

BUSINESS PLAN

DIIA



Table of Contents

I. Executive Summary.....	2
II. Business Description.....	3
1. Business name: Diia.....	3
2. Diia’s mission.....	3
3. Location.....	4
4. Description of Diia and its services.....	5
III. Profitability.....	6
1. Attracting investment.....	6
2. Opportunities for profitability.....	8
IV. Intellectual Property Protection.....	10
1. Patent Protection.....	10
2. Copyright Protection.....	12
3. Trademark Protection.....	14
V. IP Strategy.....	15
1. Patent Protection.....	15
2. Strategic Licensing.....	16
2. Copyright Protection.....	16
3. Trademark Protection.....	17

I. Executive Summary

Diia is a mobile app and web portal launched in Ukraine in 2020 that offers a range of e-government services aiming to unify all state-person interactions digitally. Diia is designed to provide citizens with convenient access to various government services and information. Users can perform tasks such as obtaining electronic documents for identification, accessing over 120 public services, and managing government-related matters through the app. As a new player on the market, Diia has quickly secured investments from reputable sources. Since commencing its operations, Diia’s offering continues attracting attention to enable it to start operating in a profitable way. To protect the existing technology and its potential, a comprehensive and aggressive IP protection plan becomes critical for Diia. Importantly, this is

attainable for Diia and the availability of IP rights can elevate Diia’s position further as it adopts the right strategy for the future.

II. Business Description

1. Business name: Diia

The name “Diia” (Ukrainian: “Дія”) means “action” but it is also an acronym for “Держава і Я” which can be translated as “the State and me”. This acronym was chosen to represent at first glance Diia’s innovational digital services regarding the interaction between a State and its citizens: Diia is the State in your smartphone.



2. Diia’s mission

Diia is a new level of interaction between the state and citizens. It is:

convenient, invisible, humane.

- ✓ Diia makes interaction with the State as easy as writing a message in your messenger or booking a hotel on a website.
- ✓ By dispensing with paper, as would be the case in conventional official correspondence, the services are almost invisible, yet accessible whenever they are needed.
- ✓ Diia follows a “human-centered” approach and puts citizens and their needs first. It helps to give people a voice, especially in times of extreme uncertainty, and makes their lives easier.

Diia’s services are built on Cyber Security and Data Protection: Given the nature of Diia’s services, compliance with Data Protection Laws is crucial to ensure that personal data is processed correctly and retained in a way that keeps it safe from exterior cyber-attacks. Sensitive data shared in interactions with governmental bodies is likely to become a victim of

hackers, especially in situations of intra-national conflicts. Thus, Diia's focus lies on ensuring Cyber Security on the highest reachable level. This is implemented through the retention of personal data on the smartphone instead of national servers. Other data is stored in decentralized data centers and backup copies are stored outside of Ukraine in an EU country.

3. Location

In February 2020, Diia started with the launch of electronic identification documents, making Ukraine the first country in the world to replace such paper documents with digital documents.

Ukraine was the country best suited for this launch for several reasons:

- ✓ Ukraine had already become a leading country in IT development and in the start-up world as a whole. With 40% of its total exports being IT products, it is one of the largest exporters of IT services and goods in the world.
- ✓ Digitalization had already been Ukraine's flagship topic and state priority before the war with Russia started on 20th February 2022. The country aims to become a fully digitalized state and to take the international lead in terms of digitally providing services for citizens and businesses.
- ✓ Being used to new technology inventions, Ukrainian citizens are open to new solutions to their everyday problems and were thus a suitable crowd for testing Diia's services.
- ✓ Ukraine had a population of 44 million people when Diia launched in 2020, offering a sufficient number of possible users while at the same time ensuring flexibility for Diia to make adaptations to its systems if needed and to further develop them.

Since the beginning of Russia's war against Ukraine, the services provided by Diia have rapidly increased due to the need to keep the country moving. Ukrainians have gratefully accepted the higher number of services which illustrates Diia's importance in their everyday lives. Besides that, the Ukrainian IT industry has been demonstrating extraordinary resilience during the war.

It maintains positive growth dynamics and remains the only industry increasing export and generating foreign exchange earnings in the Ukrainian economy during the war. After less than 3 months, already 85% of IT companies had resumed operating activities to the volumes of pre-war time.

While Ukraine was the primary location for Diia's launch, it will not remain its sole country of business. In the long run, Diia plans to sell its technology to other countries which are interested in transforming their governmental services (constituting part of Diia's strategy towards profitability). Considering Ukraine's membership in the European Union, Diia's services could be of strategic interest to accelerate the European Digital transformation.

