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(54) Title: Dualchain business method

Kategori: Blockchain

Sektion G/Fysik

G06: Affärsmetoder

G09: Kryptografi

Sökande: Selitha Publishers/The Marquise Museum of Contemporary Art

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Uppfinnare: Marquise De La Fressange

Abstract

- The Marquise Museum Dualchain business method tethers physical product with blockchain tokens & distributed ledgers at specific price interval based on manufacturing cost of product, enabling a use case for global currency with less volatility than bitcoin. The novelty of the Marquise Museums Dualchain method entails a combination of this statement with point 2:
- In order to prevent users from abusing the system, there are two tokens issued instead of one: centralized & decentralized, which influences user behaviour to conform to the rules of the new system
- Tethering physical product on blockchain using the Dualchain system, enables 100% immutable verification of product authenticity due to inherent characteristics of distributed ledger as a decentralized validation tool.
- The Dualchain Method enables value migration of physical good to blockchain by issuance of two tokens to represent high liquidity currency and low liquidity asset.

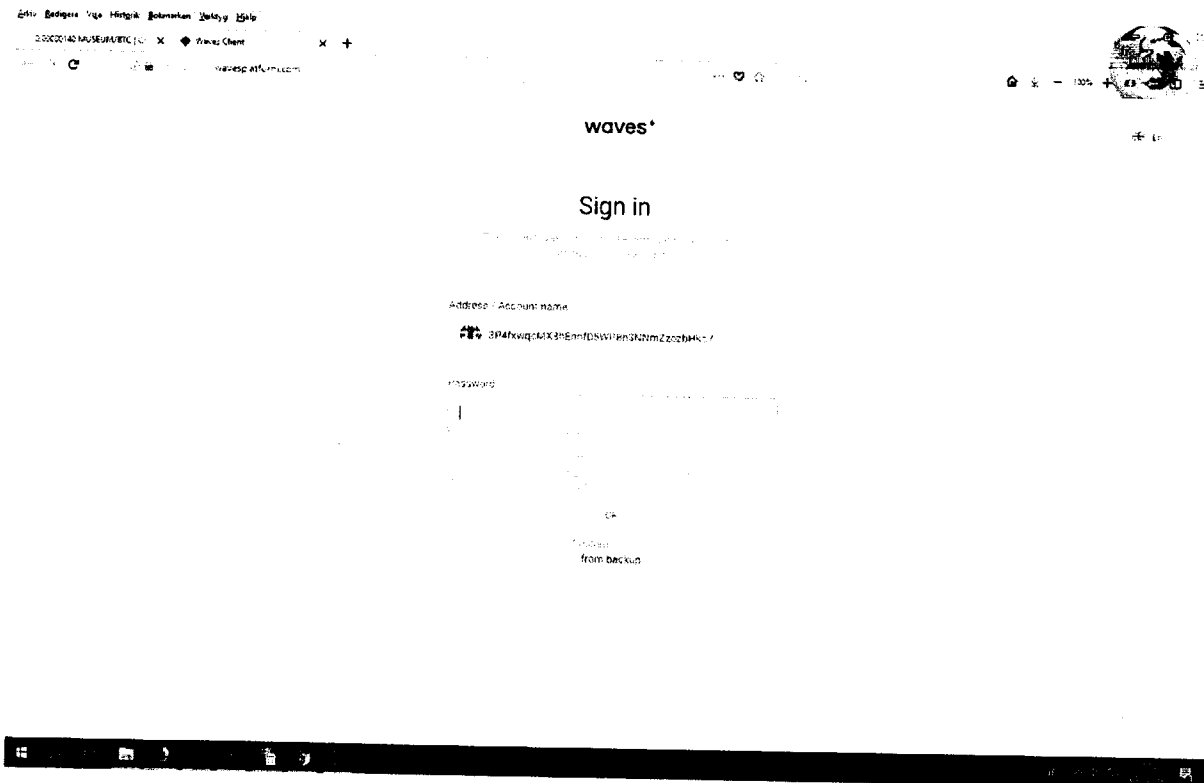
Det här dokumentet beskriver Marquise Museums affärsmetod för att handla med fysiskt gods på blockchain. Resterande text skrivs på engelska för video konvertering genom engelsktalande kollega.

