

Drunken Dragon Universe, an Autonomous Fantasy Franchise with Decentralized Intellectual Property

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Abstract

The mission of Drunken Dragon Entertainment is to create the most epic fantasy universe to experience and share our love for fantasy. We aim to achieve it by proposing novel industry standards for fantasy franchises and intellectual property management, where independent creators and studios can contribute to the franchise's development, and fans have a direct vote on the franchise's direction.

Fantasy Franchises like Star Wars, Lord of the Rings or Warcraft are sources of passion and love for fantasy worldwide. However, the organizations that own the Intellectual Properties have become a source of frustration to fans. These companies have in many occasions developed the wrong products, evolved the lore in disappointing ways, and prohibited fans from creating and expanding the universe as the community desires. At Drunken Dragon Entertainment, we are crafting a brand new fantasy franchise governed by fans and retail investors. Contributions to the franchise's lore, products, and merchandise come from independent creators and studios. We use blockchain technology that enables decentralized governance, treasury management, and product launching in a marketplace that creates incentives to collaboratively craft the most epic fantasy universe to experience and share our love for fantasy.

1 Why Drunken Dragon Universe

Drunken Dragon Entertainment's mission is to create the most epic fantasy universe to enable people worldwide to share meaningful experiences with old and new friends. We believe that fantasy fans and talent worldwide must be included in creating and extending the franchise's lore, stories, and products to accomplish such a mission. Further, properly aligning intrinsic and extrinsic incentives makes the economic machinery work favouring fantasy quality while

creating opportunities for talent worldwide. Finally, we believe that the metaverse will become a network of digital spaces made by and for people. Hence, the entertainment industry must adopt the fundamental values of community, inclusivity, and interconnectivity and redesign how intellectual property works to empower the content creators of these futuristic digital spaces.

We believe that this massive inclusion and collaboration are possible through decentralized governance, well designed tokenized incentives, and digital collaboration tools enabled by the recent innovations in blockchain technologies.

2 Vision

- To become the most prominent fantasy franchise in quality and quantity of content, products and services.
- To have millions of fantasy fans, content creators, and independent organizations included in the governance, creative process and incentives of developing and expanding the Drunken Dragon Universe.
- To have a well designed and balanced non-adversarial collaboration incentive model where creators, organizations and franchise governance members are encouraged and comfortable creating on top of each other's work and where there is no fear of "stolen art or unrecognized efforts".
- To have achieved a global inclusive economic model where skill, creativity, and cooperation are rewarded and recognized independently of the socio-economic, geographic, or ethnic group; a model where millions have found opportunities to develop themselves artistically, financially, and socially.
- To become a standard of how decentralized intellectual property works in a world where digital spaces and people are tightly interconnected through what we call the metaverse.

2.1 Issues with the Legacy Entertainment Industry

- Fantasy fans are excluded from the franchise development process.
- Unaligned incentives of IP owners.

The legacy entertainment industry has mostly inorganic and ineffective franchises that fantasy fans worldwide love and support. We argue that the cause is the incorrect alignment of incentives. Most commonly, the entertainment industry prioritizes profit, leaving the development of quality fantasy and the community as second class citizens. As a result, fantasy franchises alienate their fans by developing the wrong products, creating low-quality stories, creating depredatory business models, and ignoring their communities' feedback.

Examples of well-known franchises where this has happened are Warcraft, Diablo, Game of Thrones and Star Wars. Other franchises are left without much or at all development because the intellectual property owners are not interested in adequately developing them, leaving the fantasy fans with a dead universe or hoping for third parties to invest in them properly.

The problem is that the consumers have no institutionalized input in the decision-making process of the corporations that run the fantasy franchise. To have a vote on the board of directors, one must own a prohibitively expensive amount of company shares if the corporation is public; otherwise, no method exists. And corporations have no primary incentive to listen to the consumers, as the primary legal objective of a traditional corporation is to create profit for the shareholders.

3 High-level Concept

We propose the creation of a highly collaborative and decentralized ecosystem for the crafting of a fantasy universe and associated products and services. We call this an Autonomous Fantasy Franchise, a name inherited by the web3 concept of a DAO or Decentralized Autonomous Organization. "Autonomous" means that the franchise development is not solely done by a single central organization or authority but by incentivizing the collaboration of individuals or parties of creators, investors and fans. Such autonomous collaboration is possible through blockchain technology that allows voting with digital tokenized assets (for fans) and voting with a tokenized stake (for investors). Blockchain furthermore enables the automation of decentralized treasury management where no single authority has complete power to spend resources, allowing the on-blockchain governance to fund creator's projects, receive profit splits from the related sales, and make automated royalty shares to investors.

