
Evaluation of Save-ideas intellectual property protection concept

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Abstract: In this paper, utilising the cost-benefit analysis we evaluate a unique supplementary concept to the traditional intellectual property protection and the long-term social-economic feasibility of Save-ideas company. Many creative innovators have ideas about solving problems, improving lives, increasing productivity, preventing damage, saving money, etc. But unfortunately, most of these people do not have the money, nor the time to go down the conventional IPR protection route. With changes brought about by the internet and crowd participation, new options to address this problem have emerged. Such a new solution is the save-ideas.com platform. The result of the analysis clearly justified used resources, while consequently straightening determination on continuation of the Save-Ideas (SIs) project with the current vision.

Keywords: IPP; intellectual property protection; CBA; cost-benefit analysis; Save-ideas; blockchain; innovations.

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Biographical notes: Rahel T. Kibreth graduated from The TAFE NSW in 2018 in Accounting with distinction. Currently she is pursuing further study at Charles Sturt University NSW Australia. During her term at the TAFE she successfully ran several business projects for her degree including the cost benefit analysis of various businesses.

1 Introduction and the company overview

Global intellectual protection (IP) market generates \$180 billion annually in licensing and filings have been growing consistently for almost a decade now. IP protection is a space dominated by developed countries. According to the World Intellectual Property Organization (WIPO), Asia, North America and Europe dominate IP filings while developing nations are lagging behind (WIPO, 2019, p.3). This disparity is due to several reasons, including the time-consuming process of conventional IP protection, the costs involved and the complexity of processes, all of which discourage individuals without the requisite resources from pursuing their ideas and dreams.

There is a plethora of support mechanisms, incubators, competitions etc. created to promote promising projects. However, there are no such platforms, at the seed and start up stages, which facilitate communication and exchange of ideas safely and without fear that ideas and solutions will be stolen or copied. With changes brought about by the Internet Revolution and intense virtual communication – introducing crowd participation (crowdfunding, crowdsourcing, digital innovation hubs, etc.) new options to address this problem have emerged. Such a new solution is the save-ideas.com platform (Horvat et al., 2018, p.12).

Save Ideas (SIs) is the world's first platform to provide free protection of intellectual property with goal to evolve into a complete ecosystem which allows stakeholders to leverage the blockchain technology and preserve their IP, seek investments, obtain royalties and trade IP ownership via the native token – *Save Intellectual Property token (SIPt)* based on infrastructure as a service through cloud computing. Save Ideas is a legally registered company in Australia with 6000+ users, subscribers and more than 3000+ innovative ideas submitted and protected. There are also a number of ideas that are already realised and on the market.

The *Save Intellectual Property token (SIPt)* developed by Save-ideas (SIs) financial team, represents actual ownership rights in the platform, excluding voting rights. SIPt are freely tradeable via exchange and can be easily liquidated for fiat. Key characteristics defining the platform's security token are (Howell et. al., 2018, p.1):

- Backed by IP ownership rights
- Fully transferable and exchangeable
- Allows fractional ownership of IP rights
- Allows investment in promising ideas
- Allows collection of royalties from IP licensing
- Used to reward innovators for ideas
- Increases liquidity of intangible asset
- ERC20 token with future migration to proprietary blockchain.

The company currently has 52 contractual employees, most of them IT professionals, educators and admin staff spread over Africa, Latin America, Asia, Australia, and Europe. It is aiming at democratising intellectual protection avoiding the lengthy and costly process of acquiring patent (or other forms of) protection.

Save Ideas is developing gradually through challenges it faces on security, internet availability, educational advances and adverts as it is 100% dependent on ICT. It backs up its data on separate cloud server, digital storage system and hard drives copies on and off the internet. IOS and Android apps created to its name, Save Ideas aims at increasing engagement in academic circles and grow global community. It is a free to play platform that makes its revenues from adverts, subscriptions and affiliates.

The platform aims to spur economic growth in this digital era by allowing innovators and investors from around the world to safely communicate and share their ideas on a global scale to attract investments. It is under information media and telecommunications industry sector and currently, is within small to medium scale business (Khalaf, 2018, p.1).