1. The first thing we want to do when using the Marquise Museum Dual chain system is to visit this page and register inorder to access a token creation tool on top of waves platform:

<https://wavesplatform.com/>

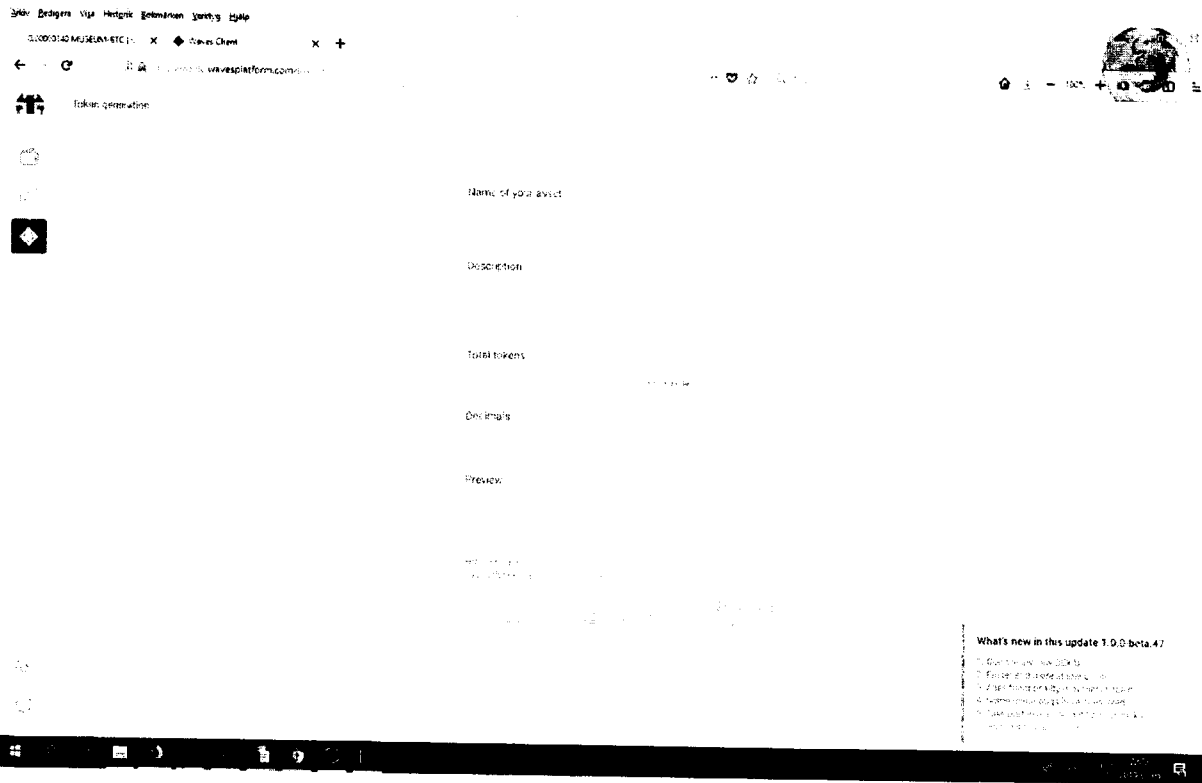
It is important in the patent demand to explain that waves is only one type of platform for this method, there are two others (Counterparty for bitcoin and ethereums ECR-20 tokens), and it is likely that many more brands will come in the future using the same model. Therefore, we want the demand to include all these future platforms and private blockchains, this is not specific to waves, waves platform is only used as an example for the prototype brand because it is the most user friendly.

Figure 1 (registering your account on Waves)



