Alain Souloumiac

CreaCORN Unicorn highway Standard

Empower the startups

- World creators Society -

Warning:

The World Creators Society (WcS) does not intend to endorse or disapprove of the opinions expressed in this book: These opinions are to be regarded as those of the respective authors.

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To help startups bring their innovative products to market, some 10,000 incubators have been established in the last twenty years. Except for the few that have had tremendous success, most incubators struggle to achieve this goal. 90% of startups fail to develop and commercialize their technologies dans disappear within three years of their creation.

The high cost of our intellectual property system is a major factor in this failure rate. Most startups do not manage to raise the money needed for their research and development because they cannot guarantee a return to their investors, even if they are successful. The CreaCORN provides incubators with a framework to protect startups' intellectual property and vouch for the value of their assets at every stage of development. With the CreaCORN, incubators will increase the attractiveness of startups and reduce their failure rate.

Nice Classification (NCL):

9, 36, 38, 41, and 42

<u>Glossary</u>

A. Definition of Phases

Ideation phase: the creator of the startup draft and timestamp a CreaBOOK that is registered in the Single creations Registry.

Founding phase: the creator assembles a team of co-founders to develop the necessary tools to launch the business. The update of the CreaBOOK and the certification of its conformity to the CreaFREE Standard by the World creators Society (WcS) conclude this phase.

Seed phase: the startup proves the technical and commercial feasibility of its innovation. The update of the CreaBOOK and the certification of its commercial value by the WcS conclude this phase.

Scaling phase: the startup scales its operations. The update of the CreaBOOK and the certification of its originality by the WcS conclude this phase.

Expansion phase: the startup expands the reach of its products and services in the global market through the Responsible authenticity Marking provided by the WcS.

B. Definition of Concepts

Annexes: supporting documents referenced in footnotes within the CreaBOOK.

Authentic: original product or service with verified origin.

Conformity: examination by a WcS-accredited expert to certify that a CreaBOOK meets the conformity requirements of the CreaFREE Standard.

CreaBOOK: statement describing and claiming property of a creation in the form of a book written in accordance with the Creafree Standard.

Creation: original work of the human mind.

Creator: human being who makes a creation.

Design: industrial esthetics in the search for forms that correspond to their function.

IcF: International creations Fund.

NFT: Non-fungible token materializing the property of the CreaBOOK.

Originality: examination conducted by a jury of accredited experts to certify that a creation meets the originality requirements of the Creafree Standard.

Research and development (R&D): activity aimed at creating one or more innovations.

Multiplier pyramid: mathematical formula calculating the value of an innovation according to the stage of its intellectual property.

Progress: production that improves the quality of life without harming the environment.

Standard: private norm that defines a process or activity according to best practices.

CreaCORN: norm that paves the way for startups to achieve unicorn status.

Value: examination conducted by an accredited expert to certify the economic valuation of a creation according to the Creafree Standard.

WcS: World Creators Society.

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0. INTRODUCTION

Startups are seen as the greatest hope of the 21st century. Their disruptive innovations can renew the part of our productions that are currently destroying the ecology of the planet.

Yet 90% of their innovations fail to make it to market.

My experience working with startups has shown me that the main cause of this failure rate is the prohibitive cost of intellectual property. These costs discourage startups from protecting their research and development. Intellectual property protection practices need to be aligned with the essential requirements of universal treaties.

0.1 My Experience with Startup Challenges

The current CreaBOOK proposes developing the mission of incubators to disseminate new intellectual property practices for funding startup innovation.

0.1.1 The Greatest Hope of the 21st Century

The future of our civilization is threatened by the negative effects of technological progress. The numerous annual summits convened by the UN since the end of the last century have failed to control accelerating climate change. Disasters, famines and migrations continue to accumulate.

Despite the world's willingness, these summits have resulted in non-binding agreements that have no significant impact on global warming. Because of opposition from the established order, the root causes of this problem are not being addressed. Large fossil fuel companies are impeding the transition to clean and renewable energy sources. Given the divergent interests of government representatives, there is no reason to believe that these summits will have more impact in the near future. To apply new techniques and achieve the Sustainable Development Goals (SDGs), UN is increasingly working with local communities, businesses, civil society organizations, and individuals. The focus is primarily on companies founded by members of the younger generation, often using cleantech solutions to help restore the planet's ecological balance. Some of these startups have improved an otherwise bleak situation. This explains why local communities, and civil society organizations are calling for better support for these new businesses.

Due to attractive investment returns, some startups are experiencing amazing growth rates. Known as unicorns, these startups are reaching valuations of more than a billion euros in less than a decade. Their number is increasing rapidly. By mid-2023, there were already 2000 of these companies. In the US, their turnover now exceeds 2% of GDP.

Projecting the past growth rate into the future, their number could reach 60,000 companies by 2030. Their sales would then reach almost half of the world's GDP. If these projections come to reality, we can expect significant changes in our economy. If the cleantech orientation of startups could be ensured, a significant part of our ecological problems could actually be solved.

0.1.2 The Decisive Role of Incubators

The failure rate of startups from which unicorns emerge remains too high. Recently, a slowdown in the growth of unicorns has been observed in the United States, which once accounted for over 50% of these companies. It is impossible to say with certainty whether this remarkable growth will continue and benefit the development of a green economy.

Within the first three years of operation, more than 90% of startups fail and shut down. According to earlier research, there are four key causes for this failure rate: lack of a target market,

inadequate management, underestimation of competition, and lack of financing. There are no government statistics on the number of startups. According to an analysis by Statista, this number is estimated at 1.35 million. This figure could be much higher if the failure rate of startups could diminish, as they are very attractive to the younger population.

This justifies the emergence and importance of incubators. These institutions, under various names, support projects to start creative businesses. Their beginning can be found in Tsukuba, where the Japanese government decided to establish a new city about fifty kilometers northeast of Tokyo to decentralize research activities outside the capital. This city was designed to meet the country's growing need for scientific and technological development by bringing companies and universities closer together. In 1984, Charles Salzman, advisor to the French president, was approached with the idea of establishing a similar technopole in the creative valley of Marc-Aurel. He then promoted technopoles all over France as part of the renewal of the former industrial economic fabric.

The first business incubators consequently appeared at French universities. By the late 1990s, there were already 21 business incubators. Originally established as public institutions, the most dynamic incubators were later transformed into joint-stock corporations. The number of business incubators worldwide is estimated at over 10,000.

The most dynamic, high-performing and prosperous incubators are those that succeed in turning startups into unicorns. The performance of individual incubators varies widely. Globally, the average conversion rate is very low at around 0.2. Certain incubators have much higher rates. Station F, the largest startup campus in the world, is located in Paris. Since its opening in 2017, 6 unicorns have reportedly been incubated in Station F, according to the Eldorado website. Using the information available on the internet, I produced the following performance table:

Name	Seed funding year	Amount in millions of euros	Valuation year	Amount in billions of euros	Seed valuation multiplier
Doctolib	2013	1,00	2022	5,8	5 800
Alan	2016	12,00	2021	1,4	116
Black Market	2015	0,30	2022	5,2	17 333
ContentSquare	2014	1,30	2021	2,8	2 153
EcoVadis	2008	2,00	2023	1,0	500

Illustration 1. Performances of Five French Unicorns

The average valuation of these 5 unicorns is 3.24 billion euros, after an average life of 8.6 years, The initial value of equity for the sample of these 5 unicorns has increased by an astonishing factor of 5.180 on average.

Y Combinator, located in California, continues to be the most successful incubator in the world. It has generated approximately 70 unicorns since its foundation in 2005. Four primary reasons are given for its success:

- 1. Strong attractivity: startups from all over the world are drawn to Y Combinator's location in Stanford, the most important creative software valley, together with its renowned network.
- 2. Rigorous selection process: Y Combinator's admission quota of 1 to 1.5% is based on a detailed application, product demonstration, and team interview.
- 3. Intensive training and mentoring: a comprehensive program of training, mentoring, and workshops promotes startup success.

4. Participation in seed funding: Y Combinator's participation in seed funding in exchange for equity incentivizes success and builds trust among investors.

Silicon Valley's precise environment is difficult to duplicate, but there are important lessons and comments that other incubators can take away from its success.

- There are many other creative valleys with considerable advantages that may profit from the new enthusiasm of startups; innovation isn't just about software¹.
- 2. The extremely rapid selection process, retaining only 1% of candidates after a brief review of business plans and a few minutes of team pitches, is not unique to Y Combinator. This partially explains startup failure rates. Y Combinator supported 2,500 startups. It means it has rejected 250,000 applications. A more comprehensive selection process could likely capture disruptive projects not suited for such necessarily superficial filters².
- 3. Undoubtedly, the training, guidance, and workshop program are important. Significant progress has been made in tracking startups, but improvisation persists. Startups learn much from each other, and smaller incubators are at a disadvantage. Best practices need to be shared to maximize capitalization.
- 4. Incubator involvement in seed funding has a substantial impact on the success of startups. It implies a commitment to success and represents a strong confidence criterion for investors who are not in a position to vet the projects. Additionally, it brings Y Combinator enormous profits in return.

