

# PRÜF

A blockchain based asset  
tokenization ecosystem

# TABLE OF CONTENTS

End use concept	3
PRÜF MarketSpace for a local-first global market	6
PRÜF Verified – brand trust, anti-counterfeiting, and theft deterrence	8
PRÜF as a platform	11
Technical overview	13
Roadmap	24
The PRÜF ecosystem and core values	25
PRÜF tokenomics	29
Community Governance	32
State of the project	33
Key takeaways	34

## Feature-rich, tokenized, real-world and virtual assets

Acting as a “title” to everyday goods or virtual property, PRÜF tokenized assets allow the protections of title to extend to all your valuables. PRÜF Private-



Provenance allows rights holders to securely hold, transfer, sell and collateralize their possessions without opening their lives to scrutiny. PRÜF as a platform enables developers, individuals and teams to issue media-rich, customized NFTs for projects involving art, collectables, and other types of physical or virtual assets, all without writing a single line of blockchain code.

In addition to everyday items, collectibles, heirlooms, and capital goods under personal ownership, PRÜF tokenized assets open up a multitude of options for discreet and protected arms-length control.

## Imagine a world without counterfeit goods and brand piracy.

PRÜF makes it instant, free, and easy for buyers to verify the authenticity of items before they buy.

Counterfeit goods confuse buyers, cost sales, and erode brand value. Unfortunately, many sales channels (especially online) are not incentivized to care. PRÜF provides pre and post-sale verified authenticity with Trust-Enabled assets. With Trust-Enabled, consumers can verify the authenticity of goods before purchasing in both primary and secondary markets, protecting brand integrity, product value, and customer confidence.

Theft, counterfeiting, and fraud levy an illegitimate shadow-tax on society. It is estimated that by 2022, economic losses from counterfeit goods and cash may reach over a trillion dollars in value extracted from local economies. As with most systemic costs, this burden is carried disproportionately by those who can least afford to bear it.

Beyond falsified goods, as many as one in 40 currency notes are estimated to be counterfeit in some major western economies. Cash businesses lose billions annually to cash theft and fraud. These burdens amount to significant friction losses in legitimate economies by criminal actors, and the situation can be much worse in the developing world.

## You work hard for what you own.

Imagine a world where theft or seizure was less lucrative, and where possessions and assets were provably and privately yours with a title on the blockchain. Imagine a world where lost or stolen items or even cash would have little resale value unless returned, and where lost items could come home on their own.

Imagine effortless commerce, where selling something was as easy as marking it "for sale" in your wallet - Where finding a private or commercial seller for something you saw or liked in the wild was as easy as choosing "for sale near me" from a menu. Imagine purchasing a one-of-a-kind item through the window of a closed local boutique and having the item show up later at your door. Imagine effortlessly and costlessly enabling local and global e-commerce for every "mom-and-pop" store, democratizing front door access to the marketplace.

...Imagine a world with PRÜF.

## Existing systems facilitate the resale of stolen goods and incentivize theft.

Buyers or resellers of used goods are often put in the awkward and difficult position of trying to decide if an item they wish to buy was legitimately obtained by the person selling it.

PRÜF Secure-Transfer allows a buyer to be sure the person in front of them is the actual owner of an item being offered as collateral or for sale. Secure-Transfer protects both the buyer and seller by documenting the release of rights to the item, with the option to immediately transfer rights to the buyer on the blockchain. PRÜF Private-Provenance makes it very difficult to sell a stolen or lost item because a free cursory search on any PRÜF portal can indicate the item was reported as lost or stolen by the owner.

## If an item is lost or stolen, PRÜF gives you options.

If a PRÜF Trust-Enabled asset goes missing, it can be optionally linked with a mechanism for a reward if returned. Assets can be tagged with return information, facilitating securely contacting the rights holder\*. PRÜF Trust-Enabled assets are difficult to sell if stolen because checking if an item is lost or stolen from any web-enabled device is easy, fast, and free. It will become part of reasonable due diligence by dealers, pawnshops, or private buyers to support PRÜF Trust-Enabled assets.

## Even if found, lost or stolen items are often not returned to the owner.

Without adequate documentation of ownership, even in cases of theft where the item has been located, the possessor is usually assumed to be the owner unless additional proof is available. PRÜF Private-Provenance allows a rights-holder to prove the legitimacy of their claim, tracing the possession of the item back to a specific point in time or the original sale, irrefutably.

'Registration' as it is known today can erode privacy and create ancillary risks from private or government entities. PRÜF Private-Provenance eliminates this risk, even for the most sensitive of assets.

PRÜF Private-Provenance allows records to be stored such that ONLY the true owner can prove ownership. When using the Private-Provenance feature, names or identifying information cannot be looked up in the system, cross-referenced, or tracked. Additionally, items cannot be looked up in the PRÜF protocol without the actual item serial number. For additional privacy, a secret can also be included in the item record, creating a stealth listing, so only the holder of the secret can look up the item at all.

## A truly democratized, local-first global MarketSpace with PRÜF

PRÜF enabled tokenized assets are linkable to automatically generated or customized item profiles. These profiles can include manufacturer-provided information for mass-produced items, or artisan profiles and introductions for handcrafted goods. Each PRÜF enabled item bears a unique identifier that can be (optionally) tied to this profile.

For mass-produced goods, the item profile would likely include model number or series, documentation or manuals, instructional materials, feature demonstrations, etc. For artisanal goods, the profile could link back to the artist, other work she has available, a Wikipedia page, or other information. In any case, this "PRÜF tag" can be represented on a QR code or an NFC chip that can then be attached to or placed alongside the item as a sticker, tag, or label—or even built into the item in the case of RFID.

PRÜF enabled tokenized assets align perfectly as an opportunity for partnering with marketplace integrators to create a local-first global marketplace. Such an integrator could blend existing industry-scale supply chains with a local marketplace of pre-owned and artisanal items, leveraging the advantages of proximity marketing with deep supply and distribution backing. By leveraging this model, online-only retailers effectively convert the world into their showroom. With effortless point of

exposure shopping and deep brand integration possibilities, we expect this opportunity to be an attractive option for e-commerce at scale.

## PRÜF MarketSpace vision

By scanning a PRÜF data tag (or even just looking at it, with AR glasses), any data the owner may have chosen to make public can be displayed. By default, generic manufacturer data would be shown, but if the owner does not wish the tag to link to anything, something like "private" might be displayed instead. If the item is for sale, price and sale information will be displayed along with the item info, giving the viewer the option to immediately enter into a purchase escrow to reserve the item if that option has been made available by the seller.

In this way, with only cheap (pennies for 100) to print QR codes, any seller or private individual can effortlessly "list" their items on a global marketplace with a strong local-first aspect. When examining an item, a potential buyer could search "similar items near me" for example, and local listings for similar or identical items could be provided as options, backed up by listings from major suppliers and distributors. For the system to maximize throughput, local listings would be given top visibility so users would be incentivized to provide "advertising" by displaying and listing their items in the system. This alignment of incentives allows for the integration of a local-first marketplace with global reach and deep supply chains.