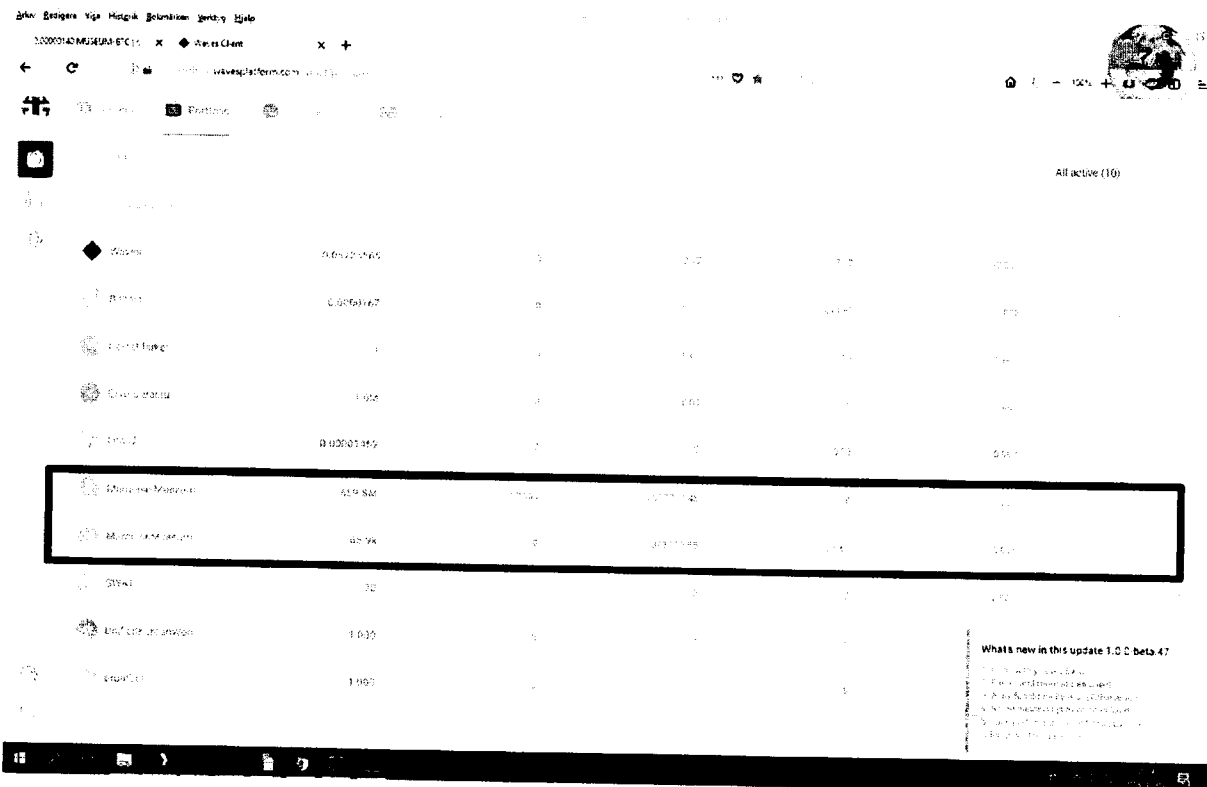
2. Now that we are inside the Waves platform, token issuance is enabled in the left user field by clicking the third symbol. Here, we can decide the parameters of our new token. Before the Marquise Museum's immaterial business solution, no one else knew how to use this type of token with physical products. As you can see, because this is a dual chain patent pending method, we will have to perform this token issuance two times: 1 for the currency class which in the Marquise Museum prototype brand is set to 660 000 000 to represent 10 000 tokens per redeemable product, in this case a cryptobook, and the second will be issued at 66 000 in this case to represent each book, as the asset class token and validator that is sent to customer after they buy the item. Thus, we have created a system of 1 centralized token (the validator/asset class) and 1 decentralized token (the currency class, which is accessible for the general public immediately through crypto exchanges).

Figure 2 (issuing tokens in accordance with the dual chain system)

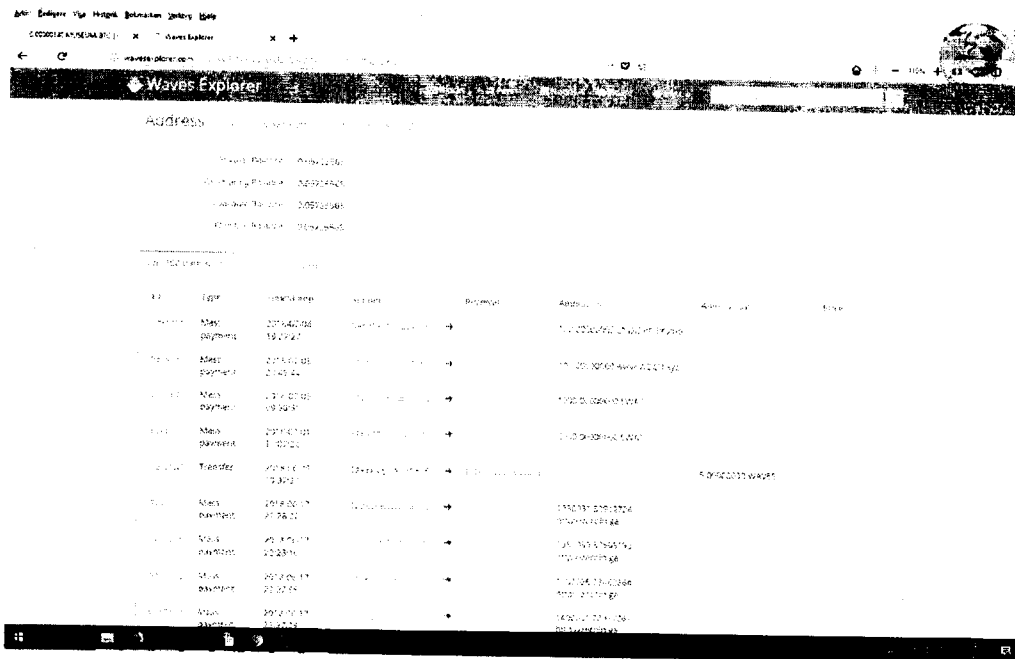


3. Now that we have issued the tokens, we can see that they are instantly available in the wallet and ready to be sent to exchanges and clients all over the world.