4. Description of Diia and its services

Due to Ukraine's ambitions to become a technology leader and a fully digitalized State, Diia was founded as a state-owned enterprise. As of today, Diia provides access to citizens' digital documents and more than 120 public services – all in one app. The services include inter alia:

- Storage of passports and other official documents (student card, driver's license, tax number, birth certificate etc.) and sharing of digital copies;
- Payments of debts or fines;
- Applications for permits and licenses;
- Registration of an entrepreneurship in less than one minute and the creation of a Limited Liability Company in 30 minutes;
- Issue of documents and services related to the birth of a child.

With the beginning of the war, Diia broadened its services to keep the national system going and to provide Ukrainians with the additional services that become necessary during a war. New features include, inter alia:

- Tracking of Russian attacks and warnings;
- Reporting the location of enemy movements through a chatbot;
- Application for financial supports and loans for small businesses affected by the war;
- Reporting property damages caused by rocket hits and application for compensation;
- Application for state-backed mortgages for military and key workers;
- Issue of a digital “evacuation document” combining all personal information in one place to accelerate identification at checkpoints.

The app is already installed on 19 million Ukrainian devices corresponding to 70% of all smartphones, and has become a model for governments all around the world trying to digitise services.

III. Profitability

Despite being a state-owned enterprise, the profitability of Diia remains crucial to achieve sustainable operations and secure further investments. Despite being a public service company, Diia does not rely on any state resources to sustain its development and operations. Therefore, healthy finances and profitability remain necessary.

1. Attracting investment

As no state budget is allocated to Diia, the enterprise has successfully been able to raise and secure capital from several trustworthy and reputable sources. This includes, inter alia:

- ✓ A core \$25m investment from the United States Agency for International Development (USAID). This injection of capital from the world’s largest economy serves as the ultimate recognition of Diia’s potential and presents a strong case for future investors.
- ✓ The Swiss Agency for Development and Cooperation.
- ✓ The EU, through the EU4DigitalUA and DT4UA projects.

The investments made by governmental agencies as well as the EU reflect the pool of potential investors in Diia – holders of important international funds which are looking to invest in stable and promising ventures. This sends a clear signal into the world about Diia and its established position to attract further investors.

ESG investors, important as ever, will also be looking at Diia due to the role its technology has been playing towards making every day public services more sustainable. This includes removing the need to rely on paper to obtain public services.

The expansion of the app with a relatively small injection of capital also speaks to the company's profitability capabilities. Despite being a public sector company, Diia has acted as a start-up – it has been developed quickly yet with the help of a small team with an “agile management culture” to efficiently capitalise on the initial investments. Ukraine is full of young; ambitious talent. As a result, the efforts of this workforce are set to secure healthy returns.

The successfulness of the technology has encouraged others to use it and leave older systems behind. Today, over 50% of the Ukrainian population uses Diia. As more and more people quickly embrace the technology, network effects are created, adding value to the business and reaffirming its desirability to new partners which may want to incorporate into the system. The ability of Diia to achieve this fuels its rapid scaling up and presents new opportunities for securing profits as the business model is proven to work.

Importantly, the model is also ready for the integration of further services. Such future expansion is likely to result in greater interest; thus, strengthening the incentive to invest in the business. Subsequently, this can secure agreements with more profitable terms as the reputation of Diia increases, elevating its bargaining power.

2. Opportunities for profitability

The profitability of the company can flow from the adoption of Diia's model by other governments. As a Fintech, Diia streamlines necessary services to function in society. The prospect of such consolidation is attractive to emerging economies who will look out for technologies to save costs, increase the speed of their services and provide greater transparency to secure the trust of their population. By providing a means towards reducing overall bureaucracy, Diia is an attractive solution.

Therefore, to secure profits in practice, Diia can capitalise its offering by signing partnerships, licenses and other agreements for its technology. The partnership with Estonia already showcases how this potential is materialising. Importantly, an export of the Fintech to Estonia has also established another link and gateway to the EU. Here, further opportunities are observed for exporting the technology to aid the Union's ambitions towards a digital transformation. Rolling out the system across the Union could help the development of harmonised services such as the European Digital Identity. This constitutes one out of many possible avenues for a lucrative agreement. Importantly, Diia remains an attractive solution as it goes beyond the mere digital identification system at the centre of the EU efforts.

