

THE UDIAR ICO

WHITE PAPER

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DISCLAIMER

PLEASE READ THE FOLLOWING NOTICE CAREFULLY. IF YOU HAVE ANY DOUBTS ABOUT USING THIS SERVICE, CONSULT YOUR LEGAL, ACCOUNTING, TAX OR OTHER PROFESSIONAL ADVISOR.

The information set out below may not be exhaustive and does not imply any elements of contractual relations. We are making every effort to ensure the accuracy and relevance of the material in this document, but it does not constitute any form of professional advice. The UDIAR Foundation does not guarantee or accept any responsibility or liability for the accuracy, relevance, completeness or reliability of the information contained in this document. Individuals intending to purchase IAR tokens should consult an independent specialist before making any transactions or commitments based on this document, as it is published for informational purposes only.

You should not and are not eligible to purchase IAR tokens if you are a citizen, a resident (tax or otherwise) or a green card holder of the United States of America (USA), when not a qualified investor; if you are a citizen of the Isle of Man, or if you represent these countries somehow else. "U.S. persons" and "Isle of Man Persons" are usually defined as individuals residing in the United States or the Isle of Man, or any legal entity created or organized under the laws of the United States or the Isle of Man. U.S. citizens living abroad may also be considered as U.S. persons under certain conditions. IAR tokens you have purchased may not be resold (directly or by exchange) to a citizen, resident (tax or otherwise), green card holder or domiciled in the United States of America or the Isle of Man.

U.S. accredited investors must complete the form to notify the US tax authorities. U.S. non-accredited investors and the Isle of Man citizens should not and are not eligible to purchase or sell IAR tokens. To sell the IAR token, a user must complete the KYC requirements.

IAR tokens are not considered securities in any jurisdiction. This document does not constitute a prospectus or offering document, and not an offer to sell, nor the solicitation of an offer to invest in or purchase any securities in any jurisdiction.

This document does not constitute an agreement or contract (or any part thereof) nor should it be interpreted as an offer to enter into any legal obligations relating to trading of IAR tokens, or to accept any form of payment or cryptocurrency.

IAR tokens are not securities because their passive ownership does not give rise to any income.

1. Introduction

Intellectual property has existed since ancient times, when humans began to make cave paintings of scenes of hunting wild animals. Not only conserving the results of intellectual activity was essential to human creativity and progress, but also perpetuating the names of their creators. Over time, the concepts of authorship and rights ownership were divided. For example, an artist who couldn't afford to spend money on canvases and paints lost the rights to his paintings: it was regarded as a property of the person who had provided him with the necessary materials and tools. That is how the concept of intellectual property began to take shape.

According to the Convention Establishing the World Intellectual Property Organization (WIPO), "intellectual property includes the rights relating to inventions, literary and artistic works, industrial designs, trademarks, commercial names and designations".

Intellectual property legislation is currently based on two legal institutions: Institution of Copyright and Institution of Industrial Property

The Industrial Property institution is based on a patenting procedure with time-consuming and expensive registration and territorial limitations. International Patenting is not accessible to everyone: being associated with significant costs, it takes a few years to register a patent worldwide.

At the same time, the Copyright institution formalizes and regulates the rights of authorship, and thus takes precedence over patent law. Underlying the human creativity, it serves as a basis for the entire patent system. Everyone is a creator, and everyone can and must be guaranteed the right to his or her creations.

Modern technologies can greatly simplify the registration of copyrights via the Internet and reliably protect these rights through blockchain technologies. We implement a distributed blockchain depository of intellectual property objects, which enables creative people, scientists, inventors, entrepreneurs and producers to register their ownership of copyrights, and to monetize their intellectual property on the open market. We use blockchain to create digital time stamping enabling the author to efficiently prove his authorship if it is challenged.

We are not unique in providing time stamping service, so why authors choose us? Our real competitive advantage over others, including The Library of Congress, the world's most famous copyrights repository, is that there is no fee for registration of copyrights. We believe that all people should have the right both to create and to inform others about their creations and pay nothing for it.