Figure 3 (information about your new tokens is visible in your wallet)

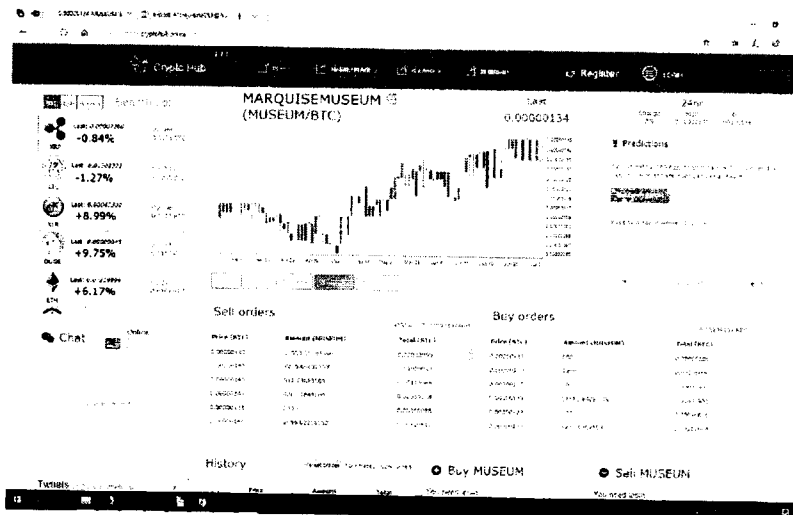


4c. Demonstrating tracking index in token explorer derived from the issuer party's waves wallet address



5. In the above image several transactions are recorded. Some of these are direct transfers from the company to the client, and some are transfers from the company to other companies such as crypto exchanges. Let's go ahead and take a look at the process whereby Marquise Museum tokens reach the free market. Remember, we have 2 tokens, 1 for the free market, and 1 to keep in our personal wallet, in this case on waves platform. Since the company controls the asset token, there can be no interference from customers who are trying to defraud the company by buying tokens, redeeming expensive product, and then sending the tokens to a friend who can repeat the action. With the dual chain system (patent pending), the company retains logistic control over tethered products, and thus the value distribution supply chain. The important of the currency token is to maintain market liquidity and easy access while also acting as a marketing vehicle by high visibility outwards, and of course to be used as an immutable alternative to the fiat currency system. Whereas currencies such as bitcoin, are untethered and subject to high volatility that decreases the use case as viable currency, the dual chain system is pegged to product at a specific price point to ensure low volatility and good use case as a high liquidity currency.

Figure 5, a cryptocurrency exchange has received our tokens and they are now ready to buy and sell on the exchange platform which is open to the free market and anyone can join.



- If a user acquires 10 000 \$MUSEUM, they are eligible to redeem physical product, in this case the Pimp Fashion cryptobook. The customer redeem process is specific to the Marquise Museums patentable business method and follows a highly structured model of exchange with the company. It includes the transfer of M-II currency tokens/certificates back to the issuing wallet as we remember from the explorer in figure 4c. Then, company will collect personal shipping information from the customer in order to dispatch product, along with a second certificate/token; the M-I Asset, which users must save in their wallets in order to validate that the product is genuine, in the event that they would like to resell it at a future date in the second hand market, or if there is some other concern such as item defect. Lastly, the original batch of 10 000 M-II currency tokens are "burned" from the market. A burn means that they are placed in a transaction that goes into a non-existent wallet, thus they cease to exist and cannot be used again. This deflationary system is part of the patentable business method with the function to deplete the market of M-II currency whenever product is redeemed, at a rate of 1000 redeemed books per year or 1.5% deflation, the Marquise Museum project will be completed in 66 years which is a very good life expectancy for an alternative currency system. Meanwhile, the M-I Asset class token, remains forever with the potential of increasing in value over time if physical product is also in mint condition. Imagine if famous 20th century artists that have been copied millions of times, had access to the dual chain system, how would their artworks be valued with the knowledge that the item was 100% authentic? Would there even be a need for centralized auctionhouses to perform a validation procedure prior to listing? The Marquise Museum Dualchain system brings many synergies to world industry, perhaps the true extent of which lays beyond what is described in this document.

Figure 6a: user has acquired \$MUSEUM that he wishes to redeem in return for product

