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Fintech Final Assignment – Bocconi University

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**MEMORANDUM: DemocrAccess**

**ENABLING ACCESS TO JUSTICE FOR VICTIMS OF SCANDALS**

Abstract: In an era marked by financial, consumer, and environmental scandals, the need for an accessible platform that empowers victims to participate in class actions has never been more pressing. This paper outlines a robust business model for a fintech platform designed to serve this purpose. The model encompasses a strategic branding approach, considerations for maximizing interoperability, a sustainable revenue model, and a strong focus on utility, security, and privacy. Additionally, it outlines a comprehensive intellectual property (IP) strategy to safeguard innovations and maintain a competitive edge in the market.

## Contents

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>3</b>
<b>II.</b>	<b>THE FINTECH BUSINESS.....</b>	<b>3</b>
<b>III.</b>	<b>BRANDING.....</b>	<b>4</b>
<b>IV.</b>	<b>A SUSTAINABLE REVENUE MODEL.....</b>	<b>4</b>
<b>V.</b>	<b>TRADEMARK.....</b>	<b>5</b>
<b>VI.</b>	<b>INTELLECTUAL PROPERTY PROTECTION.....</b>	<b>7</b>
<b>VII.</b>	<b>INTELLECTUAL PROPERTY STRATEGY.....</b>	<b>8</b>
<b>VIII.</b>	<b>CONCLUSION.....</b>	<b>9</b>

## I. INTRODUCTION

In traditional legal systems, pursuing justice often comes with significant financial barriers. Legal representation, court fees, and the sheer complexity of the legal process make it challenging for victims to seek compensation. This creates a market gap where the demand for justice exists but is often suppressed by financial constraints.

At the same time, in the vast landscape of global commerce, the unfortunate reality persists that the unlawful can often be profitable for wrongdoers. Punitive damages, designed to punish wrongdoers and deter future misconduct, are a powerful tool in the pursuit of justice. However, it is crucial to note that the application and regulation of punitive damages vary significantly across jurisdictions. The United States of America stands out as a jurisdiction where punitive damages are not only permissible but can be substantial. In contrast, many countries lack stringent regulations, resulting in inadequate deterrence against unlawful activities.

The proposed fintech platform aims to bridge this gap, offering an accessible and cost-effective solution for victims to engage in class actions. The platform's unique value proposition lies in its ability to democratize access to justice. By offering free sign-ups and simplifying the registration process, the platform broadens its user base, reaching individuals who might otherwise be deterred by financial constraints or procedural complexities. This inclusivity enhances the platform's reach, creating a sizable market of individuals seeking justice.

At the same time, by enabling a large number of victims to participate in class actions, the platform amplifies their legal power and the increased number of lawsuits serves as an economic deterrent for large companies. Facing multiple legal challenges for the same wrongdoing not only increases the financial burden on the company but also sends a powerful message that unlawful actions will result in significant consequences.

In essence, the more victims gain access to justice through the platform, the more resilient the system becomes in holding wrongdoers accountable.

## II. THE FINTECH BUSINESS

The Fintech Business is an online platform enabling scandal victims to easily register for class actions without any registration fees. The main core of the business model is accessibility, since it provides access to democracy, using an accessible platform that is easy to navigate and with an accessible price. From there comes the name **DemocrAccess**.

As more class actions are initiated and resolved, legal precedents are established. These precedents contribute to systemic change, shaping the legal landscape and influencing how similar cases are approached in the future.

Moreover, the platform's impact extends beyond legal consequences. Multiple class actions draw public attention to the wrongful acts of companies, damaging their reputation. The fear of tarnished public image becomes a powerful motivator for companies to rectify their practices and prevent further legal action.

Therefore, while initiative will typically come from the law firms contacting DemocrAccess, there will be also a feature for users to suggest new class actions. The platform will evaluate these suggestions and contact specialized lawyer, potentially starting a new case.

To ensure legitimacy, victims undergo a background check conducted by platform operators to verify their eligibility for class actions. For this, the platform would need to gather information and documents from the victims for case assessment.

In this sense, it is crucial to design a data collection process with a focus on user-friendliness, transparency, and compliance with data protection regulations. Clear communication about how the information will be used, stored securely, and shared with legal representatives is essential to build trust with the victims.

For this purpose, providing a comprehensive video tutorial will be a strategic and user-friendly approach to comply with GDPR (General Data Protection Regulation) requirements while helping users understand how their data will be managed on the fintech platform. The video will have a step-by-step walkthrough of the registration process, explanation of the types of information collected and the purpose of each data point and emphasis on the voluntary nature of participation and the right to withdraw consent.