Our uniqueness stems from the fact that we do not sell a digital time stamp as a standalone product, but we use it as a tool for to provide quality services described in this document. We

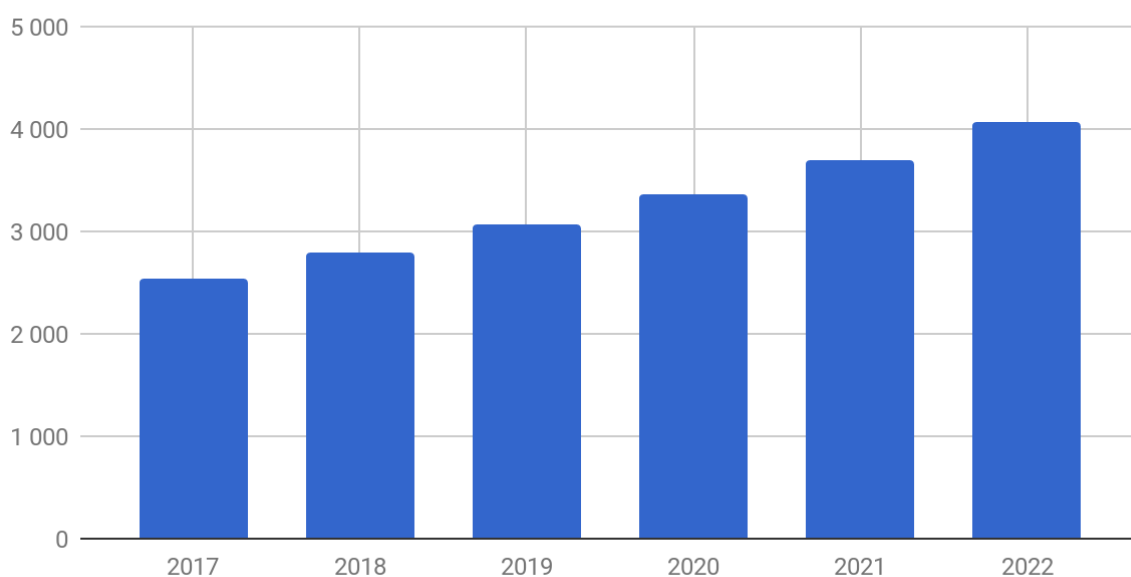
are one of the few projects using a blockchain technology in a proper way and making a significant contribution to the development of the world blockchain community.

