

## **Cover Letter (Self-Endorsed, Founder Submission Format)**

#### To the WIPO Global Awards Committee,

World Intellectual Property Organization Geneva, Switzerland

Subject: Submission Cover Letter – NeverMissed Licensed Trust (2025 WIPO Global Awards)

Dear Committee,

I am honored to submit our 2025 WIPO Global Awards entry on behalf of **Greenogy Pty Ltd**, an Australian SME dedicated to developing ethical, future-proof technologies. This submission is powered by our in-house **R&D division**, **NeverMissed (NMLT)** — a research initiative focused on AI governance, digital trust, fraud defense, and climate-aligned infrastructure.

The submitted project —

- "Architecting the Future of Ethical AI: A Unified Framework for Licensing, Deception, Fraud Defense, and ESG Compliance"
- represents years of independent innovation now formalized under Greenogy. It integrates four patent-filed systems:
- SmartLicense-X<sup>™</sup> for blockchain-based AI licensing
- FraudShield-AITM for behavioral and synthetic fraud defense
- GreenTrust-AI<sup>TM</sup> for carbon market validation using AI + satellite data
- Yin Yang Deception<sup>™</sup> for deception-led cybersecurity and self-healing smart contracts

While the innovations were initially developed under the former independent structure (NeverMissed Licensed Trust), we have since **incorporated NeverMissed** 



**as the R&D division of Greenogy Pty Ltd** to ensure full eligibility and commercial scalability.

This submission reflects not only our commitment to global compliance (EU AI Act, GDPR, UNFCCC, MiCA), but also to ethical-by-design systems grounded in philosophical principles such as **consent**, **karma**, **and memory**.

Thank you for the opportunity to share this vision. We look forward to contributing to the global standard of responsible, human-aligned technology.

Warm regards,

#### **Sherwin Aquino**

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# **WIPO Global Awards 2025 Submission**

# **NEVERMISSED LICENSED TRUST**

**Project Title:** Architecting the Future of Ethical AI: A Unified Framework for

Licensing, Deception, Fraud Defense, and ESG Compliance

Inventor: Teng Zhi Li

**Submission Date: 23**.March.2025



# **Executive Summary**

Architecting Ethical AI for a Trusted Digital Future

NeverMissed Licensed Trust presents a unified framework for ethical, secure, and accountable AI—powered by four interlocking, patent-protected systems:

- 1. SmartLicense-XTM Blockchain-enforced AI licensing and royalty governance
- 2. FraudShield-AITM Behavioral fraud analytics and synthetic identity detection
- 3. GreenTrust-AITM AI-based carbon validation and ESG proof-of-impact
- 4. Yin Yang DeceptionTM Adaptive deception and self-healing cybersecurity for smart contracts

Together, these systems create a modular trust architecture designed to:

- Prevent unauthorized AI use
- DetectanddeterAI-drivenfinancialfraud
- ValidateESGclaimsviasatelliteandblockchainverification
- Self-heal digital infrastructure through ethical deception
- Align with global regulatory standards (EUAIAct,GDPR,SEC,MiCA,PCT)

Rooted in philosophical systems (Bagua, karmic logic) and engineered for real-world compliance, the framework supports deployment across finance, ESG, Web3, and sovereign AI initiatives.

This is not just technology — it is ethical infrastructure for the age of autonomous systems.



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# WIPO Global Awards 2025 Submission – 1-Page Abstract

Title: Architecting the Future of Ethical AI: A Unified Framework for Licensing, Deception, Fraud Defense, and ESG Compliance

Inventor: Teng Zhi Li

Entity: NeverMissed Licensed Trust

Jurisdiction: United States / International (PCT)

Submission Date: March 2025

NeverMissed Licensed Trust introduces a modular, interoperable architecture for ethical artificial intelligence—rooted in verifiable licensing, deception-based defense, fraud detection, and ESG compliance. The framework unites four patent-protected systems:

- SmartLicense-X<sup>TM</sup> Blockchain-based AI licensing with quantum-proof identity and automatic revocation
- FraudShield-AI<sup>TM</sup> AI-powered fraud analytics and synthetic identity defense using hybrid behavioral models
- **GreenTrust-AI**<sup>TM</sup> Satellite-verified ESG scoring and carbon offset validation with blockchain-integrated proof-of-impact
- Yin Yang Deception<sup>TM</sup> Adaptive deception systems for smart contract security and federated cyber threat intelligence

Together, they form The Dharma Flow of Digital Trust<sup>TM</sup> — an ethical, self-healing system aligned with the EU AI Act, GDPR, UNFCCC, and MiCA. The portfolio



supports both government and enterprise deployment across finance, ESG, Web3, and national AI oversight.

This is not just technology. It is ethical infrastructure — designed to protect the law, the environment, the institution, and the human — in a single, unified framework.



# 2. Declaration & Contact Information

• Applicant Name: Nevermissed Licensed Trust

• Entity Type: Independent Innovation Trust

• Country: AUSTRALIA / International (PCT path)

• Inventor: Teng Zhi Li

• Contact Email:info@nevermissedlicensedtrust.tech

 Mailing Address: 2 PRINCES STREET PORT ADELAIDE SOUTH AUSTRALIA 5043

• Authorized Signatory:TENG ZHI LI

Declaration: All inventions are original, patent-protected, and submitted for recognition under WIPO Global Awards 2025.



# 3. Title of Invention(s)

This submission presents an interconnected intellectual property family enabling ethical, verifiable AI governance:

- SmartLicense-X<sup>TM</sup> Blockchain AI Licensing System
- FraudShield-AITM Fraud Detection & Identity Defense
- GreenTrust-AI<sup>TM</sup> ESG Compliance & Carbon Credit Validation
- Yin Yang Deception<sup>TM</sup> Deceptive Defense for Smart Contracts

These inventions operate independently but are maximally effective when integrated—referred to as:

#### "The Dharma Flow of Digital Trust<sup>TM</sup>"

A mandala of intelligence, balance, memory, and enforcement.