It will address financial, consumer, and environmental niches, each requiring a targeted branding strategy to effectively reach and engage potential users, as explained in better detail in Chapter III.

Chapters V. and VI. will further explore trademark and IP strategies.

### **III. BRANDING**

As briefly mentioned on the previous chapter, the platform will address, in particular, financial, consumer, and environmental niches, each requiring a targeted branding strategy to effectively reach and engage potential users,

For financial scandals, targets will be individuals affected by frauds, Ponzi schemes, or investment scams. The platform will also provide educational resources to prevent future victimization.

For consumer scandals, focus will be given on issues like product defects, false advertising, and unfair business practices. There will be also a hub where consumers can share their experiences.

For environmental scandals, emphasis will be given to promote sustainability and eco-friendly initiatives, catering to those affected by environmental negligence or pollution. Through partnerships with environmental organizations and educational initiatives, it seeks to not only provide redress but also promote sustainable practices and corporate accountability.

In order to raise awareness about DemocrAccess and its mission, the branding strategy would focus on utilizing popular social media platforms such as Facebook, Twitter, LinkedIn, and Instagram, collaborating with influencers in each niche to increase brand visibility and trust. There would be also partnerships with organizations specializing in consumer rights, financial literacy, and environmental activism. Finally, we would seek public endorsements from politicians and celebrities who align with the platform's mission and the specific cases.

In addition, the platform will implement branding initiatives to connect with law firms specializing in class actions, such as participation in conferences and industry networks to establish a strong presence and initiate conversations with potential law firm partners.

Finally, there will be targeted advertising (such as Google Ads and social media ad campaigns) to reach potential victims and law firms.

As the platform launches into the legal empowerment arena, its multifaceted branding strategy reflects a commitment to making justice accessible, transparent, and impactful. The journey toward empowerment and accountability will be made through a strategic fusion of advocacy, education, and collaboration.

### **IV. A SUSTAINABLE REVENUE MODEL**

The project profitability model is designed to ensure the sustainability of the platform while remaining aligned with its mission of empowering victims through class actions. In this sense, the sign-ups and registration process would be completely free.

However, the platform also needs to cover the operational costs, including salaries for personnel handling data analysis, communication with lawyers, case streamlining, and other crucial tasks, such as marketing initiatives

(better addressed in Chapter III). Therefore, law firms seeking to connect with potential clients through the platform would incur charges.

Furthermore, a premium feature will be created for users willing to pay for additional services, such as case tracking. Besides the online platform for registration, there will be a dedicated app for case tracking, streamline the legal process, and keep users informed throughout their class action proceedings. Users can also register to receive this information via email. For this, the app would establish API (Application Programming Interface) connections with legal databases for real-time updates on relevant cases and receive communication from the law firm in charge of the cases.

In essence, the sustainable revenue model ensures that DemocrAccess not only fulfills its financial obligations but also continues to provide essential services to victims, thereby strengthening its impact in the legal empowerment landscape.

## **V. BUSINESS LOCATION: EUROPEAN UNION**

After a thorough due diligence, the most relevant location to launch our business is the European Union, compared to the United States. Although they have similar intellectual property (IP) protection systems, they also have some differences. The European Union has certain advantages in its IP protection system compared to the United States.

One advantage is the EU's development of a unified system for certain types of IP. Indeed, inside the European Union, the Intellectual property rules are quite harmonized, which gives access to a big market. In fact, harmonization concerns copyright rules as well as trademarks. This has been achieved through the establishment of the European Union Intellectual Property Office (EUIPO), where trademarks can be registered and are valid throughout the entire EU. In contrast, the US has a federal system but lacks a truly unified system for IP rights at the federal level. This can create complexities in obtaining and enforcing IP rights across different states.

The EU possesses a unique and exclusive right to safeguard databases, in addition to copyright protection. This grants an extra layer of defense for the investments made in developing a database. Conversely, the US lacks a corresponding exclusive right for databases.

The EU has implemented rigorous regulations for data protection, exemplified by the General Data Protection Regulation (GDPR). These regulations aim to safeguard the privacy and personal data of individuals. Although not directly an intellectual property protection measure, the GDPR holds significant implications for data usage and protection. This can be advantageous for individuals using DemocrAccess. In contrast, the US lacks a comprehensive federal data protection law that mirrors the scope of GDPR.