In Figure 1, the process of Save-ideas is presented. It follows a creative mind signing up and uploading his/her idea or solution (or whatever IP one can have). Once idea is uploaded then Save Ideas cloud server generates two certificates (Time Stamp Certificate[®]). One certificate is for the idea owner or inventor, and the second copy is for the company. This dual certification ensures protection on both ends, against tampering by the original owner, or misuse by the company.

Figure 1 Infographic Save-ideas process



Source: Cesar Brady (2018) Save-ideas Team Argentina

In addition to the uploaded idea saved on the Save-idea server, the idea can be uploaded on the Blockchain (distributed ledger) application developed by Save-ideas. Saved idea on the platform is then globally exposed which may attract potential investors from over the world to help innovators realise their ideas. Besides, if idea has a certain number of ‘likes’ the innovator can receive free Save-ideas developed crypto tokens SIP (Save Intellectual Property token) which can be further used for trade, saved, converted into Save-ideas shares etc.

Save Ideas has its sights set on becoming a global repository for creativity and original ideas. Having already begun its journey, Save-ideas wants to break down the barriers of attaining intellectual property protection and harbour the future generations of innovative thinking (Save-ideas, n.d.).

However, to achieve its goals Save-ideas are facing reality checks in terms of risk and associated challenges that it is exposed in the digital milieu. For that reasons one of the main strategies developed was the risk and its mitigation strategies presented in Table 1.

That is, a “bend, but don’t break” approach to securing the enterprise that combines the disciplines of cybersecurity, business continuity and enterprise resilience, was an one of the main effort at the early stage of its development was to predict the risk and invest into mitigation strategies.

Table 1 The risk and its mitigation strategies

<i>Implementation of the recommendation</i>		<i>Not implementing the recommendation</i>	
Potential risks	Opportunities for implementation	Potential risks	Missed opportunities
Hacking the sites	Backup cloud data bases and virus protection updates as well as securing physical storage	Not implementing cloud computing	Unknown server place; More people finding about the business.
Security Breach	Security cloud updates and secure physical storage	Not implementing AI	Ability to process multiple submissions; automatizes TSC delivery, printing and storage
Infringement breach	Marketing and the global promotion	Not upgrading the business model	Run out of funds for the expansion
Electricity outage	Solar panels, and the electricity generators	Not investing in storage and process hardware and software	Risking security and storage; risking the ability of processing business requirements
Natural disasters	Security cloud updates and secure physical storage Backup cloud data bases and virus protection updates	Not investing in global marketing campaign	ore people finding about the business that can support the business model, attract potential investments

As it can be seen from Table 1, setting secure and comprehensive foundations for the Save-ideas business was guiding principle of its founder. Building Save-ideas as a ‘cyber resilient business’ which need to be able to operate while under persistent threats and sophisticated attacks, will enable it to embrace disruption safely, strengthen customer trust and boost shareholder value.

As such a strategy, besides has been closely followed by start up high costs ranging around \$44,000 in the first year (see Table 2).

2 Cost-benefit analysis

The reasons for this Cost-benefit analysis of the Save-ideas project are multi-folds. The company is on the development ‘intersection’ for it this analysis would clarify the forward pathways with avoidance of pitfalls that the company has experienced so far. In addition, undertaking the CBA will enlighten socio-economics aspect of its concept, as well provide an aid to risk management as it will measure the effectiveness and efficiency of the current and planned activities.

In terms of financials, rational for the Cost-benefit analysis (CBA) is that by assigning monetary values to all costs and benefits, which will enable assessment of the profitability of the Save-ideas (SIs) project until present and to evaluate whether the prospective financial returns are worth the allocation of resources. Secondly, this

financial analysis is to be used to determine whether monetary grounds exist to justify continuing Save-ideas Pty Ltd activity. As such it will serve as a tool to reduce economic waste.