2. About the Project

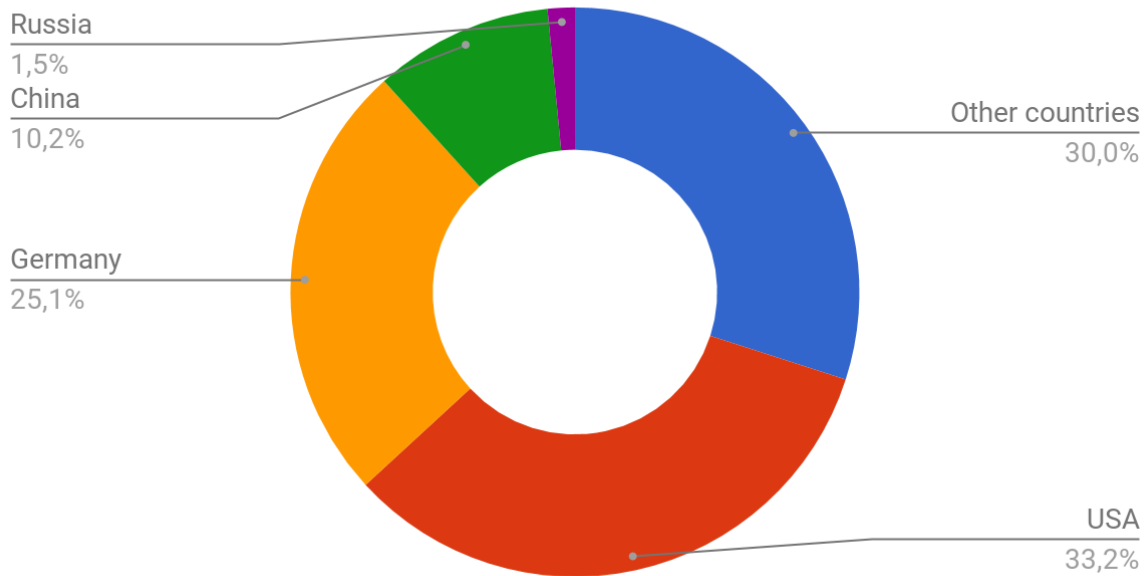
2.1. Intellectual Property Market

The annual turnover in the international intellectual property market is up to \$ 3,7 trillion. Global sales of licenses of industrial property rights continue their solid progress, registering an average annual growth rate of 12%. According to approximate estimates, due to depository system limitations, about 90% of intellectual property is never registered and cannot be placed on the open market.

The volume of the global intellectual property market in 2017-2022, billion dollars (forecast)



The structure of the global intellectual property market by countries by 2022 (forecast)



2.2. General Overview and Current Status of the Project

In 2016, the UDIAR team developed and implemented a digital platform to launch a Copyright Protection Service on the Russian market.

The company deployed its flagship service: free and rapid deposit of intellectual activity, through which it is easy for everyone to reliably register the copyrights and protect them, as well as to sell and buy rights and licenses from a prototype copyrights marketplace.

In 2017, the company launched the Online Intellectual Property Valuation Service provided in conformity with Russian accounting regulations.

The success in providing the Service on the Russian market allows us to continue following our chosen path and to expand the business by breaking into foreign markets.

2.3. Usage Scenarios

2.3.1. Copyrights Registration

During the Copyrights Registration process, objects of copyright are recorded in the Blockchain Register of Copyrights. Deposit is a cryptographically signed attestation evidence of the acquisition of copyrights for a unique work. When an object is deposited, the system records the

author's personal data, digital image of deposited work, its verbal or other description, as well as the exact date and time of copyrights registration. The service is free for the author.

Deposit Process:

1. A user logs into the system.
2. A user chooses the type of object to register (either directly or through the system prompts)
3. A user specifies information about the object:
 - a. Legal information (type, name, author, etc.)
 - b. Description (expanded description of the object: what kind of work it is, its form and content, its stylistics and execution technique, etc).
 - c. Commercialization (presumed options for generating revenues: license, sell or market copyright materials)
 - d. The original electronic copy of the object (text of a program or invention, image, music file, score, spatial model, scanned copy of the image, etc.)

Once registered, the object is automatically added to the register and search results.

For an additional fee, the author may order an official legally binding Copyrights Registration Certificate printed on security paper.

2.3.2. Copyright Trading

All objects deposited within the UDIAR service are immediately searchable after their deposit. You can find the object you are looking for by category and description.

The author can chose to make his object available for sale and/or licensing. In this case, any user may acquire rights to such object and/or contact its author to offer him a contract or permanent job.

2.3.3. Open Innovation

Open innovation is an open competition for the creation or acquisition of a work, technology, and other types of intellectual property with specific features.

To register the contest, the owner indicates expected contest results:

- Object Category
- Description of Expected Object Image
- Measurable Success Criteria (specifications, cost, other requirements)
- Maximum Number of Winners
- Prize Fund
- Allocation of Prize Fund
- Contest Duration
- Requirements for Participants

Once the contest is announced, it becomes available in the database. Active authors receive notifications of new open contests. Anyone may participate in the contest by applying online in the same way as for the registration of copyrights. All applications are registered within the UDIAR system.

2.3.4. Register and Sell Copyrights and Licenses through APIs, Frames, and Widgets

To the users and owners of digital content services (photobanks, libraries of videos, software stores, music stocks), we offer an opportunity to register and sell intellectual property rights online through Remote Integration Services. This will allow users to protect and monetize their copyrights keeping using the Internet resources they have become accustomed to. At the same time, developers will be able to gain the trust and loyalty of their audience by expanding the functionality of their sites.

