



# PATENTTX

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## WHITE PAPER

INTELLECTUAL PROPERTY

PATENT SUBMISSION FRAMEWORK AND BLOCKCHAIN RECORD SYSTEMS



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## PATENTTX: PATENT SUBMISSION FRAMEWORK AND BLOCKCHAIN RECORD SYSTEM

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**Abstract.** A Patent submission system that would allow the inventor to submit their ideas and utilize a Blockchain to securely store a submission to a peer-to-peer network by hashing transactions with participant miners on the network.

As of the writing of this paper, Bitcoin has the strongest mining presence and provides the best security to digitally notarize each transaction. The digital notarization is provided by Komodo's platform and their notary nodes. PTX blocks are periodically notarized against blocks from the KMD blockchain, KMD blocks are notarized against Bitcoin blockchain. This provides a triple measure of security as a hacker or bad actor would have to compromise Bitcoin, Komodo and PTX coin to be successful. The proposed solution allows inventors to safely store, access, and digitally sign their inventions. Our PTX coin is used to digitally sign the submitted patent and notarize with Bitcoin blockchain.



## INTRODUCTION

The days of the old patent processing have led to a disconnected, expensive and complex submission and approval process, which varies between governments, requiring the assistance of attorneys and patent office's such as the USPTO. The system is disjointed, as an inventor is at the mercy of laws, approval courts, appeals and denials, which happen regularly. It is difficult to find record of patent paperwork within the files of patent office's and often lengthy trials and high legal expenses are necessary to litigate. Seeing the difficulty in the process of patent filing, an act was signed into law, switching filing rules from "first-to-invent" to "first-inventor-to-file." This change in the law is very significant to the inventor as one is forced to quickly submit their idea before anyone else does. The issue with this newly signed act is, one cannot submit their paperwork in a timely manner due to deadlines, mailing systems, the same patent office's and their filing clerks, application paperwork, the list can go on. This causes the inventor more problems as they are forced to re-file and incur more costs. The process costs of submitting a patent can range from \$3,000-\$30,000 USD, including attorney fees. As a result, innovation is slowing down and there is not a large enough incentive to continue using these patent submission processes. In a time where we have millions of creative individuals, it is crucial to have a system in which one can ensure full protection, stability, and transparency so the world can advance in more significant ways. This is where PatentTX fits the script.

We provide a digital system based on cryptography that allows any inventor to submit their ideas, notes, invention logs and be able to prove they were the original inventor using our blockchain. Blockchain technology will provide much needed protection inventors are lacking. Innovation is not growing at the same rate as it did in the previous decades and the costs associated continue to rise. Inventors have been at the mercy of large corporations because a small inventor with a brilliant idea does not have the proper funding and resources as the large corporations with common ideas. Considering these issues, PatentTX offers a platform that inventors can use to SAVE significant amounts of time and money. By choosing PatentTX, inventors will have the resources and information necessary to submit high quality patents all around the world!