## Counterfeit goods confuse consumers, cost sales, and erode brand value.

Unfortunately, many sales channels are not incentivized to care. With PRÜF Trust-Enabled assets, it has never been easier or more cost-effective to protect customers from fakes. With an individual asset ID for each genuine product, a quick scan with the PRÜF app verifies the item is genuine and the ID unused. If a brand pirate tries to make asset IDs, they will show up as fake. If they try to reuse a real number, it will show up as already used (and therefore un-registerable) after the first customer registers that ID on the platform. PRÜF Trust-Enabled adds value and a premium nuance to products, while reducing the threat of brand theft with nominal infrastructure investment and a nominal unit cost.

In the store, your customer can scan the PRÜF Trust-Enabled tag or label with their phone. Since the item being verified is real, it will display as "Genuine, unowned". After purchase, your customer can open the sealed certificate included with the item, and enter the number inside using our app or your website. The item is then registered as "owned", and the customer may then register themselves as the owner. For nontrivial items, the customer then enjoys all of the protections of a PRÜF Trust-Enabled asset.

For online sales, the vendor can include the PRÜF Trust-Enabled tag of the specific item purchased as an image on the invoice before shipping. Clicking through, the customer will see verification of authenticity, and may mark the item as owned or view a product anticipation section of the brand's website. This will provide an opportunity for additional customer education, brand promotion, social media generation, and additional sales opportunities. After receiving their purchase, the customer can open the sealed certificate and enter the number inside using our app or the brand's website. The item



is then registered as "owned", and the customer may then register themselves as the owner of their new PRÜF Trust-Enabled asset.

After the sale, onboarding, registration, and subsequent verification of the authenticity of the item would generate valuable insights for the brand, and help onboard 2nd or later party owners, bringing them to the brand's website, offering additional information, offering service contracts or upgrades, or enabling other valuable customer interactions.

PRÜF can offer all of this as a very low barrier turnkey solution, or can provide manufacturers or vendors the tools to fully integrate authenticity verification into their online presence with no blockchain development required. PRÜF is so easy and affordable to implement that it makes blockchain enabling products as accessible to individual creators as it is to Fortune 500 companies.

## Counterfeit currency, fraud, and cash theft are global problems.

PRÜF can help.

Beyond falsified goods, as many as one in 40 currency notes are estimated to be counterfeit in some major western economies. This amounts to significant friction losses in legitimate economies by criminal actors, and the situation can be much worse in the developing world. PRÜF Verify can track larger denomination currency notes on the blockchain, so that serial numbers on bills can be scanned (at no cost) at the point of sale by vendors, with a smartphone by individuals, or at any point in the supply chain by banks, mints, and reserves. If a bill being scanned is marked as "held" by some other entity such as a bank, store, or other cash business, it can be considered questionable and returned to the bearer or more closely examined. If there is a question about the validity of a note, it can be referred to a bank or other appropriate agency for further inspection.

All of this can be done with privacy and anonymity provided by the PRÜF Verify protocol, keeping cash "cash".

## PRÜF Verify can disincentivize theft for cash businesses.

Robbery and theft are common pain points for nearly all cash businesses. Using PRÜF Verify, a business that uses cash could run each bill through an inexpensive scanner, automatically verifying each bill and marking it as "held" by the business. As part of the deposit process, bills would be scanned out of inventory and accepted into the inventory of the bank taking the deposit. For high-risk locations, cash drawers or overhead camera systems could be adapted to scan high-value bills in or out automatically.

Bills held by the bank would be scanned out of inventory to individuals or businesses, so that all bills under the control of a bank or transport company would be similarly protected from robbery or other loss to malicious actors.

Each step of the way, all bills are accounted for, and any missing bills could be made very difficult to use—marked as stolen by a trusted entity—rendering theft or robbery nearly pointless for a very small cost. Aligning incentives against malicious actors makes dollars and sense, and private and public insurances will be quick to recognize these advantages.

Theft, counterfeiting, and fraud levy an illegitimate shadow tax on societies. The PRÜF Verify protocol enables pervasive counterfeit detection and theft prevention by aligning incentives within an economy and reducing friction losses caused by malicious actors. This in turn lowers insurance costs, security infrastructure costs, enforcement costs, and a host of other zero return inefficiencies resulting from these malignant expenditures. Using the PRÜF Verify protocol can improve outcomes in disadvantaged economic sectors by making cash safer, more secure, and less costly. Lower costs mean lowering the barrier to entry for entrepreneurs, translating to improved growth, less crime, and healthier economies, benefiting us all.

## PRÜF as a platform

Many potential NFT based projects are launching with web developers having little to no blockchain experience, facing a very steep developer onramp for developing secure blockchain applications.



While PRÜF was initially conceived as a global solution for private and secure asset management, the platform built to achieve that goal is almost universally adaptable to all kinds of tokenization scenarios, and includes a rich variety of built-in features that make implementing an NFT based project easier and more extensible than ever before.

NFTs created or wrapped in PRÜF have built-in features for metadata, file or multimedia storage on IPFS, business logic for accepting payments in multiple fungible tokens and cryptocurrencies, escrow and loan contracts, controls on transferability, automatic linking via physical or virtual QR-codes, or RFID tags, and a host of other immutable and mutable characteristics and features.

With a few minutes of configuration in the ACNode manager portal, teams can launch their NFT within our fully tested and audited contract network, eliminating expensive and time-consuming contract development and audits.

Developers can deploy NFT dApps by incorporating PRÜF Node.js libraries into their websites or adapting our sample react template. Using the tooling that we provide developers can specify the features, look, and feel desired for their project. Using the ACNode management portal they can

deploy their token, defining their data schemas and customizing the scope of the business logic that will apply to their token—all without writing a single line of contract code.

The resulting standards-compliant token will be deployed within a recognized universal NFT network on the blockchain, with a contract-origin pedigree making them instantly recognizable, tradeable, and interoperable with other major platforms.

Each ACNode (token Origin) can define a unique name for their NFT, which will automatically preclude others from using their label and related namespaces in the system. This creates valuable branding IP for developers. The ACNode key token itself also represents a tangible asset that can help make projects more fundable.

Tokens created with PRÜF can be made automatically monetizable, requiring payment to the ACNode holder (token founder or delegated address) for operations such as the modifications of mutable characteristics, status changes, or transfers. Costs for revenue-generating events can be set individually and can range from 0 to nearly infinite.

All NFT assets produced using PRÜF infrastructure are standards compliant and fundamentally interoperable, though they may vary widely in added content and functionality. This means they can be viewed and interacted with within a common infrastructure, enabling a diversity of markets, trading platforms, and galleries that work with all NFTs in the PRÜF ecosystem. Feature commonality has the added benefit of ensuring absolute uniqueness and exclusivity of each PRÜF enabled NFT, a very important feature in many NFT based business models.