To make this collaboration possible, we believe that the concept of intellectual property must evolve in parallel; that is why we propose the idea of Decentralized Intellectual Property that reigns over the intangible rights created for the Autonomous Fantasy Franchise. In a Decentralized Intellectual Property, each digital asset, idea, or intangible property is licenced as creative commons, enabling massive collaboration over the intellectual property (in contrast to the traditional intellectual properties that would typically protect central authorities to have exclusive commercial exploitation rights). The vital difference is that the Decentralized Intellectual Property content uses the ability of blockchain to create universally verifiable authenticity certificates that allow fans and investors to identify the products and services that the certificate appropriately labels as an official asset or idea of the Autonomous Fantasy Franchise.

Independent parties propose the content of an Autonomous Fantasy Fran-

chise, and the authenticity certificates are issued and approved by its decentralized governance.

4 The Role of Autonomous Fantasy Franchises and Decentralized Intellectual Property in the Metaverse

We define the metaverse as the future interconnection between digital spaces where user content, data and assets will persist and move between digital spaces controlled by independent parties, allowing the metaverse users to have a shared identity between such digital spaces and move between them without friction.

We believe that there will not be several metaverses but a single one. Analogous to how there is only one internet, where multiple computers are interconnected and share information between them, we see a single metaverse where multiple digital spaces are interconnected and share trust-sensitive information between them (like what you own or what you are). Therefore we define the metaverse as the single place "to be".

This trust-sensitive information transfer that unlocks the collaboration between independent parties will depend on blockchain technology. The metaverse will require the usage of DIDs (decentralized identities), blockchain-represented assets (NFTs and FTs), and decentralized governance to preserve the security and privacy of the users without sacrificing collaboration in building the metaverse.

We argue that these technologies are not the only requirement to unlock the collaboration needed to create the metaverse. Innovation on how individuals and parties generate content for the metaverse is also required. If we are to transfer our assets between the interconnected digital spaces, assets must be created with this freedom in mind. Therefore the content created by an Autonomous Fantasy Franchise whose assets are creative commons licensed, free to use, and represented in the blockchain are the perfect match for usage in the metaverse.

Similarly to how open-source software has evolved as a critical component for the evolution of the internet, digital assets governed by decentralized autonomous organizations will be vital for the evolution of the metaverse. Assets protected by IP laws will have a slower adoption rate, while assets that allow and promote their permissionless usage will be picked by developers first.

It is in the users' best interest to transfer their assets to new worlds created by different developers without the frictions of licenses and IP protection. This free movement of intellectual property we call permissionless development of

metaverse content.

We envision the Drunken Dragon Universe assets, concepts, art, music, digital real estate, and other intellectual property being used across the metaverse without friction. In addition, we envision our permissionless way of working to enable things like digital workspaces decorated with our art, avatar appearances based on our characters usable in third party digital spaces, and digital social spaces playing our music, all of this without developers asking for permission, making the Drunken Dragon Universe content truly metaverse-native.

5 Roadmap

Drunken Dragon Entertainment proposes a long-term roadmap subdivided into three significant "eras" with specific objectives to achieve such a vision.

These eras are named after characters from Tolkien's universe. Eru (Eru Illuvatar) is the celestial entity that created the universe. Estel (also known as Aragorn), his name meaning "hope", and a key piece in beating the great evil Sauron and starting a new era of prosperity for the inhabitants of Middle Earth. Mithrandir (also known as Gandalf), his name meaning "the grey pilgrim", his many travels through centuries shaped the history of Middle Earth and helped guide the many heroes that fought for peace, freedom and wellbeing for everyone.

5.1 Eru

Universe Bootstrap

In the Eru era, Drunken Dragon Entertainment, as a centralized but initial contributor to the Drunken Dragon Universe, will propose the first concept of the fantasy universe, including lore, world-building, first stories, products, games, comics, and developer APIs, and will care for the creation of a healthy community. But also will make the first steps towards decentralization through the usage of Creative Commons, Open Source, and the inception of a Centralized Treasury to fund 3rd party projects.