Furthermore, following founding concept of the Save-ideas (SIs) project – democratising intellectual property protection (IPP), another reason for the CBA currently conducted is to evaluate socio-economic benefits and costs of the SIs project. That will be done by assigning qualitative (intangible) values of the project that would allow for a more objective estimation of potential outcomes that can then be used when comparing between alternatives, which from outside are easily overseen and neglected.

Finally, conducting this cost-benefit analysis will provide an aid to risk management as it measures the effectiveness and efficiency of the current and planned activities as well as serving as a comparative tool when choosing between alternative activities. In doing so the cost-benefit analysis process becomes a risk analysis tool because it provides an in-depth evaluation of the costs of a given activity, which provides an additional rationale for its use.

2.1 Description of alternatives

- Business model:
 - Save-ideas is an online platform which is enabling creative minds from all walks of life to register, protect, potentially realise, attract potential investors and communicate their ideas, creating – Global community of creative minds.
- Decision question:
 - After recruiting a critical mass of users and submissions, if Save-ideas (SIs) is going to continue as used to or investing in upgrading business model, storage and security hardware while at the same time promoting SIs concept for an increased user and submission base?
- Current operational status:
 - Currently SIs project is in an operational stage undergoing major upgrades of its main platform (Save-ideas.com), marketing site saveideasfirst.com, iOS and Android apps and the second investors' dedicated site (save-ideas.io).

After over just one year online Save-ideas has achieved an impressive growth in terms of branding (15 countries Facebook pages with >15,000 followers), users and submissions (6000 with almost 3000 submissions), media coverage (Harvard Business Review, BBC Africa, Cryptovest, a Master thesis with Save-ideas as a Case Study, Conferences presentations and academic Journals and newspapers articles published), popularity in academic and businesses eco-systems, tangible assets (offices and representatives in 52 countries estimated to be over AU\$1m, 21 team member and 10 advisors) 15 realised ideas/solutions, and so creating brand name and other intangible assets to its name.

2.2 The future plan

- Save-ideas has intentions to drastically increase the value offered through its online platform by building and implementing advanced functionality using blockchain and smart contract technology. This advanced functionality will allow the newly minted

crypto-currency, SIPT (Save Intellectual Property token) to become an integral aspect to the platform. The introduction of a tradable, liquid and tractable digital asset to the platform will allow a positive ecosystem to emerge where the origination and funding of original ideas are both incentivised and encouraged.

- The above would encompass upgraded services to user (individual and institutional Basic Premium models), investment in a global marketing campaign, which will require major funding provision; SEO, establishment of Global Commercialisation Fund (GFC) through which it is planned to reinvest raised funds in the most disruptive ideas submitted to the SIs platform, legalisation of businesses in several key crypto trading user-friendly markets, contractual administrative and logistic support.
- The realisation of the above will require significant investments in marketing, Artificial Intelligence (AI), storage and security hardware and sophisticated software upgrade. Those investments, in particular in storage, backups and security are also to be considered as mitigation strategies of the risk involved in this type of business.

After setting up alternatives to be considered and the plan for the short to medium term, the note is in order that figures in the analysis are based of extrapolation of the current growth and an upgrade of the business model as presented earlier. In addition, the discounted rate was taken to be 4% although the current interest rate in Australia is close to zero (0.5%). What that mean is that if we would take the current rate the net present value would be AU\$17.3m instead of AU\$8.8m, while benefit would be AU\$55m instead AU\$28 million. However, we have decided to go with more conservative figures throughout the analysis to factor in uncertainties in the economies SIs currently operate in. Thus after few considerations to be kept in mind, the next section presents the analysis taking on:

- Cost of each alternative, over its estimated life span or project timeframe
- Expected benefits of each alternative, over its estimated life span or project timeframe
- Comparison of the two for each alternative
- Recommendation based on the comparison
- Any additional reasons for the recommendation.

By reducing the positive and negative impacts of the Save-ideas project to their equivalent current monetary value, the above Cost-Benefit Analysis determined that on balance the project is worthwhile.

The analysis itself started with the actual costs for several years (\$44,000 in the first year and \$61,000 in the second with zero benefits) then after trial and error decided to use a discount rate of 4% as the most appropriate (although in Australia those years of beginning years for Save-ideas were characterised with a very low prime rate (averaging around 1.25%).