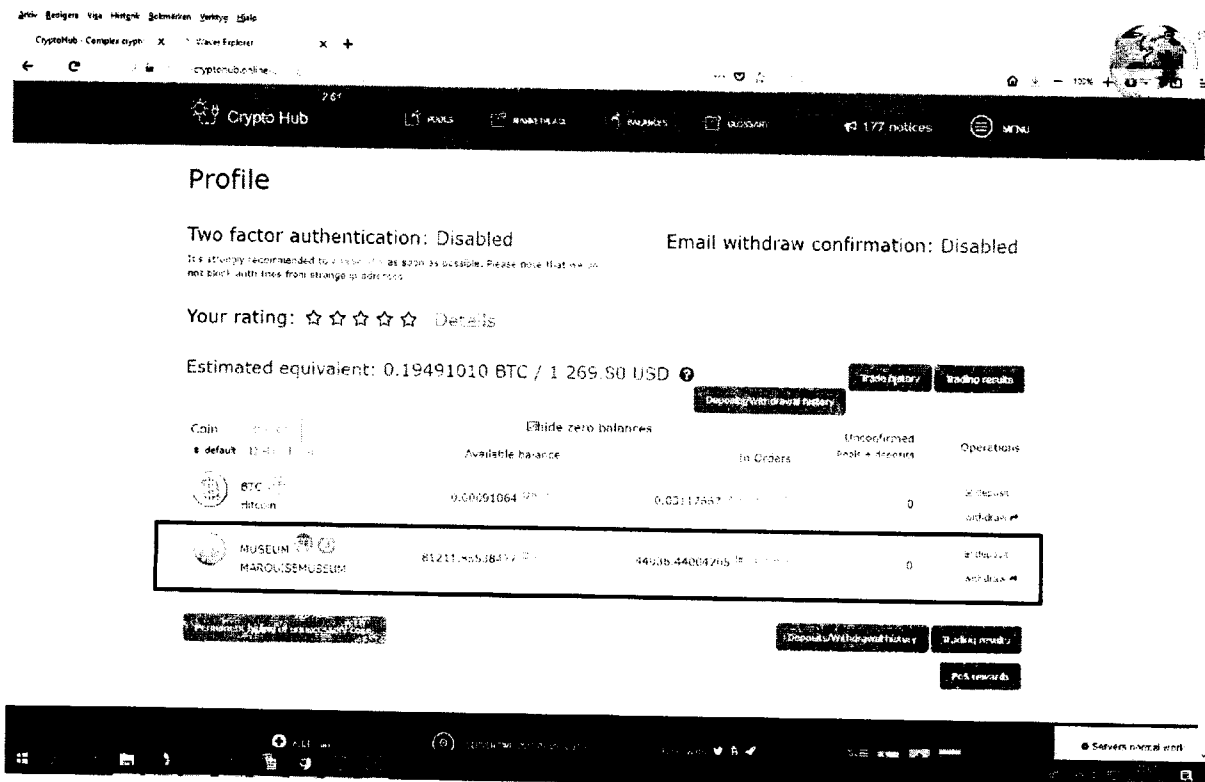
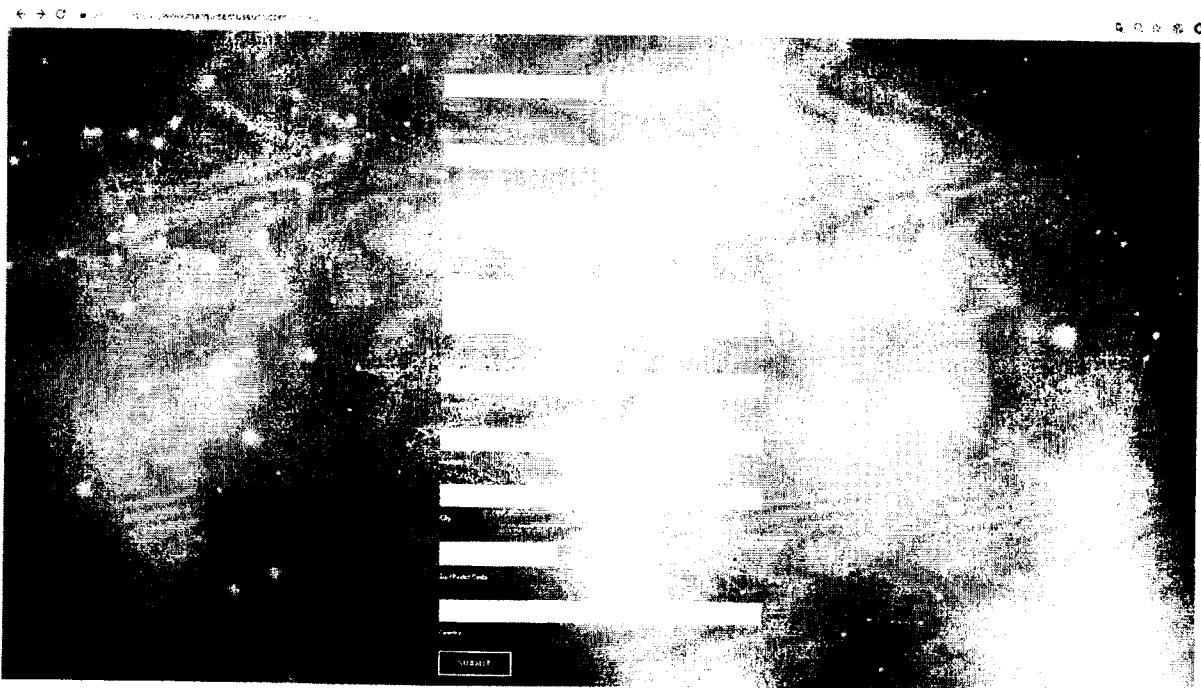


Figure 6b: User contacts the company through website with a redeem request and supplies shipping information and \$MUSEUM wallet address to ensure that it is the same person who delivers tokens that also is making the order in case of large customer traffic which is expected with fortune 500 brands.



