

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STRATEGY INC.,
Petitioner,

v.

WEB3AI TECHNOLOGIES, LLC,
Patent Owner.

IPR2026-00223
Patent No. 9,218,574

REQUEST FOR DISCRETIONARY DENIAL

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I. INTRODUCTION

The patent owner, Web3AI Technologies, LLC (“Web3AI”) requests that the Director exercise discretion under 35 U.S.C. § 314(a) and deny institution of an *inter partes* review (IPR) trial of the ’574 Patent. Many factors support denial, including, for example, (1) the ’574 Patent issued over a decade ago and has thus developed settled expectations that it is a valid patent worthy of investment and has, in fact, been the subject of significant investment and (2) the petitioner has taken inconsistent claim-construction positions here and before the district court, where the petitioner has filed a dispositive motion asking the court to hold all apparatus claims invalid as indefinite. These and other reasons support discretionary denial.

II. BACKGROUND

A. The Parallel Litigation

After Web3AI sent a letter to the petitioner regarding the ’574 Patent on December 2, 2024, the petitioner acknowledged receipt 38 days later and declined a license 88 days later. Web3AI then filed a complaint in *Web3AI Technologies, LLC v. MicroStrategy Inc. D/B/A Strategy*, No. 2:25-cv-00260 (E.D. Va. filed May 1, 2025) (the “Parallel Litigation”). Ex. 1008. After obtaining multiple extensions to answer, the petitioner filed a motion to dismiss (“MTD”). Ex. 2001. After the MTD briefing was completed, *see* Exs. 2001–03, the petitioner filed a corrected MTD, prompting additional filings by the parties. *See* Exs. 1009, 2004, 2005.

B. The IPR Petition and *Sotera*-Like Stipulation

The petitioner waited nearly 14 months after Web3AI first contacted the petitioner and nearly nine months from the filing of the complaint to file the petition.

The independent claims 1, 16, and 21 of the '574 Patent are challenged as being obvious based on four documents—Johnson, Lin, Purcell, and Mihaylov:

Grounds	Claims	Basis
1A	1–3, 5, 8–10, 12, 13	Johnson and Lin
1B	7, 11, 16–18	Johnson, Lin, and Purcell
1C	21–25	Johnson, Lin, and Mihaylov
1D	4, 6, 14, 15, 19, 20	Johnson, Lin, Purcell, and Mihaylov

The petitioner recently filed a conditional, limited *Sotera*-like stipulation. Ex. 1032.

III. SETTLED EXPECTATIONS FAVOR DISCRETIONARY DENIAL.

“Settled expectations . . . such as the length of time the claims have been in force” may be considered when deciding whether to exercise discretion to deny institution. USPTO, Memorandum, “Interim Processes for PTAB Workload Management” at 2 (Mar. 26, 2025) (“Process Memo”). Here, this factor is not only relevant but compelling.

Web3AI’s expectations of the '574 Patent are well settled. The '574 Patent issued on December 22, 2015—over *ten years* before the IPR petition was filed on January 27, 2026. Eight years has been considered sufficient to create settled expectations even when “some facts counsel against discretionary denial.” *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 2 (June 18, 2025)

(informative). “[T]he longer the patent has been in force, the more settled expectations should be.” *Id.* at 3. On this basis alone, institution must be denied. *See also Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 3 (July 24, 2025) (informative) (denying institute for patents six and seven years old); *Amazon.com, Inc. v. Soundclear Techs. LLC*, IPR2025-01067, Paper 15 at 2 (Oct. 17, 2025) (denying institution for ten-year-old patent); *Intel Corp. v. General Video, LLC*, IPR2025-01036, Paper 13 at 3 (Oct. 17, 2025) (same). The Director has consistently denied IPR petitions directed at such longstanding patents, making the age of the ’574 Patent reason enough to warrant discretionary denial.