5.2 Estel

Decentralization

In the Estel era, Drunken Dragon Entertainment will use blockchain technology to decentralize the governance, contribution and incentives of the Drunken Dragon Universe. The efforts include using blockchain-native solutions like digital identity, on-chain voting, automation of content production contracts through smart contracts, and the treasury's evolution into a Decentralized Treas-

sury. At this stage, Drunken Dragon Entertainment decouples strongly from Drunken Dragon Universe by just becoming "one more contributor".

5.3 Mithrandir

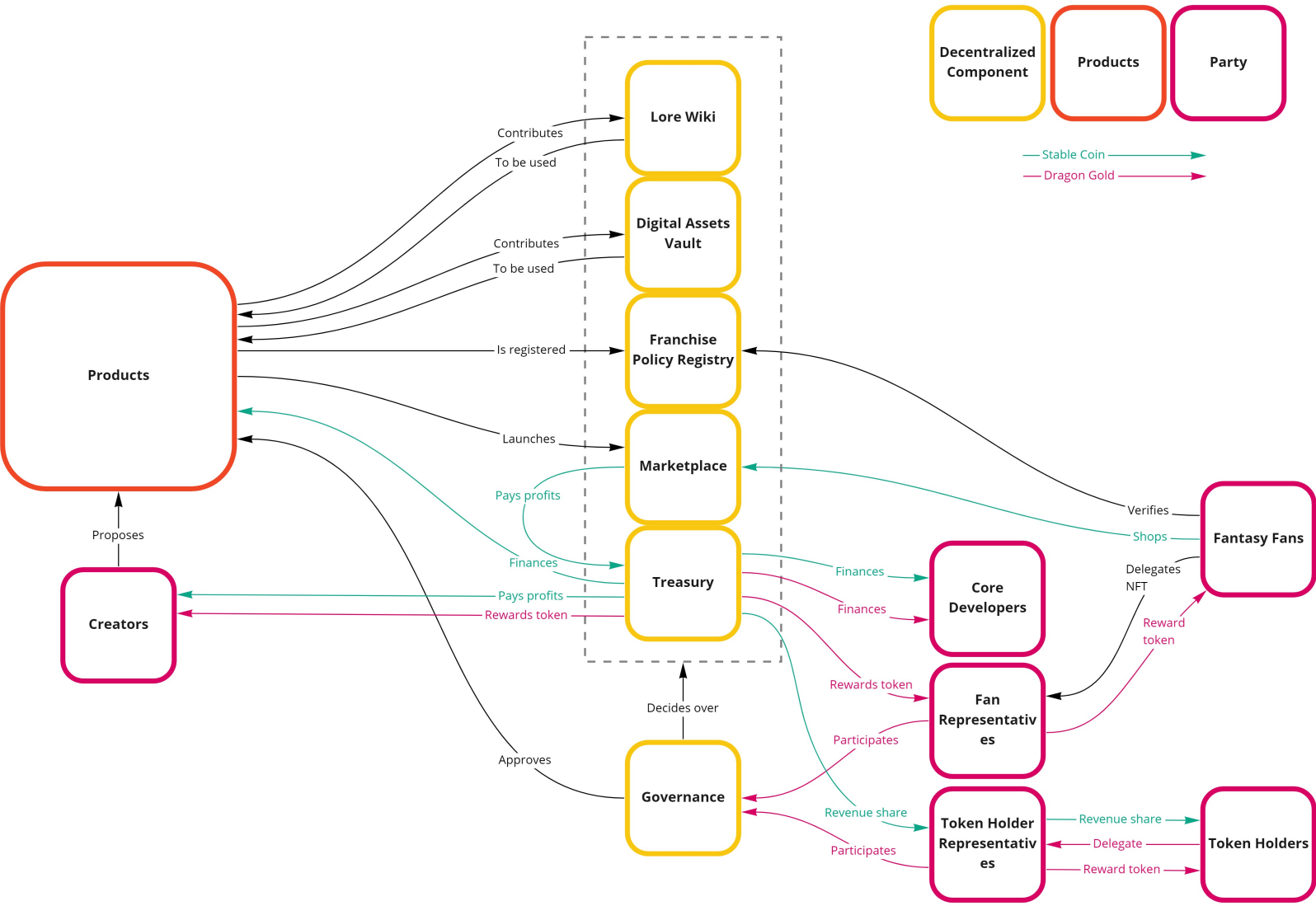
Franchise Expansion

In the Mithrandir era, Drunken Dragon Universe has become entirely decentralized, with a feedback system for exponential growth and autonomous machinery. And the focus will be on scaling the governance, models and tools to include millions of contributors.

