautifying the society, the works of art made by it in turn feeds back on themselves.

On such basis, we believe that UIP's LOGO design principles should be the logo needs to show that human beings are both maternal and intellectual and need to have strong human attributes.









**primary colors**

		
CMYK: 32 45 00 00 RGB: d3 92 7d	CMYK: 56 28 00 00 RGB: 74 aa ff	CMYK: 80 87 56 30 RGB: 2e 2e 4e

**secondary colors**

			
CMYK: 47 00 14 00 RGB: ef 1a ff	CMYK: 56 00 24 00 RGB: 36 c2 dd	CMYK: 75 32 00 00 RGB: 0f 99 ff	CMYK: 55 06 00 00 RGB: b3 3e ff

AaBbCc0123  
Drakolomb

ABCDEFGHIJKLMNCPQ  
RSTUVWXYZ  
abcdefghijklmnop  
rstuvwxyz

思源黑体  
思源黑体  
未来版权股  
未来版权股  
思源黑体  
未来版权股

This logo has several meanings:



1. The first is the cerebral cortex, figure for the ongoing transmission of wisdom;
2. The second are eyes, cochlea, fingerprint, which represent the process of artistic creation of visual, auditory and tactile;
3. The third is the worship towards human reproduction. Graphics are like a womb, pregnant with anything that can be transmitted by intelligence. On the other hand, it shows the trading platform is the mother of an IP.

This idea combines the concept of the Alien design.





The origin of this special monster set is a combined organism of sex, reproduction and death. Based on the Prometheus setting in Greek mythology, In Greek mythology, man was created by the prophet Prometheus of the Titans. He taught human knowledge, and even stole fire for mankind, so he became a sinner. In Plo Michel Sri, man was the offspring of a giant who was executed. Man is the sinner beyond their grand cosmic plans; the earth should not have such a highly intelligent race, who even have the same genes as the mastermind. As a consequence, they should be wiped out.

Fundamentally speaking, human beings are creatures of advanced intelligence. The collection of IP products represents a collection of human intellectual achievements.

## **9.2 Video Shooting and Post Production**

For video shooting, in the early stages we have carried out various consultations and shooting program with many entertainment industry directors and stars. We have also shot with three video teams in the United States, China and Japan and cooperated with the best animators in China to present the most interesting and clearest way of the future values behind entertainment IP trading platform about block and chain technologies, using Motion Graphic together with narration.

## **9.3 Promotion of Resources**

At present, the team has a wealth of national promotional resources. Through "strong advertising + public relations + fine packaging + strong virus + multi interaction + wide difference industry + joint brand" scene marketing matrix, and based on national policies, we carry out

appropriate promotion and marketing for our ICO progress and block chain project. Among them, the list of media promotion resources include:

Tencent quality media resource matrix:

QQ, WeChat, Tencent news, Tencent, Tencent, AIO, pop daily newsletter, Tencent video, Tencent music, QQ space, Tencent, micro-blog, financial pay through, micro loans, Tencent administration and so on.

1. Tencent: media news recommendation
2. Tencent Entertainment: column
3. Daily Express: accurate push users
4. Tencent Video: column production
5. QQ space: tribal space
6. Tencent Video: movies, concerts live
7. Tencent Music: concert, digital record, online release
8. Tencent video, Tencent music (digital ID record)
9. Tencent - Dacheng network Tencent, big Chu, Tencent, Tencent network Hunan Chongqing net, Tencent Henan network, Tencent, Tencent Jiangsu Guangdong Net Net, Tencent, Tencent (Jing Jinji) net Yan Da min net, net, Tencent, Tencent, Tencent Daliaohe Dashen network network, Tencent Zhejiang network etc.

The following resources are also included:

1. the website PR – the four mainstream major portals, financial, financial, entertainment, science and technology, public, local, regional, enterprise, brand and other vertical sites put vertical resources;
2. Double micro KOL alliance, Internet, entertainment & movies, information, emotion, sports, science and technology, automobile, finance, games, management, lifestyle, health care category, business class, maternal and child class, mobile phone digital hardware, literature, education, real estate class, tourist class, furniture and other micro media Alliance Resources
3. Circle of friends KOL - high quality friends, super 4000+ personal circle of friends, KOL resources
4. Online Alliance - today's headlines platform, Taobao Daren League, micro Community Alliance, QQ media alliance, know almost, Penguin number Alliance
5. News client - all kinds of news client (such as Tencent news, Sohu news, NetEase news, etc.) topics, soft Wen, advertising, information flow and other promotional resources
6. DSP program - major DSP program purchase and put resources

7. Video platform - patches, focus maps, feature pages and other advertising resources
8. The most important traditional media in the country, such as television, radio, newspapers, magazines, subways, buses, buildings, communities, airports and high-speed railways, and so on.
9. Leisure places - KTV, nightclubs, bars, restaurants, shopping streets and other places of leisure entertainment. Launch resources on the screens.

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## Disclaimer

This disclaimer does not provide security bids, nor take burden on risks relevant to UIP.

UIP will build up complete KYC and AML systems, as well as data interface.

On the basis of building up KYC and AML systems, the users on UIP, including individuals and corporate enterprises, shall be in real-name certification by the certification authority (CA) authorized by government before they formally participate in transaction. When the users initiate transactions, they can make their deals anonymously out of privacy protection and other reasons; however, if disputes take place, UIP will have the right to hand over relative materials to supervision department and judicial department. UIP will not be responsible for the users' personal trading behaviors.