“[A]ctual notice of a patent or of possible infringement is not necessary to create settled expectations.” *Dabico* at 3 (patents are “publicly available to provide notice to the public, other inventors, competitors, and commercial interests” and “[i]nterested parties may find published patents and patent applications using the Office’s automated search systems as well as publicly available resources on the Internet.”). Moreover, the petitioner should have been aware of the ’574 Patent because it has a remarkably high number of forward citations relative to patents of similar age and technology. Exs. 2006–10.

Having made substantial investments to acquire the ’574 Patent in October 2024, Web3AI’s expected quiet title for such a mature patent that the USPTO had duly issued and not called back into question for nearly nine years.

IV. THE PETITIONER’S INCONSISTENT CLAIM CONSTRUCTION POSITIONS COMPEL DENIAL.

The petitioner has taken different claim-construction positions before the court and the Office in this case. Specifically, in the Parallel Litigation, the petitioner has argued that each of the several “module” limitations are indefinite means-plus-function limitations for which the specification discloses either no or inadequate corresponding structure. Yet, the IPR petition asserts that the cited references teach or suggest equivalent structures for each such “module” limitation. *See, e.g.*, Pet. at 29, 34, 40, 43–44, 50 (asserting Johnson-Lin against “module” limitations in claim 1). That is impossible. *Cf. Enzo Biochem, Inc. v. Applera Corp.*, 599 F.3d 1325, 1332 (Fed. Cir. 2010) (“[A] claim cannot be both indefinite and anticipated. . . . If a claim is indefinite, the claim, by definition, cannot be construed. Without a discernable claim construction, an anticipation analysis cannot be performed.”); *cf. Honeywell Int’l, Inc. v. Int’l Trade Comm’n*, 341 F.3d 1332, 1342 (Fed. Cir. 2003) (same regarding infringement).

The petitioner’s original MTD in the court ***argued and concluded*** that the ’574 Patent specification discloses no corresponding structure for these “module” limitations whatsoever: “No module is ever described in the claims or specification beyond the results they are designed to achieve. There is no algorithm describing how the claimed predictive compiler, pre-compute, input, collaboration, display, or update modules actually perform their functions with any specificity—just that they

do the recited functions.” Ex. 2001 at 36. If that is true, it would be impossible for the Board to assess obviousness of the claims because it would be impossible to compare the ’574 Patent’s allegedly absent corresponding structure to the prior art.

The petitioner attempted to recant that conclusion. On January 8, 2026, the petitioner filed a so-called “corrected” MTD from which the above-quoted conclusion was removed. *See* Ex. 1009 at 1, 36. The petitioner’s new conclusion is that the “corresponding structure is not legally sufficient rather than altogether absent.” *Id.* at 1. However, by merely cleaning up the conclusion without touching its analysis that supported the conclusion, the petitioner did not remove its arguments that corresponding structure is absent. For example, the original MTD has a section titled “Claims 1 and 21 Recite Entirely Functional ‘Module’ Terms ***Without*** Corresponding Structure.” Ex. 2001 at 33 (emphasis added). The corrected MTD has the ***same*** heading. *See* Ex. 1009 at 33. In that same section, the petitioner did not remove its arguments that corresponding structure is absent because the corrected MTD states:

The ’574 patent describes a whole host of potential components and potential methods of implementation, but it ***never reaches affirmative, specific structure***, opting instead to capture any and all possible implementations. ’574 patent at 3:25–6:10 (describing that any combination of generic hardware, software, and/or other computer components may be used in the disclosed invention).

Id. at 34 (emphasis added, omitted); *see also id.* at 35 (“’574 patent ***fails to provide any description*** beyond ‘potential functional components.’” (emphasis added)).

Additionally, the corrected MTD repeats verbatim an argument from the original MTD that the recited modules are indefinite means-plus-function limitations for alleged failure of the ’574 Patent specification to teach algorithms to achieve the recited functions. *Compare* Ex. 2001 (original MTD) at 36 *with* Ex. 1009 (corrected MTD) at 36 (same § IV-C-2 in both MTDs). For example, the corrected MTD, like the original MTD, argues, “Even if the disclosure that virtually any computer component may be used for these modules constituted sufficient structure (it does not), that would still be indefinite because it does not disclose ***how*** it achieves the claimed function. . . . Claims 1 and 21 . . . are indefinite because they fail to disclose any structure or algorithm sufficient to understand ***how*** the modules perform Steps [a]–[e] of the claimed process.” *Id.* (emphasis in original).