¹ La Chaux-de-Fonds is probably better positioned to attract watchmaking startups than Stanford.

² The selection process should be able to incorporate a stronger participation of experts. Several decision-makers are not qualified to judge the technical and marketing relevance of the innovation in question.

Local communities support job-creating investments and many leaders aspire to develop creative valleys following the Silicon Valley example. Several have already established incubators. As indicated by the above figures, substantial profit potential lies ahead for them.

It's unreasonable to think that venture capitalists couldn't profitably finance more than 1 to 2% of startups. More precise selection methods could expand the circle of successful startups and substantially increase the number of effective and profitable incubators.

If incubators' resources were enhanced, the chances of realizing the great hope of the 21st century would be increased. For instance, assuming each incubator produces an average of 2 green unicorns this year, the number of unicorns could have been multiplied by 10 in 2023. By continuing this growth, the greening of the entire global economy would be achieved by 2030.

The phenomenon of startups is recent. It relates to the Internet and the entry of our economy into the creative age. Incubators still lack the tools, methods, strategies and funding to fulfill their mission and significantly reduce the failure rate of startups.

0.1.2 The Creator's Experience

The World Creators Society (WcS) has been working on these issues since its founding in 2013.

Shortly before, Georges Herrmann, the founding president of the European Inventors' Association (AEI), suggested founding a creators' association to develop a Universal Intellectual Property Standard. I brought to this association my triple expertise as a standards specialist, startup manager, and inventor's intellectual property advisor. Appointed by the French government to study the prospects of IT policy in administration, I recommended adopting a policy based on reference to standards. Following the publication of my mission report by La Documentation Française, I initiated the launch of the Universal standard for keyboard layout adopted by the International Standard Organization (ISO).

I then founded a startup, Quintel SA, which patented and developed optical keyboards. Despite Tempest certification for this keyboard by the Electronics Armor Center, we had to dissolve the company because of counterfeit competition from a former partner. After more than a decade of legal battles, a court-ordered opinion confirmed the group's counterfeiting, and the case was settled in mediation.

During this process, I came into contact with the president of AEI. Together we developed a doctrine that advocates the protection of the European technological heritage. This doctrine starts from the premise that technological progress depends on inventors. From this derives the axiom that intellectual property must be the fundamental basis of the economy in our globalized world. It is in line with universal treaties that recognize the right of every inventor to be the author of his creation. It challenges the patent system, which favors the established order, places inventors under the domination of large corporations, and introduces a form of plunder of creative work that the system does not seek to protect.

The president then asked me to be his intellectual property advisor. During the 15 years, I interacted with the leaders of 10 major European national associations, several patent attorneys and lawyers, and about a hundred European startups and inventors. I was able to verify the value of his diagnosis regarding startup failure in comparison to the prevailing analysis (see 0.1.2 The Decisive Role of Incubators). The theses that explain the failure rate of startups are excessively superficial. Without a proper analysis of its causes, it is difficult to provide an effective response to their needs and enhance their success rate.

- 1. Lack of target market: established professionals often refer to disruptive innovations as utopian. Innovations may be ahead of their time, and some unicorns take longer to develop. In the intellectual property approach, this doesn't negate the value of the innovation.
- 2. Poor management: the creator of the electronic engine might not have had the appropriate qualifications³ to realize his invention. However, he did created it.
- 3. Underestimated competition: investing in development without intellectual property is unreasonable. Once developed competitors can seize innovative work without bearing development costs. Recognizing the need for intellectual property is a crucial for most startups.
- 4. Lack of funding: without efficient intellectual property, startups can't guarantee return on investment to venture capitalists. Without necessary funding startups cannot ensure the technical development and commercialization of their innovations.

It's difficult to believe that most startup members invest three years of work and all their savings without market research. This argument can't hold for 90% of startups. Most are hindered by their inability to secure funds:

Their breakthrough innovations are inherently difficult to value for investors who dedicate little time to technical analysis and lack

³ Zénobe Gramme is criticized for having said: "Ah, if I had to know all these coat hangers (integral functions), I probably would never have invented my machine." When his wife would scold him for his absent-mindedness, he used to reply, "dji tûse Hortense" ("I'm thinking, Hortense").

expertise to understand them. The value of their creative projects is evaluated based on their business plan's accounting qualities and team presentation pitches.

Our paradigms need to change. Of the 90% of innovations that are excluded from the possibility of reaching the market, many are very valuable.

0.1.3 The Strategic Position of Incubators

WcS has devised the Universal Standard of Intellectual Property (USIP) to promote a new ecosystem, including:

- A book that allows all creators to prove their authorship (CreaBOOK).
- A single registry for creations on a global scale (CreaFREE IT platform).
- Continuous public assessment of CreaBOOK value by the participants in the platform.
- Certification of CreaBOOKs by qualified experts (conformity, value, originality).
- Responsible authenticity labeling of the authenticity of products and services coming from CreaBOOK.
- Professional organizations that coordinate creations in each economic sector (CreaPOLES).
- An original method for the amicable settlement of intellectual property disputes (CreaPAX).

In the late 1940s, Deming introduced quality assurance to Japan, which was a key factor in its economic success for about 40 years. In the early 1980s, the ISO 9000 standards introduced this method worldwide, greatly improving the reliability and durability of products and services worldwide.

The CreaCORN is poised to follow a similar path. It operates within a context where startups lack a competitive alternative to protect their disruptive innovations and cannot offer investors the attractive returns associated with this new protection. We have entered the age of creators, and the world critically needs this universal protection to support the dissemination of their innovations amid the many challenges it faces.

WcS's Secretary-General, Dick Van Gelder, was tasked with preparing the business plan for the International creations Fund (IcF). IcF is the company responsible for raising funds to establish the ecosystem. To drive this transformation, the "Unicorn plan" was drafted. Following meetings in October 2022 at the Hôtel de la Marine in Paris with Tim Enneking, a renowned American expert in cryptocurrencies and venture capital, he promised to support us with his global funding network.

This financial expert also recommended revising IcF's "Unicorn plan"⁴ strategy by introducing a flagship product. He suggested building the CreaFREE ecosystem "piece by piece." Gradually, an increasing number of startups will enter the system, and the practice of intellectual property will evolve. The focus is on finding the best entry vectors to initiate this transformation.

The analysis led to the following conclusions for the implementation of the seed phase of the Unicorn plan:

Conclusion one: the flagship product will be the CreaBOOK – a minimum of 100 registered copies on the single registry for creations will indicate the success of this feasibility phase.

Conclusion two: software enabling the creation of CreaBOOKs will be made available on the CreaFREE platform. It will be translatable into most languages and promoted through digital marketing campaigns.

Conclusion three: a license will be offered to selected incubators to implement the pilot project of the Unicorn highway Standard. A method, training, and tools will be provided to give startups a map,

⁴ Anx 20221018 Pitches from IcF for Tim Enneking (crypted).

based on step-by-step certification of their intellectual property's development and asset valuation.

With the CreaCORN standard, all incubators must be able to play a role in realizing the great hope of the 21st century. This CreaBOOK describes the method to harness this potential through the resources of the Creafree Standard.

0.2 Applicable Law and Practice Conformity

0.2.1 Applicable Law

 \Rightarrow The law applicable today comprises:

- The Berne Convention, which states in its first article that "literary and artistic works" include all productions in the literary, scientific, and artistic domains, regardless of the mode or form of expression.
- Article 27 of the Universal Declaration of Human Rights and Article 15(1)(c) of the International Covenant on Economic, Social and Cultural Rights, which stipulate that "States Parties to the present Covenant recognize the right of everyone to benefit from the protection of the moral and material interests resulting from any scientific, literary, or artistic production of which he is the author."
- Article 10 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which states that "computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971)."
- Article L112-4 of French Intellectual Property Code, which states that "The title of a work of the mind, as soon as it shows originality, is protected as the work itself."
- Article L711-2 of the French Intellectual Property Code, which states that "A trademark that infringes (...) author-right shall not be validly registered and, if registered, may be declared null."
- Given the protection of author-right that applies to all standards.

- ⇒ The CreaBOOK protects the content and claims of the innovation; in particular:
- the name designating the Unicorn highway Standard;
- the chosen design representing its implementation;
- the standard based on gradually reinforcing startups' rights to the fruits of their creative work;
- the operational charter protecting its ethical integrity;
- its financial valuation strategy.