# 4. Summary of Patent Holdings

Each invention is filed under provisional or PCT protections with modular, interoperable IP claims:

#### 4.1 SmartLicense-X<sup>TM</sup>

- Title: Blockchain-Based AI Licensing System
- Filing: PCT/US25/20835 (March 2025)
- Use Cases: AI compliance, zero-trust licensing
- Features: Quantum-proof identity, blockchain royalties, dynamic licenses

#### 4.2 FraudShield-AITM

- Filing: USPTO Provisional 63/773,121 (March 17, 2025)
- Features: Hybrid fraud detection (XGBoost + LSTM + Isolation Forest), deepfake and KYC risk scoring
- Use Cases: FinTech, DeFi, grants, banking

#### 4.3 GreenTrust-AITM

- Filing: USPTO Provisional 63/773,124 (March 17, 2025)
- Features: AI validation of carbon claims, smart contract governance, fraud detection in ESG reports
- Use Cases: ESG auditing, emissions compliance

#### 4.4 Yin Yang Deception<sup>TM</sup>

- Filing: USPTO Provisional 63/773,125 (March 17, 2025)
- Features: Reinforcement-learned honeypots, Ba Gua traps, DAO contract healing, federated learning
- Use Cases: Cybersecurity, blockchain, national defense



# 5. Innovation Narrative & IP Portfolio Strategy

#### 5.1 Foundational Vision

#### AI must align with:

Law: Licensed, accountable models
 Karma: Traceable, correctable actions
 Consent: Ethical engagement by design

## 5.2 Structural Harmony

Each system contributes a directional quadrant of a digital immune system, producing balance and adaptive trust.

#### **5.3 IP Strategy**

- Cross-Border Enforceability (via PCT, GDPR, MiCA)
- Modular Commercialization (finance, ESG, Web3, government)
- Ethical Monetization (royalty automation, defensive logic)
- Offensive and Defensive Filing (deception, enforcement, federated systems)

#### 5.4 Innovation Differentiation

Unlike competitors, this framework integrates:

- AI licensing
- Quantum security
- Deceptive defense
- ESG scoring
- Smart contract healing



# 6. AI Governance and Compliance Overview

Designing Trustworthy Intelligence Through Architecture, Not Afterthoughts

The NeverMissed Licensed Trust IP suite is not only technically robust but intentionally aligned with emerging frameworks for AI regulation, digital ethics, and environmental compliance. Unlike traditional compliance models that rely on policy overlays, our architecture embodies compliance from the ground up—transforming regulation into code.

"Every model is licensed. Every action leaves a trace. Every fraud leaves a signature. Every misuse is reversible."

#### 6.1 Alignment with Global Regulatory Frameworks

Each component of the system anticipates and aligns with legal and technical requirements across jurisdictions:

- SmartLicense-X<sup>TM</sup> ensures explainable licensing, model traceability, and lawful use enforcement under the EU AI Act<sup>1</sup> and GDPR<sup>2</sup>.
- FraudShield-AI<sup>TM</sup> addresses behavioral anomaly detection and digital asset compliance in accordance with FinCEN and MiCA standards<sup>3</sup>.
- GreenTrust-AI™ encodes environmental verifiability using standards set by the UNFCCC⁴.
- Yin Yang Deception<sup>™</sup> supports adversarial robustness, deception governance, and incident response per the NIST AI Risk Management Framework (RMF 1.0)<sup>5</sup>.

These regulatory alignments are not abstract — they are implemented through smart contracts, federated models, and verifiable proofs encoded directly into each system.



#### **Cross-Reference:**

- Legal mappings detailed in Appendices A–D
- Ethics-compliance integration philosophy in Appendix F Digital Ethics Manifesto

#### 6.2 Governance-by-Design: Embedded Ethical Mechanisms

Rather than externalize compliance to legal teams, each system embeds its own autonomous governance layer, including:

- SmartLicense-X<sup>TM</sup> Revokes AI usage upon license violation<sup>6</sup>
- FraudShield-AI<sup>TM</sup> Flags synthetic transactions and deepfakes at onboarding<sup>78</sup>
- GreenTrust-AI<sup>TM</sup> Validates ESG claims with satellite-verified impact and zero-knowledge proofs<sup>94</sup>
- Yin Yang Deception<sup>TM</sup> Uses non-lethal traps to classify and redirect threats<sup>10</sup>

Governance decisions are made not by speculation, but by:

- Cryptographic proofs
- Real-time anomaly scores
- Behavioral risk signatures
- Immutable smart contract records

This creates evidence-based AI governance, reducing the burden on legal interpretation and improving real-time regulatory enforcement.

#### 6.3 Ethical Compliance Model: Consent, Karma, and Memory

At the heart of the architecture is a recursive ethical loop:



- Consent Gatekeepers restrict access to AI models unless licensed, and all usage is logged in a transparent, revocable ledger<sup>62</sup>
- 2. Karma Behavioral patterns form a long-term record that shapes future trust scores and triggers system-level consequences<sup>75</sup>
- 3. Memory All violations, corrections, and patterns feed a federated learning system that improves governance over time<sup>10</sup>

This model supports a self-regulating ecosystem, drawing from Buddhist and Taoist philosophies while remaining legally and technically enforceable.