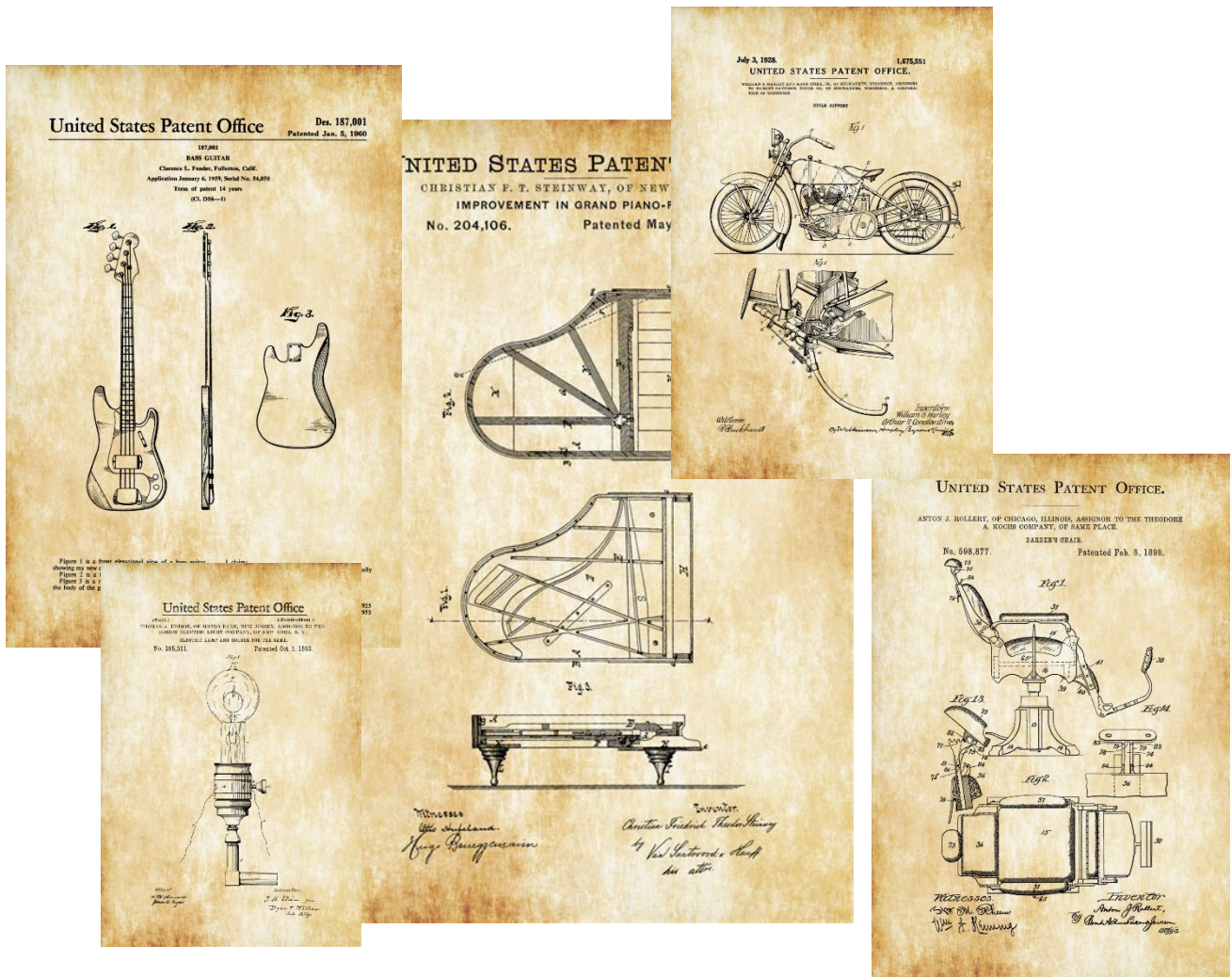
Our system of mining provides the computational power to digitally sign the invention on the blockchain. As a result, our blockchain makes it impractical and impossible to falsify and reverse the transactions and timestamps that occur on the PatentTX blockchain. An inventor can leave notes, drawings, models, anything that may have kept one's mind occupied with an innovation, and record in on our blockchain. Due to the nature of how blocks are stacked, an older transaction for an invention would be more difficult to reverse than a newer transaction, as the work to change a later block would require changing all the blocks after it. As computing power grows so will the hashrate and computational difficulty of the hashed transactions making it increasingly difficult to reverse. In addition to this, PatentTX blockchain uses a consensus model that takes works in conjunction of Bitcoin's immense hash power to notarize our PatentTX blockchain periodically. The PatentTX blockchain has a very high level of security and protection from malicious actors as we will be dealing with intellectual property that could be worth millions of dollars.



## WHAT IS A PATENT?

A patent is a voluntary disclosure of new, novel and useful technical information to the world. Patents bring about an innovation, never seen, that can be used to solve a [technical] problem. For a patent to be issued, the information disclosed must be enough to enable a person familiar with the technological field to make the invention without undue additional experimentation. The purpose of the patent system is to encourage the disclosure of new, innovative technology so the base of knowledge upon which other inventors work advances. This fits right into PatentTX ideals.

Technology advances every day and the world benefits from those advancements when new technology is disclosed and built upon, rather than hidden from other innovators in the field. Disclosing other inventions to innovators alike greatly improves the creditability of the original inventor's patent. The patent is an exclusive right to an invention for a limited period. Essentially, a right to exclude others from using your invention without compensating you yet allowing full access to its uses.







## EVOLUTION OF THE U.S. PATENT SYSTEM

On April 10, 1790, President George Washington signed the bill which laid the foundations of the modern American patent system. The American patent system represents a delicate balance. On the one hand, the patent system provides an incentive to invest in risky technical problem solving by giving an inventor an “exclusive right” for a limited time. On the other hand, from the time of the first Patent Act in 1790, patent critics have argued that patents block competition with a temporary monopoly. This tension has, nevertheless, enabled the rise of the U.S. as a major industrial economy, particularly after the Civil War.