0.2.2 Practice Conformity

Two historical sedimentations led to the establishment of the intellectual property regime.

The first sedimentation gave rise to patents and copyright. These concepts originated from the Old Regime, where the king, considered as God's representative on Earth, granted monopolistic privileges to certain subjects. Patents initially aimed at inventors, while copyright aimed to censor printed material contrary to the monarch's interests. Copyright regulated first printers' publication rights and then authors'.

The patent has largely retained its original features. It's a monopoly granted for a specified period to the first applicant of an invention disclosure by an office established by the sovereign for a given territory. Under the influence of the Berne Convention, copyright law has evolved to be more closely oriented towards the right of the author. However, certain original features have been preserved. The protection afforded to copyright holders continues to be determined by national law in the "states governed by law"," as opposed to "constitutional states governed by right of the citizens".

The second sedimentation led to author-right-law. Although not explicitly mentioned in the Declaration of the Rights of Man and of the Citizen of 1789, author-right is protected as a property right. Laborious or creative works are part of property rights. Citizens cannot be expropriated without fair and prior compensation. Author-right is a human right in any state with a constitution (Etat de droit in French or Rechtsstaat in German).

Revolutionary laws implementing this declaration distinguish between literary and artistic property on one side and industrial property on the other. This distinction remained throughout the 19th century. Supported by great writers like Victor Hugo, artistic and literary property developed as a constitutional and universal human right. This right was eventually enshrined in a universal treaty in 1886: the Berne Convention.

Industrial property remained, like in the Old Regime, a right granted by the sovereigns within their territory. To enforce this sovereign right, laws established that all inventive works published without a patent were unprotected; they belonged to the public domain and were free to use. Industrial property did not protect the inventor as the author but rather the first applicant. However, if the genuine author proves he discovered the invention before the patent application, the legislation grants him a right to personally exploit their invention, despite the monopoly granted to the first filer.

This legal dispossession of the author contradicts the principles of the Rule of Constitution established in 1789. The Declaration proclaims that a state in which human rights are not guaranteed does not have a constitution. It also violates the provisions of the Berne Convention, which clearly declares that it applies not only to artistic and literary works but also to scientific works. This convention doesn't legitimize any discrimination between the two types of works. The creator of a literary or scientific invention enjoys all material and moral rights granted by the Convention without state intervention, from the initial expression of the work. This is confirmed by the Universal Declaration of 1948 and the International Covenant on Economic Rights (see 2.1). The prevailing doctrine and jurisprudence justify the discrepancy introduced by practice, stating that the Convention doesn't apply to ideas, processes, methods, or scientific concepts as such, but only to their original expression. However, the Convention or the international Pact contains no provision authorizing such significant discrimination between authors seen as artistic and authors seen as industrial.

Several reasons are cited by legal practitioners to justify this state of affairs. Firstly, national defense necessities demand that new weaponry be concealed for as long as possible for strategic reasons. Secondly, market fluidity is a major concern: there's fear that invention ownership could block progress flow, of which the inventor is the author.

But a cost-benefit balance, especially considering current necessities, should lead to reconsidering the validity of these arguments. They hold little weight against the creative blockage this system induces for the sake of maintaining the status quo (see 5.2 Caliber B: Comparative Advantages). Evidence shows that espionage pays little heed to national defense secrets. The patent system introduces monopolies without necessarily obstructing progress dissemination. Author-right favors more sharing than state monopolies.

Despite resistance to change, some unicorns have succeeded because they offer investors unparalleled profit prospects. Why not open the unicorn highway to all startups? The purpose of this CreaBOOK is to describe, protect, and disseminate the CreaCORN Standard to all startups through the support of incubators.

1. NAMING

Naming one's creation and all the creative elements therein is a prerogative of the creator. This practice was established long before the advent of the concept of intellectual property.

To establish their right, all creators are advised to prove that they initiated the naming and that the name of the creation belongs to them.

1.1 Problem

Creation and disruptive innovations are the origin of all the products and services around us. The remarkable ability of men and women to innovate sets them apart from animals since ancient times. Our culture has been built upon this creative capacity. The survival of our civilization hinges on the proper exercise of this capacity.

The moral right of authorship confers upon the creator the exclusive power to name the innovation produced by his creative work. The effective use of this prerogative provides startups with a decisive means to prove the authorship of their creations and simplify the identification of counterfeiters by all interested parties, especially judges.

What term should be used to describe this process that contributes to the success of startups? It would be ideal to find a name that can be easily used around the world, is easy to remember, and meets with a positive response from both startups and incubators.

1.2 Factor

I've had this project in mind for more than 30 years. As is customary, I could have named this disruptive innovation "Souloumiac". It's indeed a task to which I've devoted the major portion of my life. However, this family name is a bit long, hard to pronounce, and doesn't inherently evoke sympathy from creators and incubators.

I prefer to reserve this name for another of its creative elements, such as the mathematical function of the "multiplier," which we will describe later. It measures and regulates the allocation of funds that startups need (see below). Family names are often used to denote units of measurement (Ampère, Baumé, Fahrenheit, Newton, Volt...).

When I think about this process for the success of startups, a memory immediately comes to my mind. In 1990, I'm walking along Rue de Longchamp in Paris with Gérard de Villeroché to have coffee at his apartment nearby. We've just had lunch at the excellent Chinese restaurant on that street. During the meal, we had discussed the difficulties he was facing in promoting the automobile navigator he had patented six years earlier.



Illustration 1: SmartGuide Navigator⁵

⁵ Anx19860524, <u>SmartGuide Navigator</u>

In the morning of that same day, I had the chance to sit next to him in his Citroën and discovered how his marvelous device worked. His software employs ingenious strategies to select a destination address in less than 10 taps on his three-button keyboard. The navigator then smoothly guides you to the chosen address (in the 16th arrondissement of Paris): straight ahead, first left, straight ahead, second right; simple symbols indicate the route to be taken on the display screen. When the driver decides not to follow the instructions displayed on the digital map, his SmartGuide automatically recalculates the new route to take. Developed a decade before all its counterfeiters, it was the world's first digital navigator ever produced.

I am enthusiastic about his achievement. He is concerned about the rude behavior of the representatives of the major automobile manufacturers. After he filed his first patent, they received over 400 million francs from the European Carminat program to develop a competing navigation device. They failed. He received nothing but he managed to develop his own against all odds. He has met them several times since then. He usually is received condescendingly. They love to joke about his stupid digitally oriented maps, based on the axis of the vehicle!

I remember making him a promise when we went for this walk together. To get inventors out of the unfavorable conditions of our society, I would use all my knowledge and legal talent to lay out a "Red Carpet for Creators"

1.3 Expression

Since this conversation, the opinions of car manufacturers have evolved. All of them have adopted his navigator and the digitally oriented maps aligned with the vehicle's axis. But most refused to pay royalties to Villeroché because his invention was "obvious".

The number of unicorns has multiplied worldwide, and the condescending approach to inventors has improved somewhat. However, two recent reports from startups attest to the fact that more progress is possible:

Three years ago, I met a young entrepreneur inspired with a Wright Brothers. After working with his team for more than two years on an electric transport aircraft⁶, he managed to arrange a meeting with a renowned venture capitalist 500 km from his home. This venture capitalist even honored him by signing a non-disclosure agreement, which is a rarity. He often hears the phrase, "You can trust me: my professional ethics require confidentiality." The venture capitalist's schedule is overbooked, and he arrives 30 minutes late to their meeting and says, "Describe your project to me: you have 4 minutes!"⁷ After listening to the creator's response, the venture capitalist concludes, "Contact our national aircraft manufacturer and get back to us if they're interested."

The national aircraft manufacturer had already been contacted by the startup. They were reluctant to sign a nondisclosure

⁶ Anx20200504, Jetelec (crypted)

⁷ With the CreaBOOK, the venture capitalist no longer needs to ask the creator to come and visit him from the other side of the country to get the answer to this simple question. To obtain the response, all he has to do is read the summary of the CreaBOOK sent to him by the creator who asked for an interview. He gets a response in less than a minute. If he wants to know more, he reads the book - the technical and economic data of which accuracy is certified by an accredited expert. If he feels that the creator is, perhaps, on the unicorn highway, he will ask for an interview. Before accessing the content of the information encrypted in the annexes of the book, he will have signed the CreaFREE confidentiality agreement. There will be no long proceedings in the event of a serious dispute. This agreement binds the venture capitalist to the startup through an arbitration clause. Its CreaBOOK being named and timestamped. the creator will have the means to prove his anteriority in the event of difficulties. If the venture capitalist refuses to sign, it means that he has no real interest in the innovation.

agreement that "could potentially impede their own research". The creator had agreed to reveal his research. The manufacturer isn't interested either because "he has known this for a long time", most probably because of NIH (NIH: Not Invented Here).