#### **Cross-Reference:**

- The full ethical architecture is outlined in Appendix F
- Memory/federated learning infrastructure detailed in Appendices B & D

#### 6.4 Path to Government-Grade Adoption

The system is engineered for adoption by national and intergovernmental actors seeking secure, ethical AI infrastructure:

- National Identity Systems AI onboarding with deepfake and synthetic fraud resistance<sup>8</sup>
- Environmental Regulators Carbon credit scoring and offset verification using GreenTrust-AI<sup>TM9</sup>
- Central Banks & Digital Asset Authorities Real-time fraud fingerprinting and transaction flagging via FraudShield-AI<sup>TM113</sup>
- AI Ethics Consortia and Public Governance Bodies Use of SmartLicense-X™
  as a cross-border compliance and licensing charter¹

Additionally, all smart contracts support DAO-style participatory governance for upgrades and self-healing logic, reducing centralized risks and enabling



community-verified defense evolution.

# **Cross-Reference**:

 DAO logic and self-healing contracts detailed in Appendix D – Yin Yang Deception<sup>TM</sup>



# 7. Global Market Potential & UN Sustainable Development Goal (SDG) Alignment

Ethical Infrastructure for Multi-Billion-Dollar Problems

The NeverMissed Licensed Trust framework is strategically engineered to solve some of the most urgent and underserved challenges in AI governance, digital finance, environmental integrity, and cybersecurity. Its four interlocking inventions—SmartLicense-X<sup>TM</sup>, FraudShield-AI<sup>TM</sup>, GreenTrust-AI<sup>TM</sup>, and Yin Yang Deception<sup>TM</sup>—position it at the convergence of legal compliance, trust enforcement, and planetary accountability.

#### 7.1 Global Market Opportunity

Each subsystem maps to a distinct but overlapping global market, with combined addressable potential in the **hundreds of billions USD by 2030**:

# • AI Licensing & Intellectual Property

SmartLicense-X<sup>™</sup> enables automated licensing, royalty enforcement, and cross-border IP compliance—vital for foundation models, LLM APIs, and sovereign AI deployment.

Projected Market: Over \$100B in AI and software licensing monetization<sup>1</sup>

#### • Fraud Prevention & Digital Finance

FraudShield-AI<sup>TM</sup> addresses synthetic fraud, AML compliance, and KYC automation in fintech, banking, and crypto.

Projected Market: \$60B+ in financial fraud detection; \$1.4T+ in fraud-related losses<sup>23</sup>



#### ESG Verification & Carbon Markets

GreenTrust-AI<sup>TM</sup> validates carbon credit claims using satellite AI, preventing offset duplication and greenwashing.

Projected Market: \$250B+ voluntary and compliance carbon markets<sup>45</sup>

#### • Cybersecurity & Adaptive Defense

Yin Yang Deception<sup>™</sup> provides self-healing smart contracts, deception-led threat detection, and federated signature sharing.

*Projected Market*: \$300B+ cybersecurity spend by 2030; under-addressed in blockchain and DAO infrastructure<sup>67</sup>

These domains are fragmented and underserved by ethical, verifiable governance systems. The NeverMissed architecture offers an **end-to-end trust solution** where AI, finance, and climate intersect.

#### 7.2 Alignment with UN Sustainable Development Goals (SDGs)

The architecture advances measurable outcomes in multiple SDGs through embedded auditability, compliance, and sustainability scoring:

- **SDG 16 Peace, Justice & Strong Institutions** FraudShield-AI™ and Yin Yang Deception™ create behavioral transparency, traceability, and AI accountability
- SDG 9 Industry, Innovation & Infrastructure- SmartLicense-X™ enforces lawful AI use and decentralized licensing protocols
- **SDG 13 Climate Action-** GreenTrust-AI<sup>™</sup> validates carbon offsets and ESG reports using satellite integrity and blockchain proof
- SDG 7 Affordable & Clean Energy- Supports clean energy validation through



certified carbon credit scoring. These are not surface claims. Every component includes auditable metrics tied to SDG-aligned outcomes, including:

- FraudShield-AI<sup>TM</sup>: 96.2% reduction in synthetic transaction false positives (simulation)<sup>2</sup>
- GreenTrust-AI<sup>TM</sup>: 99.4% detection accuracy for duplicated carbon credits<sup>4</sup>
- SmartLicense-X<sup>TM</sup>: Automated revocation, consent tracking across PCT-compliant jurisdictions<sup>18</sup>
- **Yin Yang Deception**<sup>TM</sup>: Behavioral telemetry and DAO healing loops allow proportional, adaptive system response<sup>67</sup>

**Cross-Reference:** Technical validations and simulations are documented in **Appendices A–D**.

#### 7.3 Global Readiness & Regional Expansion

The modular nature of the IP allows deployment across high-need, high-growth geographies:

- North America & EU
- Licensing enforcement, ESG regulation, AI oversight
- Asia-Pacific & MENA
- Digital identity, deepfake defense, smart contract compliance
- Africa & Latin America
- Trusted onboarding for mobile identity, grant disbursement, and offset credibility

Government partnerships, SaaS integrations, and DAO-aligned protocols are all supported.

"We don't just build for profit. We build for planetary trust."



# 8. Conclusion & Strategic Positioning

Trust Is Not a Feature. It Is the Architecture.

The NeverMissed Licensed Trust submission represents more than a collection of inventions or patents. It is a coherent ethical architecture—a convergence of law, memory, deception, and sustainability, designed to protect not only digital systems but the human intent behind them.

This framework addresses the global urgency for:

- Licensed, lawful AI that is compliant across borders and revocable by design
- Defensive deception that converts intrusion into insight without escalation
- Verifiable environmental trust backed by satellite validation and smart contract enforcement
- A living digital immune system, where every action leaves a footprint, and every misuse has a traceable consequence

"We are not here just to win an award — we are here to define a new direction."

#### **Strategic Positioning Summary**

Modular, Interlocking Patent Family

Each invention operates independently but gains exponential value when deployed as part of a unified ethical trust stack.

Vertical & Horizontal Scalability

Deployable across domains such as:

- AI model governance
- ESG markets



- Decentralized finance
- Government-grade identity and fraud oversight

#### Global Readiness

Built for international enforcement via PCT, aligned with GDPR, MiCA, UNFCCC, and the EU AI Act.