2.4. Target Audience

"Creative Class" comprises people whose jobs involve creating new forms of things, solving complex problems and expressing new ideas. This class unites artists, poets, writers, photographers, musicians, designers, journalists, sculptors, architects.

IT specialists are developers of computer programs, interfaces, games, and databases.

Scholars and researchers specialize in one or more scientific fields and offer solutions for issues in scientific research; write scientific and research works, articles and other scientific publications.

Inventors are individuals who create new inventions, technologies, methods and improvements, including devices and mechanisms.

Professional Staff includes Development Contest initiators helping Intellectual Property Market progress and seeking technological and design solutions for their products. There are also Staff Selection Specialists, Intangible Assets Valuation and Accounting experts, marketers (market research), lawyers (protection of intellectual property rights).

Users and developers of social networks and digital content services constitute a particularly important audience, directly or indirectly dealing with intellectual property online sales and distribution (e.g. photobanks, audio and video stocks, software stores and social networks).

3. Project Road Map

3.1. Development Plan

UDIAR Advantages for Users and the Market

- Fast and easy online copyright registration that provides instant protection by the public register based on blockchain technology;
- Documentary proof of the work's creation printed in any language;
- Open Innovation and Technology licensing (Rights Package)
- Open market for the results of intellectual work;
- Automating IP trading processes (purchase/sale/licensing) using smart contracts;
- Distribution of revenue from sales and licensing
- Forming global and national court practice in recognition of the technology of a decentralized public registry as a cryptographic instrument applicable in copyright protection.

Decentralized Register of Copyrights

The UDIAR Distributed Blockchain Depository (Register) of Copyrights now being implemented will allow users to register their copyrights and to confirm the origin or authorship of the copyrighted object. Among the objects of copyright protection are: scientific works, music, works of art, texts of programs and technologies.

The owner of the work uploads the file to the UDIAR private blockchain register, and a unique digital fingerprint (hash) is generated. Using our own private blockchain allows us to record and store large volume of data that exceeds the existing restrictions on popular blockchain networks. A hash with a date and time stamp and additional identification information is recorded at randomly selected frequency in open (public) blockchains as Bitcoin, Ethereum, Waves.

The closed UDIAR register records all information about deposited objects: when, where and who created it, who owned this object and how it was used. This data can be used, inter alia, to resolve copyright disputes. UDIAR stores the digital content of the object as well as its digital fingerprint. Anyone can apply for confirmation of authorship of the IAR Certificate Holder.

The UDIAR Blockchain Register ensures the integrity and protection of records: it is decentralized and distributed, which completely excludes the risk of retroactive changes.

The UDIAR Blockchain Register is developed on an open blockchain platform that allows for the registration of any transactions performed using any assets based on a smart contract system.

Copyright Transactions Made Using Cryptocurrencies

The UDIAR plans to allow users to buy and sell copyrights or licenses by paying in cryptocurrencies. This will circumvent a number of technological limitations when it comes to large transactions made through bank cards.

Marketplace of Intellectual property

The UDIAR Marketplace is a service that unites sellers and buyers from all over the world who are focused on developments, technologies, science and/or production methods.

The author may put his object on sale and any interested person can obtain it in the form of a licence or an exclusive right. When selling copyrights, a new record confirming the transaction is created in the UDIAR blockchain register.

UDIAR provides the opportunity not only to sell ready-to-work developments, but also to order them on the open market in the same way as it is now taking place on numerous freelance exchanges in the Open Innovation process.

Integration with existing intellectual property marketplaces

The project involves the development of an automated software interface to interact with pre-existing digital sales sites:

- Photobanks;
- Music-streaming services;
- Plug-ins for social networks;
- Online libraries;
- Software stores.

This technical solution will complement the functionality of services familiar to professionals appreciating them for their Instant Registration feature (allowing for an instant legal protection) of copyrights and their monetization by selling or licensing copyrights.

For an existing Content Distribution Software of Digital Platform, collaboration with UDIAR is a way to increase audience loyalty, as they are now confident that they can defend their copyrights even being abroad.