Figure 6c redeem/order form



7. The process is now complete, the customer received his M-I validator token along with product that will soon arrive to a specified shipping location.

Figure 7 Demonstrates company preparing to send validator token to customer wallet

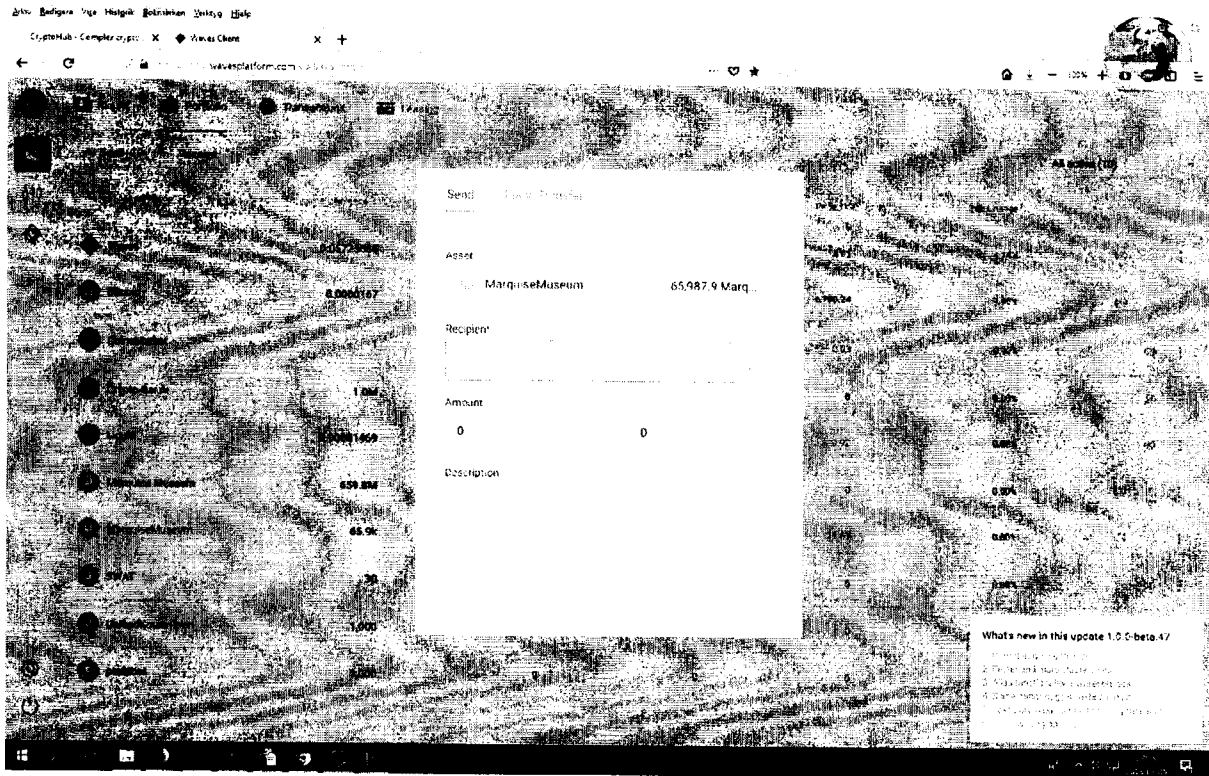
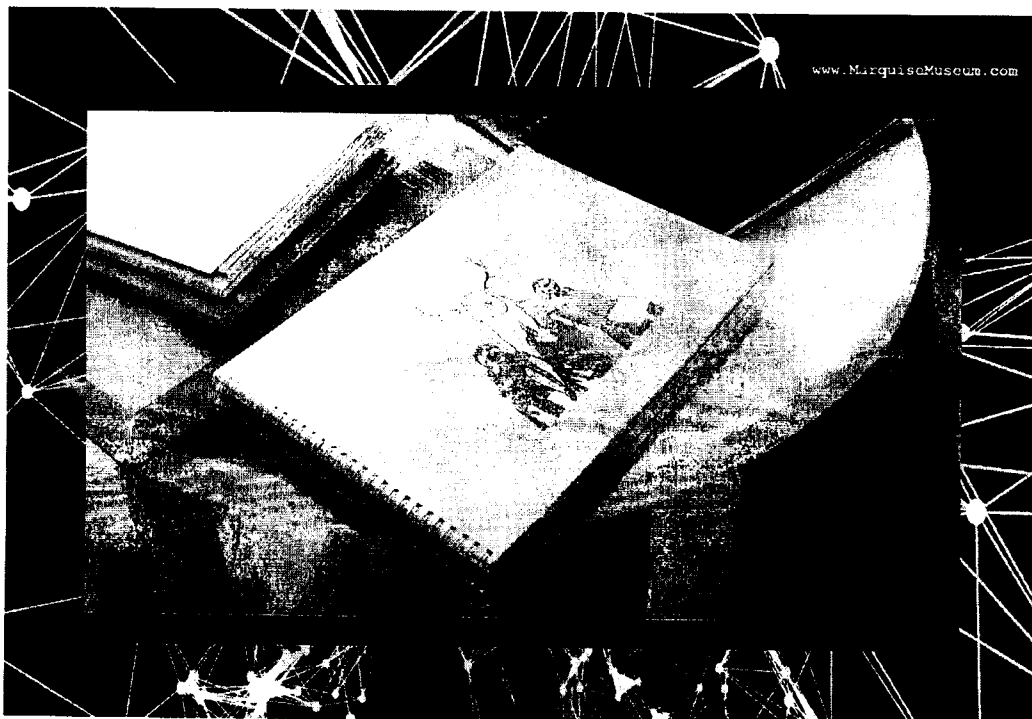