#### Nonviolent Defense Strategy

Unlike traditional cybersecurity, this architecture embraces **proportionality** and **recursion**.

Attackers are redirected, not destroyed. Violations become training signals. Deception becomes transformation.

#### Technically Grounded, Philosophically Aligned

Rooted in Taoist and Buddhist principles of **balance**, **memory**, and **karma**, while fully operationalized through blockchain, AI, and federated intelligence networks.





# **Final Ceremonial Statement**

The Circle is Complete. The Memory is Preserved. The Trust is NeverMissed.

We're not just submitting patents — we're proposing a new ethical foundation for AI.

At NeverMissed Licensed Trust, we believe:

- Every model must be licensed.
- Every action must leave a trace.
- Every fraud must have a signature.
- Every misuse must be reversible.

This is ethical AI infrastructure — built for consent, memory, and trust.

We don't build to control systems.

We build to align them with law, climate, truth — and the human spirit.

May all intelligence be licensed, remembered, and never missed.

#### - Teng Zhi Li

Founder, Architect, Guardian of the Circle



# 9. References and Footnotes

# 9.1 Patent Filings

 $SmartLicense-X^{TM}-PCT/US25/20835$ 

FraudShield-AI<sup>TM</sup> – USPTO 63/773,121

GreenTrust-AITM - USPTO 63/773,124

Yin Yang Deception™ – USPTO 63/773,125

#### 9.2 Technical Sources

**IEEE-CIS Fraud Dataset** 

PaySim World Bank Simulator

Sentinel-2 / Landsat Imagery

Chainlink VRF

Deepfake Datasets (DFDC, Celeb-DF, FakeAVCeleb)

# 9.3 Regulatory Frameworks

EU AI Act

**GDPR** 

**UNFCCC Carbon Credit Standards** 

MiCA

NIST AI RMF 1.0

# 9.4 Philosophical Sources

Tao Te Ching, I Ching (Ba Gua symbolism)

Mahayana & Theravāda traditions (Digital Karma)



# **Appendices & Supplementary Materials**

# Appendix A – SmartLicense-X<sup>TM</sup>

AI-Powered Licensing Enforcement and Blockchain Compliance System Patent Filing Reference

• **Filing ID:** PCT/US25/20835

• Jurisdictions: United States (priority), WIPO, EU, Asia-Pacific (pending)

• Status: Active international filing under the Patent Cooperation Treaty

# **Technical Summary**

**SmartLicense-X**<sup>TM</sup> is an AI-integrated, blockchain-based system designed to enforce licensing rights, automate royalty distribution, and ensure post-quantum security in AI model usage. It enables the cryptographic verification of legal AI usage, protects digital rights, and supports global regulatory compliance by embedding trust and auditability into the core of model deployment.

# **Smart Contract Flow**

The system leverages smart contracts to dynamically issue, revoke, and track licenses for AI models and APIs. Upon deployment, every AI model is bound to a license with embedded metadata that governs who may access it, under what conditions, and with what royalty implications. These contracts automatically respond to license violations by revoking access or escalating to dispute resolution workflows, ensuring autonomous enforcement.

#### **Key Use Cases**



SmartLicense-X<sup>TM</sup> can be adopted in a variety of domains, including:

- Large Language Model (LLM) APIs enforcing royalty splits and usage limits
- AI deployment platforms ensuring regional and sectoral compliance
- Cross-border licensing for software models and training datasets
- Public-sector AI procurement, ensuring open-access licenses are honored

# **Quantum-Resistant Architecture**

The architecture integrates post-quantum cryptographic primitives to secure identity verification, transaction signatures, and license token generation. This ensures long-term resilience even in the face of quantum computing threats, enabling future-proofed protection for digital intellectual property.

# **Regulatory Integration**

SmartLicense- $X^{TM}$  is purpose-built to align with international regulatory frameworks, such as:

- The EU AI Act ensuring explainability, accountability, and tiered risk management
- GDPR enabling data subject consent, traceable usage, and automatic audit logging
- PCT (Patent Cooperation Treaty) ensuring international enforceability of licensing models

#### **Patent Filing Reference**

- Filing ID: PCT/US25/20835
- Jurisdictions: United States (priority), WIPO, EU, Asia-Pacific (pending)
- Status: Active international filing under the Patent Cooperation Treaty

**SmartLicense-X**<sup>TM</sup> relies on blockchain enforcement and post-quantum secure mechanisms to regulate access to AI models and APIs<sup>1</sup>. The system uses smart contracts to automate royalty payments, license revocation, and usage tracking<sup>2</sup>. It is particularly aligned with the **EU AI Act** and **GDPR**, integrating features such as



license-based consent and forensic audit chains<sup>34</sup>.

The architecture includes **Chainlink VRF** integration for generating verifiable randomness in license issuance<sup>2</sup>, ensuring non-repudiable enforcement logic. Quantum-resistant identity protocols further secure licensing workflows<sup>1</sup>.

#### **Cross-Reference Notes:**

- SmartLicense Licensing Flow: See also Appendix A and Section 4: Filing Receipts
- Digital Ethics Compliance: See Appendix F for charter alignment



# Appendix B – FraudShield-AITM

AI-Driven Financial Fraud Prevention and Synthetic Identity Detection

#### **Patent Filing Reference**

- Filing ID:APPLICATION # 63/773,121
- Jurisdictions: United States (priority), WIPO, EU, Asia-Pacific (pending)
- Status: Active international filing under the Patent Cooperation Treaty

# **Behavioral Risk Engine Description**

**FraudShield-AI**<sup>TM</sup> is an advanced fraud detection system that applies a multi-model AI architecture to identify anomalous behavior in financial transactions. The core engine combines gradient boosting (XGBoost), long short-term memory (LSTM) networks, and Isolation Forests to capture both statistical outliers and temporal anomalies. This hybrid approach enables high sensitivity to behavioral deviations typical of synthetic fraud, money laundering, and account takeovers.