Thus, the petitioner’s assertion that the motion supposedly clarifies “that corresponding structure is not legally sufficient rather than altogether absent” is contradicted by the body of the corrected MTD. *Id.* at 1. For the same reasons, the petition’s statement that it “does not maintain in the district court that corresponding structure is entirely absent” is misleadingly inaccurate. Pet. at 3.

The Director should hold the petitioner to the clear, un-recanted statements in the MTD and deny the petition due to the petitioner’s irreconcilable inconsistency.

But, even if the Director were to ignore the body and reasoning of the MTD and give credit to the tweaked conclusion in the corrected MTD, there would still be a fatal inconsistency. Regardless of whether the corresponding structure is entirely absent, as the original MTD explains, or not sufficiently disclosed, as the corrected MTD attempts to conclude, the petitioner's litigation position is inconsistent with its position in the IPR that the "module" limitations can be mapped to prior art. Either there is complete corresponding structure in the '574 Patent specification or not. If not, then the cited references cannot be compared to that corresponding structure.

To reiterate, the petitioner told the court that the corresponding structure for all of the "module" limitations in the claims is either entirely absent or so insufficiently disclosed that the scopes of those limitations cannot be determined well enough to permit meaningful comparison to either prior art or the systems accused of infringement (else they would be definite). Yet, miraculously, the petition purports to find alleged corresponding structure to compare against structures allegedly disclosed in the relied-upon prior-art references. The petitioner cannot have its cake and eat it too. Which one is preferable? The petitioner has answered that question, noting that "legal sufficiency under § 112(f) . . . is more efficiently addressed in the courts." Pet. at 5 n. 2. So, let them eat cake. That is, let them eat cake in court, rather than have cake at the Board.

The petitioner's positions run afoul of the Board's precedents, including

Revvo Technologies, Inc. v. Cerebrum Sensor Technologies, Inc., IPR2025-00632, Paper 20 (Director Nov. 3, 2025) (precedential) and *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18 (Nov. 5, 2025) (informative). In *Revvo*, the petitioner adopted the patent owner’s constructions from the court. *Revvo* at 2. Here, the petitioner has done the same. Pet. at 3 (“Petitioner applies claim interpretations in a manner consistent with Patent Owner’s allegations of infringement before the district court.”). *Revvo* requires a petitioner to explain sufficiently why different claim construction positions before a court and the Board are warranted even if the claim terms do not implicate 35 U.S.C. § 112(f). *Revvo* at 4–5. However, the petitioner has not done so here because its allegations that certain “module” claim terms are indefinite in court are irreconcilable with its assertions that the same terms may be readily mapped to the prior art.

In another case, a petitioner argued in court that “claim terms reciting certain modules are indefinite because the terms should be construed as means-plus-function terms and the specification discloses no structure corresponding to the functions” but agreed in its petition that the “‘module’ claim terms ‘do not require further construction and can be afforded their plain and ordinary meaning.’” *Carbyne, Inc. v. Tritech Software Sys.*, IPR2025-00959, Paper 20 at 2–3 (Feb. 19, 2026). The Board relied on *Revvo* and *Tesla* to deny that petition. *Id.* at 3.