Solving the barrier to entry problem paves the way for hundreds of projects, and will establish the hosting blockchain as the default point of entry for NFT based projects. Rapid adoption and the interoperability of NFTs created with PRÜF will lead to network effects and a robust status as the NFT platform of choice.

## Technical Overview:

PRÜF is a blockchain based system for the tokenization, provenance, and management of real-world and virtual assets.



The PRÜF ecosystem consists of the PRÜF contract infrastructure, PRÜF users, and PRÜF nodes.

The PRÜF contract infrastructure is centered on a tightly integrated network of upgradeable contracts. The core of this structure is the primary storage contract, which integrates specific business logic associated with secure asset management. Closely tied to this are the AC\_Manager, Escrow\_Manager, and Verify contracts, all of which also hold additional local data. Although these contracts hold critical data, they are still upgradable using a “replicate on read” migration pattern. This is made possible using our contract name resolution system, which allows contracts to be “hot-swapped” in place without interrupting service.

All other business logic and asset control contracts plug into these systems and are trivially upgradeable, as they are stateless.

PRÜF users are, of course, the users of the PRÜF system. They may be individuals or organizations seeking to establish secure, private provenance and control of assets. Users access the PRÜF infrastructure from any internet-connected device, and can manage, transfer, or modify their assets through the PRÜF Node of their choice.

PRÜF nodes define and serve as portals for “asset classes”, or types of things. Users for each type of object being tokenized benefit from a customized experience tailored to the specific asset type and region. In response to these variations, PRÜF Node operators customize their web portal design, Node name, classification nomenclature, and revenue structure to reflect the needs and desires of the communities they serve.

Most Node operators serve customized versions of our white-label portal, run custom server applications, or deploy apps to the device ecosystems they serve. Node operators earn PRÜF tokens through fees for service, direct advertising revenue, or sales from in-portal commerce. Some Node operators representing larger brands may opt to make the use of the Node free to their customers to increase customer engagement and brand education opportunities.

As a Minimum Viable Product/demo solution for Node operators just starting out, PRÜF provides unbranded access through our basic portal and app deployments.

For fee-for-service operators, PRÜF provides a “try before you buy” model. After minting by burning PRÜF, a new Node token (PRND) is configured with a 51/49% revenue split with the PRÜF foundation. By upgrading a Node with PRÜF tokens, a Node can reach a 90/10% revenue share model. Funds from revenue shares provide funding to the PRÜF foundation for ongoing development and innovation in the PRÜF ecosystem, benefiting users and Node operators alike. By encouraging investment in Node tokens, PRÜF incentivizes Node operators to build effective service models and offer a pleasant user experience catered to users’ needs within their market niche. By ensuring Node operators have something at stake, PRÜF encourages responsible operators who seek to provide valuable services while discouraging “spammy” nodes or bad actors. Since Node tokens can be renamed and retain their revenue sharing percentage if transferred, Node tokens represent a tangible asset that gains value with the popularity and brand presence of the Node.

Since PRÜF does not store personally identifiable information by default and all information stored is publicly available, data cannot be “hacked” or legally coerced from the PRÜF system. In some cases, a user may desire a record to be easily verifiable or even publicly visible, which PRÜF can allow. In other cases, users may require absolute secrecy, while maintaining trustable verifiability. In this case, a strong arbitrary length passphrase can be included, making an item or identity mathematically impossible to link to any record in the PRÜF system without the passphrase, even if identity information is known. For most users, private identity with transparent item encoding provides the ideal balance of security and utility.

## PRÜF is designed to work effectively for both decentralized and custodial asset management.

For most applications, a fully decentralized implementation where users maintain token custody and direct control in their own cryptographic wallet offers the ideal combination of privacy, security, autonomy, and freedom. There are some cases however where a managed custodial solution is desirable.

Strong cases for custodial implementations may be found where there is an existing trust infrastructure such as governmental systems of asset provenance, where legal standing is established as stemming from registration with an extant governing body. Another similar application exists where a managing entity utilizes an asset token as a contractual instrument, or where a trusted custodial entity is desirable for reasons of continuity, physical security, etc.

In these cases, PRÜF can easily be used by or alongside existing state systems, reinforcing or augmenting extant social infrastructure. PRÜF accommodates this need through custodial contracts, where the governing contract holds the token representing the asset. In this case, ultimate provenance is determined through the cryptographic hash stored in the token itself, rather than the wallet holding the token. Entities which are authorized to manipulate a class of assets can authenticate owners using a private and secure method that conserves privacy while facilitating supervised provenance. Using custodial asset classes with the PRÜF protocol, an owner can demonstrate provenance without the need to involve any third party. Even if an asset is tokenized in a custodial asset class, it is mathematically impractical for anyone (including custodians) to enumerate or correlate ownership without the full cooperation and knowledge of the owner.

Whether fully distributed or supervised by a Node operator, the PRÜF protocol, when properly used, offers robust protection against malicious actors either with or without state backing.

## The PRÜF contract infrastructure uses a variety of tokens.

**PRUF** - The (fungible) PRÜF utility token (PRUF) is used primarily as “gas” for tokenizing, modifying, and transferring assets. In addition to fueling functions on the network, it serves as an incentive mechanism for PRÜF Node operators and network users, as well as the sole medium for acquiring and upgrading PRÜF nodes. PRÜF may also be used to offset Ethereum gas costs in future expansions of the ecosystem.

**PRND** - The PRÜF Node token (PRND) acts as a control key for operating PRÜF nodes. Holders of a PRND token have the ability to operate a PRÜF Node, which acts as a portal for users to interact with the PRÜF system. The PRND token allows Node operators to access their controls for pricing, naming, and addresses to receive PRUF tokens collected for services provided by the Node.

**PRAT** - The PRÜF asset token (PRAT) is the tokenized representation of assets held in the PRÜF system. PRATs are the blockchain representation of assets and are interacted with by the PRÜF infrastructure to facilitate the secure, private control and transfer of assets, in both real and virtual spaces. PRATs are held by users in noncustodial asset classes or held in custodial contracts for managed asset classes. The transfer of PRATs is controlled by the underlying PRÜF contract infrastructure and may be restricted by contract operations for certain functions such as escrows or when reported as lost or stolen by the token holder.

**PRID** - The PRÜF ID token (PRID) acts as a certificate, indicating the holder has been identity verified by PRÜF or a trusted third party or system. PRID tokens do not contain personally identifiable information, but are unique and derived from a verified personal or automation identity. In this way, PRID tokens represent a unique identity certificate, reducing the incentive and opportunity for malicious actors among users and systems trusted with the tokenization of assets. PRID tokens are nontransferable and are permanently associated with the address to which they are issued. If a PRID token is to be moved to a new address, it must be burned and reissued by a trusted entity.