Following its valuable experience with Estonia, Diia is already in talks with five more countries to reach similar agreements. Importantly, US investors have recognised this potential for partnerships with emerging economies. This includes aiding the establishment of similar systems in countries such as Argentina, Brazil, Indonesia or Vietnam for a profit. Ethiopia, Zambia, Zanzibar and Colombia have all also expressed interest in the system. Overall, this is desirable as governmental contracts and sources of funding constitute some of the most vital and stable partnerships. They can be trusted to a greater extent to provide the funds necessary

and eventually achieve profitability. Diia has recognised this potential and has consolidated its offering under the name “Export Action”.

As a global pioneer, Diia can also capitalise on its position in the market to set prices at a level which ensures profitability. This also presents opportunities for differential pricing. By offering its technology at different costs; beyond merely monetary consideration, Diia may be able to secure necessary tools for further expansions. For example, the agreement with Estonia demonstrates that the payment for Diia technology may be satisfied through an “exchange of experiences in digital information” to subsequently improve the fields of “national security” and “national digital solutions”. Techniques and tools to improve the technology of both countries can be obtained from such agreement, without the need to conduct research and development internally. Ultimately, this avoids uncertain development costs without the guarantee of a successful final outcome. In turn, beyond saving costs, it provides further avenues for profitability. This pricing strategy can be adopted and mended depending on the possible offering in return.

Beyond the company itself, Diia has wider cost-saving benefits for the Ukrainian government by streamlining public services and reducing administrative burdens. Although currently not dependent on the State budget, the strong relationship with the government and President alongside Diia’s central role for the country, present opportunities for securing an additional, national stream of funding.

Overall, Diia has been funded from stable and reliable sources. Now, it is capable of moving beyond fund raising and secure its own profitability through operations to become more self-reliant.

IV. Intellectual Property Protection

In the fintech sector, intellectual property (IP) protection is a cornerstone for sustaining innovation, competitive edge, and brand reputation. Fintech companies, thriving on technological advancements and unique software solutions, require robust IP protection strategies. This includes securing patents for innovative financial technologies and processes, copyrights for original software code and creative content, trademarks to protect distinctive brand identities, and trade secrets for safeguarding proprietary information and methodologies.

For a company like Diia, specializing in e-governance with a wide array of digital services, safeguarding its IP is not just a regulatory necessity but a strategic imperative. It ensures the platform's technological innovations and unique service offerings are not misappropriated or replicated without authorization. Protecting IP rights helps Diia maintain its market position, fosters trust among its user base, and encourages further innovation in a highly competitive and rapidly evolving fintech landscape.

Apart from that, IP protection is vital in fintech for shielding businesses like Diia from competition. Strong IP rights prevent competitors from copying or closely imitating technologies and services, maintaining a unique market position. This protection fosters innovation, as companies are assured their investments in research and development are secure, encouraging further advancement in the fintech sector.

Therefore, for Diia and similar fintech entities, a comprehensive IP protection plan is not an optional undertaking but a critical business function. It is instrumental in nurturing an environment where innovation flourishes, and business growth is sustained.

1. Patent Protection

Fintech companies often develop innovative financial technologies. Patents in this sector typically protect novel and non-obvious inventions, including software algorithms, financial

models, and digital transaction methods. Protecting these innovations through patents is crucial for maintaining a competitive edge. The main requirements for a fintech company to patent its innovation include: eligible subject matter, utility, disclosure, novelty and inventive step.

Diia integrates digital versions of official documents and provides access to various government services. Based on the eligible subject matter analysis, by digitizing government services and documents, Diia's app likely stimulates economic activity by streamlining processes, reducing bureaucracy, and improving accessibility. This efficiency can lead to cost savings for the government and citizens, potentially fostering more economic transactions and innovations in other sectors. The platform's digital approach might also encourage the growth of related IT industries and digital literacy, further contributing to economic activity. Although, based on the potential reasons for limiting subject matter under "necessary evil" concerns, Diia's inventive technical contribution lies in its unique digital approach to e-governance. By enabling legal equivalence between digital and physical identification documents, it significantly deviates from previous e-government systems. This advancement in digitizing and streamlining official processes is not only innovative but also distinct from prior art in the field of digital governance and public service technologies. While Diia's functionality is innovative, it may not be considered a patentable invention in some jurisdictions due to its nature as a software-based e-governance platform. Software patents can be complex and not universally accepted.

Under the utility check, the app serves a practical purpose by simplifying access to government services and digitizing identification processes, fulfilling the utility criterion. While Diia is undoubtedly useful, patent offices may scrutinize whether its specific technological implementations offer a tangible advancement or just a digital translation of existing processes, which is crucial for the patenting.