6 Key Components

- Usage of Creative Commons and Open Source
- Franchise Policy Registry
- Treasury
- Lore Wiki Encyclopedia
- Digital Assets Vault
- Marketplace
- Governance
- Dragon Gold (\$DG) Token

The key components are practices and systems that play an essential role in achieving the mission and vision. Drunken Dragon Entertainment will develop, adapt and update them through the three roadmap eras.



6.1 Usage of Creative Commons and Open Source

We believe that the only way to enable massive collaboration is by giving creative freedom to all those who desire to contribute. Therefore, Drunken Dragon Entertainment are opening all the artistic and creative work under the Creative Commons license and will open-source the technology stack starting from the Eru era. This open approach will also play a vital role in the Estel era, as our objective is that creators worldwide are enabled to work on top of each other's work. Therefore any "official" Drunken Dragon Universe asset or content will have the strict requirement of becoming Creative Commons and open source.

6.2 Franchise Policy Registry

The Franchise Policy Registry is a list of Cardano blockchain minting policies that officialize the inclusion of any digital or physical tokenized assets and lore contributions to the Drunken Dragon Universe.

The Franchise Policy Registry creates an authenticity verification system where digital or physical products and services (like merchandise, novels, tv-series, collectables or movies) can universally be considered an official part of the Drunken Dragon Universe.

Drunken Dragon Entertainment will have centralized control over the registry in the Eru Era. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power of the registry to decentralized governance.

6.3 Treasury

Similarly to Cardano's decentralized treasury managed by Project Catalyst, we propose a treasury initially funded by the initial token sale and later sustainably financed by sales of products and services added to the Franchise Policy Registry. The objective of the treasury is to finance the development of new products approved by the governance component, finance the governance process, and finance the core development. Also, it incentivizes creators to contribute and fantasy fans and individuals to participate in the governance by rewarding Dragon Gold, the governance token of the Drunken Dragon Universe.

Drunken Dragon Entertainment will have centralized control over the treasury in the Eru Era. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power over the treasury to decentralized governance. Nonetheless, in the Eru Era, Drunken Dragon Entertainment will start using the treasury to fund third party projects that the community and Drunken Dragon Entertainment deem worthy of initial financing.

6.4 Lore Wiki Encyclopedia

The Lore Wiki is a single place to archive the continued development of the Drunken Dragon Universe lore and facts.

Every contribution to the Franchise Policy Registry must either contribute to its expansion or respect the integrity of the universe lore on a best effort basis.

We envision the development of incentivized archiver, writer and reviewer roles and policy registry entry requirements that will help organize and expand the content of the Lore Wiki.

Drunken Dragon Entertainment will have centralized control over the wiki in the Eru Era. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power over the wiki to decentralized governance.

6.5 Digital Assets Vault

The Digital Assets Vault is a system that archives and makes accessible all the Creative Commons and open-sourced digital assets of the Drunken Dragon Universe, like images, scripts, code, video, and audio.

Every contribution to the Franchise Policy Registry requires a corresponding contribution to the Digital Assets Vault to enable other creators to use the new content to expand the universe further and propose new entries to the registry.

Drunken Dragon Entertainment will have centralized control over the vault in the Eru Era. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power over the vault to decentralized governance.

6.6 Marketplace

The marketplace is a central point for creators to publish and sell products and services approved by the governance component to fantasy fans. Profits of these sales go to the treasury; these profits are subsequently divided between the creator and the treasury for future funding of other projects. The governance model decides the split percentage.

An essential objective for the marketplace is to automate most bureaucratic processes using blockchain smart contracts and automate complex financial transactions using blockchain-based payments systems, making for a seamless user experience for the product developers and the fantasy fans as product consumers.

Drunken Dragon Entertainment will have centralized control over the marketplace in the Eru Era. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power over the vault to decentralized governance.