Integration with social networks

Every minute, an enormous quantity of authored content is created in the world. We all create it using social networks. A very small percentage of this content has a real cost: photos and video footage of special events, professional articles and reviews, etc. At this point, the copyright protection of published content on social networks tends to be a really big job that is unlikely to be easy for common people. Especially if the dispute arises with a foreign resident.

Integration of the UDIAR service with social networks will enable even the amateurs to record their copyrights in one click and, if necessary, to obtain documentary evidence. Legal support provided by the UDIAR regional partners will allow you to defend your interests in court

Legal support for Authors

The UDIAR Global Development Plan envisages the establishment of regional units around the world, which will employ, inter alia, experts in local legislation, law enforcement and intellectual property disputes.

3.2. Business Model

Basic Income

- Commission Revenue from Intellectual Property Transactions.
- Commission Revenue from Open Innovation
- Subscriber Fees for Corporate Customers
- Additional Service Fees (certificates, legal support, registration assistance for trademark and patent registration)

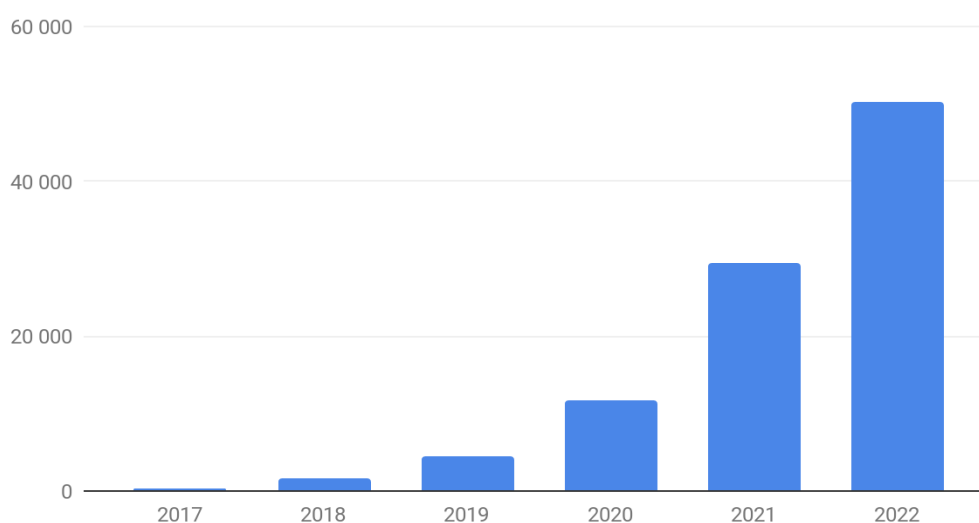
Basic Costs

- Staff
- Legal Assistance
- Marketing and PR
- IT Infrastructure
- Supporting Documents Delivery Costs
- Taxes

We expect a further growth of the Intellectual Property (IP) Market in the nearest 5 years and we plan to cover up to 15% of the Russian IP market, up to 3% of the EU market, up to 2% of US market and up to 1.5% of the market in China and Southeast Asia by 2022.

The priority of market entry for different regions is consistent with the size of their market and with the characteristics of national legislation.

Expected number of deposited objects (thousands of units)



3.3. Workplan

4Q17	Run localized versions of the Copyright Depository Website: English, Chinese, German, Korean, Japanese, French, Spanish
1Q18	International version of Copyright Marketplace with online purchase option
2Q18	Start Issuing Certificates in national languages with worldwide delivery
3Q18	Transition to a decentralized blockchain register of copyrights
4Q18	Opening representative offices in the United States, China, Germany, India
1Q19	APIs and copyright registration plug-ins for integration with sites where intellectual property transactions are carried out, as well as with social networks
2Q19	Starting Transaction Service on a marketplace accepting cryptocurrency payment methods
3Q19	Opening representative offices in Korea, France, Great Britain, Eastern Europe, Latin America
4Q19	Online Services for patenting and trademark registration in the United States and China
1Q20	Online Services for patenting and trademark registration in Germany and India
2Q20	Online Services for patenting and trademark registration in Korea, France, Great Britain, Eastern Europe, Latin America

The objective of the project for the next five years is to attract at least 10 million authors for the creation of a truly massive platform of intellectual property. The more users deposit their works, the larger and more diverse becomes the database of Intellectual Property for commercial use.