In general, only the PRUF and PRND tokens are meant to be managed by standard token handlers, though the PRAT token is transferrable by token holders as a normal ERC721 token as long as it is not locked by an escrow contract or by the token holder.

The core PRÜF protocol tracks 10 critical data points for each asset in the system.

- 1: The cryptographic hash for the item itself (idxHash)
- 2: The cryptographic hash for the rights holder (rgtHash)
- 3: The status of the asset record—transferrable, nontransferable, etc.
- 4: The number of times, if any, a record has been edited (only applies to certain asset classes that may have administrative oversight)
- 5: The asset class, or Node, that the asset is minted in
- 6,7: A decrement-only counter, and its starting point. This is used to track consumables or remaining service life, for instance.
- 8: An updatable pointer to an optional IPFS file, typically A JSON data structure including pointers to media, information, and files. (descriptions, photos, etc.\*\*\*)
- 9: An immutable pointer to an optional IPFS file, typically A JSON data structure including pointers to media, information, and files. This might typically be used for certifications of authenticity, valuations, documentation, and other persistent information.
- 10: The number of times the asset has been transferred.

## How PRÜF works, a walkthrough:

The first step to onboard an asset into PRÜF is tokenization. This is accomplished either by a manufacturer or certifying entity, ensuring fakes or after-hours production are easily identified, by a content creator creating NFT enabled content, or by an individual or organization wishing to onboard their own physical or digital assets.

The process of tokenization begins by identifying the uniquely identifiable features of the asset. This may consist of the manufacturer, model, and serial number of the item along with any other specific features unique to the class of asset being tokenized. In the case of Digital-content NFTs, the class will be tied to the specific brand, artist, or agency.

Once identified, this information is entered into a PRÜF portal (the web interface for a PRÜF Node) by either an ACNode (PRND) holder or in unrestricted asset classes, aPRID token holding entity or person. If the asset is to be kept hidden (secret) on the PRÜF platform, a passphrase or secret key may be included with this information.

It is important to note that using the PRÜF protocol, this information remains local to the terminal being used (web browser, app, etc.) and is not transmitted over the internet or stored in PRÜF. This information is used locally to create a strong cryptographic hash through multiple cryptographic hashing operations. In this process, the original information is lost to entropy, so it is mathematically impossible to recreate the original information from the resulting hash. The hash resulting from processing the asset data is called the idxHash.

Once the idxHash has been created, another hash is made from data supplied by the user for the purpose of owner identification. This might be a company name and license number, an individual name and ID number, biometric data, or any other externally verifiable information that can be used by an owner to uniquely differentiate themselves.<sup>\*\*</sup> This data should include a strong passphrase known only to the owner. This new hash is called the "raw" rgtHash.

Once the idxHash and the raw rgtHash have been created, they are hashed together to form the full rgtHash. Without this important step it would be possible to scrape the blockchain and compile a list of rgtHashes and the assets they correspond to in a potential metadata attack on user privacy.

With the rgtHash hashed with the idxHash, an attacker would need a user's full identity information and all the item's detailed information (manufacturer, model, serial, and item passphrase, if used), as well as the passphrase used to encode the user's identity. In other words, they could not find out anything they did not already know and would be extremely unlikely to even be able to definitively correlate an item with a user without the user's full cooperation.

Once the full rgtHash and the idxHash have been created, these hashes are transmitted to a blockchain Node. At no time is any data used to make the hashes transmitted or stored. Once the hashes are sent, the PRÜF contract infrastructure creates a database record and an enhanced ERC721 token using the idxHash as the token ID. This token is created either in the user's wallet or in a custodial contract, depending on whether the item was tokenized in a custodial or noncustodial asset class. Additional information including a consumable counter, additional description data, and changeable file attachments can be made at this time. In additional steps, immutable file attachments or notes can be made, as well as updates to any description or media files attached to the asset.

If the item is physical, an optional label can be printed to attach to the item using any label compatible printer. The label contains a QR code for instant, effortless, and cost-free lookup of the item in the PRÜF system. It should be noted that looking up an item on PRÜF requires either the QR code, the idxHash, or the full item information including manufacturer, model, serial, or any other information used when the original idxHash was created. Looking up an item on PRÜF does not reveal any information about the owner. Only the owner can verify their ownership of an item.

Once the tokenization process is complete, the tokenized item can be manipulated using the PRÜF contract infrastructure. A user can mark an asset as non-transferrable, transferrable, transferred, discardable, discarded, lost, stolen, or any other custom status. Assets can be transferred between users, transferred out of the system, used in escrows, and manipulated using custom business logic for any definable process. The PRÜF provenance system is flexible, robust, customizable, and upgradable to meet both present and future asset management needs.

PRÜF assets that have not been made "stealth" are easily retrieved from the blockchain using our app or website. In this way, it can be instantly verified if someone presenting an item for sale is the registered owner. If an item is lost or stolen, the owner can mark that in the PRÜF system, so anyone looking up an item will see that status. An item in a store can be scanned to verify it is authentic and unregistered (unused). Used items can have their authenticity verified through PRÜF as well, as only items listed by a manufacturer or official verifying vendor will be listed in that manufacturer's or vendor's asset class.

By securing provenance and creating verifiable trust, PRÜF enables secure and private ownership, facilitates private commerce, works to disincentivize theft and counterfeiting, and empowers

individuals with cryptographically secure, privacy-first tools to secure their belongings. In addition to these already built capabilities, PRÜF is forging important partnerships and crafting new tools to create a local-first global marketplace that emphasizes P2P trade and small businesses, backed with deep global distribution chains.

**The PRÜF contract infrastructure manages asset provenance and business logic, facilitating the private and secure management and transfer of assets.**

The basic PRÜF protocol provides functionality for ownership verification, authenticity verification, and the direct or mediated transfer of assets. Additional PRÜF protocols such as PRÜF-Boomerang, and PRÜF-Recycle further extend functionality for PRÜF tokenized assets.

Although PRÜF was designed specifically for privately and securely managing the provenance of physical items, PRÜF tokenized assets can also include virtual items such as NFT Content, legal contracts, token wallets, other asset tokens, access keys, licenses, or other documents. By linking with the global, decentralized Interplanetary File System (IPFS) PRÜF enabled assets can be connected to a wide variety of transient or immutable data objects, including photos, media, documents, software, and more. In the case of content-based NFTs especially, the Node (PRND) that was used to authorize an asset simplifies verification of authenticity by providing a touchpoint for ensuring that held tokens are authentic and authorized, since they can only be minted by the holder of .

For asset ownership, PRÜF allows an asset holder to authenticate that they are the legitimate holder of the asset. This can be done either by confirming their possession of the token in their wallet, or for additional verification, showing they can reproduce the item's rgtHash using their (in-person verifiable) identity information.