Figure 7b: Demonstration of physical product tethered to the Dual chain patentable business method, paving the way for economy & money 2.0



Technical contributions with this invention:

- Point 1: Tethering a physical product with a blockchain token at a specific price interval based on the manufacturing cost of product, enables a use case for a global currency with less volatility than bitcoin. The novelty of the Marquise Museums Dualchain method entails a combination of this statement with point 2:
- In order to prevent users from abusing the system, there are two tokens issued instead of one, this will affect user behaviour to conform to the rules of the new system
- Point 3: Tethering physical product on blockchain using the Dualchain system, enables 100% immutable verification of product authenticity due to inherent characteristics of distributed ledger as a decentralized validation tool.
- Point 4: The Dualchain Method enables value migration of physical good to blockchain by issuance of two tokens to represent high liquidity currency and low liquidity asset.
- In combination, these contributions enable a new pattern of trading physical goods on the blockchain, that was not previously possible, a claim should view the application holistically with inclusion of all moving parts into a patented business method and technological contribution in the field of crypto currencies, blockchain, logistics and cryptography. Categorized under Section G/Fysik G06: Affärsmetoder G09: Kryptografi

Claim:

- Marquise Museum is seeking protection for the Dualchain method in the specified areas of invention:
- 1. The issuance of two tokens to enable a centralized and decentralized method of logistical distribution to users according to rules presented in this application with variations to circumvent the protection.
- 2. The protection of the two tier issuance for this business method and purpose on all current and future platforms with similar token deployment options such as Counterparty for Bitcoin chain, ERC-20 for Ethereum and Waves for Waves chain. Further, the Dualchain/Two tier method protection will also encompass all standalone versions of distributed ledger, present and future, that uses similar solutions as the aforementioned, such as forks of DASH and forks of other coins or token platforms. Including those utilizing proof of work, proof of stake, masternodes and other present and future blockchain implementations of similar characteristics.
- 3. Protection for the logistical implementation of Dualchain tethered to physical goods such as books, dvds, trading cards and game cards, collectible items and luxury merchandise such as handbags and variations of bags, watches, shoes, communication devices such as mobile phones & smartphones, apparell, medicine & pills, technical merchandise, sunglasses, perfumes, cars, commodities, and industries that can benefit from the Dualchain system that may have not been included herein but are of similar nature.

Introduction to blockchain:

A blockchain is a decentralized, distributed and public digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network. This allows the participants to verify and audit transactions inexpensively. A blockchain database is managed autonomously using a peer-to-peer network and a distributed timestamping server. They are authenticated by mass collaboration powered by collective self-interests. The result is a robust workflow where participants' uncertainty regarding data security is marginal. The use of a blockchain removes the characteristic of infinite reproducibility from a digital asset. It confirms that each unit of value was transferred only once, solving the long-standing problem of double spending. Blockchains have been described as a value-exchange protocol. This blockchain-based exchange of value can be completed quicker, safer and cheaper than with traditional systems. A blockchain can assign title rights because, when properly set up to detail the exchange agreement, it provides a record that compels offer and acceptance.

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Additional source links used in this demonstration:

<https://cryptohub.online/market/MUSEUM/>

<https://coinlib.io/coin/MUSEUM/Marquise+Museum>

<https://www.marquisemuseum.com>

<http://wavesexplorer.com/tx/BS1KFNR8zrXKBEWdUUvpaP6G57Hic3aESkwK7qOKdLpB>

<http://wavesexplorer.com/tx/ERoumA2EeSYf72XNo2u9DQHADFQSRXFoVEQPz7wgTog>

This document is not for public disclosure/Ej för allmän beskådan

2018-07-05

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**THE MARQUISE MUSEUM
OF CONTEMPORARY ART**