Optimally, the patent system encourages inventors to take risks to invent and disclose new and useful things by investing in *ex ante* costs before a later payoff. After a limited time of exclusivity rights, a patented invention falls into the public sphere, thereby providing a public interest in the long run. Economic and technological progress proceeds by building on previous inventions. Until about 2006, the U.S. patent system worked well, as evident in the development of the largest and strongest economy in the world.

The U.S. patent system was unique; for the first time in history the intrinsic right of an inventor to profit from his invention is recognized by law. Previously, privileges granted to an inventor were dependent upon the prerogative of a monarch or upon a special act of a legislature. In 2007, after years '03 and '05 of Patent Reform Act(s), the bill was passed in which royalties of these inventors were manipulated to further support the government rather than the inventor themselves. In 2011, the Leahy-Smith America Invents Act as signed by President Obama, further put these innovators in a hole. The bill suggested that technology companies, and others alike specifically, are subject to an unprecedented wave of patent lawsuits, oppressive innovation and creating an over encumbered and lethargic patent system. In addition, the costs of patent applications to file, refile, approve, reapprove, exam fees, yearly filing fees, (the list of fees can go on) all went **UP!**

*Below is an excerpt from the U.S. constitution.*

**"Congress shall have the power...to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." - U.S. Constitution Article 1. Section 8.**

All these reforms and systems are outdated, intended to make a profit for the system, hindering innovators and hurting their wallets. PatentTX aims to be your one-stop-shop for all thing's patents in an easy to navigate, user-friendly, secure, transparent platform.

## ISSUES WITH THE CURRENT PATENT SYSTEM

A strong patent system means an inventor can rely upon the strength of a patent to receive the benefit of the public disclosure of the invention. In order to attract investments, develop new markets for new products, and justify research and development efforts, a patentee must be confident that its duly-issued United States patent will be enforced by the issuing government and therefore respected by competitors, both existing and potential. In other words, if the patent system is viewed as weak regarding enforcement of patent rights, inventors receive nothing for disclosing their inventions. The free riders, copiers and thieves can simply take the free information without compensation to the inventor. If inventors see the patent system as weak, they will not disclose their inventions, but hide them as trade secrets. This stifles innovation because new inventions, if undisclosed, could not be improved upon and are therefore left unavailable. Most inventions today are improvements on prior, disclosed inventions, so a weak patent system that discourages patenting slows the advances of technology and the benefits those advances would have brought are delayed or not realized at all.





## COST

Along with a few other factors, the cost to send in an application, go through an approval process and even an examination is skyrocketing. Following the passage of the Leahy-Smith America Invents Act, these fees have only gone up in the recent years with no sign of it getting cheaper. .

USPTO Fee Type	Before	After	Difference
Basic Utility Fee	\$70	\$165	+\$95
Utility Search Fee	\$150	\$270	+\$120
Utility Exam Fee	\$180	\$110	+\$70
Issue Fee	\$240	\$755	+\$515
3.5 Year Fee	\$400	\$490	+\$90
7.5 Year Fee	\$900	\$1,240	+\$340
11.5 Year Fee	\$1,850	\$2,055	+\$205
TOTALS	\$3,790	\$5,085	+\$1,295

As shown above, it is clear to see the cost for inventors and patent applicants has risen by significant amounts, in one case by over \$500! As a result of these increases in price, this increases the financial burden on inventors and hinders the amount of innovation; making the “American Invents Act” a contradiction. There are not any subsidies in place that reduces the monetary burden placed on inventors and as a result, lowers the incentive for innovation and pursuit for discovering new intellectual property.

There are many ways a patent applicant can get the proper information and expertise, but the traditional ways are very expensive. Hiring an attorney can cost anywhere from \$3,000–\$20,000 and for most inventors this is simply not financially feasible. A second, cheaper option is using services such as Legal Zoom. Legal zoom costs anywhere from \$750-5,000 depending on the services and time that is put in. Many people believe that Legal Zoom is licensed to practice law, but this is simply not the case. In fact, LegalZoom is an online document preparation service that cannot provide you with any legal advice or guidance because it is not a law firm. LegalZoom also revealed that **80 percent of people who fill in blank forms to create legal documents do so incorrectly**. Despite this issue, LegalZoom tries to reassure its customers that professionals are there to help and that customers should have a “peace of mind” knowing that there are professionals who will assist customers with their specific situation. But it is important to remember that Legal Zoom does not take the place of an attorney. The cost for this service is overpriced and there needs to be more of a justification for such prices, and it is not apparent. PatentTX is the bridge between inventors and the patent system, by using our platform, users have access to advice and tips for filling out their application for a fraction of the cost!