For third-party provenance certification, PRÜF facilitates the storage of immutable media on the Interplanetary File System (IPFS). This media may contain a digital copy of certification by a recognized certifying agency, which itself may refer to a unique PRÜF certificate which can be traced to the certifying agency on-chain, linking back to the asset in question, creating a verifiable circle of trust. A simpler implementation of this optimized for manufacturers tokenizes the asset itself in a certified Asset Class, creating inherently verifiable provenance for the asset. (see PIP, below).

PRÜF supports the secure transfer of assets. In secure-transfer, a receiver or buyer first verifies the ownership of the asset by the provider or seller. The seller first proves ownership by demonstrating they can reproduce the items unique rgtHash, either off chain or on. In this scenario, the buyer uses their verifying application, so that the seller cannot falsify the rgtHash match unless the buyer's application is compromised. In neither case is the personally identifiable information transmitted. A completely trustless variation of this can also be utilized without trusting any device-side software, but some non-identifying intermediary hash information is inherently made visible on-chain, so that the rgtHash is permanently "burned" and cannot be safely reused. After such a verification, an asset will require transfer or modification of the rgtHash to be once again verifiable in this way.

With PRÜF it is also simple to arrange supervised transfers, known in the PRÜF systems loosely as "escrows". PRÜF escrows are contracts that specify the terms of a transfer, a holding lock, or other asset manipulations. They can be controlled by time, payment transfer, on-chain oracles, or authorized controlling addresses. In a simple example, an asset is held as collateral, pending the release by a controlling entity or a specified passage of time. During this "escrow period" the asset cannot be modified or transferred. PRÜF escrows can be written for nearly any set of conditions that can be monitored on or off chain.

PRÜF incentivizes the responsible discarding of still usable objects through the "Recycle" protocol. With PRÜF-Recycle, a user who discards an item receives PRÜF tokens when someone re-homes the item in the PRÜF ecosystem. This encourages users to give away still-useful items instead of throwing them in the trash.

If a PRÜF tokenized item is lost or stolen, the owner can change its status to reflect that in PRÜF. This alerts potential buyers that the item being presented is not owned by the seller, and can also be used by the owner to provide an incentive for a finder to ensure the safe return of a lost or stolen item. In this way, by making lost items difficult to sell and enabling a return bounty, PRÜF-Boomerang disincentivizes theft and helps items find their way home. PRÜF-Boomerang ecosystem partners can further facilitate the return of items, collecting bounties and providing delivery services.

## The PRÜF infrastructure is infinitely extensible

Due to the versatile nature of the PRÜF infrastructure, custom smart-contract plugins can be written and permissioned for specific asset classes that perform specialized business logic for almost any application.

An example of this extensibility can be found in the PIP (Product Initiation Protocol) contract, which enables manufacturers to tokenize goods at a low per item cost. These tokenized items are authenticatable prior to full registration on the PRÜF system, allowing the authenticity of the item to be verified prior to purchase. Once the item is purchased, it is then registered by the buyer in the manufacturer's PRÜF portal. PRÜF PIP provides a turnkey, low-cost system to eliminate brand piracy.

Another example of the expandability of the PRÜF infrastructure is the PRÜF-Verify protocol. With PRÜF-Verify, a single PRÜF asset holds a list of serial numbers (or other PRÜF assets) in a "wallet". The master token acts as a key, enabling the holder to check assets in or out of the wallet. The PRÜF-Verify protocol is designed to be used to counteract counterfeiting of serialized fungibles, and to affordably track the holding and disposition of this kind of asset for entities that handle significant volumes of serialized assets in a single class.

**PRÜF provides turnkey solutions at common pain points for NFT issuers, users, manufacturers, and resellers.**

Buyers want to buy genuine products from legitimate sellers. PRÜF enables lifetime verification of authenticity and provable provenance, and provides simple systems for transferring ownership or managing assets, adding value for users. Even a garage sale can gain added value from PRÜF, establishing the legitimacy of ownership and the verifiable authenticity of items for sale.

For content based NFTs, using Node keys (PRND) as a requirement for token minting in PRÜF not only protects token buyers, it also protects content creators and minters by securing their unique space within the ecosystem and preventing their brands from interference from bad-faith actors. The PRÜF community governance DAO can quickly deal with dishonest actors within the system, clearly marking fraudulent tokens.

Sellers and manufacturers want to be able to distinguish themselves from brand counterfeits. PRÜF gives buyers and sellers peace of mind, creating an unforgeable certificate of authenticity on the blockchain that customers can easily verify with any internet-connected device. Counterfeit certificates are technically infeasible to create, and if a genuine one is copied, the fake will be detected as the first one is verified by a customer. PRÜF delivers a low-cost turnkey solution to end brand piracy.

In addition to these solutions, the PRÜF ecosystem provides opportunities for increased customer engagement, leading to additional or repeat purchases and increased brand loyalty.

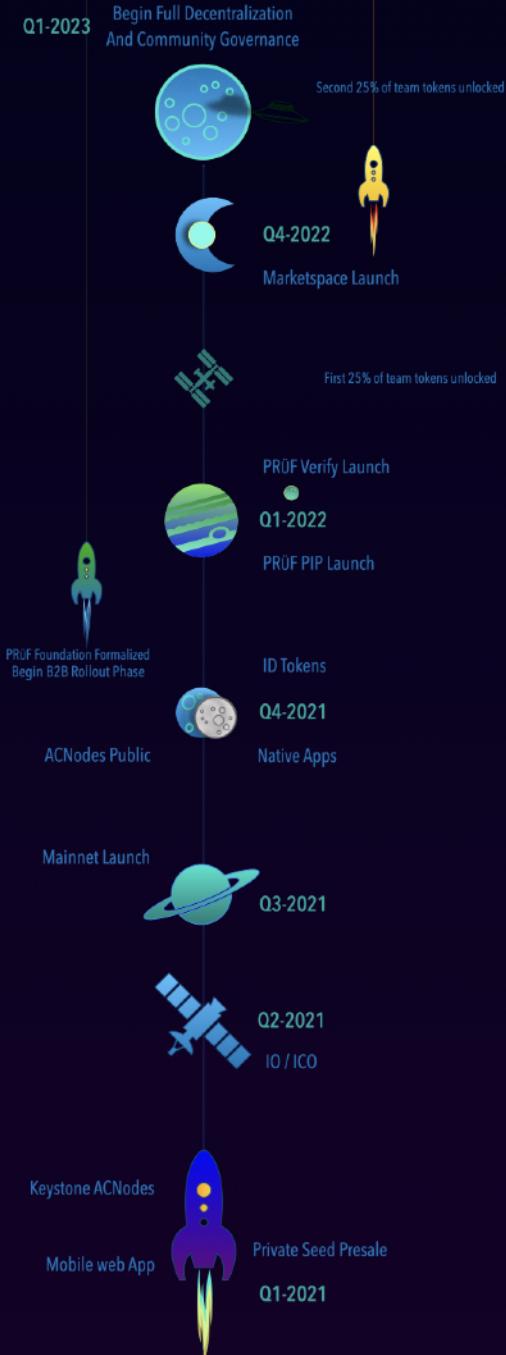
Strong potential exists for integration with e-commerce retailers and marketplaces through the proposed MarketSpace ecosystem, effortlessly connecting small retailers and individuals through a local-first global marketplace backed up by deep supply chains, turning the world into an expansive physical showroom. Larger vendors could benefit from increased sales opportunities as well as long-tail customer engagement, providing additional opportunities for upselling, accessory sales, and repeat purchases.