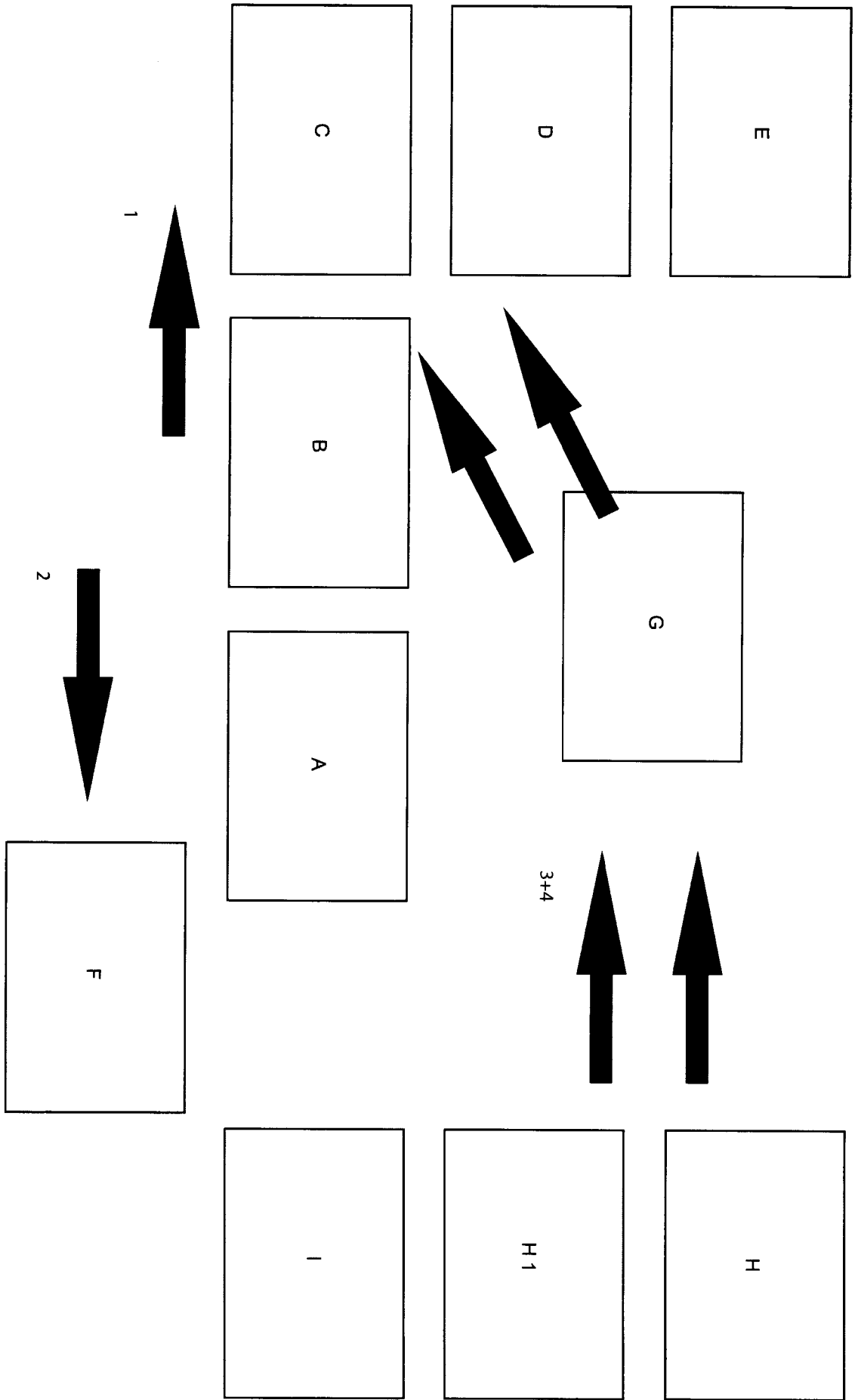


Chart 1

- a. Chain 1
- b. Decentralized marketplace where chain 1 is bought and sold
- c. Customer 1
- d. Untracable transaction of chain 1 between customer 1 & 2 through direct transaction
- e. Customer 2
- f. Chain 1 burn
- g. Delivery of product + new chain to customer to validate authenticity with blockchain
- h. Centralized chain 2
- h1. Physical product, for example book
- i. Issuant parent entity

Chart 2

- a. Chain 1
- b. Decentralized marketplace where chain 1 is bought and sold
- c. Customer 1
- d. Untracable transaction of chain 1 between customer 1 & 2 through direct transaction
- e. Customer 2
- f. Problem 1: Customer verifies ownership of coins from chain 1 in order to receive product. Customer retain coins in order to verify product authenticity in second hand market.
- g. Problem 2: After receiving product Customer 1 transfer his coins to customer 2 who then repeats the request for new product using the same coins.
- h. Incurred financial loss for the parent company
- h1. Physical product, for example book
- i. Issuant parent entity



Ritning 2