UIP is not the original money with general functions of paying and pricing, but introducing legal money like RMB by means of gateway. UIP itself is not a kind of digital currency, but a blockchain agreement. Therefore, it has no legal dispute in relation to currency, and is not some virtual currency mentioned in the *Notice on Preventing the Risk of Bitcoin* presented by five ministries. It can be used to cooperate with banks and payment institutions.

Stock registration on blockchain goes with electronic signature by companies with real-name certification. The transference and transaction of equity shall be signed by the transferor, the transferee and the company. Before the participation of signing, the company is obligated to guarantee that the transference and transaction of equity is in accordance with the regulations under the *Company Law*, namely “The company requires the content of at least half of the original stockholders.” “The original stockholders shall have the pre-emptive right.” “The number of stockholders shall be limited.”

- (1) UIP has a measurement system on the value of goods, so it is not a virtual currency.

Trading IP Unit coins herein are in the category of “exchange of goods”.  
UIP cannot be used in any security markets conducting bargains like IPO,  
and it does not support leverage.

(2) Both UIP and IPUnit are not necessarily appreciated.

Every transaction takes risks, so due to market supply and demand, UIP  
and some IPUnit would fluctuate at some time. This part of value does  
not belong to application value, and we cannot ensure that UIP will  
definitely be appreciated. We do not comply with the type of  
“Appreciating” virtual currency recommended by some investment  
institutions either.

(3) The essence of purchase and transaction of UIP is disintermediation.

We hope the transactions on UIP will go directly to the buyers and the  
sellers. We do not recommend any person or group to hand over their  
property on our platform for transaction and trusteeship in order to  
avoid studying. The UIP developing team will not be responsible for any  
losses caused by property fraud.

Transactions on the UIP platform are all free of charge before completion.

Any entertainment IP transactions related to UIP will not be charged with commission fees until they are successfully done.

- (4) Any IPUnit on the future copyright trading platform will not be issued on any other platforms.

Any IPUnit generated from transaction will be dealt only on our inner trading platform, which means it will not be issued on any other platforms.

Buyers should be cautious to choose the purchase platform. Apart from this point, other sites or platforms that you choose to buy UIP may be fake. In such case, the UIP team will not be responsible for any losses caused by that.

- (5) UIP is not the certification of ownership, nor has the right to control.

Having UIP will allow you to enter into autonomy community and work for the well-ordered development of the trading platform by voting, but

how many or few UIP you have does not mean you can take control of the entire UIP operation team. This team is only obliged to the construction on the bottom of the trading platform, trading depth and IP introduction. Having UIP does not have the decision right to the future development of the UIP team.

(6) The risk for competition industry

The fact that competing goods going listed leads to the risk of getting the UIP market value reduced is not secluded. For the sake of avoiding its happening or lowering the odds, the UIP team is doing their best to contact numerous large IP producers to join in our trading platform. This will increase the depth of the trading market.

(7) With the key lost, UIP will be lost.

Every UIP account has a key address. Please take good care of it; otherwise some people will face the loss of their digital property because of their loss on the address.

(8) The risk of force majeure

As UIP is developed on the basis of the union chain from Tai Yi network, any problems concerning Tai Yi network, any technological barriers, breakdowns and other unexpected disturbances brought by the sharing of passports will possibly cause the value fluctuation of UIP.

(9) Regulatory risks from state policy

The UIP team will be in active contact with the national regulatory authorities, and also join in the ICO Self-discipline Organization. The surveillance from state policy herein will be voluntarily open and transparent to the public. Besides, the team will abide by relevant national regulations to create a clean market.

(10) Invasions by hackers or other unpredictable people or organizations

(11) The opacity of the application prospect on the blockchain market

In the present time, a large number of blockchain enterprises are undertaking researches and developments on relevant technologies, but

the future application about the blockchain technology, possible layoffs of intermediaries caused thereby, and unstable social factors are all needed to be considered by buyers.

## Last Words

Let's imagine a scenario that will possibly happen in several decades:

There will be a chip similar to Paypal or Alipay implanted in your wearable device. When you go to work, it will be automatically swiped to take buses or undergrounds. When you have breakfast, it will automatically pay for it. Every month your company will make use of the Hash Algorithm to anchor-quantify your work and pay your salary into your wearable device based on the fixed account. You make friends and interview job candidates on an interesting platform, even pay out some fee for your child to treat his congenital disease. Through the screening process, you can even vote for the contestants you like. And all of these can be achieved in an anonymous and privacy-protected way. This is the great revolution that the blockchain technology brings to humanity. It will have the word "media" redefined.

The latest ICO market has seen that many people are in preparation for all of the scenarios mentioned above. As for the creative market, when



two different persons draw a piece of artistic work with the content having been designated during the same time, one can be sold at an unexpectedly high price, while the other can be worthless.

Immeasurable as art is in value, the IP behind it can exert an integrated influence due to multiple dimensions including its creativity, value of resource, trading frequency and grouping effect. It is this kind of influence that determines the social value of its creations in a certain amount of time.

We are truly creating an industry ecosystem. Everyone can come up with an innovative idea, because we are not the team that takes technology as priority. There are so many good ideas that you and others are putting into practice at the same time: others set out with the behavioral layout (“announce first”), while you go with the resource layout (“do well first”). However, making the resource layout requires cost, time, understanding and the ability to react. This is why we say “More preparations to make may quicken the speed in doing work.”

The real advantage of this ecosystem is that, when the investors begin to treat each team with a rational attitude, realizing everything on the

Internet will eventually go into the Internet of things; when the cost of hiring intermediaries becomes lower and lower; when ICO begins to hit the ice spot and those in obsession with playing coins are scattered, the market will screen out a group of rational people who have passion in science and technology. Only with the gathering of their power can they truly change the world.

UIP Team