## **VI. TRADEMARK**

### **1. Register the platform's name, logo, and any unique features to establish a strong brand identity.**

To establish a strong brand identity, it is beneficial to register the name, logo, and any distinctive elements of DemocrAccess as trademarks. There are several advantages to doing so.

Firstly, trademark registration grants the owner exclusive rights to use the registered name, logo, or other unique features in connection with the relevant goods or services. This prevents others from using a similar name in a way that may confuse consumers.

Also, trademark registration offers legal protection, enabling the owner to take legal action against unauthorized use of the name, logo, or other distinctive elements. This includes the ability to seek damages and injunctions to halt unauthorized usage.

Moreover, a registered trademark aids in building brand recognition and goodwill. It signals to consumers that the products or services associated with the trademark originate from a reputable source, which is valuable for businesses seeking to establish themselves in the market.

Furthermore, it enhances a company's credibility, demonstrating to customers and partners that the business is committed to safeguarding its brand.

Creating a distinct name, logo, or other distinguishing elements for their own offerings can dissuade others from using a name, logo, or other unique features that have already been trademarked.

Additionally, a registered trademark can be a valuable asset for a business, enhancing its overall worth. It can be licensed or transferred to others, generating additional income for the trademark owner.

Lastly, registration ensures protection within the specific country or region where it is registered and may even serve as a foundation for seeking protection in other countries via international treaties and agreements.

## **2. Regularly monitor and enforce trademark rights.**

Monitoring and protecting trademark rights is incredibly beneficial for businesses that own them. Not only does it safeguard their brand identity and reputation, but it also instills trust in consumers, keeping the brand's value intact and fostering customer loyalty.

By keeping a watchful eye on the market, trademark owners can identify instances where their marks are being wrongfully used by competitors or other parties. Swift enforcement actions can prevent dilution of the mark and reduce the risk of consumer confusion, ultimately protecting the company's market share in highly competitive industries.

Effective enforcement of trademark rights provides legal protection against infringement, counterfeiting, and unauthorized use of the mark. Pursuing legal action against infringers can result in injunctive relief, damages, and the recovery of profits, acting as a strong deterrent against future violations.

Also, a well-enforced trademark can enhance the value of the mark, making it more appealing for licensing and merchandising opportunities. This opens up additional revenue streams for the trademark owner, ultimately strengthening the brand's position in the market.

In today's global marketplace, safeguarding a trademark in different jurisdictions is of utmost importance. To achieve this, it is crucial for countries to keep a close eye on and enforce trademark rights, thereby deterring any unauthorized use and counterfeiting on a global scale.

Regular monitoring and enforcement efforts help trademark owners to strengthen their rights by demonstrating consistent and continuous use of the mark. This is a vital step in upholding the mark's distinctiveness and validity. Moreover, active enforcement is necessary to prevent a trademark from becoming generic. When a mark is used so extensively that it becomes synonymous with a general category of goods or services, it can potentially lose its trademark protection. Therefore, it is essential to ensure that a trademark retains its unique identity and value.

To protect the value and integrity of a brand or mark, it is imperative to monitor and enforce trademark rights. By actively policing the use of trademarks and taking appropriate enforcement actions, trademark owners can safeguard their intellectual property and maintain a competitive advantage in the marketplace.

## VII. INTELLECTUAL PROPERTY PROTECTION

### 1. Copyright

Protecting an online platform like DemocrAccess by copyright can yield several important benefits, both for the platform itself and for the users. Some of the key benefits of protecting an online platform by copyright include:

- Copyright protection provides the platform with legal recourse in the event of unauthorized reproduction, distribution.
- Copyright protection enables online platforms to enter into licensing agreements for the use of their original content, potentially creating new revenue streams through content syndication, partnerships, or other commercial arrangements.
- By respecting and implementing copyright protection measures, compliance with applicable intellectual property laws is ensured, reducing the risk of legal disputes and liabilities related to copyright infringement.
- Copyright protection helps to preserve the unique identity and character of DemocrAccess by safeguarding its original content against unauthorized use or misappropriation by others.
- Thanks to the copyright protection, DemocrAccess may be better positioned to establish strategic partnerships leading to collaborations that can benefit the platform and its users.

Overall, copyright protection can contribute to DemocrAccess integrity, growth, and sustainability, while also benefiting the creators and users who engage with the platform's content.

### 2. Database protection

The European Union takes the protection of databases seriously, and it has a comprehensive framework in place to ensure that creators and investors are treated fairly. This framework comes in the form of the EU Database Directive, which was introduced in 1996.

