

## Counter arguments to the justification of a juror

A juror gave as an evidence information about why he voted for SpaceChain. The case has been appealed, so note that he/she is not a juror anymore (unless he gets drawn again). We will go through his arguments.

### 2.1.

*I think it is ok for open source projects to use open source code from other places.*

Yes, no problem with that.

*Yes they probably **did inflate the stats**, but this is not uncommon to stretch your numbers to the bounds of legitimacy for marketing purposes. I don't like it, but it's not enough to deny them a badge in my opinion.*

They did not just slightly inflate the stats. They copied so much code that they did not make that **I haven't been able to find any original code** (and they haven't been able to point to original code either, so it's quite likely that there is no original code or just a few 100s lines). They claimed to have done work other people have (some of which is not even relevant for their project) to fool tokens buyers, this is not just a “marketing practice”, this is **fraud**.

*As for the claims that the paper was stating they had built things they haven't built yet. **It does seem like this may have been true in an old paper of theirs**, and it is mildly concerning. However it is not enough to be considered fraud.*

Again claiming to have built something you haven't and selling tokens to people pretending they can be used on this thing should not be “**mildly concerning**”, it is **fraud**. I could accept it if something was built at a alpha/beta stage and not production ready. But here it was **not built at all**.

*There is an argument that they have a **decentralized platform**, just not a marketplace as there is **no mainnet**.*

Not only there is no mainnet, but there is no testnet or public code either. The burden of proof is on them as we cannot prove that something hasn't been built.

*It was **not a lie that was repeated all over the place** or **pushed aggressively** to make it seem like it was a malicious effort.*

So we lie but don't repeat the lie or push it aggressively that makes it OK? No, lying to token buyer is **fraud**.

*I would imagine **most companies and persons** have **exaggerated things** or lied online at some point if you dig deep enough.*

It is not just an “exaggeration”, it a straight lie as they claimed to have built something they don't even have a prototype for.

It is not because people are misbehaving that it makes it OK to misbehave. Here, the whole point of the badge is to only list project with high moral / tech qualities. Project with average standard does

not deserve the badge.

*If it was a consistent lie they were pushing I would consider them improper persons, but **misleading once** in an old paper I give them the benefit of the doubt that is was just a mistake.*

It is not misleading once. It is at least 3 times:

- Their inexistent marketplace
- Their inexistent decentralized platform
- Their copied code they brag about

It is not a single mistake, it is a deliberate strategy to mislead people.

*I don't think these two things add up to fraud. So for me it is not enough to label them as improper persons and deny the badge on these grounds alone.*

It seems that we have different moral standard, but if you look at the definition of fraud “wrongful or criminal deception intended to result in financial or personal gain.” It is clearly wrongful (you even admitted that you did not like it) and it resulted them selling tokens for more than they are worth so the “financial gain” is also met.

## 2.2

Claim withdrawn to focus on the most serious ones.

## 3.2

*This is definitely my biggest area of concern. It took me quite a bit of time to convince myself that the token actually had utility. Their nodes run on the Qtum blockchain so it seemed the only reason to have the ERC-20 was to try to pump the value of the token at first, as there is way less interest in Qtum tokens in general. I am still not totally convinced but it seems like they are making an effort to actually provide some sort of node that can interact with both blockchains. The other issue, as the challenger pointed out, is that I see no reason why it couldn't simply use ETH or Qtum for interactions instead of SpaceChain token. The utility is solely transactional. But then again it is somewhat legitimate for them to have a token for these specific nodes in space. You are interacting with a completely different kind of node, not just any old Ethereum or Qtum node. Space nodes do provide some different tradeoffs to your interaction with the network. So there is some legitimacy for the idea that you would transact differently with it via the SpaceChain network, and that it would have it's own currency with it's own market. I will note that I don't fully understand the reasoning for using a space node. Sure, a node on the ground can be hacked, but that is why it is a decentralized network. One node getting hacked is no issue to the network as a whole. It's not like my wallet is in space. I somewhat buy the idea of satellites being able to cover larger swaths of the earth which may have problems accessing the network otherwise. However it is a bit silly to think that a community that has no internet connection will jump right to using the blockchain via satellite. Regardless of my skepticism, this isn't about whether I would invest in it or not; it is about if they have reasonable purpose for existence. And I think I can see enough utility to garner it legitimate.*

This claim is not only about whether another token could be more useful than SPC (otherwise we would end up rejecting all the “payments tokens”). But about the fact that they claimed that the tokens had multiple uses, all of them being payment. From their paper it seems that the “multiple use” is either deceitful or that they were unable to identify how it would be used and ended up

bullshiting something.

### 5.3

*SpaceChain cleared up these concerns in their response.*

This was done after the challenge, you cannot use elements made after the challenge to rule on it as otherwise challengers can be unjustly penalized. The policy is clear that it must have been in the past “**should have made**”.

*There is a legitimate argument that they did not make efforts to be transparent. It is a little dicey that they only clarified this buried in BitcoinTalk forum post.*

So you agree it was **not transparent**. You cannot consider an answer made on an external forum as a transparency initiative.

*However there does seem that there was some effort made to show how the tokens were distributed on their website.*

I don't see them, so you will need to point to them.

*They could (and **should**) show the breakdown of who actually owns the tokens **more publicly***

Yes, and if you think it is the only issue (I think other points are still problematic but let's assume that), they should correct it and reapply.

*but I do not see it **as malicious** necessarily.*

It does not need to be malicious to be a violation. If the ruling is to accept now, the ruling is also to punish the challenger who will lose its deposit.

*And the **clarification is enough for me** to think that it passes this point as well*

So you took the breakdown they made after the dispute into account. We cannot do that as otherwise you penalize **challengers** which were **right at the time of challenge** but fail to punish **submitters** which were **wrong at the time of the submission**.