2. The second startup⁸ has also met with a venture capitalist. It could have been the next one on the above list - I did not ask. His invention involves a wave energy device. The creator had already passed the seed stage; the venture capitalist had allocated 30 minutes to hear about his plan. He projected on his PC a video of his machine that converts wave motion into electrical energy. Based on his feasibility studies, his machine, named HACE, has the potential to replace over 10% of fossil fuels with renewable energy. The video lasts only 10 minutes. For the next 20 minutes, the venture capitalist listens attentively, despite his secretary informing him of an upcoming appointment. After the meeting, the venture capitalist advises the creator to get in touch with the national energy company, believing that they would likely support his innovation⁹.

To give a name to the new standard of the CreaFREE ecosystem, I took inspiration from my conversations with Gérard de Villeroché and initially called it the "Red Carpet Process". But times have changed. Today, the red carpet for startups is the unicorn highway. A creator who provides evidence that he or she is on that highway is likely to be received with a different level of care and courtesy than ordinary startups. To support a startup on this highway, venture capitalists will be willing to commit significant resources to vetting their proposal.

⁸ Anx20191202 Liberating Creation for the Climate (encrypted).

⁹The creator has already made contact with the national conglomerate. He has led research on a project which he considers original. Using the CreaBOOK, if he would have sent to the manufacturer a description of his machine. He would have revealed the contents of the encrypted annexes only under the cover of a CreaFREE confidentiality agreement. He would have been able to foster cooperation within the framework of the amicable report CreaPAX (see the CreaPAX CreaBOOK).

The red carpet of the Arabian Nights or the Cannes Film Festival needed a modern update. That's why I set aside the initial name and, in mid-July 2023, chose "Unicorn highway Standard" to name the creation presented in this CreaBOOK.

1.4 Implementation

The English acronym CreaCORN is used to abbreviate the universal naming worldwide. It will appear on all documents utilizing this standard.

<u> 1.5 Claim</u>

1.5.1 I claim authorship of the name CreaCORN, which designates the Standard for the development and evaluation of the progress of a creation.

1.5.2 I also claim authorship of the names of other creative elements mentioned in this CreaBOOK (such as CreaPAX, CreaTHALER, CreaSURE, CreaCERTI, Souloumiac Multiplier, Responsible Authenticity Marking, etc.).

1.6 Distinction

Major internet search engines reveal several uses of the term "Unicorn Road." However, none of these uses are associated with the term "standard."

The creation of the Unicorn category of companies is attributed to Aileen Lee. It will be my responsibility to obtain a license from her to continue using this name after the release of this book. If not, I will revert to the previous appellation (Red Carpet).

2. IMAGING

The original images are protected by author-right. The European Directive 2019/790 prohibits the publication of this protected content on the Internet without the license of the rights holder.

These rules considerably improve the protection and dissemination of the creative works. The most important is the logo designed by the author in connection with the creation. Others are created to represent the process in this CreaBOOK and its annexes.

This is the case, for example, with the following symbol used in the CreaMAKER software to symbolize the global registration and publication at the end of the ideation phase of the CreaBOOK in the single registry of creations.



Illustration 2. CreaBOOK Registration Icon

2.1 Problem

As the architect of their creation, the creator, often with the assistance of a designer, defines the chosen form to fulfill the function assigned to a creation or a creative element (e.g., a building, a machine, a book, a sign, a logo, a photograph, a painting, an icon, a piece of music, etc.). Designers combine functionality and art, and this fusion is protected by author-right law.

The primary goal of the design representing the CreaCORN is to easily and quickly identify the progress of the startup on the unicorn highway. Once the startup has defined its plan's objective (becoming a millicorn, decacorn, demicorn, unicorn, decacorn, or hectocorn), the next step is to determine its position on this journey. The chosen visual representation must offer creators, incubators and investors a clear view of the startup's progress and the strength of its intellectual property.

2.2 Factor

The logo must serve the startup, its advisors, and its investors. All stakeholders have an interest in having a logo that describes the stage of advancement the startup has reached.

CreaCORN implements the core CreaFREE standard, and its logo should reflect this affiliation.



Illustration 3. CreaFREE Logo

2.3 Expression

It is in light of these considerations that I have designed the following logo:



Illustration 4. CreaCORN Logo

This design draws inspiration from the CreaFREE Standard logo, incorporating its shape and colors. The image above illustrates a startup that has moved beyond the ideation phase and entered the foundation phase.

2.4 Implementation

The logo depicts five functional phases:

Ideation: The creator has drafted the initial version of his CreaBOOK and registered it.

Foundation: The creator has completed the previous phase, invested contributions to launch the seed phase, and successfully passed the certification examination for conformity with Creafree Standard specifications.

Seed: The creator completes and succeeds in the feasibility phase. He updates his CreaBOOK, and successfully passes the economic value certification according to Creafree Standard specifications. Scaling: The creator has completed the previous phase and invests to reach the global market. He updates his CreaBOOK and successfully passes the originality certification according to the specifications of the Creafree Standard specifications.

Expansion: The creator has implemented a quality certification system to ensure the conformity of his products and services with his CreaBOOK and associated licenses. He now sells products and services with the Responsible Authenticity Mark in the global market.

Each step of the process is symbolized by the addition of a green checkmark (V) corresponding to the completed phase. The logo can be used at the startup's discretion when deemed appropriate. It provides all interested parties with a clear indication of the innovation's development stage.

2.5 Claim

2.5.1 I claim authorship of the logo representing the phase achieved by a startup on the unicorn highway.

2.5.2 I also claim authorship of the design for all original images, tables, graphics, charts, icons ... used to describe CreaCORN.

2.6 Distinction

No search through available resources has identified a similar logo for representing the progress of a startup on the unicorn highway.

3. BUILDING

In this chapter of the CreaBOOK I will describe and assert the original elements that make up the substance of the CreaCORN Standard.

3.1 Problem

Banks allocate much of their funds to consumer loans related to products and services that often lack environmental sustainability, or to home loans that contribute to the speculative real estate bubble. They do not have open doors for promising startups. However, investments in startups offer greater potential for profitability, environmental balance, employment, and social future than investments in consumer goods or real estate.

Ownership of the research and development work of startups should be recognized, but this is currently not the case. This explains why funding for startups depends mainly on venture capital and public institutions that specialize in such investments. To enable broader funding of R&D with intellectual property, a comprehensive description, proof, and verification of this authorship is crucial. The disruptive innovations introduced by startups are complicated and should be evaluated by competent experts according to well-defined standards.

By leveraging the tools outlined in the Universal Standard for Intellectual Property (USIP), CreaCORN aims to expand funding opportunities for startups and reduce their failure rate, ultimately equipping our economy to meet the challenges of today.

3.2 Factor

The current practice of selecting startups, as carried out by elite incubators, remains superficial and rudimentary, often relying on

numbers and slogans rather than thorough technical and marketing reviews. As a result, only a limited number of startups succeed in obtaining the necessary funding to bring their innovations to market.

Received business plans	100%
Rejected after initial quick reading	60%
Rejected after more in-depth reading	25%
Rejected after the first meeting	8%
Rejected after deeper discussions	5%
Portion of Funds Unlocked	2%

Table 2. Venture Capitalists' Business Plan Selection

The percentage of selected startups that become unicorns does not exceed 3%. My experience has led me to believe that this situation could evolve positively if we improve the criteria and methods of selection by putting intellectual property at the forefront. This would allow the startups themselves to focus their efforts and demonstrate the value of their R&D efforts. Certification of innovation value development by recognized experts would allow for a much more refined selection process based on the actual legal, technical, and economic value of innovations.

Intellectual property proves the true author, establishes his rights, and measures the extent of his innovation, according to his vision. Proof of authorship is the most legitimate basis for investment security for funders. It ensures returns on investment that guarantee the amortization of research and development costs for startups. The evaluation system, as described by the Universal Standard of Intellectual Property (USIP), allows startups themselves to actively participate in the selection process at an affordable cost and to distinguish themselves with portfolios that offer much more precise and influential gradations than mere business plans. The latter remain hypothetical conjectures where past entrepreneurial brilliance, writing skills, and pitching take up more space than reality. The CreaCORN standard, on the other hand, certifies tangible, demonstrable, and measurable facts.