## DEADLINES

Although there is no specific date and time set to submit your patent, with the new 'first-inventor-to-file' system in place, it creates a scramble and overwhelming feeling for the inventor to get their ideas organized and submit their application. With PatentTX and our Notes system, we offer the ability to save all your early workings and sketches to your final draft and invention. No more will an inventor have to worry how to prove they came up with the idea first.

If another person wants to file a patent for your idea, one can prove that the idea came from the original person, dating all the way back to one's first notes and sketches. This is a verifiable way of protecting your progress and at the same time protecting the future of your patent by solidifying the data within the PTX Blockchain, which in turn is backed by the Komodo blockchain, and in turn the Bitcoin blockchain (Notarizing blocks). The PTX blockchain could not be tampered with, and at the same is nearly impossible to accomplish.

No longer will patent office's need to sift through paperwork to find an application. We already know how much of a mess a bunch of paperwork can be. PatentTX provides the necessary recourses to the innovator to ensure one's documents are safely, and securely stored and found. Simply look up a block number to find one's patent files.



## MAILING SYSTEM

No longer will an innovator have to wait on the postal service to submit their applications. Although quick in pickup, once out for delivery to patent offices, there are a few places a mail truck, with thousands of pieces of mail, must stop at first, including other patent offices. With PatentTX's digital patent service, a patent can be submitted in seconds, and is timestamped on our blockchain forever in history. Our up-to-date security system ensures privacy and validity when submitting applications for an invention.



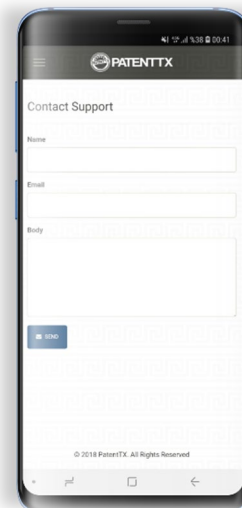
## PLATFORM

### SECURITY

Each application, note, patent, submission etc., is stored on our blockchain using DPoW consensus mechanism. It is based on the Komodo Blockchain and will notarize PTX blocks. Each entry is timestamped for one's reference and access to any file.

### TRANSPARENCY

PatentTX will deliver full transparency with any user. Our customer service will be on standby 24/7 with an easy-to-use contact system. Our team will not hesitate to help our users with any issues one may encounter.

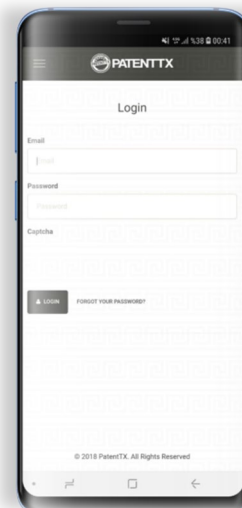
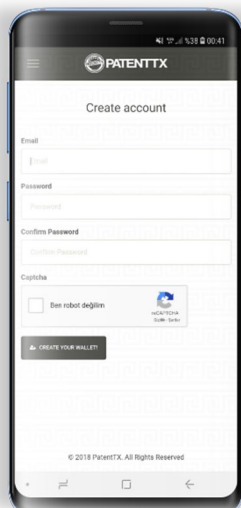


### ABILITIES

The basics of our platform include filling out our standard application to file for your patent. Each form has all the criteria needed for filing. An easy to use credit card system for minimal payments of filing as well as a convertor in case PTX coin suits one's need over alternative options. Along the way in your filing and application process, we will offer unique features such as our PTX+ section equipped with our 'Notes' section. These 'Notes' offer any inventor to keep track of one's earliest record from a sketch to a sentence. We feel as though innovators have the right to be the first if they are the first. A 'Notes' section for any applicant using PTX+ brings a whole new meaning to the phrase, "If you ain't first, you're last."