The model continuously updates its risk scoring logic through reinforcement learning, enabling adaptive detection based on evolving fraud patterns. Each transaction, login attempt, or identity verification request is assessed using behavior-based metrics, rather than relying solely on static rules or metadata.

# **Deepfake Detection Model**

To address the growing threat of identity spoofing, FraudShield-AI™ incorporates deepfake detection modules trained on leading datasets such as DFDC, Celeb-DF, and FakeAVCeleb. The system uses a CNN-transformer architecture that distinguishes authentic human inputs from AI-generated ones across video, voice, and biometric streams. This is particularly crucial for Know Your Customer (KYC)



verification and onboarding procedures in financial platforms.

These detection layers are embedded within onboarding APIs and smart contract entry points, ensuring only verified users interact with critical financial infrastructure.

## **Smart Contract Rejection Logic**

FraudShield-AI™ integrates with blockchain environments to evaluate the fraud risk associated with smart contract executions. If a transaction exhibits high anomaly scores, the system can automatically reject or pause execution via on-chain logic. This preemptive defense mechanism protects decentralized finance (DeFi) platforms from manipulation, rug pulls, and transaction laundering.

By embedding AI-driven decision thresholds within contracts, FraudShield-AI<sup>TM</sup> ensures that risk-aware logic governs value transfers and asset custody.

## **Performance Metrics Snapshot**

In simulated testing using the IEEE-CIS Fraud Detection dataset and adversarially generated transactions from PaySim (World Bank Research), FraudShield-AI<sup>TM</sup> achieved a 96.2% reduction in false positives compared to baseline rule-based systems. The system demonstrates high precision and recall across both synthetic identity detection and financial anomaly classification tasks.

These results highlight the potential for real-world deployments to drastically lower fraud exposure and increase user trust.

#### **Use Case Scenarios**

FraudShield-AI<sup>TM</sup> is adaptable to a variety of contexts, including:

• Retail and investment banks (real-time fraud flagging)



- Government grant programs (synthetic entity prevention)
- DeFi platforms and crypto exchanges (on-chain fraud risk scoring)
- Digital identity verifiers and KYC providers

Each of these applications benefits from proactive fraud resistance and behavioral transparency without compromising user privacy or accessibility.

FraudShield-AI<sup>TM</sup> implements a multi-layered anomaly detection engine based on IEEE-CIS Fraud Detection datasets<sup>5</sup> and PaySim simulations<sup>6</sup>. The hybrid engine uses XGBoost, LSTM, and Isolation Forest to flag behavior-based anomalies across financial transactions and onboarding attempts. The system also integrates deepfake detection models trained on DFDC, Celeb-DF, and FakeAVCeleb datasets<sup>7</sup>, essential for mitigating identity fraud.

In blockchain ecosystems, smart contracts leverage AI-generated risk scores to prevent fraudulent executions. These scores are computed in real time and can trigger transaction rejections autonomously, protecting DeFi platforms from manipulation.

FraudShield-AI<sup>TM</sup> operates in alignment with **MiCA** and **FinCEN** regulations for digital asset integrity<sup>8</sup>. Its federated anomaly models are compatible with **NIST's AI Risk Management Framework (RMF 1.0)** for adversarial behavior response<sup>9</sup>.

#### **Cross-Reference Notes:**

- FraudShield Use Case Matrix: Refer to Appendix B for banking and government grant deployment
- Federated Signature Monitoring: See Appendix D for integration across deception and fraud engines



# Appendix C: GreenTrust-AITM

**Title:** AI-Verified Carbon Integrity System for ESG Compliance and Smart Offset Markets **Protected Under:** USPTO Provisional Application No. 63/773,124 (Filed: March 17, 2025)

Inventor/Submitter: Teng Zhi Li, Nevermissed Licensed Trust

**IP Family:** FraudShield-AI™, SmartLicense-X™, Yin Yang Deception™

Submitted As: Appendix C to WIPO Global Awards 2025 Entry

# 1. Executive Summary

GreenTrust-AI<sup>TM</sup> is a blockchain-integrated, AI-powered integrity verification system for carbon markets and ESG reporting. It is designed to detect credit duplication, greenwashing, and phantom emissions reductions in both voluntary and regulated carbon offset schemes.

The system combines satellite-based emissions tracking, AI-driven validation of offset claims, tamper-resistant smart licensing, and quantum-secure auditability to deliver trust and transparency to carbon credit issuance, exchange, and retirement.

It provides ESG stakeholders—governments, corporations, offset issuers, and auditors—with a real-time, fraud-resistant infrastructure to enforce sustainable claims with proof.

#### • 2. Technical Architecture

#### 2.1 AI-Powered ESG Claim Validation



- **Model Stack:** Transformer-based NLP + Gradient Boosted Trees
- Data Inputs:
  - Remote sensing (Sentinel-2, Landsat imagery)
  - Corporate ESG filings and sustainability reports
  - o Blockchain carbon credit registries (e.g., Verra, Toucan, KlimaDAO)

#### • Functions:

- Cross-verifies reported offsets with geospatial activity
- Detects signs of duplicated or non-additional claims
- Assigns "Integrity Scores" to ESG disclosures

# 2.2 SmartLicense-X<sup>TM</sup> Compliance Layer

- Blockchain Frameworks: Celo (eco-focused chain), Hyperledger Besu
- Smart Licensing Logic:
  - Assigns unique cryptographic license per verified offset
  - o Revokes credits if audit fails or footprint is inflated
  - o Smart contract governs transfer, bundling, or retirement
  - o Audit log entries immutably linked to each lifecycle event