Î		
	100°	Original innovation value *** plus certificate of originality issued by an accredited international jury.
	80°	Original innovation value ** plus certification of economic value by an accredited expert.
	60°	Original innovation value * plus proof of authorship certified by accredited expert.
	40°	Original innovation described, claimed, timestamped with proof of authorship.
	80° 60° 40° 20°	Invention described, claimed, time-stamped and verified novelty by an office, without guarantee and proof of authorship.
	0°	Unexpressed innovation.
C	2	

Illustration 5. Intellectual Property Certification

A value close to 0° means that the innovation, even if it exists in the mind of the creator, has not yet been expressed. A value close to 100° means that it is fully documented and that the certification of its economic and formal value has been made at the highest possible level. From 0° to 100°, the intermediate steps of the

start-ups on the unicorn highway are completed through increasingly stringent certifications.

The currently predominant intellectual property title, the patent, lacks true certification. It is granted without government guarantee and deliberately refrains from seeking and proving the true creator. It ranks only 20° on the CreaCERTI scale because it offers no government guarantee. Although the examination is designed to reject applications that are not "inventive", many patents are invalidated by courts - nearly one in three. The number of patents abandoned before the end of their duration is even higher.

Practice shows that the further a startup is from its market target, the greater the risks and potential rewards for investors. This graduation makes it possible to define a motivating profit metric based on the degree of innovation progress. The closer the startup gets to its target, the stricter the certification, the probability of full success is high, and the potential profit multiplier becomes low.

Apart from the financial analyzes of the business plan, the quality of the team plays a dominant role in the current selection processes. The efficiency of these criteria may be questioned. The difficulties Apple faced after the appointment of a high-ranking manager, a former president of Pepsi-Cola, show how cautiously these criteria must be implemented.

Assessing the value of the team is important but it should remain secondary to assessing innovation. Because innovation is often difficult to measure, it remains in the dark.

The importance of innovation far outweighs that of the team to project value and success. If innovation has no future, the amount of money allocated will not change that. The money invested significantly improves a startup's team, increasing the innovation's technical and commercial development. The value of a good innovation remains undiminished. If their team fails, another team can pick up the project and successfully bring it to market.

CreaCORN focuses first on the innovation value. Using objective methodologies conducted by accredited experts, with appropriate knowledge, allows for a standard to be defined that all incubators around the world can adopt and implement.

The quality, competitive costs, and potential of CreaBOOKs will account for their success. In the age of creations, the pace of change gets faster and faster. Change is likely to occur in less time than it would take in an infringement proceeding.

3.3 Expression

The CreaCORN is designed to help incubators conduct dynamic monitoring of innovation development. The aim is to offer attractive investments to the financial partners of startups, remunerated according to the stage of development of the company.

First and foremost, it offers each startup the opportunity to establish, improve and certify its intellectual property as it sees fit, especially after completing the 5 phases of development:

- 1. Ideation
- 2. Seeding
- 3. Foundation
- 4. Scaling
- 5. Expand

The startup's progress toward its expansion goal is measured using a multiplier pyramid. Each multiplier gauges the startup's potential profits. The closer it gets to its expansion target, the more the multiplier decreases.

This certification is secured by a contribution based on the revenues of all startups within the CreaFREE ecosystem. This contribution feeds a mutual startup insurance (CreaSURE). The certification system works with simple and reliable assessments. Since errors are always possible, the CreaSURE fund compensates startups and stakeholders who might fall victim to a certification error.

3.4 Implementation

The implementation of CreaCORN is described in the following table:

PHASES	I. IDEATION	II. FONDATION	III. Seed	IV. SCALING	V. EXPANSION
1. Action	Concept	Contribution	Feasibility	Space	Finalization
2. Result	Ownership	Asset A	Asset B	Unicorn	Leader
3. Certification	Registration	Conformity	Value	Originality	Authenticity
4. Finance	CreaTHALER	CreaSHARES A	CreaSHARES B	CreaBONDS	CreaBONDS
5. Pyramid	M5	M4	М3	M2	M1

Illustration 6. Unicorn Highway Implementation

3.4.1 Certification at Each Development Phase

3.4.1.1 Phase I - Ideation

In Phase I, the creator drafts his CreaBOOK according to the recommendations of his incubator, which holds a CreaCORN license.¹⁰ The creator uses the CreaMAKER software, which can be downloaded for free from the CreaFREE platform.

¹⁰ Anx20221210, RhS License and Attached Package Tools (crypted).

Once a first version of his draft is ready, he can contact the incubator to consult an intellectual property advisor to improve the CreaBOOK. The writing techniques for drafting a patent and a CreaBOOK are similar. A patent usually has 11 claims, but experience shows that too many claims can reduce the effectiveness of the instrument. The classic structure of a CreaBOOK consists of only five main chapters, although creators can add more if they wish.

The first three chapters focus on claims related to the name, image, and standard of the creation described. Claims to the building, while concise, are like those of a patent but refer to originality in place of novelty. Name claims are like trademarks but are based on author-right and can refer to multiple original names within a single CreaBOOK. Image claims relate to the innovation's logo and other original images used for illustrative purposes.

The fourth chapter of a CreaBOOK establishes an ethical code of conduct for the operation of the innovation, and the fifth chapter describes the commercialization strategy and estimates its value. This charter is binding for the licensees and all users of the innovation. The calculation of the value of the innovation serves as the basis for the multiplier pyramid, which I will describe in a moment.

Annexes serve to prove the origin and the status of the creative work. Patents do not include annexes. Some annexes are encrypted for later disclosure during partnership negotiations or for subsequent patent applications. Similar to patents, the text of the CreaBOOK benefits from an indisputable timestamp, providing a solid date.

Descriptions and claims in the CreaBOOK can be revised at any time in new versions. Subsequent changes to the description cannot retroactively affect their expression date. Phase I of CreaCORN concludes with the registration and publication of the CreaBOOK on the single registry for creations. The property of the CreaBOOK can be materialized by a Non-Fungible Token (NFT) called Creathaler.

<u>3.4.1.2 Phase II - Foundation</u>

CreaCORN motivates participants to join the project. The CreaBOOK can be read and commented on by participants from all countries of the world on the CreaFREE platform, using the available translation software.

The creator can choose to involve as co-creators the participants who have proposed new original elements to the creation. The creator also responds to participants who have identified weaknesses in the creation. The CreaBOOK is modified based to take into account the appropriate critiques.

The creator assembles a team of co-founders to provide the startup with the necessary resources to launch the company. CreaCORN facilitates the collaboration and remunerates the co-founders' contributions in an attractive way.

The team's contributions are remunerated with CreaSHARES A in accordance with the terms of the CreaCORN license. These CreaSHARES are secured by a pledge on the property of the CreaBOOK. This pledge is later replaced by the allocation of ownership shares in the startup when it is legally founded.

These contributions can take the form of new tools, marketing strategies, prototypes, software specifications, business plans, legal registrations for the startup, etc. They enrich the startup's future assets. The incubator contributes through recommendations and contacts. These contributions can take the form of new tools, marketing strategies, prototypes, software specifications, business plans, legal registrations for the startup, etc. They enrich the startup's future assets. The incubator contributes through recommendations and contacts.

The assets collected in this phase are described in the second version of the CreaBOOK, which is prepared at the end of the foundation phase. They will play a crucial role in the seed phase, when the innovation's products and services are launched on the market.

With support from the incubator, the startup builds strong relationships with a network of partners and advisors to prepare for the seed phase both nationally and potentially internationally. The startup keeps these prospective partners fully informed of its activities by sharing the CreaBOOK. To facilitate in-depth discussions, it offers to sign a non-disclosure agreement (NDA) granting access to some of the encrypted annexes.

This NDA can be concise since the general information about the project is already in the CreaBOOK. And strong, because it confirms the author-creator and includes an arbitration clause. This clause provides access to the resources of the CreaPAX defense system (see the CreaBOOK CreaPAX). Disputes during the future collaboration will be resolved through the amicable dispute resolution procedure provided for in this clause. The future startup should refrain from working with partners or consultants who are not willing to sign such an agreement.

At the end of the period, the content of the CreaBOOK is updated with both positive and negative feedback from platform participants. The innovation's value is revised, with a particular focus on applying the M4 multiplier model (explained below). This second version is submitted for initial review of WCS certification. The accredited expert will review the formal conformity of the CreaBOOK draft with the requirements of the Creafree Standard and the adequacy of responses to comments received during the nine-month public survey of participants.

The creator may revise his CreaBOOK to address the expert's objections during the review. If the review fails, the presumption of conformity is revoked by WCS and the corresponding star is removed from the Single creations Registry. The creator can reapply with a new CreaBOOK after another 9 months.

After a successful conformity review, the startup becomes a full member of the CreaFREE ecosystem and agrees to pay an insurance premium to CreaSURE, which guarantees the certificates issued by WCS. The CreaBOOK receives a second star. The startup is entitled to use the CreaCORN graphic logo symbolizing this achievement with a second green V.