The PRÜF ecosystem expands into diverse markets through the effort of PRÜF-Node operators. PRÜF-Node operators use in-house software or customized versions of our open-source web template to create a portal to the PRÜF back-end, custom-tailored to their customer base and product line(s). Operating a PRÜF-Node provides revenue directly through service fees paid by end-users, advertising, or sales of tailored products and services for the specific market niche.

For larger businesses, operating a PRÜF-Node increases brand engagement, provides an opportunity for product education, and brings customers into contact with promotions, new products, and other revenue-generating interactions.

# PRÜF

PRÜF THAT IT'S GENUINE. PRÜF THAT IT'S YOURS.



Contracts audited and live on the testnet 1/5/2021  
Web Interface in MVP release 1.0

## The PRÜF ecosystem and core values

PRÜF is more than a product, SAAS, or blockchain company. PRÜF was designed from the ground up as an ecosystem and is designed to be upgradeable, scalable, persistent, and to grow to operate autonomously without oversight.

### Core values for PRÜF:



**Data Sovereignty** - You should be in control of your data and how it is used. PRÜF does not collect sensitive data from its users. Whenever personally-identifying information is required, it will be used for computations on the user's own computer, and only the irreversible hashes made from that data will be stored on the blockchain.

**Safety** - PRÜF systems are engineered so they will not inadvertently or intentionally compromise the security, privacy, or agency of users. PRÜF will protect the privacy of its users by collecting the minimum information required to provide the desired service, and clearly informing users of actions that may put their privacy, security, or agency at risk.

**Personal Agency** - PRÜF strives to increase the freedom of its users from the external application of coercive force, whether financial, physical, or social.

**Sustainability** - As a blockchain-based service, PRÜF is designed to stand the test of time. The PRÜF protocol is engineered to be flexible, upgradeable, modular, and persistent. PRÜF will seek opportunities to incentivize activities that enhance the sustainable uses of PRÜF, its applications, and the natural environment we all share.

**Do No Harm** - The developers of PRÜF are committed to building a tool that has a positive impact on society. Many of the design decisions built into the PRÜF protocol are designed to facilitate the positive

uses of PRÜF and discourage bad actors. The PRÜF ethos is our commitment to ensuring PRÜF will not be used to deprive others of their rights, freedom, or property.

Since PRÜF does not hold any sensitive data, PRÜF cannot be forced to divulge customer records, names, or information about their assets. Our customer's secrets are protected by entropy and mathematics, not passwords, locks, and doors.

PRÜF, as a smart contract infrastructure, can continue to operate indefinitely without maintenance, oversight, or external control. It is designed to eventually be completely autonomous. Payments are handled autonomously and on-chain, as are all critical data functions. Some enhanced functionality utilizes IPFS, so this functionality might become unavailable if the core system were abandoned, but the main functionality would continue, unimpeded.

The actors within the PRÜF ecosystem are the PRÜF foundation, independent business units (Node operators), the developer community, and, of course, PRÜF asset rights holders. After the initial launch and beta phase testing, PRÜF will be fully open-sourced and community development will open. On-chain governance will be implemented as the project moves forward from the beta testing benchmark.

Asset Class business unit (Node) operators will be able to set and collect fees from asset management services, transfers, tokenizations, and value-added services desired by the customers they serve. Pricing for these services may vary widely, from negligible for basic services for common goods, to significant fees for bespoke management and legal support in more complex high-value asset management scenarios.

With no smart contract development required and simple, open-source templates using the popular REACT web framework, each Node represents a turnkey backend solution with only minimal customization required to be a PRÜF portal service provider.

Each PRÜF-Node token is minted in a root class: for example, 'bicycles in Pakistan' might be one Node, minted in the root class 'global bicycles', while 'bicycles in the USA' is another Node, in the same root. Asset rights holders can move between nodes they are qualified to be in by ownership, geography, or other factors, but any non-secret asset can be looked up globally on the system to discover its status.

PRÜF will start with a few hand-picked PRÜF-Node partners in just a few of the most critical, pain point filled asset classifications. Using our web3 templates and the PRÜF smart contract infrastructure, each partner will build out their web presence as a PRÜF-Node operator.

As each type and region of Node being operated will face unique challenges and customer needs, this ecosystem approach provides for a marketplace of ideas and methods, encouraging innovation while maintaining an unfragmented system of decentralized asset provenance. Maintaining a cohesive universal repository for all providers allows everyone to benefit from network effects and protects the PRÜF ecosystem from the potentially negative trust effects of multiplicity. Providing a ready-for-customization deployment with prebuilt infrastructure gives PRÜF and PRÜF partners a strong first-mover advantage in every potential market segment.

There is an incentive built into PRÜF to encourage re-sharing of still-useful discarded items, by incentivizing the donation of a disused asset with a rebate on initial inscription costs. Recycling of assets in the PRÜF ecosystem encourages the re-homing of items in the real world; reducing waste, environmental footprint, and atmospheric carbon production.

The PRÜF contract infrastructure is modular, upgradeable, and security-forward. PRÜF data manipulation and storage functions are handled by contracts that can only be manipulated by other trusted PRÜF contracts. Edge interfaces are handled on a once-removed basis so that all interactions with data are constrained to expected and acceptable parameters, even if an external contract could be manipulated into an unanticipated state. Payable surfaces are limited to a safe-withdraw payment function which implements a pull-payment pattern. Function calls in PRÜF contracts are unidirectional, with no stateful calls into previously called contracts or functions within a transaction, and the checks-effects-interactions pattern is universally implemented.

With flexible, extensible architecture, simple, powerful tools, and turnkey integration, PRÜF brings the empowerment and advantages of the blockchain to a variety of B2B and consumer-facing applications without any blockchain programming or infrastructure rollout.