For the intangible values author's guiding principle were the costs of intellectual property protection in Australia (legal costs of application weighted by an average cost of all types of intellectual protection available for copyright, patents, trademarks, etc).

When all this has been considered the Save-ideas project is worthwhile one for the discounted value of the benefits exceeds the discounted value of the costs; i.e., the net benefits are positive. This is equivalent to the benefit/cost ratio being greater than one and the internal rate of return being greater than the cost of capital.

Table 2 Save-ideas cost-benefit analysis (continued)

<i>Summary</i>											
<i>Fiscal years</i>											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Undiscounted Flows											
Costs	-\$44,000	-\$61,000	-\$203,000	-\$234,000	-\$310,000	-\$985,000	-\$1,082,000	-\$1,344,000	-\$2,343,000	-\$3,991,000	
Benefits	\$0	\$0	\$5,000	\$19,231	\$60,096	\$422,273	\$1,884,843	\$3,226,064	\$5,840,424	\$11,702,734	
Net Cash Flow	-\$44,000	-\$61,000	-\$198,000	-\$214,769	-\$249,904	-\$562,727	\$802,843	\$1,882,064	\$3,497,424	\$7,711,734	
Discount Factors											
Discount Rate	4.0%										
Base Year	2019										
Year Index	-2	-1	0	1	2	3	4	5	6	7	
Discount Factor	1.0816	1.0400	1.0000	0.9615	0.9246	0.8890	0.8548	0.8219	0.7903	0.7599	
Discounted Flows											
Costs	-\$47,590	-\$63,440	-\$203,000	-\$225,000	-\$286,612	-\$875,661	-\$924,898	-\$1,104,670	-\$1,851,707	-\$3,032,832	
Benefits	\$0	\$0	\$5,000	\$18,491	\$55,562	\$375,399	\$1,611,172	\$2,651,589	\$4,615,772	\$8,893,116	
Net	-\$47,590	-\$63,440	-\$198,000	-\$206,509	-\$231,050	-\$500,262	\$686,274	\$1,546,919	\$2,764,065	\$5,860,284	
Cumulative	-\$47,590	-\$111,030	-\$309,030	-\$515,539	-\$746,589	-\$1,246,851	-\$560,578	\$986,342	\$3,750,407	\$9,610,691	
Net Present Value	\$8,885,624										
Internal Rate of Return	61%										

3 Conclusion and recommendations

The result of the CBA clearly justified resources invested, but more importantly, straightened determination of the Save-ideas (SIs) management team on continuation of the project with current vision where it should be in the short to medium term. It also cleared elements of further investments that require, after initial stage, full attention and resources, for example marketing, storage and security as well as increased user and submission base.

As the SIs project is an online platform, security of its core elements like database, backups and Time Stamp Certificates archives are of paramount importance for its existence. Therefore, the chosen option to enhance those core elements of the SIs project is a business logical choice.

Aiming to increase user and submission base, as it was the case from the beginning, without further investments in security and marketing, would jeopardise the core concepts of the project. In particular, having in mind prevalence of hacking and other security breaches we are witnessing today.

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Appendix I: Time Stamp Certificate



Time Certificate

Serial Number: AG 7350590510

Issued to:

firstName:	Hazbo
lastName:	Skoko
Address:	Australia, Canberra
Phone:	61402072153
Email:	hazboskoko@gmail.com
Second email:	hazbos@me.com
Date of birth:	29.02.1959
Other contact details:	27 Endurance Ct Llanarth 2795 NSW

Deposited:

The time we received your submission (AEST - Australian Standard Eastern Time)

Year:	Month:	Day:	Hour:	Minute:	Second:
2019	12	12	21	36	30

Title:

Hazbo Skoko Pty Ltd logo

Category:	
Short description:	Appendix A
Additional details:	Appendix B
Attached files:	Appendix C

Save-Ideas Pty Ltd Director: Prof Dr. Hazbo Skoko

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