Like *Revvo*, *Tesla*, and *Carbyne*, the petitioner here fails to explain *why* it “is

warranted to take different claim construction positions for the same claim terms in the district court and before the Board.” *Id.* Instead, the petitioner merely explains *what* it has done—purportedly having “identified examples of structure” that are allegedly insufficient under § 112 in court while relying on the examples of the structure to map claim limitations to the prior art in the petition. Pet. at 3–4. In the same section, the petitioner also points to its sufficiency arguments as being “a question not properly put [to] the PTAB.” *Id.* at 4. However, the mere fact that a petitioner “cannot raise indefiniteness challenges” in an IPR “is not a sufficient explanation” for different positions. *Tesla* at 3. Here, the Board should conclude as it did in *Revvo* that “[a]llowing a petitioner to advance a claim construction before the Board when that petitioner has made inconsistent indefiniteness arguments in district court fails to further, but instead detracts from, the Office’s goal of ‘providing greater predictability and certainty in the patent system.’” *Revvo* at 4–5 (quoting 83 Fed. Reg. 51,340 at 51,342–43 (Oct. 11, 2018)).

Intel Corp. v. Qualcomm Inc., 21 F.4th 801 (Fed. Cir. 2021) illustrates the quandary caused by the petitioner’s differing arguments in different fora. *Intel* held that when faced with a means-plus-function limitation with possibly insufficient corresponding structure in the specification, the Office must either (1) determine whether the claim is indefinite and then whether such indefiniteness renders it impossible to adjudicate a prior-art challenge on the merits, or (2) resolve the prior-

art challenge to the patentability of the claims despite the potential indefiniteness of the means-plus-function term. *Id.* at 804, 814. *Intel* option (1) is troubling in this case as it would require the Office to address the very same indefiniteness issue already teed up and awaiting decision by the court. Duplication of effort and the possibility of inconsistent results caution against doing so. *Intel* option (2) does not apply to this case as the petitioner has argued that the '574 Patent entirely fails to disclose any algorithm for *how* the recited module functions are performed. If that is true, then alleged algorithms in the prior-art references cannot be compared to the allegedly non-existent algorithms necessary to complete the corresponding structure in the '574 Patent's specification. This is not a case in which conclusions of indefiniteness and obviousness can both be assessed. *See id.* at 813 (discussing special circumstances in which it "it is not always impossible to adjudicate a prior-art challenge, one way or the other, just because some aspect of a claim renders the claim indefinite"). The petitioner's indefiniteness arguments, as articulated in its MTD, forecloses consideration of the petitioner's obviousness challenges.

Although the petitioner's indefiniteness argument in court is not directed at method claims 16–20, it would be inefficient to institute a trial with only those claims at stake. *See id.* at 812–13 (Board must not address claims considered indefinite); *cf. Chevron Oronite Co. v. Infineum USA LP*, IPR2018-00923, Paper 9 at 9–11 (Nov. 7, 2018) (informative) (denying institution when petition's case was deficient with

respect to subset of claims).

V. OTHER CONSIDERATIONS FAVOR DENIAL.

A. Excessive Reliance on Expert Testimony

“[T]he extent of the petition’s reliance on expert testimony” is another factor. Process Memo at 2. The petition is accompanied by the Mitzenmacher Declaration (Ex. 1003), which includes 298 paragraphs and 213 pages, and is cited 239 times in the petition. The petitioner’s reliance on a bloated declaration weighs in favor of denial. *See* FAQs for Interim Processes for PTAB Workload Management, available at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>, at FAQ 22 (“[E]xtensive reliance on expert testimony . . . may suggest that the questions are better resolved in an Article III court. . . . The failure to provide focused expert testimony may weigh against institution.”).

Despite submitting many dozens of declarations in review proceedings, Dr. Mitzenmacher fails to understand his role of addressing underlying findings of fact—not the ultimate legal question of obviousness. *See Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). His declaration is replete with improper legal conclusions about obviousness. *E.g.*, Mitzenmacher Decl. ¶ 107 (“Other configurations of the Johnson-Lin combination are also obvious configurations of the Johnson-Lin combination and represent obvious applications of the techniques described by Johnson and Lin.”); *see also id.* ¶¶ 17 and 92–293 and Ex. 2011

(comparison of petition and declaration with obviousness conclusions highlighted).