### USER-FRIENDLY

PatentTX is a platform created alongside knowledgeable patent attorneys and it includes all the information and tools necessary to submit a successful application. PatentTX created a platform that is financially feasible and has the key information at hand for an applicant to receive the highest quality of service. PatentTX serves as a guardrail for individual innovators and corporations who also file for patents. In the long run, using PatentTX will save users valuable time and money to allocate resources where it matters most, in spurring innovation. The PatentTX application is very easy to navigate and use. We are expanding to accommodate for numerous languages & international use. The only factor that should be in the hands of the inventor is the validity and uses of their invention and PatentTX is the bridge that makes this a reality.



## WHY PTX?

One may ask, why move away from an already established patent system? The reason being the process. It is slow, filled with paperwork, costly, although efficient, it gives less incentive for more and more innovators to file. PTX will bring the already set efficiency established by the current system to a new light with added incentive, ability and ease. We will always give credit to those who built before us, as none of us would be where we are without what has come previous. Shedding a new light on an old system is not enough. It needs a shine never seen before, and PatentTX is the ray of light with unique advantages, security, and quality.



## TRANSACTIONS

Our PatentTX platform will be using (PTX) coin which is based on Komodo platform which will use a Delayed Proof of Work (DPoW) consensus mechanism. In a most basic explanation DPoW uses the Komodo blockchain to notarize blocks on PatentTX blockchain. More on this can be read on Komodo platform whitepaper at this location

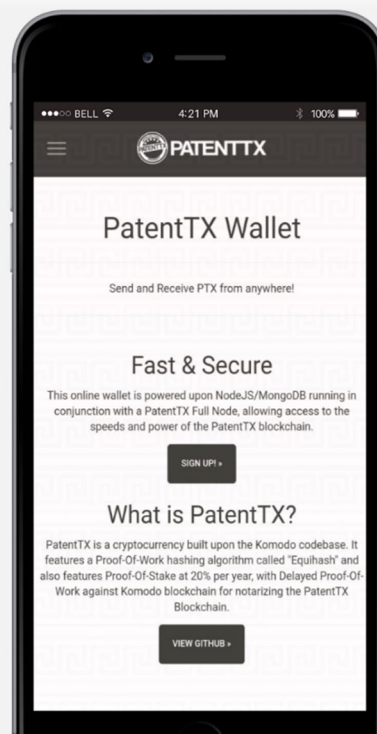
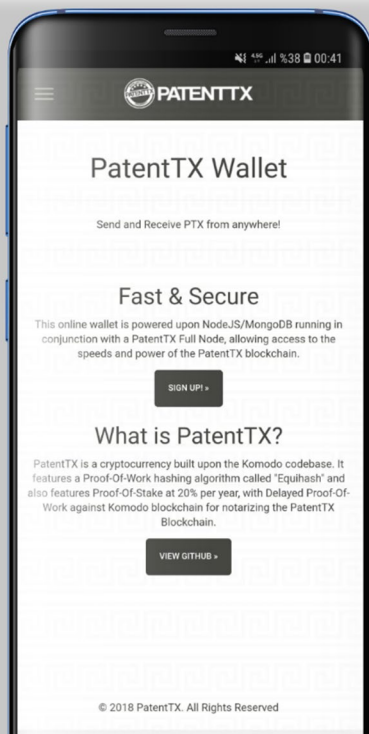
<https://komodoplatfrom.com/wp-content/uploads/2018/10/Komodo-Whitepaper-Oct-1.pdf>

## PTX COIN & HOW TO BUY/USE

In order to submit a patent application using PatentTX, the applicant will use their credit card, and the proceeds will then be taken to an exchange and will automatically purchase PTX for the transaction. These transactions will be taking place on the back end of the platform and users will be able to see the progress on the PTX platform. This creates a seamless process in which any person can participate and does not require knowledge of blockchain and cryptocurrencies. We truly believe in lowering the burden on the inventors as much as possible and this will do just that.

## WALLETS

In addition to our already established web wallet, we have iOS and Android compatible wallets as well for safe keeping of your PTX coins.





## PROOF-OF-WORK / PROOF-OF-STAKE

The PTX coin is a minable coin. Utilizing Equihash algorithm, each block found will contain 15 PTX coins as a reward to the miner.

Tokenomics:

180,000,000 Total supply

12 Million Pre-mined

2 minute block times

15 PTX block reward

.0001 transaction fee

PoW 50%, PoS 50%

PatentTX (PTX) blockchain uses a Proof of Work (PoW) and Proof of Stake (PoS) to mine blocks. Each block found will give the miner a 15 PTX coin reward.