The startup, consisting of the creator and initial contributors, is legally formed, and seed funding is initiated. A shareholder agreement could provide for the following share distribution:

- 60% for the creator(s);
- 20% for the initial and future contributors;
- 20% for the investors.

60% of the equity is given to the creator in exchange for the transfer of the CreaBOOK license to the startup. The remaining 20%, allocated to contributors, will be distributed among various managers who have contributed to the success of the disruptive innovation. The remaining 20% will go in cash to the seed fund's backers, either at the startup's legal incorporation or during the first round of funding.

If the seed funding cannot be raised or is insufficient and the contributors agree, the startup can use CreaSHARES-B, based on the latest CreaBOOK valuation, to finance further contributions or provide cash if needed.

<u>3.4.1.3 Phase III - Seed</u>

Phase III phase is decisive because it shows the technical and commercial feasibility of the innovation. The startup recruits news members for its teams and plants its first seeds. The business plan is implemented and the products and services are developed for technical and commercial trials in selected territories while the next phase, scaling, is prepared.

The CreaBOOK is adapted to document technical and commercial progress. This update primarily relates to annexes describing manufacturing and process protocols, as well as commercial tools developed based on feedback from the field.

Toward the end of the phase, the startup applies for certification of its commercial value. In this phase, it uses the lessons learned from practice. The examination validates the method used to estimate the value of the creation proposed by the creator according to:

- the Standard's recommendations,
- the plan's execution results.

The application of the M3 multiplier and the value of the CreaBOOK are validated or refuted. If the value is validated, the startup may receive guarantees from CreaBONDS to facilitate borrowing. If not, the startup may apply nine months later with an updated CreaBOOK.

<u>3.4.1.4 Phase IV - Scaling</u>

In Phase IV phase, the startup strengthens its team and networks for scaling so that its products can gain a foothold in selected countries.

At the end of this period, the CreaBOOK will be updated based on the improvements made by the company. It will then be reviewed for originality by a WCS-accredited jury. In the case of a dependent innovation, the necessary licenses for the rights to use previous creations must be obtained. The economic value of the creation is verified by applying the M2 multiplier based on the progress of the certification.

If the startup fails this examination, it can later reapply with a new CreaBOOK after a period of 9 months.

The certification of originality gives the CreaBOOK a sovereign status. It surpasses all existing IP protection tools (see Image 1. Degree of Precision of Intellectual Property certification & 5.2 Comparative Advantages). It marks the beginning of the expansion phase in which the startup aims to capture its full market share.

<u>3.4.1.5 Phase V - Expansion</u>

In Phase V, the startup increases its financial resources as needed, strengthens its team, refines and develops tools to establish its innovation as a market leader.

In this phase, the startup submits a protocol to the WcS to ensure that the products or services brought to market meet Responsible authenticity Marking (RaM). This protocol is established and implemented using the conformity assessment standard ISO, which certifies that products the requirements of the applicable standards. The RaM is accompanied by the mutual support provided by the CreaSURE guarantee system. At this stage, the company usually achieves and exceeds its initial goal.

3.4.2 Evaluation Methodology for Innovation Value

3.4.2.1 Principles of the Souloumiac Multiplier

The value of the startup's innovation is determined at each stage of the process. In the initial CreaBOOK, the creator assigns a final value to the innovation to be achieved within the estimated timeframe to enter the expansion phase. These calculations may be readjusted based on the performance outlined in each subsequent CreaBOOK. This final value is determined according to the market share that the startup aims to capture.

The startup's current value is determined by dividing its final value by the appropriate multiplier of the pyramid. The amount of the multiplier gradually decreases as the startup gets closer to its final goal.

The multiplier enables the startup to provide its investors with ambitious but realistic returns associated with becoming a decacorn, unicorn, or even more.

3.4.2.2 Practical Example

In the following example, a reference multiplier of 1,000 is used to calculate the increase in value of the creation over a seven-year period extending from the completion of Phase 1 to the target of Phase 5. This means that the value of a single share invested in the startup is multiplied by at least 1,000 when the startup reaches its reference target ¹¹.

¹¹ Other parameters may be retained depending on the particular situations of each startup (see Table 1 - Performance of 5 French unicorns).

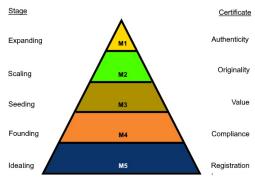


Illustration 7. Mutlipliers Pyramid

For example:

- M5 Final value / initial value 1/1,000 potential of creation after the idea generation phase is completed.
- M4 M5 1/400 Potential of creation once the formation phase is completed.
- M3 M5 1/150 Potential of creation once the seed phase is completed.
- M2 M5 1/20 potential of creation once the scaling phase is completed.
- M1 M5 1/1 potential of creation when expansion target is reached (Unicorn stage, for instance).

A multiplier table similar to the following can be used to calculate the capital valuation in each phase:

Phase	Proximity	Objective (Billion €)	Multiplier	Startup value (Billion €)
Ideation	M5	1	1 000	0,0010
Foundation	M4	1	400	0,0025

Seed	M3	1	150	0,0066
Scaling	M2	1	20	0,0500
Expansion	M1	1	1	1,0000

Illustration 8. Applied Mutlipliers

3.4.3 Benefits of CreaCORN

The CreaCORN Standard offers numerous advantages over traditional startup support and asset valuation methods. Here are some of the advantages it offers:

- Recognition of authorship: CreaFREE allows authors to prove their authorship by creating a CreaBOOK and use the force it provides.
- Ethical and responsible image: CreaCORN integrates an ethical exploitation charter into the CreaBOOK, guaranteeing that creations are produced, distributed and used responsibly.
- Certification and Responsible authenticity Marking: the standard includes a certification process for creations as well as Responsible authenticity Marking (RaM), which guarantees the authenticity and ethical compliance of distributed products and services to end customers.
- Ongoing value assessment: CreaCORN assesses the value of startups at each stage of their development process based on their position on the Unicorn Route.
- Collaboration and benefit sharing: CreaFREE encourages collaboration between creators, co-founders, contributors, investors and all other participants in the world CreaFREE ecosystem. It enables fair sharing of the benefits associated with their participation based on their respective contributions at each phase of the process.

These value propositions are designed to foster innovation, support startups, and create an ecosystem for responsible development and continuous environmental improvement.

<u>3.5 Claim</u>

3.5.1 I claim authorship of the CreaCORN standard, which facilitates capital raising and startup development through the certification of CreaBOOKs.

3.5.2 I claim authorship of the CreaCORN standard, which facilitates capital raising and startup development through the application of the multiplier pyramid.

3.6 Distinction

The CreaCORN Standard incorporates several creative elements derived from the original CreaFREE Standard. No prior similar innovation is found on the internet.

4. PROTECTING

This charter governs the use of innovation by all stakeholders.

Preamble

Cooperation among nations has not been sufficient to meet the environmental challenges of today's world. Disasters, famines, migrations, financial crises and wars are the consequences of this failure.

Change is hindered by an intellectual property system that impedes the development of most needed innovations. New foundations among civil society partners are needed to renew the economic structures that underlie this failure.

The CreaCORN aims to liberate startups. It is based on universal treaties and intellectual property agreements that enable startups to fund the investments needed to address these challenges.

Among other things, these agreements enable creators to exercise their right to protect the property and integrity of their creations.

Article 1

As guardians of the integrity of their creations, ecosystem members include an ethical charter in their CreaBOOKs that prescribes continuous improvement in the use of their innovations with respect to the technical, moral, and environmental requirements of their exploitation.

<u>Article 2</u>

Startups benefiting from the Unicorn highway Standard pay the necessary contribution into the CreaSURE mutual fund to ensure the validity of certifications issued by the WcS.

<u>Article 3</u>

All citizens can participate in public surveys organized on the CreaFREE platform for the certification of CreaBOOKs.

Persons who feel that their rights have been violated may use the services offered by WcS to initiate an amicable dispute through CreaPAX.

They have the right to challenge before the competent court any product or service that violates the requirements associated with Responsible authenticity Marking.

5. VALUING

The value of a startup to investors depends on the expected returns relative to the amount invested. This value is initially determined by the probability and proximity of the return on investment.