Since Diia has already been publicly disclosed, it could significantly impact its patentability. Public disclosure prior to filing can negate the novelty requirement essential for patent eligibility. In the realm of intellectual property, once an invention is made public, it typically must be patented within a year in many jurisdictions, or it becomes part of the public domain. Therefore, for Diia, which was launched in Ukraine in 2020, patent protection might not be a feasible option.

Being the first platform to legally equate digital passports with physical ones, Diia likely meets the novelty criterion. Diia could potentially patent its unique methods for digital identity verification, the process of integrating various government services into a single digital platform, and perhaps its approach to securely storing and displaying legal documents in a digital format. These elements could represent inventive steps in the realm of e-governance technology. The key issue is the public disclosure of Diia before a potential patent application. This prior public exposure likely disqualifies it from meeting the strict novelty requirements for patent eligibility. Moreover, the nature of Diia as a software-based e-governance platform may not align with universally accepted patentable subject matters. Thus, obtaining a patent for Diia *may not be feasible* under these conditions.

2. Copyright Protection

Copyright protects unique software code, user interfaces, and original written content within fintech applications. It ensures that these original creations are not used without permission. Copyright protection involves safeguarding the software's intellectual property rights, preventing unauthorized copying, modification, or distribution of its code and content.

The Diia platform features several elements that could be subject to copyright protection. This includes the unique software architecture and code, particularly how it integrates various government services into a seamless digital experience. Diia's method for digitizing and

displaying official documents like passports and ID cards, alongside its user interface design, are creative aspects that can be copyrighted. Additionally, the implementation of the low-code Liquio platform in developing parts of Diia adds another layer of originality. The combination of these innovative features makes Diia a standout in the realm of digital governance, offering a model that blends technology with efficient public service delivery. Protecting these elements through copyright is crucial in maintaining Diia's integrity, preventing unauthorized use or replication of its unique technological solutions.

In the context of Diia, it is *strongly recommended* to implement comprehensive copyright protection, it is easy to obtain, less time-consuming and effective. This protection is vital for maintaining the control and to avoid unnecessary incorporation of parts of source code in new programs and nonliteral copying.

By securing copyrights, Diia can ensure its unique digital solutions remain protected, fostering an environment conducive to ongoing innovation and development in digital governance. This approach will not only safeguard Diia's intellectual property but also reinforce its reputation as a secure and reliable platform for e-governance. Although, this legal framework prevents the unauthorized use or replication of its software design, interface, and digitization methods, which are central to its effectiveness as an e-governance tool. By maintaining this exclusivity, Diia not only secures its position as an innovative public service platform but also fosters trust among its users. This trust is crucial for a tool that handles sensitive personal and governmental information.

Copyright protection is important not only as a measure of intellectual property protection but also as a form of service protection. It safeguards Diia's unique software and functionalities, ensuring the platform's integrity and reliability in delivering e-governance services. This legal safeguard is fundamental for maintaining Diia's innovative edge in digital governance.

3. Trademark Protection

Trademarks in the fintech sector are important for brand identity. They protect logos, names, and other brand elements, distinguishing one fintech service from another in a competitive market. Trademark protection involves legally enforcing the exclusive right to use specific marks associated with a brand. It prevents others from using similar symbols or names that could confuse consumers. Trademark protection is territorial and requires registration in each country where protection is sought.

Diia's approach to trademark management is exemplified through its registered logo and the comprehensive logo guide. This guide, approved by Deputy Prime Minister, Mykhailo Fedorov, outlines specific rules for using the Diia logo, emphasizing its use as a decorative element without implying co-branding or production involvement. The guidelines allow for the logo's use with third-party marks, provided it does not suggest co-creation or sponsorship. The guide restricts labeling the logo as "official" or "genuine" and specifies permissible commercial uses. The Ministry of Digitization can prohibit its use if misapplied. This proactive approach in trademark management, though effective only within Ukraine, highlights the need for territorial expansion of trademark protection to maximize its efficacy globally.

Registering a trademark internationally is crucial for global brand recognition and protection. The fact that Diia currently has registered the trademark only in Ukraine limits its legal protection and brand control outside the country. This could lead to potential misuse or unauthorized replication of its brand elements abroad. Expanding trademark registration internationally would safeguard Diia's brand integrity and support its global presence, especially important given the digital and borderless nature of e-governance platforms. International trademark registration can prevent legal disputes, enhance brand value, and ensure consistent brand representation worldwide. Applying for a European Union trademark

is a particularly attractive and efficient solution to potentially secure protection across the 27 states.