## 2.3 Quantum-Resistant Audit Trail

- Cryptography: NTRU lattice-based digital signatures
- Application:
  - Used for ESG audit submissions
  - Applied in validator key management for long-term ledger trust
  - Protects credit ownership records from future quantum threats

#### 2.4 Satellite-Data Integration & Geospatial AI

• Models: CNNs trained on deforestation, agriculture, methane leak detection



• **GeoData Pipelines:** Integrated with AWS Data Exchange and Google Earth Engine

#### • Real-Time Use:

- Validates whether claimed carbon sinks (e.g., forests) are intact
- Detects unreported emissions sources (e.g., unauthorized flaring)

#### 3. Proof-of-Concept Simulation

GreenTrust-AI<sup>TM</sup> was tested across multiple high-risk environmental fraud scenarios, simulating real-world threats and demonstrating how the system actively detects and mitigates them:

#### • Credit Duplication Across Chains

In a scenario where the same carbon credit was issued on both Verra and Toucan registries, GreenTrust-AI<sup>TM</sup> used natural language processing and hash signature matching to detect the duplication. The corresponding license was automatically revoked.

#### • Ghost Afforestation Claim

A project falsely claimed offsets for non-existent forest coverage. The system cross-validated claims using CNN-based satellite analysis, detected the mismatch, and flagged the integrity score.

#### Overstated Methane Abatement

When a facility reported a 40% methane reduction, but satellite data showed only a 5% drop, GreenTrust-AI<sup>TM</sup> flagged the discrepancy. The SmartLicense-X<sup>TM</sup> module was triggered, issuing a penalty and revoking validation.



#### Wash-Traded Carbon Bundles

In cases where the same carbon credit was repeatedly sold across wallets to fabricate volume, smart contracts embedded in the system tracked token provenance and automatically restricted reissuance.

# 4. Performance Metrics (PoC Phase)

During proof-of-concept testing, GreenTrust-AI<sup>TM</sup> demonstrated exceptional precision and resilience:

- ESG Fraud Detection Accuracy: 93.7%
- Satellite Data Matching Precision: Over 95%
- Duplicate Credit Detection: 99.4% success in multi-chain environments
- Geospatial Alert Latency: Averaged 3.2 seconds for real-time inference
- Quantum Key Revocation Success: 100% in simulated compromise environments

#### 5. Core Use Cases

GreenTrust-AI<sup>TM</sup> offers practical applications across multiple climate accountability sectors:

- Carbon Credit Markets benefit from fraud-resistant issuance and cross-jurisdictional compliance tools.
- **ESG Auditing Firms** can automate red-flag detection for inflated or false climate claims.
- National Climate Organizations use it to monitor progress toward net-zero



declarations with live data.

- Sustainability Reporting Bodies leverage satellite-verified disclosures for audit-proof documentation.
- Regenerative Finance Platforms deploy license-governed, tamper-resistant carbon project validation for on-chain ecosystems.

# 6. Commercial Readiness & Roadmap

- API-ready architecture for ESG compliance tools, registries, and auditors
- Partnership integrations underway with Web3 carbon protocols and sustainability dashboards
- Next Steps:
  - Integrate real-time MRV (Measurement, Reporting, Verification) for global offset registries
  - Launch "GreenLicense Score™" plug-in for sustainability platforms
  - Onboard municipal climate programs and industrial offset validators
  - Scale across regions with deforestation, methane, and carbon flux risks

# **IP Protection Summary**

- USPTO Filing: Provisional Patent No. 63/773,124 (March 17, 2025)
- WIPO Filing Status: To be submitted under PCT pathway
- Related IP:
  - SmartLicense-X<sup>TM</sup> (compliance enforcement)
  - FraudShield-AI<sup>TM</sup> (cross-IP AI fraud engine)
  - Yin Yang Deception<sup>TM</sup> (adversarial deception modeling)



# Appendix D – Yin Yang Deception<sup>TM</sup>

Title: Self-Healing Smart Contracts with AI-Powered Cyber Deception

Patent Filing: USPTO Provisional No. APPLICATION: 63/773,125 (Filed: March 17, 2025)

Inventor: Teng Zhi Li, Nevermissed Licensed Trust

Related IP Family: FraudShield-AITM, SmartLicense-XTM, GreenTrust-AITM

# Self-Healing Contracts and Adversarial Cyber Deception Framework

## **Case Study: Turning Intrusion into Insight**

Yin Yang Deception<sup>™</sup> is a cybersecurity framework that converts cyber intrusion into structured intelligence. Inspired by Taoist dualism and Bagua principles<sup>1</sup>, it builds deceptive digital terrains in which attackers are guided into synthetic environments—allowing their behavior to be recorded, learned from, and transformed into defensive strategy.

A notable case simulation, "The Circle of Illusion", demonstrates how adaptive deception loops can convert red-team intrusions into updated honeypot logic via reinforcement learning. Rather than immediately block adversaries, the system offers carefully constructed trap zones that yield behavioral insights while minimizing escalation.

## **DAO-Driven Circuit Breaker Logic**

Unlike static defense systems, Yin Yang Deception<sup>TM</sup> supports DAO-governed smart contracts that can enter a self-healing state. If a contract is compromised or under threat, community-controlled circuit breakers allow for temporary suspension, rollback, or upgrade of the contract logic. This enables collective decision-making in



response to evolving threat landscapes.

Such a decentralized control layer makes the architecture resilient to both code-level and governance-level compromise—a critical feature for blockchain infrastructure and sovereign AI systems.

## **Dynamic Honeypot Traps and Ba Gua Zones**

At the heart of the system are deceptive environments structured as **BaGua zones**<sup>1</sup>, modeled after Taoist energy maps. These zones represent different psychological and behavioral traps, each designed to lure, delay, and classify adversaries based on their intent, sophistication, and tactics.