Legal conclusions appear in the declaration because it contains at least 107 paragraphs parroting the petition as seen by comparing the petition at pages 7–112 with the Mitzenmacher Decl. ¶¶ 38–296. *See* Ex. 2011. However, a declaration should not be prepared by “expertizing” the petition. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (precedential) (denying institution where petitioner’s expert declaration “merely repeats, verbatim, the conclusory assertion for which it is offered to support”). The petitioner’s heavy reliance on such questionable expert testimony weighs in favor of discretionary denial.

Moreover, the petition cites to ¶ 162 of the Mitzenmacher Declaration to fill a critical gap in its contention that the Johnson-Lin combination discloses “a predictive compiler module.” Pet. at 26. Dr. Mitzenmacher’s paragraph 162 states, “Although Lin does not explicitly label this functionality as a compiler, a POSITA would have understood the functionality to act as a compiler, because *translating modules or algorithms (e.g., predictive models in this case)* into machine language that a computer can run is the well-known function and purpose of a compiler.” Mitzenmacher Decl. ¶ 162 (emphasis added); *see also id.* ¶¶ 39 and 163. This is precisely the kind of gap filling that is disfavored. Besides, Dr. Mitzenmacher’s reasoning is incorrect for reasons that will be explained in Web3AI’s forthcoming preliminary response.

B. *Fintiv* Factors

1. Factor 1: The Petitioner Has Opted Not to Stay.

Fintiv factor 1 asks whether the court granted a stay or evidence exists that one may be granted if an IPR trial is instituted. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6–9 (Mar. 20, 2020) (precedential) (“*Fintiv*”). Here, no motion to stay pending this IPR has been filed in the Parallel Litigation, and it is clear that the petitioner has no intention to request a stay, as the petitioner has instead filed its MTD and ostensibly wants the court to decide at least that motion without delay.

The Director should not speculate (1) whether the court will grant or deny the MTD, (2) if denied, whether the petitioner will or will not request a stay, or (3) if requested, whether the court would grant or deny such a stay. *Cf. Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (May 13, 2020) (informative) (Board should “decline to infer . . . how the District Court would rule should a stay be requested by the parties.”).

While it has sometimes been said that factor 1 is considered neutral in the absence of a stay motion, that is simplistic and illogical. The Director should take this opportunity to clarify how *Fintiv* factor 1 should be analyzed in a case such as this one. If no stay motion has been filed, then factor 1 must be considered to favor denial. If no stay motion is filed, the litigation will not be stayed. Period. This is equivalent to a stay motion having been denied. There is no logical difference

between an unstayed case by reason of (1) denial of a stay motion or (2) the absence of a stay motion. That is, the Director should declare a bright-line rule that factor 1 favors discretionary denial if the case has not yet been stayed (for any reason) at the time of the Director's decision on discretionary denial. A neutral assessment of factor 1 should be reserved for cases in which a stay motion is pending and the Director wishes not to speculate how the court will rule on that pending motion. Such a rule is fair and properly incentivizes petitioners to file stay motions in time to get real efficiency gains. Such a rule would be more realistic than the current practice of pretending factor 1 is neutral when there is no possibility that the case will be stayed. Here, because the petitioner has not yet filed a stay motion (and has given contrary indications), factor 1 decisively favors denial.

2. Factor 3: Investment in Parallel Litigation.

Fintiv factor 3 considers the investment in the Parallel Litigation by the district court and the parties. *See Fintiv* at 9–12. It also weighs in favor of denial in this case. By the time the Board's institution decision is due on or about July 27, 2026, the parties and the court will have been actively litigating for about 15 months. In fact, there is a dispositive motion (the petitioner's MTD) pending in the court, and the parties have invested in fully briefing that motion to the point that it is ready for decision. The choice to make that investment in the litigation was made by the petitioner (with the effect that Web3AI and the court must make corresponding

investments in the motion as well). The petitioner should be held to that choice. The Board should not be cavalierly treated as the petitioner’s back-up plan in case its MTD fails.

3. Factor 4: Overlap Notwithstanding the Stipulation.

Fintiv factor 4 considers the overlap of issues in the litigation and the IPR. *See Fintiv* at 12–13.