V. IP Strategy

When it comes to IP Strategy there are different approaches. An offensive strategy would involve actively protecting and enforcing these intellectual properties. As Diia is a tech-focused company, a more aggressive strategy needs to be considered, as a lot of the value of the company is connected to the promise of intellectual property. Without adequate protection, the company potentially will be seen as less valuable, as there are no barriers to larger competitors, using their resources to take over the market position. This is especially important regarding the fact that Diia and its complete concept is innovative, making a takeover in case of lack of protection realistic. A more aggressive strategy therefore not only attracts investment and creates a long-term value regarding a state-owned enterprise but guarantees competitive advantage and market exclusivity as well. Also, a well-balanced IP strategy consists of a consideration of the broader IP landscape, including trademarks and copyright. These instruments and their protection should be coordinated specifically, in Diia's case through different strategic approaches.

1. Patent Protection

As mentioned in the above, patenting the technology is one solution, but not Diia's choice. Rapid technological evolution and stringent patent eligibility criteria are making it hard for a fintech business like Diia to gain patent protection, as the pace of change can make it hard to keep up with the latest developments. Additionally, patent offices worldwide have different approaches to satisfy the criteria for patentability. Diia therefore concentrates on the protection through copyright and trademark, both nowadays and in the future.

2. Strategic Licensing

As stated above, in case of doubt or lack of patent protection, a strategic licensing agreement to leverage or monetize certain aspects of Diia's intellectual property is useful. This way, challenges by competitors can be postponed or prevented. Additionally, the "secondary factor" of industry acceptance can be invoked. This protects the innovation but encompasses various other elements. Regulatory compliance or transparency in IP practices can be named. They demonstrate that the strategy aligns and complies with relevant regulations, which can strengthen the acceptance of the innovation. Moreover, transparency can lead to trust building and contribute to broader acceptance. Collaborative initiatives are also important, as engaging in collaborative efforts with other fintech companies can show a commitment to industry advancement and can potentially influence the perception of Diia's strategy. As the heart of the innovation is technological, an assignment to a major player can be useful, as it can provide access to expertise, resources and networks that can contribute to Diia's success regarding IP initiatives. This can lead to mutual benefits, which is especially relevant when looking at Diia's function and scope. The licensing of the technology to Estonia, outlined in Diia's profitability model serves as an example of this. Strategic licensing, if terms are clear and enforceable, is therefore an important pillar in Diia's strategy regarding both copyright and trademark protection.

2. Copyright Protection

Even though reliance on copyright should be minimized, Diia needs a well-balanced IP strategy. Using the above-mentioned approach of strategic licensing can be useful to also protect copyright. In Diia's case, licensing its software code to another party allows that party to use the specific code under certain conditions, like modifying or distributing the software. This not only leads to the positive effects listed under strategic licensing but protects the

original copyright holder's rights while enabling controlled use of their intellectual property. Additionally, this strategy allows for an enlargement of market reach as well as customization and integration. It is also a source of revenue, which is an important point considering that Diia is a state-owned enterprise.

3. Trademark Protection

Trademark protection is highly valuable, as it is now easy to get. That is why Diia should register its trademarks in all relevant jurisdictions as soon as possible, securing exclusive rights in those countries and preventing others from using similar trademarks for similar services. This also reduces the risk of infringement. Simultaneously, Diia should carefully use publicity to avoid genericity: the mark should maintain distinctiveness and should not be used as a generic term for consumers. That's why the mark should be entirely invented without inherent meaning. Diia's mark fulfils these conditions, as it is strong and distinctive: The logo symbolises the action that sets any change in motion – it is simple, legible and a coherent symbol. The logo contains the word "Action" in the centre of a square with round and smooth corners. In Diia's case, certain usage of the logo is allowed. A specific guide details all the possible options to use the logo, stating clear boundaries as well. For instance, if the logo is used, it should be clearly visible that it does not indicate a joint branding or joint creation of a product. This way, Diia makes sure that its non-involvement in the production of a certain product is shown. Underlining this, the Diia logo should not be used in combination with a description stating "originality" or similar connotation. Importantly, the logo can be used as a decorative element or for commercial purposes on clothing, bags, tableware, or stickers. This is an interesting way of using a trademark, as the usage is allowed in a broader way than most people would expect. It is important to mention though, that any connection with the official Diia service is forbidden. This underlines the goal of possessing a trademark that clearly grants exclusive rights. Still, through the licensing of the trademark, Diia has the possibility to not

only protect its trademark, but to gain bigger market access and brand expansion. Also, it helps on generating revenue for the trademark owner. Being a state-owned enterprise, this point is relevant again.