The main goal of this directive is to standardize the legal protection of databases across all EU member states. It provides a solid foundation for safeguarding the rights of those who have invested significant time, effort, and resources into obtaining, verifying, and presenting the contents of a database.

At its core, the EU Database Directive offers legal protection for **original databases**. This refers to collections of independent works, data, or materials that are arranged in a systematic or methodical way and can be accessed in an individual capacity through electronic or other means.

Under the provisions of this directive, the maker of a database has the right to prevent others from extracting and/or reutilizing the whole or a substantial part of the contents of the database. This ensures that their hard work and investment remains protected.

It's worth noting that the protection of databases under this directive lasts for a period of 15 years from the completion of the making of the database. This provides a sufficient timeframe to recoup the investments and enjoy the fruits of the labor.

In addition, a new method of protection has emerged called the "*sui generis* right." This right grants database creators the ability to prohibit the unauthorized removal or reuse of a significant portion or the entirety of their database content.

The information that can be collected through DemocrAccess will enable the building of a database, the contents of which may be protected under this *sui generis* right. This protection is granted if it is demonstrated that the obtaining, verification, or presentation of the contents of the database required a substantial investment (financial, material, and/or human). The *sui generis* right protects the contents of your database, which entitles DemocrAccess to prevent the extraction and/or reutilization of all or a substantial part of this content. Once

the conditions of protection are met, it is automatically granted for a duration of 15 years from the date of creation or from the date the database was first made available to the public.

This database protections are very useful regarding the IP strategies that are chosen for DemocrAccess.

Finally, to align with data protection regulations and enhance user trust, DemocrAccess has implemented a user-friendly and transparent data collection process, as already introduced in Chapter II. Clear communication is provided through a comprehensive video tutorial, which serves as a strategic and user-friendly approach to comply with GDPR (General Data Protection Regulation) requirements. The tutorial includes a step-by-step walkthrough of the registration process, an explanation of the types of information collected, and the purpose of each data point. Importantly, it emphasizes the voluntary nature of participation and the user's right to withdraw consent.

## **VIII. INTELLECTUAL PROPERTY STRATEGY**

### **1. Exercise the market power**

The above-mentioned IP protections allow DemocrAccess to exercise the market power.

Copyright protection grants an exclusive right to reproduce, modify, distribute works as online platforms. As already explained, such protection can be used not only for the DemocrAccess platform, but also for protecting the original databases.

As previously analyzed, the content of a database is also protected, by a *sui generis* protection.

Trademarks protection grants exclusive rights to make commercial use of words or logos that identify goods or services.

All these legal exclusivities will give us the market power, which will allow DemocrAccess to implement the licensing strategy, fixing the prices.

### **2. Licensing**

Licensing presents numerous benefits.

It enables DemocrAccess to generate income by granting others the privilege to utilize their intellectual assets, like, trademarks, or copyrighted materials, in exchange for licensing fees or royalties.

Additionally, licensing allows DemocrAccess to venture into untapped markets or territories where they may lack the resources or expertise to operate directly, thus expanding their customer base and enhancing brand visibility.

Furthermore, licensing offers flexibility as agreements can be customized to meet the specific requirements of both parties, including duration, geographic reach, and permissible uses of the licensed property.

Moreover, licensing rivals may discourage them from engaging in further research and thus preserve our dominant position. It can also discourage licensees from challenging the IP rights.

Lastly, licensing facilitates strategic partnerships between companies from diverse industries, fostering collaboration in the development of DemocrAccess.

Granting Permission to use data from a database is also possible. This pertains to granting others the authority to utilize the data stored within a database. As an example, a company may offer a license for its proprietary database of business information to third parties, in exchange for a fee. This process may involve defining the terms of usage, any applicable restrictions, and the payment arrangements for utilizing the data.



## **IX. CONCLUSION**

In conclusion, this comprehensive business model integrates a strategic approach to branding, interoperability, revenue generation, utility, security, privacy, and intellectual property protection.

DemocrAccess represents a groundbreaking initiative aimed at overcoming financial barriers and democratizing access to justice in the realm of class actions with an intersection of technology, legal empowerment, and social impact. By facilitating the registration process for class actions, DemocrAccess empowers victims to seek justice without the burden of upfront costs. Its inclusive model not only broadens the user base but also amplifies the collective legal power of victims, serving as a robust deterrent against corporate wrongdoing.