6.7 Dragon Gold (\$DG) Token

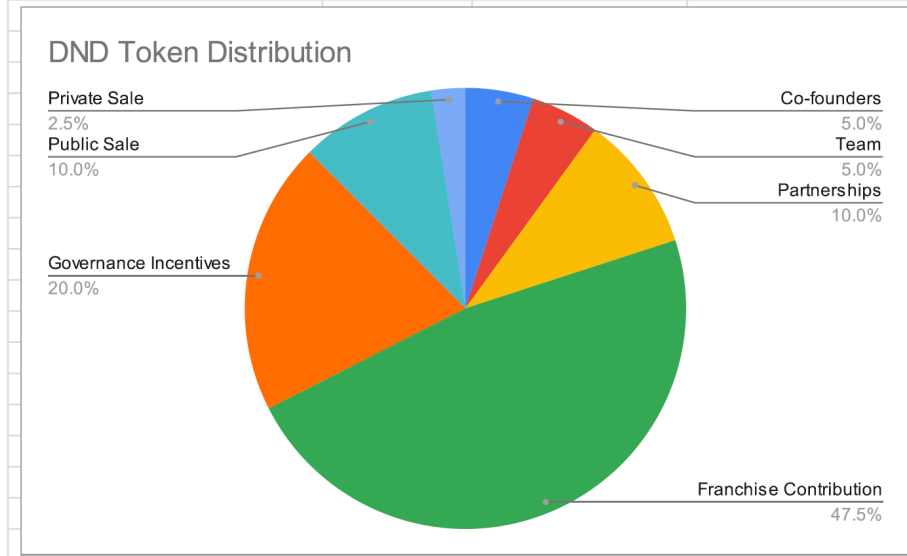
Dragon Gold is a governance token used to distribute the stake of the decentralized intellectual property and fantasy franchise. Secondly, it is used to incentivize creators to contribute to the expansion of the franchise. And third, it is used to incentivize fantasy fans and community members to participate in the governance process of the Drunken Dragon Universe.

The creator's incentives work as follows, whenever a successful sale finishes at the marketplace, the treasury, besides paying the corresponding profits to the creator, also rewards the creator with new DG tokens, creating extra incentives to develop products based on the Drunken Dragon Universe.

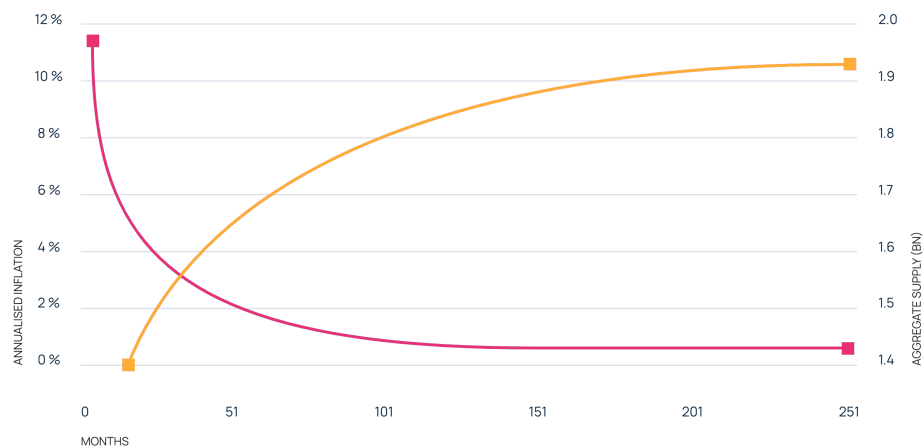
The governance incentives and distribution of stake are explained in section 5.8.

6.7.1 \$DG Token Distribution and Lockup Periods

	Distribution	Lock Up (months)	Linear Unlock (months)
Co-founders	5.00%	18	24
Team	5.00%	12	24
Partnerships	10.00%	Allocated at the time of Partnership	
Franchise Contribution Rewards	47.50%	-	-
Governance Incentives	20.00%	-	-
Public Sale	10.00%	-	-
Private Sale	2.50%	-	-



6.7.2 \$DG Token Inflation



6.8 Governance

In the Eru Era, Drunken Dragon Entertainment will have centralized control over the general governance of the Drunken Dragon Universe franchise. We will work as a steward of the initialization of the fantasy, products and community. However, as we move towards the Estel Era, Drunken Dragon Entertainment will transfer the power to decentralized governance.

We can reuse and contribute to the Project Catalyst technology stack by being part of the Cardano ecosystem. Drunken Dragon Entertainment's desire is to be part of the continued research and test of truly decentralized governance systems.

We propose an extendable and composable governance system. Such a system has root and derived governance levels. The root governance level decides which derived governance levels exist and their shape and form. Derived governance levels either govern over specific areas or components of the Drunken Dragon Universe or determine which further derived governance sub-levels exist and their shape and form. Furthermore, the root governance level uses a weighted bi-partisan representative democracy. There exist two types of representatives, Fans Representatives and Token Holder Representatives. Fan Representatives gain voting power depending on how many Non-Fungible Tokens and Fungible Tokens from the marketplace (products and services of the Drunken Dragon Universe) the fans have delegated to them. Fan Representatives should be fantasy and community-oriented. Token Holder Representatives gain voting power depending on how many token holders have delegated their DG tokens to them. Token Holder Representatives should be business growth-oriented.