## ROADMAP

### Roadmap *Our strategic plans and milestones.*

Dedicated team working on successfully completing our Roadmap.

#### R&D and Platform development.

Market analysis and research on patent systems and technological innovation. Build Artificial Intelligence into PatentTX system. Chose a block-chain platform that will meet all business objectives and offer maximum security, stability and growth. Publish whitepaper on PatentTX (PTX) coin. Develop web wallets and list on Decentralized Exchange.

Q4 2018

Q1 2019

#### Unlocking potential. Delivering results.

Fully operational with Patent submission application system in the US. Adding 6 additional major countries to PatentTX system. Request PTX coin listing on Top 10 Cryptocurrency Exchanges. System capability to process a minimum of 5000 applications per month.

Q2 2019

#### Helping your business build and grow.

Partnership opportunities with leading Patent attorneys. Giving the Inventor best representation for your funds and project. Increase system capability to support minimum of 25000 applications per month. Additional 12 countries added to PatentTX system.

Q3 2019

#### Efficiency improvements. Increased market exposure.

Work with USPTO and International Patent Offices to integrate PatentTX system. Additional 16 countries added to PatentTX system. Increase system capability to support minimum of 100,000 applications per month. Introduce innovative crowdfunding system for promising inventions.

## THE FUTURE OF PATENTTX

The future of PatentTX is a bright one. We aim to bring the best possible Patent service to any innovators. We want our platform to be the one-stop-shop for all thing's patents. We saw how messy the current patent system is and how well organized it can be to make a profit for everyone except the inventors themselves. We bring light into a dismal part of our human history. There are more and more creative people with less and less resources to patent their ideas. PatentTX will also create a crowdfunding platform following a successful launch of the PatentTX platform so inventors can sell stake in their patent in order to raise money for research and development. This allows the Inventors to focus on what they do best, create new inventions which can be used to better humanity.

### PTX Attorneys/USPTO Cooperation

We have already started to line up some of our attorney's necessary in case an applicant wants to use legal action during a patent approval process. We will also use our attorney's in accordance with the USPTO, since once an applicant has decided to course legal action, the USPTO will only corresponds with the applicant's attorney under section 37 CFR 1.33 & 37 CFR 11.106.





## INTERNATIONAL

We aim to have the PatentTX system incorporated with the USPTO as well as other international patent offices. We will be adding more jurisdictions in which inventors can submit their patent applications to. This includes, but is not limited to America, Europe, China, India, Australia, Japan, and Korea. We will be developing several tools and applications that help applicants get past the difficult language barrier and have the resources they need to file a successful patent application. PatentTX will be the place where inventors come to innovate and most importantly get their patent application approved all around the world. New countries will be added consistently following the launch of our platform.

## PTX+ & 'NOTES'

Our PTX+ membership offers unique abilities to any innovator. PTX+ allows one to use our unique 'Notes' section to record all of one's information from sketches and ideas to final draft and product. 'Notes' is our own creation where any inventor can jot down an idea, and store in on our blockchain, timestamped in history forever. So, if that same inventor built on that little 'note,' turned it into an invention, trademark, company, anything of the sorts, no one would be able to copy. The original inventor has one's original note timestamped on the PTX blockchain for reference. Each time a user updates their 'notes', they will have to purchase 1 PTX coin so that the transaction can be safely stored on the PTX blockchain.





## PATENTTX CONTENT MANAGEMENT SYSTEM (CMS)

PatentTX was built by innovators for inventors. The ideal behind our platform stays true to the ideal of patents: creation. We want an easy, accessible, quick way for an inventor to get one's idea etched in history. The current patent filing system brings a complicated, stifled, slow way to our current creators. This leads to less incentive for anybody pursuing the purpose to file a patent. We aim to bring a unique, transparent, secure way to file your patents in an easy, quick, accessible manner. We must give credit to those creators before us. We bring incentive, cost efficiency and freedom to those wanting to establish ideas into a place in the record books. Bringing new ideas to the world builds on the foundations offered to us from previous creators. We cannot afford to let our legacy of humans be left behind. We must secure our place in history in a timely manner.