The petitioner has conditionally stipulated not to pursue some invalidity arguments in the district court if the Director institutes an IPR trial, specifically only: (1) The challenge grounds in the petition; (2) any “ground that could have reasonably been raised under §§ 102 or 103 on the basis of prior art patents or printed publications”; and (3) any ground based on a combination of system prior art with Johnson, Lin, Purcell, and/or Mihaylov. *See* Ex. 1032. The stipulation explicitly reserves the petitioner’s right to assert, for example, system prior art in combination with printed publications other than Johnson, Lin, Purcell, and Mihaylov. *Id.* This stipulation, which goes just ever so slightly beyond a standard *Sotera* stipulation, does not tip the balance in favor of institution in this case.

A “timely-filed *Sotera* stipulation . . . will **not** be dispositive by itself.” *See* USPTO Memorandum at 2–3 (Mar. 24, 2025). Additionally, in *Motorola Solutions*, the Director explained that a *Sotera* stipulation is “not likely to moot” “invalidity arguments in the district court [when they] are more expansive”:

Petitioner's [*Sotera*] stipulation does not ensure that these IPR proceedings would be a "true alternative" to the district court proceeding. Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot.

Motorola Solutions at 3–4 (citations omitted).

Such is the case here, where the Parallel Litigation will likely include numerous additional invalidity grounds that the petitioner has stipulated away. For example, the petitioner already contends in the Parallel Litigation that the claims of the '574 Patent are *ineligible under 35 U.S.C. § 101*, *see* Ex. 1009, 2004, 2005, and *invalid in violation of 35 U.S.C. § 112(f)*, *see* Ex. 1009 at 32–37, Ex. 2004 at 1–3, Ex. 2005 at 1–4. Thus, even if the petitioner's stipulation took all the § 102 and § 103 invalidity issues out of the Parallel Litigation (that is definitely not so, as explained above), the petitioner would still get two chances to invalidate the '574 Patent, and both the Board and the district court would have to invest in fully understanding the invention, the scope of the claims, the ordinary level of skill in the art, the patent's advances over the prior art (as would be necessary, for example, to assess what was conventional in the prior art, so as to assess eligibility under § 101), etc. That represents substantial overlap even if the invalidity grounds are not exactly the same. Accordingly, "Petitioner's stipulation does not ensure that these IPR

proceedings would be a ‘true alternative’ to the district court proceeding.” *Motorola Solutions* at 3–4. Thus, although Petitioner’s *Sotera* stipulation may mitigate *some* small concern of duplication between the parallel proceeding and this proceeding, instituting review would nonetheless be extremely inefficient.

To be sure, the Board cannot fully adjudicate the validity issues regarding the ’574 Patent. Only the court can do so. And the petitioner has already asked the court to do so. In any case, the court will need to fully understand the ’574 Patent and its prosecution history, resolve its claim-construction issues, define a person of ordinary skill in the art, and determine what was conventional and known in the art before the ’574 Patent (*e.g.*, to assess eligibility under § 101). It would be highly wasteful and inefficient for the Board to do so as well. Thus, the petitioner’s stipulation does too little to alleviate the wasteful overlap of issues in these cases.

To the extent that the petitioner’s stipulation reduces overlap to any meaningful degree, that is not enough to offset the IPR trial’s 14-month time lag behind the Parallel Litigation, as the Board has recognized in recent cases. *See HP*, IPR2024-01429, Paper 11 at 10–11, 28–29; *Charter Commc’ns*, IPR2024-01379, Paper 16 at 13–17; *Google*, IPR2024-01464, Paper 15 at 11–13, 15.

Based on the strong overlap in the underlying subject matter and foundational issues—notwithstanding the petitioner’s limited stipulation—there are strong “concerns of inefficiency and the possibility of conflicting decision” if this IPR is

instituted. *Fintiv* at 12. Thus, the factor 4 weighs against institution.

4. Factor 5: Identical Parties

The petitioner is the defendant in the Parallel Litigation. The parties are therefore identical in the two proceedings. Thus, *Fintiv* factor 5 weighs against institution. *See Fintiv* at 15.