\* This feature is not trustless and may compromise secrecy for sensitive users. In the case of lost asset recovery, this information would only optionally be provided by the rights-holder in order to facilitate the recovery of their lost item. Items marked stolen or lost but without contact information

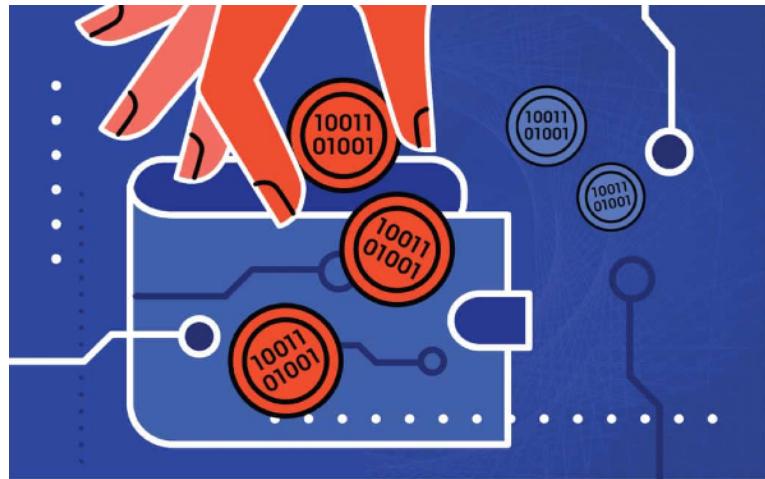
would still compromise the resale of an asset, reducing the incentive for theft. This feature is not inherently trustless. If used, it could potentially make user information provided in this step vulnerable to official coercion or data breach. Users should decide if these risks are outweighed by the benefits in each case.

\*\* For especially sensitive applications, the name and ID can be replaced with a surrogate, alias, or a cryptographic token, enabling perfect anonymity.

\*\*\* Although basic PRÜF Verify verification is trivial to deploy to the public with minimal risk, private party use of PRÜF Verify "hold" or "locking" functions would have to be carefully and ethically deployed because of an inherent risk of data misuse. The PRÜF team will not implement "PRÜF Verify personal" unless we are satisfied we have created a protocol framework that protects the interests of users.

## PRÜF Token Integrations and Tokenomics

In its most basic form, PRÜF uses two types of non-fungible tokens for data management and control. Asset class Nodes are controlled by holders of a corresponding Node token (PRND) that acts as an authorization key to enable them to change pricing and payment parameters of their Node. Assets themselves are represented by asset NFT's (PRAT)—each one corresponding to an asset on PRÜF.



The PRÜF protocol also supports special-purpose satellite contracts that may be configured to control additional token systems of fungible or non-fungible tokens. These tokens may represent digital assets, in-game currency, tokenized representations of actual currency for anti-counterfeit applications, or other applications where specialized control of a token system may be required.

In addition to this core functionality, PRÜF uses the PRÜF utility token (PRÜF), a fungible ERC20 token which helps to scale and secure the economic growth of the platform. Designed primarily to align development incentives and community governance of the platform, PRÜF will function as "gas" for fee-based operations, and under the "services discount model" on the B2B side.

PRÜF is burned in the minting of PRND Nodes, and Nodes can be staked on by PRÜF holders. Token holder rewards for staking will be determined by Node revenues, distributed among the Node stakeholders.

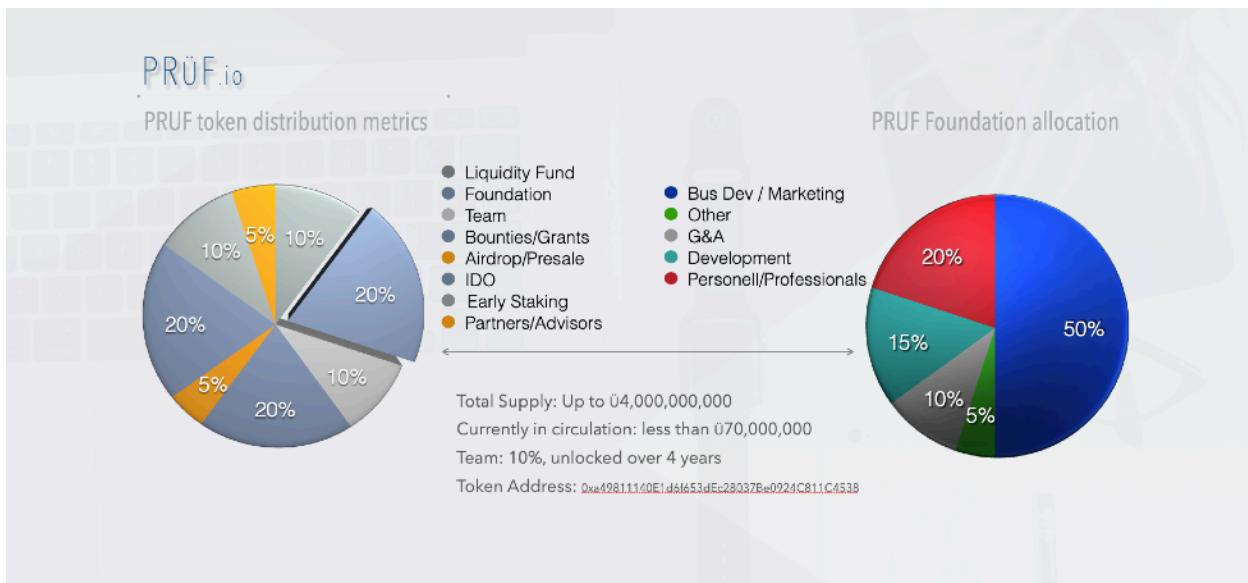
Nodes are the customer-facing endpoints of the PRÜF infrastructure and generate revenue based on monetized services and business logic provided by the Node operator (PRND token holder).

Under the current plan, 50% of Node revenue goes to the Node operator. Of the remaining 50%, A fixed 37.5% is divided among stakers on the Node. The remaining 12.5% is diverted to the PRÜF

Foundation to pay for ongoing development, bug bounties, and platform marketing. In the event of surplus revenue, the PRÜF foundation will burn or redistribute these tokens as additional staking or Node rewards.

Fees for use of the PRÜF infrastructure are chosen by Node operators. They are set by the asset class Node (PRND) holder for the Nodes they own and operate in the PRÜF ecosystem. By default, fees are split 12.5/37.5/50 between PRÜF, stakers, and the Node token holder, respectively.

After an initial buildout, PRND Node tokens will be distributed on a schedule controlled by the PRÜF foundation at a nominal 200,000 PRÜF per Node (the price may be adjusted). Half of all PRÜF Tokens exchanged for PRND tokens will be burned, increasing token scarcity and allowing the influx of new tokens without affecting the economics of the platform.



## PRÜF Token Roadmap

The tokenomic roadmap is draft status and serves to elucidate our overall plan for PRÜF.

Up to 4 billion PRÜF will be initially minted. Initial disbursement of up to 80 million will be by an opt-in airdrop and token sale. The dev team will retain 400 million PRÜF which will be trickle-unlocked over 4 years, ensuring the team is incentivized to produce the best possible product. The PRÜF foundation will be founded with an endowment of 800 million PRÜF, and an additional 800 million PRÜF will be retained by the PRÜF foundation for bounties, incentives, and community development. Initial founding investors, contributors, and advisors will receive 200 million PRÜF. 800 million PRÜF will be distributed in a pre-launch IDO, and 400 million will be placed in a staking incentive fund which will be used to reward early stakers on the network, helping to stabilize token value prior to mainnet launch of the infrastructure.