5.1 Caliber A: Inputs and Achievements

I started thinking about the process outlined by CreaCORN when I founded my first startup called Quintel SA. As CEO of that company (1984-2000), I struggled with several challenges that startups face; and in particular:

- National patent applications and international extensions.
- Valuation of intangible assets brought to the company by creators, co-founders, engineers, managers, vendors and employees.
- Market studies.
- Business plans.
- Negotiations with shareholders and other investors.
- Grants and research contracts from various public agencies.
- Design of prototypes, software, manufacturing and robotics.
- Signing confidentiality agreements to present our innovations to other companies.
- Product certification to ISO and Department of Defense standards.
- Commercial documentation and public relations.
- Marketing and sales of research and products.
- Intellectual property and unfair competition disputes in court.
- Amicable settlement of disputes.

In my role as intellectual property advisor for the European Inventors Association, I have had discussions with various stakeholders on these issues:

• Members of the ten national organizations represented.

- Numerous European inventors who face the challenge of funding and commercializing their innovations.
- Various professional groups that support them in this endeavor.
- Banks and venture capitalists.
- Public authorities responsible for implementing basic intellectual property requirements in accordance with commitments made in human rights treaties.

In 2008, I founded a second startup to promote a new legislative platform and the Global Plan for Climate Change (GP3C).

Five years later, I founded a third startup with the goal of addressing the funding difficulties of startups and promoting their breakthrough innovations. For this reason, I wrote the 112 articles of the Universal Intellectual Property Standard¹².

The net gains from these inputs amounted to no less than 4,356 working days¹³. They facilitated the structuring of the basic tools such as:

- The CreaBOOK.
- The certification exams.
- The Multiplier.
- The Joint Report included in amicable settlement procedure.
- The Mutual creation Insurance.

The elaboration of the first version of CreaCORN CreaBOOK took no more than 4 working days. In the foundation phase it was revised three times and took a total of 28 working days. The consulting and translation work in the seed phase took 25 more working days.

¹² Anx20221201, <u>Universal Standard of Intellectual Property</u>

 $^{^{\}rm 13}$ Anx20220624, Author's Contributions to the Creation of the CreaFREE Standard (crypted)

Caliber B: Comparative Advantages

The value of startups' intellectual property has a significant impact on their ability to raise funding.

Today's structures offer innovators three ways to enforce their intellectual property and recover their R&D costs: patents, copyrights, and CreaBOOKs. International patents are prohibitively expensive for startups. Copyright is free, but vague and not a deterrent - except for publishers with extensive legal resources.

The CreaBOOK is accessible to all. CreaMAKER is free to use. The cost of certification is largely offset by the gradual increase in the value of the startup. It is more detailed than a patent. It proves the authorship of the innovation. It benefits from the strong CreaPAX defense system.

With a patent, the first applicant is presumed to be even if the contrary is demonstrated, the creator of the invention.

Like any breakthrough innovation, CreaBOOK faces strong resistance from the established order. Large companies that enjoy a quasi-monopoly on international patents are bound by existing systems. Experts trained within this order are convinced of its validity.

However, I believe that CreaBOOKs will spread rapidly because of its technical superiority and economic accessibility, because it meets the needs of our time, because it conforms to the provisions of the major universal treaties, and because start-ups have no alternative. During the transition period, the CreaBOOK's encrypted attachments will allow startups in need to file subsequent patents— - when they have sufficient funding.

No	Advantage	Patent	Author-r ight	Unicorn Road
1	Declaration of property consistent with Universal Declaration and related treaties	No	Yes	Yes
2	Universal and long-term recognition	No	Oui	Yes
3	Equal and democratic access	No	Oui	Yes
4	Proof of "paternity"/"maternity"	No	No	Yes
5	Combines claims of name, form, and technique	No	No	Yes
6	Responsible and ethical development	No	No	Yes
7	Materialization of property through a Non-Fungible Token (NFT)	No	No	Yes
8	Certificate of declaration conformity	No	No	Yes
9	Certificate of creation evaluation	No	No	Yes
10	Certificate of creation originality	No	No	Yes
11	Responsible authenticity Marking	No	No	Yes
12	Simple disputes' resolution	No	No	Yes
13	Mutual insurance of Creations	No	No	Yes
14	Phase-by-phase metrology of the creation process	No	No	Yes

Illustration 9. Comparative Advantage

- 1. The current practice of intellectual property leads to significant discrimination between scientific authors and artistic authors. This is not in accordance with the principles proclaimed in the Universal Declaration of Human Rights and declared binding in the International Covenant on Economic, Social and Cultural Rights. The secrecy, high fees and monopolistic practices introduced by the patent laws violate the general right of every author to fair and effective protection. Moreover, the expropriation of unpatented inventions violates the fundamental principle of the rule of law, according to which the free citizen is the owner of his own work. Patents owe their existence to the privileges granted to established patrician societies over plebeian creators. Against this patrician order CreaCORN defends virtue, talent, merit, and the common interest in genuine progress.
- 2. CreaCORN implements the author-right protected by the Berne Convention, imposes no secrecy obligation, provides for immediate publication, and offers free and universal protection that lasts throughout the life of the author and for at least 50 years after his death. The CreaCORN allows all creators to enjoy the benefits of their creative works.
- 3. The CreaFREE ecosystem breaks the monopoly that reserves the use of patents only to large companies. It eliminates all taxes, translation fees, and complex administrative procedures. It unleashes the creative potential of creators worldwide, like the Internet makes it possible. It introduces the universal concept of creation through a Single creations Registry. It provides software that allows any creator to freely edit their own CreaBOOK.2. The Creafree Standard is based on authorship, which should legitimately be the only acceptable proof of property. The true origin of the universal concept of creation is not considered by our patent system, which only values the first applicant. The examination used to evaluate CreaBOOKs is based solely

on scientific principles that lead to universal conclusions. Possession is not sufficient proof of authorship.

- 4. The Creafree Standard advocates for a simplified declaration that recomposes our fragmented intellectual property practices. This recomposition facilitates the identification of counterfeiters and expedites dispute resolution. Technical, name, and design claims are combined so that all parties and the judiciary can clearly distinguish authentic products from counterfeit ones. This gives startups a much more deterrent intellectual property right.
- 5. The CreaFREE ecosystem organizes the responsibility associated with the moral and material rights of the creator. It has the right and the duty to ensure the obligation of following the exploitation of their creative work. This responsibility includes the continuous improvement of the ecology of their creation. This is not the case with other forms of intellectual property. Ethics are not considered in patents. Several new patents that accelerate climate change are delivered every day. It is reasonable to believe that this ethical approach will bring strong public support for CreaCORN.
- 6. Ownership of the CreaBOOK can be materialized through a non-fungible token (NFT). Once registered in the blockchain, the content of the CreaBOOK becomes imperishable.
- 7. The CreaCORN initial certification process guarantees the CreaBOOK's conformity with the provisions of the Creafree Standard with respect to data and proof of property. This guarantee does not exist for patents for which the examination is only indicative and whose validity is not supported by the guarantee of the issuing office.
- 8. The CreaCORN second level certification ensures that the evaluation of the creation complies with the requirements of the standard. The expertise evaluates the plausibility of the assessment process after the seeding phase is completed.

- 9. The third stage of CreaCORN certification refers to the authenticity of the creation. The examination of originality is performed by a jury composed of experts selected from among the world's top professionals in the relevant sectors. Like a Nobel Prize, this certification makes the CreaBOOK a sovereign title of property. As with previous certifications, the certificate issued is insured by CreaSURE, the mutual insurance for creations.
- 10. Sovereign certification allows startup products and services to bear the seal of responsible authenticity. Any interested party can challenge in court the status of a product or service that violates the name, design, standard, or ethical creation charter of the referenced CreaBOOK.
- 11. With a simple argument supported by all the necessary evidence, certified CreaBOOKs are more deterrent than patents. An accessible, fast, and efficient amicable dispute resolution process will resolve disputes. The CreaPAX process, conducted unilaterally when the company suspected of theft, espionage or counterfeiting refuses to participate, prepares expert evidence for the justice trial.
- 12. These certificates, covered by CreaSURE, are issued by WcS. They are the result of a clear procedure based on facts. Since the total added value of startups and unicorns' creations is many times greater than their investments, mutual solidarity will compensate for any weaknesses.
- 13. CreaCORN licenses will give new impetus to incubators and their specialized consultants. With proper training for those involved, advising startups will be focused on a clear and distinct path to unicorn status. Incubators will be able to provide scientific expertise and gradually increase the value of startups as they develop. Uncertainty will diminish, and measurement will provide accurate assessments to all stakeholders. Venture capitalists' decisions will be based more on the merits of startups than on the cleverness of their pitches.

The CreaFREE ecosystem will:

- Reduce damage to the planet by introducing responsible creation development.
- Increase the efficiency of research and development through open collaboration among creators by limiting secrecy.
- Strengthen peace through high interdependence among creators of all nations.

Caliber C: Market Trends

Times are changing at an accelerated pace.