C. Weak Merits Favor Denial.

Fintiv factor 6 considers “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv* at 6.

The petition is weak in several responses. First, as noted above, the petition relies heavily on untested expert testimony to fill gaps in the prior art. *See* § III-C *supra*. Second, the Petition does not present anticipatory prior art under 35 U.S.C. § 102. Third, Web3AI reserves the right to present specific substantive flaws in the merits of the petition in a preliminary response.

D. The Board has Other Important Work to do.

An IPR trial in this case would unnecessarily tax the Board’s limited resources for the petitioner’s sole benefit. Every minute spent by the Board on this IPR is one less minute the Board can spend on (1) its backlog of *ex parte* appeals, (2) other review petitions that must be evaluated, and (3) review trials that have already started or should be started. Cases in categories (1) should take priority, and cases in categories (2) and (3) have statutory deadlines. *See* 35 U.S.C. §§ 314(b), 316(a)(11). Issues like the ones here – which can be fully, fairly, and more promptly resolved by

a district court that must otherwise fully familiarize itself with the '574 Patent and its issues – should not detract the Board from its other important work.

E. Equity Favors Denial.

The petition purports to be nine words under the 14,000-word limit. *See* Pet. at 114. However, the word-count certificate does not indicate whether words added as annotations to drawings are included. To Web3AI's count, there are 1056 such words. Additionally, the petition is full of non-standard abbreviations, spacings, and formatting that have the effect of reducing the word count. For example, all 577 citations to an exhibit uses non-standard formatting to reduce the word count by at least one (*e.g.*, "STRATEGY-1001" rather than "Ex. 1001" or "Exhibit 1001"). Additionally, every instance of the paragraph symbol (§) omits a following space so as to reduce the word count. That occurs 441 times in the petition.

The petition does so despite the Board's repeated admonitions that it expects papers filed by the parties to comply with Blue Book formatting. *See, e.g., Axon Enter., Inc. v. Digital Ally, Inc.*, IPR2017-00375, Paper 9 at 2 n.2 (June 6, 2017) ("Petitioner . . . fails to use normal spacing in the Petition for numerous citations in order to reduce the word count. For example, Petitioner did not place spaces in many of its citations such as in '(Ex.1008, §22).' The Board expects the use of ordinary spacing in phrases and citations in submitted documents." (citing Blue Book, 20th Ed., Rule 3.3)). *See also* Consol. Trial Practice Guide at 40 (Nov. 2019) (same).

With complete counting and proper formatting and spacing, the petition would be at least **2065 words** over the limit. This shows that this IPR, if instituted, will stretch the Board’s resources beyond the limits designed to make IPRs manageable for the Board and the parties within the statutory deadlines. That favors denial.

The Director should take this opportunity to reiterate that the word-count gamesmanship specifically identified in the Trial Practice Guide will not be tolerated. The Board has unfortunately become lax and selective about enforcement of its word-count rules. *See, e.g., Avanos Med. Inc. v. Stratus Med., LLC*, IPR2024-01209, Ex. 3001 (“We have reviewed the petitions in light of Patent Owner’s concerns, but do not find that the added annotations in the graphics are excessive or that the abbreviated citations are problematic. Patent Owner is free to employ the same conventions in further briefing . . .”). The result is that IPR trials are more expansive and costly, usually strategically benefiting the petitioner, especially a well-heeled petitioner. It is time for the Director to put an end to this inefficient and unfair practice of allowing petitioners to openly defy the Board’s word-count rules.

VI. CONCLUSION

Institution of *inter partes* review should be denied under 35 U.S.C. § 314(a).

Respectfully submitted.

March 27, 2026

/Kevin B. Laurence/

Kevin B. Laurence, Reg. No. 38,219

CERTIFICATE OF SERVICE

I hereby certify that on March 27, 2026, copies of the foregoing REQUEST FOR DISCRETIONARY DENIAL and all documents filed with it were served via electronic mail, as consented to by counsel, upon the following counsel for the petitioner:

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