Aside from this, 400 million PRÜF will be held as a reserve to balance the economic model in case of critical token scarcity which could damage the growth of the ecosystem. Once the potential need for this fund is deemed unlikely by the foundation, these tokens will be burned. The amount to mint an ACNode will initially be 200,000 PRÜF, half of which is burned with every ACNode minted.

## PRÜF Community Governance

With staking open for all Nodes (PRND authorized endpoints for the PRÜF ecosystem), unbiased holders will flock to the most profitable - but not over-staked - nodes to stake on. The amount of stakers is balanced by the dilution of the stake revenue pool by stakers, reaching an equilibrium based on the opportunity cost of staking.

Nodes will be given voting weight in community governance based on the number of staked tokens delegated to their Node. This incentivizes economically motivated governance of the PRÜF DAO.

The PRÜF Foundation will work with the community-based DAO to ensure that the needs and rights of good-faith actors are prioritized on the platform, while ensuring a vibrant and prosperous ecosystem.

For governance, any utility token holder will be able to propose a resolution. A resolution must meet a quorum of support by Node holders to be brought to a vote. This would typically be achieved by out-of-band advocacy to Node operator communities. After crossing the threshold quorum to trigger a vote, a resolution must gain 51% (or more, which may be established in the proposal) of the support of a quorum of Node holders. Quorum sizes may be increased (but not diminished) within the proposal framework. Nodes that participate in the vote will receive an incentive drawn from global Node earnings.

Resolutions will be limited to one per 6 epochs and will be lifted from the table in the order of the quorum size. Resolutions that fail to make a vote within 12 epochs will be postponed indefinitely and must be revived through a new quorum of support. Mechanisms to prevent unwanted vote concentration and to limit other potential perverse incentives are currently being developed, and will likely be patterned after existing successful solutions.

Along with offering token holders a source of passive income, Node staking is expected to bring a vibrant guidance mechanism to the PRÜF community; empowering token holders and Node operators alike to steer the platform to prosperity and dynamic growth.

## The PRÜF team

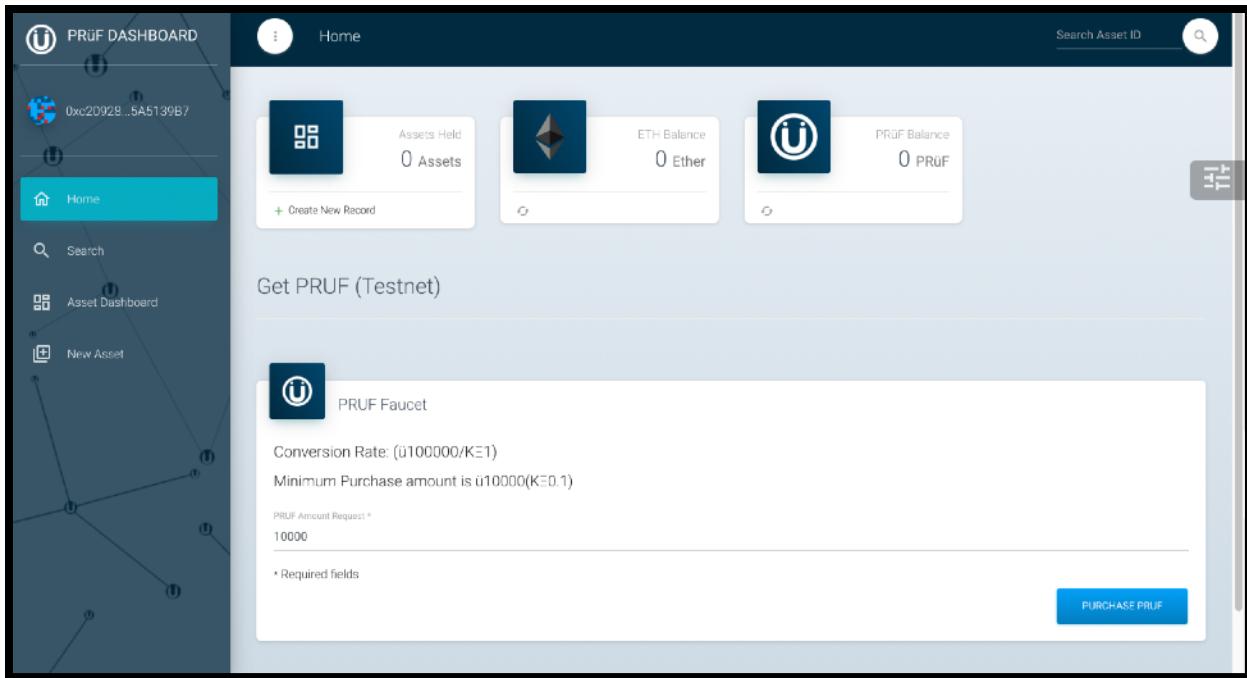
## Progress So Far

At this time, all of the core PRÜF contracts are nearing beta and are undergoing extensive automated

and manual testing.

The contracts are fully operational and implement all the core blockchain functions of PRÜF Private-Provenance, Trust-Enabled, Boomerang, MarketSpace, and more. PRÜF currently implements our sample web3 interface deployed using React.js, and we have produced a Node.js bundle and API documentation to make accessing the PRÜF ABI easier than ever.

All core PRÜF features have been finalized, and modular methods of adding future features have been implemented. Contract upgrades and data migrations have been gamed out and all necessary features implemented to support upgrades, bug fixes, and expansions on a live system. In addition to core features, satellite example contracts for custodial and non-custodial escrows have been implemented, and many more transaction handlers are planned for pre-release development including release on delivery escrows, asset-backed loans, PRÜF Verify, and others. Because of the PRÜF protocol infrastructure underlying these satellite contracts, development is greatly simplified and highly standardized with feature-rich, secure functions available to the satellite business logic from the core infrastructure.



## Helping to align incentives in everyday commerce

PRÜF can reduce frictions and improve security without the need for additional enforcement or state-sponsored coercive force. PRÜF Private-Provenance and PRÜF Trust-Enabled assets enhance the value and utility of the existing infrastructure of things while maintaining user privacy and data sovereignty.

### Key Takeaways:

- PRÜF Private-Provenance secures a user's rights to their possessions.
- PRÜF Boomerang helps to recover lost or stolen items.
- PRÜF MarketSpace enables and facilitates P2P and industry scale commerce.
- PRÜF Trust-Enabled reduces brand risks from counterfeit goods and enhances brand interactions.
- PRÜF Verify disincentivizes theft and fraud.
- PRÜF can improve economic efficiencies in a broad range of domains.