The report of the <u>Grantham Research Institute and Systemiq on</u> <u>the history of 21st-century global growth</u>, led by Nicholas Stern and Mattia Romani, points out:

> "The world holds in its hands a new narrative of growth and development propelled by investment and innovation in green technologies, driven by artificial intelligence (AI) (...) and it's a far more enticing and inclusive story than the dirty and destructive paths followed in the past (...).

> Over the next five years, more than half of the crucial tipping points in green technologies will have been reached, making them competitive in key markets. The process of structural and systemic change will span decades. However, this decade is pivotal in curbing the risk of greater climate instability. Accelerating action now is imperative."

The CreaFREE ecosystem is poised to play a significant role in realizing these trends. Its Unicorn plan creates new vectors for the announced acceleration.

Unicorns are companies that start from scratch and achieve a billion-dollar valuation in less than a decade. As of February 2022, there were 1,000 unicorns worldwide. If the growth observed over the past three years continues, there could be 60,000 unicorns by 2030. At that point, a tipping point would be reached: green unicorns might have the opportunity to address the climate issue.

Israel, the startup nation, is exemplary. Its GDP was \$255 billion in 2012. According to World Bank statistics, it has nearly doubled since and will reach \$497 billion in 2022. High-tech unicorns are among the driving forces behind this growth. They are particularly numerous and pivotal in this country. Israel ranks first in the world in terms of unicorns per capita. In 2022, there were 97 unicorns in this small country of around ten million people, whereas the UK had 43 and France had 26.

The United States has the highest number of unicorns in the world. In the second quarter of 2023, there are over 800. Out of two unicorns in the world, one is of American origin. Their sales are about 3% of GDP. Much of this success is due to the U.S. remaining a leader in intellectual property, being attractive to startups, and having a few good incubators.

World incubator productivity is currently low. On average, each incubator has produced only 0.1 unicorns to date. Lacking proper tools to effectively support startups, most incubators are limited to providing hosting and logistical support.

CreaCORN

As part of the IcF Unicorn Plan, CreaCORN proposes to provide selected incubators with a standard process that will enable more startups to efficiently raise funds and reach the unicorn status.

According to the above report, the faster growth of emerging and developing economies (EMDEs) will change global industrial geography and business models. The CreaFREE ecosystem will help mitigate this trend by reintroducing more diversified and less supply chains through contracts rather than vulnerable outsourcing. Multiple sources of key products and inputs will once again be available. At the same time, CreaCORN promotes equal access to intellectual property rights for all countries. As the report notes, countries around the world are competing to attract investment to gain a dynamic comparative advantage. By focusing on sharing best practices and green technologies, CreaPOLES will promote both interdependence and a more balanced territorial distribution of production. These will organize certifications, amicable conflict resolutions and the promotion of the best technologies in each creative sector.

The rapid transition to sustainable growth will require large-scale investments: "Somewhere between \$5 and \$7 trillion annually in gross global investment for clean energy and digital transformation (...) the necessary global increase in investment will be about 2 to 3% of GDP, less in wealthy countries, more in EMDE."

The CreaFREE ecosystem will put an end to inequalities between patrician and plebeian nations resulting from the high cost of international intellectual property. All creators will have free access to protecting their creative innovations through CreaBOOKs. Due to the diffusion of the CreaCORN standard, many incubators worldwide can more equitably benefit from the high investment rates of unicorns. As emphasized in the Grantham report, there will be no global austerity. "These investments will create a strong and lasting recovery from the current crisis and prevent a lost decade for development."

The report concludes: "The new narrative of sustainable growth centered on technology represents the greatest investment opportunity since the industrial revolution. The private sector will provide the majority of this investment, but public-private partnerships in policy, innovation, and financing are essential. Opportunities are present for all countries."

The CreaCORN Standard will provide all startups in the private sector with the tools they need to accompany these trends:

- An accessible CreaBOOK to describe, protect and enhance their intellectual property.
- The CreaCORN process, phase by phase, to secure the necessary investments and reach the market.
- A metrology that will serve as an attractive and common tool to measure progress.
- A focus on responsible development for all companies that are on the Unicorn highway of the CreaFREE ecosystem.

The first incubators to implement CreaCORN will gain a significant head start. After the initial demonstrations, more will follow: At least 1,000 incubators using a well-implemented license can be involved in the creation of 15,000 new unicorns by 2030. Incubators located in creative valleys should benefit from the support of local authorities through the implementation of the anti-offshoring clause for a period of at least 70 years, guaranteed by the pledge pact accepted by the startup on its CreaBOOK.

CreaCORN certification will significantly contribute to mitigating the negative effects of technological progress that humanity has experienced over the last three centuries. Ethical operating charters will guide CreaCORN unicorns on the path of continuous ecological improvement — far from the destructive paths of past progress.

Caliber D: Model and Market Share

Like most startups, CreaCORN' economic operating model relies on a digital platform that tracks transactions and manages all activities.

The CreaFREE platform is funded by the International creations Fund (IcF), which manages CreaFREE, CreaCORN & CreaPAX standards and follows Edison General Electric's organizational model.

Fieldwork is conducted by incubators accredited by the IcF and involving the three main institutions of the CreaFREE ecosystem: World Creators Society, CreaPOLES and CreaSURE.

The CreaFREE ecosystem aims to widely adopt the Responsible authenticity Mark (RaM) for all unicorn activities. The IcF's goal is to cover at least 4% of products and services sold on the global market by 2030.

Caliber E: Potential Starting and Ending Value

The CreaCORN is the driving force of the Unicorn Plan. This Plan aims to contribute to unicorn growth through:

- A close partnership with incubators,
- Leadership media campaigns around the issuance of sovereign certificates,
- Training for CreaPOLES stakeholders,
- Support for plebeian patent offices and their countries of origin,
- Continuous improvement of the digital platform,
- The success of authentic products in the world market, supported by public opinion and creative valleys.

The IcF has set the goal of having 15,000 unicorns participate in the CreaFREE ecosystem by 2030 in collaboration with incubators. After receiving originality certification for their CreaBOOKs, they will sell products and services with the Responsible authenticity Mark (RaM). Like all startups that have signed certification agreements, they will be insured by the CreaSURE organization.

With the minimum value of a unicorn of one billion euros, these 10,000 unicorns will represent a total value of at least 15 trillion euros, with sales of over 5 trillion euros. This means that at least 4%

of the world's service production will be authentic and environmentally friendly products covered by RaM.

To benefit from the mutual creation insurance, they will have to contribute at least 0.5% of their turnover, according to the contract signed during the first certification. In this way, the revenues of the CreaSURE will amount to at least 25 billion euros per year by 2030.

The 20% royalty for the IcF license will not be less than 5 billion euros. With a Price Earning Ratio (PER) of 10, the final value of IcF will be 50 billion euros by 2030. In addition, other royalties and commissions from other IcF activities will be collected: registration, editorial advice, certifications, defense of CreaBOOKs, etc.

In February 2023, the M4 mathematical function of the multiplier can be applied to IcF seed funding calls, considering that:

- CreaBOOKs have been timestamped, registered, and uploaded to the CreaFREE platform,
- The first CreaBOOK beta tests have been performed,
- The IcF statutes will grant the company ownership of the CreaCORN and CreaFREE standards for at least 70 years,
- The target for terminal value is expected to be achieved within the next 7 years.

At the beginning of the seed phase, the value of the IcF is:

M4 = Foundation value

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(Unicorn Revenue * 0.5% Contribution * 20% Royalties) / 400
50 billion euros / 400 = 125 million euros
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Illustration 10. IcF Value After the Foundation Phase

With a split of 20% for investors, 20% for contributors and option managers, and 40% for creators, the plan is to raise approximately 50 million in stages to fund the end of the seed and pre-scale phases.

Assuming 7% participation in the same unicorns, incubators will:

Capital	Value	of	Incubator	Holdinas
o apricar		•••	mound	

(Total Unicorn Value * Incubator Equity Share)

Total Participation: 15,000 * 7/100 = 1,050 billion euros

Illustration 11. Incubators' Holding in 2030

This results in an average equity share of 1.050 billion per incubator. $^{\rm 14}$

¹⁴ In comparison, Y Combinator has supported 3,000 startups to date. The total valuation of these companies is estimated to be over \$65 billion today. Considering that Y Combinator typically takes an average of 7% equity in these companies, the current value of its holdings is at least \$4.55 billion. With the rapid rise in the number and value of unicorns, its performance is likely to have significantly improved by 2030.

I hereby certify that all the information contained in this CreaBOOK is truthful and accurate, and I commit to correcting any errors or omissions discovered thereafter.

Thann, 11-08-2023

The author,

Alain Souloumiac