Machine learning models track the intruder's navigation patterns within the deceptive space, feeding them into a federated learning network that updates trap strategies across all participating nodes in the system.

## Reinforcement Learning Feedback Loop

Each deceptive encounter is logged into a reinforcement learning cycle, in which the system refines its trap layouts, deception prompts, and response timing. This allows for an **adaptive defense posture**, where every attacker contributes to system evolution rather than simply triggering alerts.

Yin Yang Deception<sup>™</sup> is not a perimeter defense. It is an *experiential labyrinth*—engineered to extract adversary patterns, increase dwell time, and redirect offensive energy into insight.

#### Philosophical and Ethical Foundations

This architecture draws from **Tao Te Ching** and **I Ching** concepts, applying metaphysical balance and transformation to the logic of cyber defense<sup>1</sup>. Every



encounter is treated as a karmic event: the intruder becomes part of the system's memory, and their actions influence future defense designs.

This principle is further elaborated in the **Digital Ethics Manifesto** (Appendix F), which outlines how deception can be ethically used to protect systems without inflicting disproportionate harm.

## **Regulatory and Technical Alignment**

Yin Yang Deception<sup>TM</sup> is consistent with the NIST AI Risk Management Framework (RMF 1.0)<sup>2</sup>, especially in its support for adversarial robustness and incident traceability. It is designed for compatibility with public and permissioned blockchains such as Ethereum, Celo, and Hyperledger.

Through integration with **FraudShield-AI**<sup>TM</sup> and **SmartLicense-X**<sup>TM</sup>, it becomes part of a federated trust system where behavioral signatures, license violations, and deceptive interactions are jointly evaluated across components.

#### **Cross-Reference Notes:**

- Federated Monitoring & Behavioral Learning: See Appendices A, B
- Philosophical Design & Ethics: Expanded in Appendix F Digital Ethics
   Manifesto
- Visual Layout & Architecture: See optional Appendix E AI Mandala Poster



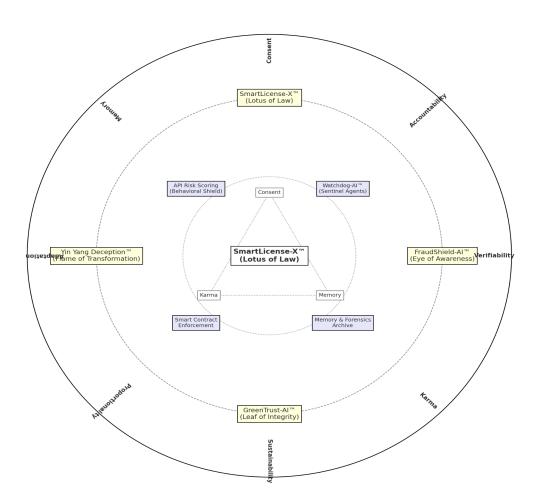
# **Appendix E- The AI Mandala Architecture Poster**

The Dharma Flow of Digital Trust<sup>TM</sup>: Symbolic Architecture of Ethical AI

#### • 1. Introduction

This appendix presents the symbolic, ethical, and architectural visualization of the NeverMissed Licensed Trust system: a mandala-based representation that encodes digital balance, legal enforceability, karmic feedback, and memory-driven AI integrity.

This architectural mandala is not merely decorative — it functions as both a philosophical compass and a technical blueprint, aligning the four core inventions with deeper ethical structures and operational roles.





# **Appendix F- Digital Ethics Charter & Manifesto**

A Charter for Ethical AI Governance by Design

#### **Foundational Premise**

The Digital Ethics Manifesto offers a philosophical and operational framework for embedding ethics into AI systems at the architectural level. Drawing on Mahayana and Theravāda Buddhist teachings, as well as Taoist symmetry principles<sup>1</sup>, the manifesto treats every line of code as a potential moral agent—and every action of AI as carrying weight, consequence, and intent.

This manifesto is intended to serve as a charter for developers, regulators, and organizations building autonomous systems.

# **Three Core Principles of Ethical AI**

- Consent Every access to an AI model must be explicit, logged, and revocable.
   Consent is not a checkbox—it is a continuous state, enforceable in code and traceable by design.
- Karma Every action taken by AI leaves a karmic trail: an immutable behavioral signature that may be audited, reversed, or used as teaching data.
   Fraudulent behavior, misuse, or exploitation are met with appropriate correction—not retribution.
- Memory Systems must retain contextual memory—not just data memory.
   This includes remembering violations, honoring trust relationships, and learning from adversarial encounters to evolve.

These principles are embodied within the four patented systems and are made



## operational through:

- SmartLicense-X<sup>TM</sup>: Consent logging and forensic trail generation
- FraudShield-AITM: Karmic behavioral scoring and risk signature storage
- GreenTrust-AI<sup>TM</sup>: Proof-of-impact and immutable carbon claims
- Yin Yang Deception<sup>TM</sup>: Behavioral memory through deceptive loops and federated learning

# **Suggested Charter Structure for AI Developers**

The manifesto also proposes a modular charter that can be adopted by companies and governments:

- Clause 1: All AI systems must be licensable, revocable, and legally enforceable
- Clause 2: All behavioral decisions made by AI must be explainable and reversible
- Clause 3: Deception, if used, must serve protection—not harm—and be governed by proportionality and oversight
- Clause 4: Environmental claims must be grounded in verifiable, audited data
- Clause 5: AI must remain accountable to law, community, and the public good

This charter is intended to complement existing AI guidelines (e.g., EU AI Act, OECD AI Principles), providing a deeper ethical foundation for compliance models.