The delegation process is similar to how Cardano stake pool delegation works, non-custodial based on blockchain snapshots and transactions. We believe that the Drunken Dragon Universe must balance caring for the community and caring for the financial growth of the universe. Therefore, the root-level decision power is split between the Fans Representatives and Token Holder Representatives in a 60-40 distribution. This distribution gives fans a slight edge over profit-oriented members without removing the voice of the profit-oriented community members. Therefore, Token Holder Representatives and their delegators are compensated extra for their participation through a revenue share of the treasury in stable coins (similarly to how Cardano stake pools and delegators split rewards of their activities). The treasury also rewards all the representatives and their delegators with new DG tokens every five days (similarly to how Cardano stake pools and delegators split rewards of their activities).

7 Incentives Summary

We believe that the following incentives exist:

For creators, The Drunken Dragon Universe offers a library of accessible tools, fantasy and digital assets to create art, videogames, merchandise and more. Furthermore, it provides a solid community to expose their creations. In addition, an automated decision process and marketplace to launch their products hassle-free. And finally, the extra incentive of profiting not just from the revenue of their sales but also with the shared stake through the DG token rewards.

For fantasy fans, a method to participate in the democratic governance of the whole Drunken Dragon Universe and the continued growth of their stake through DG token rewards.

For token holders, a way to earn passive income through the stable coin revenue share and a method to participate in the democratic governance of the whole Drunken Dragon Universe. In addition to the continued growth of their stake through DG token rewards.

8 Usage of Blockchain

Blockchain technology has proven to be a secure way of automating trustless transactions, preserving immutable records, and quantifying stake and value through digital tokens. These properties enable us to give actual ownership of collectables to our fantasy fans, a universally accepted authenticity verification system, distribute decentralized stake in a decision-making process, and create extrinsic incentives to invest and contribute to the fantasy franchise. Finally, blockchain smart contracts allow us to automate complex financial transactions trustless, making the fundamental building blocks for an automated marketplace and a working decentralized governance system.

Next, we will explain how each key component benefits from blockchain technology.

8.1 How Blockchain is Related to the Usage of Creative Commons and the Franchise Policy Registry

Even if anyone can use and copy the franchises' content (traditionally called the Intellectual Property), the blockchain gives people worldwide a method to universally verify which content is official. A person can prove an asset's authenticity by checking its minting policy and comparing it to the list of official minting policies of the Franchise Policy Registry. These minting policies consist of a unique identifier for a set of digital tokens found and owned in the

blockchain. At the same time, the Drunken Dragon governance keeps an up-to-date list of minting policies that belong to the set of "official minting policies", what we call the Franchise Policy Registry. Finally, blockchain's smart contracts enable automated trustless marketplaces, governance and collaboration deals, which will become the cogs and oil of the decentralized intellectual property and fantasy franchise that we want to become.

8.2 How Blockchain is Related to the Treasury, Lore Wiki, Digital Assets Vault and Governance

Blockchain's smart-contract technology allows the automation of trustless, peer-to-peer transactions and agreements, creating the essential building block to design and implement a decentralized governance model for the decision-making process over the Drunken Dragon Universe key components. Furthermore, as later explained in this paper, the possibility of tokenizing stake allows for weights in voting power and create incentives for individuals and organizations to participate and contribute to the governance and expansion of the Drunken Dragon Universe.

8.3 Blockchain Technology Stack Choice

Drunken Dragon Entertainment has chosen to use Cardano as the blockchain for the technology stack. Cardano has proven to have a secure consensus protocol and an elegant smart-contract model that helps design secure, automated and trustless transactions. Finally, the organizations and community behind it share the fundamental values of inclusivity, transparency and quality development that Drunken Dragon Entertainment has.

9 Conclusion

Blockchain technology is paving the way to a level of human collaboration that was never possible before. As a group of fantasy lovers, Drunken Dragon Entertainment is committed to innovating with this novel technology to create a new form of fantasy franchise. One where fans have a say on what they are emotionally and financially invested in, one with bountiful opportunities to create quality and fantastic content, and one with endless experiences to live and share our love for fantasy.