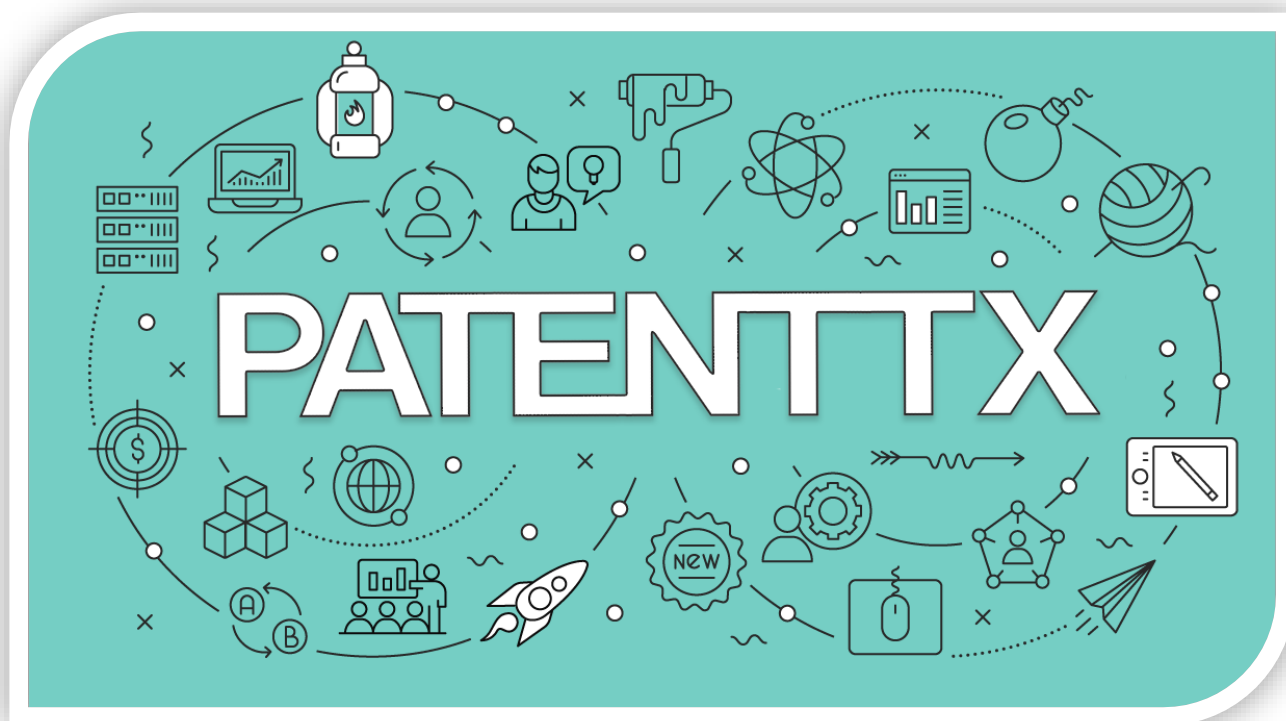


Humans evolve, create, and solve at an exponential rate. PatentTX will be the place to handle our historic endeavors and store your packaged patents.

### PLATFORM USAGE WITHIN PATENTTX CMS

We offer subscription-based services to our customers. These services will come with the ability to save your ideas on our PatentTX Content Management System (CMS). When you save your work, certain Metadata to include database record information will be sent to our blockchain and stored forever. PatentTX CMS will be used as the system of record for submitting information to include identity and data verification.

### USAGE OF PTX COIN



### SUBSCRIBERS

Every save in our Notes and/or Patent application submission generates a transaction on our platform. Each transaction will consume a specified amount PTX coin (currently 1 PTX). The amount of PTX consumed will vary and can be lower or higher, based on market price and conditions.

## PATENTTX CMS

Each new subscription added on our platform triggers a purchase of PTX coin on the Open Market of participating cryptocurrency exchanges, in such amount. In this way, the PatentTX CMS system buys back PTX coins at market price and generates the market for PTX. This functions as our integrated market making service.



## Closing

PatentTX offers a framework to help resolve some of the frustrating issues within the current patent filing system. It is important to note, when incentive becomes limited or hindered, creation falls with it. Innovators of today will always inspire the innovators of tomorrow. PatentTX gives opportunity where there was none and incentivizes innovation.

Long term, PatentTX provides any inventor with the resources necessary to claim one's idea. From simple stored 'Notes,' to full-on creation. Our focus is to bring on innovation, which we inspire our users to drive through to fruition.

Our goal is to provide an easily accessible, quick, cost-efficient, secure & transparent means of filing for a patent, trademark or any of the legal entities to mark your spot in history.