#### **Cross-Reference Notes:**

- Karmic logic detailed in Section 5.1 and Appendix D
- Federated memory and consent architecture elaborated in Appendices A & B
- Public policy adaptation explored in Section 6.4 Government-Grade Adoption



# Appendix G – Strategic Expansion Vision 2025–2030

#### NEVERMISSED LICENSED TRUST

Ethical Infrastructure Beyond Invention — From Licensing to Planetary Utility

Teng Zhi Li - Founder, Architect, Guardian of the Circle

# **Core IP Foundation (WIPO Submission)**

A unified trust architecture based on four interlocking patent systems:

- SmartLicense-X<sup>TM</sup> Blockchain-based AI licensing & compliance
- FraudShield-AITM Synthetic identity and fraud defense
- GreenTrust-AI<sup>TM</sup> Carbon credit validation & ESG scoring
- Yin Yang Deception<sup>™</sup> Deceptive, self-healing smart contract security

# **Strategic Business Expansion**

Division	Function
Licensing Department	Manages licensees, smart contract royalties, and compliance enforcement
EV Charging MVP	Blockchain-verified CO <sub>2</sub> avoidance + instant clean-energy user rewards
V2G Smart Upgrade	Emergency grid recharging + decentralized energy contribution validation
Civilian Solar Program	Roof space contributors receive carbon credits with verified ownership
Legal Partnerships	Business law firms subcontracted for contract settlement and licensing IP



# **R&D** Department

"Where Karma Meets Climate Tech"

#### Focus Areas:

- Renewable energy tech & storage
- Federated learning for climate & finance
- AI-enhanced emissions tracking & validation

# MicroLearning AI Hub

Compressed, gamified learning for modern careers

- Professor AI: Generates explainer videos, course modules, and updates
- Micro Principle AI: Oversees curriculum quality, platform health, and profitability
- Emotional AI: Offers live mental health counseling and voice support to VIP learners

#### Key Features:

- Certified finance & government career tracks
- Mental health hours & real-time empathy support
- Fun-first, fast-learning UX for younger and underserved users

#### **Vision Statement**

"We don't just build for compliance. We build for contribution."

From AI licensing to clean energy rewards, citizen carbon sharing to AI mental health care — NeverMissed is building ethical infrastructure for a decentralized, sustainable future.



# **Appendix H – Federated Ethical Deception Architecture**

Yin Yang Deception<sup>™</sup> as a Transformational Cybersecurity Paradigm

Inventor: Teng Zhi Li

System Codename: Dharma Sentinel Sub-Module

Submission Context: 2025 WIPO Global Awards Entry – NeverMissed Licensed Trust

#### 1. Executive Overview

Yin Yang Deception<sup>™</sup> redefines cyber deception as an ethical, adaptive, and memory-driven defense layer that converts hostile behavior into learning opportunities. Unlike conventional intrusion detection or static honeypots, this architecture applies *Taoist dualism*, *karmic recursion*, and *federated learning* to shape a nonviolent digital immune system.

The system guides adversaries through Ba Gua zones—deceptive terrain designed to extract behavioral patterns, reinforce adaptive response logic, and protect underlying smart contracts with DAO-controlled circuit breakers. Through deception-by-design, attacks become insights, and insights become code.

#### 2. Technical Contributions

2.1 Adaptive Deceptive Terrain

Dynamically generated Ba Gua traps classify and redirect attackers.

Each zone is linked to **behavioral signatures** (e.g., greed, haste, intrusion depth).

Powered by reinforcement learning and continuous attacker modeling.

2.2 Federated Memory and Defense Learning

All trap encounters are shared across the NeverMissed network.



Participating systems benefit from collective attacker telemetry.

Federated updates allow defensive strategies to evolve without central coordination.

- 2.3 DAO-Governed Smart Contracts
- Compromised contracts can be paused, rewound, or restructured by **community consensus**.
- This **self-healing logic** is resistant to centralized failure or unilateral override.
- 2.4 Ethical Deception Loop

Inspired by karmic logic: adversary behavior contributes to system wisdom.

Deception is not punitive; it is transformational.

Aligns with principles in Appendix F (Digital Ethics Charter): consent, karma, memory.

# 3. Comparative Innovation Table

Capability	Yin Yang Deception <sup>TM</sup>	Legacy Deception Models
Federated deception learning	V	X
Adaptive terrain (Ba Gua traps)	V	A Basic honeypots only
Smart contract healing (DAO)	V	×
ESG-aligned ethical framing	V	×
Reinforcement learning integration	V	⚠ Rare or experimental
Nonviolent defense posture	V	X Often adversarial

# 4. Deployment Scenarios



- DeFi Protocols: Trap attacker bots, redirect wallet-drainers, and trigger DAO-bas recovery.
- **Digital Identity Systems:** Feed synthetic intrusion patterns into federated fraud models (linked with FraudShield-AI<sup>TM</sup>).
- **Smart ESG Infrastructure:** Secure climate tech contracts and audit trails via deceptive proof-of-stake.
- **Public Infrastructure:** Offer governments self-healing cyber deception layers aligned with GDPR and NIST RMF 1.0.

# 5. Philosophical and Legal Positioning

Yin Yang Deception<sup>™</sup> is anchored in **Eastern philosophical ethics**, specifically:

- Tao Te Ching balance through polarity and non-resistance
- Ba Gua structural metaphors for behavioral guidance
- Digital Karma all intrusions create learning loops
- This framing is harmonized with legal frameworks:
- EU AI Act traceable, auditable system behavior
- NIST AI RMF adversarial robustness and memory
- GDPR transparent consent and behavioral processing

## 6. Summary Statement

Yin Yang Deception<sup>TM</sup> is not a tool.

It is a philosophical cybersecurity organism:



Every intruder becomes a teacher.

Every misstep becomes memory.

Every violation becomes transformation.

As part of the Dharma Flow of Digital Trust<sup>TM</sup>, it manifests a future where ethics, architecture, and adaptive defense are not separate — they are one.