4. The UDIAR ICO

4.1. Overview

Token allocation is carried out by the UDIAR Foundation. The funds collected during the ICO will be allocated to an investment program according to the Project Road Map set out in this document. In full compliance with existing legislation, the UDIAR Foundation will be the only founder of the companies operating in the UDIAR project. The net operating profit after-tax (NOPAT) will be transferred to the UDIAR Foundation and form the development fund. The financial statements of legal entities established by the Fund will be available to token holders. Another way of monitoring the Fund activities is to consult the blockchain register and obtain any necessary information on commissions accrued by the UDIAR.

The development fund can be used to buy back tokens or to create and launch new projects in the intellectual property field. The decision to invest in such projects is made by reaching a consensus among the token holders.

The UDIAR Foundation commits itself to buy back any amount of UDIAR tokens from token holders at any time at a price determined by the formula:

“Fund Amount / Number of Circulating Tokens * Number of Tokens for Buyback”

Tokens purchased by the UDIAR Foundation will have to be destroyed.

4.2. Token Allocation

4 million IAR tokens are offered for the Token sale (ICO). The campaign starts on 1 September at 00:00 UTC. The campaign ends on 19 November at 23:59 UTC or earlier, if the goal is reached.

During the ICO, the token price is fixed in USD. The BTC, ETH and BCH conversion is made at the exchange rate fixed at the moment of transaction confirmation.

The token price is set at a rate of 10 USD = 1 IAR

4.3. IAR Allocation

All IAR tokens will be issued at once before the start of the ICO. Additional emission of IAR tokens is impossible.

All issued IAR tokens will be distributed to end-buyers. The project team does not reserve or distribute tokens on different terms. There will be no bonuses, promotions or special offers throughout the entire period of ICO.

10% of the number of the tokens sold in the ICO will be used to support the UDIAR founders. UDIAR undertakes to retain 100% of the team's proprietary tokens within the next 12 months. Thus, UDIAR prevents the IAR tokens from depreciation and their holders will be able to profitably sell their share on the exchange after the ICO ends.

All tokens unsold during the ICO will be destroyed.

After the ICO is over, IAR token will be offered for listing on as many big exchanges as possible. All the necessary technical and financial conditions will be met to ensure that the token is tradable. IAR exchange rate will be determined by market supply and demand. The company cannot guarantee the listing of IAR tokens on exchanges.

The amount of funds raised will be available online on the official project site at www.udiar.io.

The funds collected during ICO will be distributed as follows:

Pool	amount of IAR Tokens
ICO	4 000 000
Pool of Angel Investors	200,000
Pool of Advisers	180,000
PR Pool	120,000
Bounties Pool	100,000
Total	4 600 000
Pool of Creators	10% of sold tokens

4.4. IAR Token Functionality

IAR (intellectual activity result) is a token issued within an eToken contract, an Ethereum smart contract, written using Solidity2 programming language.

The IAR token Smart contract allows you to issue tokens on the Ethereum network and offers a wide range of features:

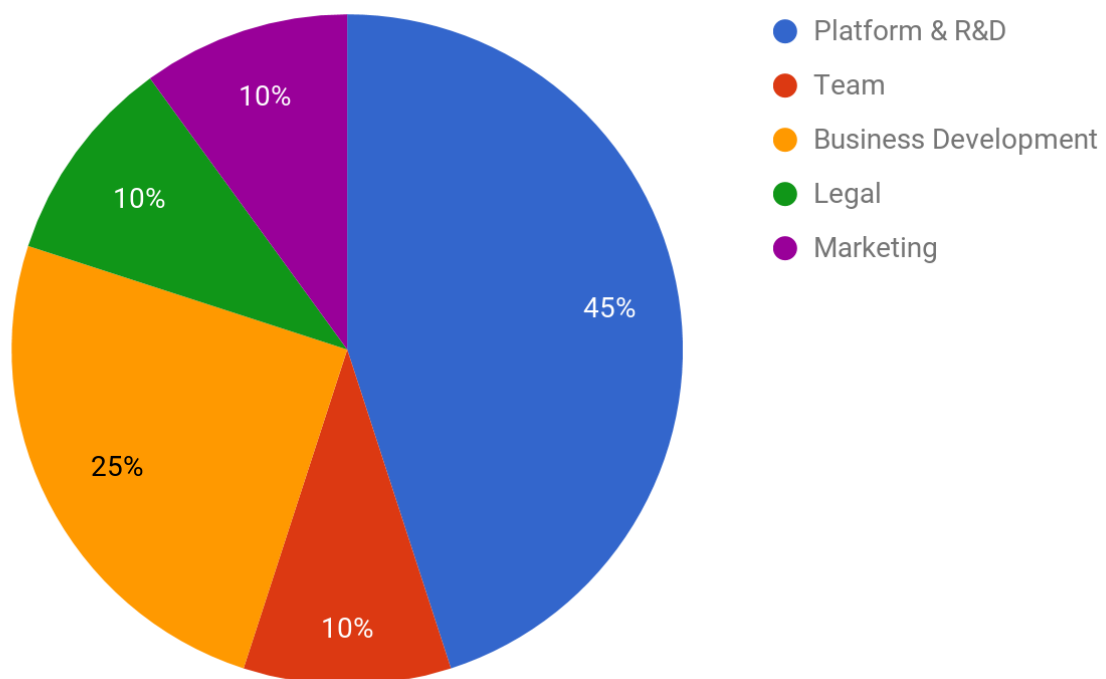
- ICAP4 for multi-level transaction routing.
- Account recovery in case the key is lost.
- Permit and admission system.
- Automatic refund of fees charged by Ethereum platform.
- Built-in exchange for Ethereum currency;
- Ability to charge commission for transactions.

The IAR tokens correspond to the ERC20 standard, which ensures the ease of integration with other sites, and also allows for free translation into compatible purses, allowing the user to handle the tokens as they see fit and If you wish, get them out of the project wallet for an external wallet. It is the user’s responsibility to preserve tokens in this case.

4.5. Budget Allocation

The UDIAR Foundation will use all of the funds collected in the ICO to support the ongoing development, improvement, and growth of the UDIAR platform. Most of the collected funds will be allocated to cover the salaries of the development team of the UDIAR platform.

The funds collected in ICO are planned to be distributed as follows:



5. Team

Members of the UDIAR team have considerable experience in the Russian IP market, excellent education and professional skills; they completely understand the global author community needs and therefore all of them do possess relevant competencies to extend their experience to the entire world.

Maxim Dyshlyuk, CEO

- Consultant on intellectual property and on interstate technology transfer in the SCO Business Council (Shanghai Cooperation Organization)
- State Expert on assessment of strategies of innovative development of Russian corporations in the Ministry of Economic Development of Russia
- Consultant on intellectual property in the Military-Industrial Commission of Russia

Yevgeny Pen, CFO

- 11 years' experience in banking, leading positions in "Baltic Bank", "Tveruniversalbank", "GK Bank"
- Managing director of the "Business Port" consulting company, since 1999
- Executive director of the Saint-Petersburg State University Endowment Fund

Alexei Kuzmin, CTO

- 18 years' experience in developing and managing server software products
- 12-years' experience in F-Secure Corporation - Finnish cyber security and privacy company specialized in developing antivirus products for server software

Alexander Voskoboinikov, payments and financial logistics

Alexander Lvov, cybersecurity

Sasha Ivanov, blockchain and tokenization

Alexey Morozov, marketing

21 persons are involved in the project.

6. Partners and services



WIPO



Ethereum



LUX Holding



Waves Platform



Incapsula



National Association of
Blockchain