

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division

WEB3AI TECHNOLOGIES, LLC,

Plaintiff,

v.

STRATEGY INC.,¹

Defendant.

Civil No. 2:25cv260

ORDER

Before the Court are a Motion to Dismiss for Failure to State a Claim (the “Motion”) (ECF No. 22) and a Memorandum in Support thereof (ECF No. 29) filed by Defendant Strategy Inc (“Defendant” or “Strategy”). The Court has determined that a hearing on the Motion is unnecessary, as the issues for decision are adequately presented in the briefs. *See* E.D. Va. Local Civ. R. 7(J). For the following reasons, the Motion (ECF No. 22) is **GRANTED**.

¹ On August 13, 2025, Defendant filed a Notice of Defendant Name Change, indicating that its official corporate entity name changed from “MicroStrategy Incorporated” to “Strategy Inc,” effective August 11, 2025. Notice, ECF No. 27. The Clerk is **DIRECTED** to change Defendant’s name accordingly on the docket.

I. BACKGROUND²

A. The Parties

Plaintiff Web3AI Technologies, LLC (“Plaintiff” or “Web3AI”) brings this patent infringement action against Strategy. *See generally* Compl., ECF No. 1. Web3AI is a limited liability company organized under the laws of Utah with its principal place of business in Utah. *Id.* ¶ 1. It is the owner by assignment of U.S. Patent No. 9,218,574 (the “’574 Patent”) which is titled “User Interface for Machine Learning.” *Id.* Strategy is a corporation organized under the laws of Delaware with its principal place of business in Virginia. *Id.* ¶ 2.

B. The ’574 Patent

The Complaint alleges that the ’574 Patent resulted from pioneering work by inventors at PurePredictive, Inc., who recognized the need for more interactive and accessible machine learning tools. *Id.* ¶ 7. The patent has an effective priority date of May 29, 2013, predating the recent surge in artificial intelligence and machine learning innovations. *Id.* The ’574 Patent was duly and lawfully issued by the U.S. Patent and Trademark Office (“USPTO”) on December 22, 2015. *Id.* ¶ 6; *see* Compl. Ex. A,

² When ruling on a motion to dismiss for failure to state a claim, courts accept a complaint’s well-pled factual allegations as true and draw any reasonable inferences in favor of the plaintiff. *See, e.g., Wag More Dogs, LLC v. Cozart*, 680 F.3d 359, 365 (4th Cir. 2012). The Court is “not so bound with respect to a complaint’s legal conclusions.” *Schatz v. Rosenberg*, 943 F.2d 485, 489 (4th Cir. 1991) (quoting *District 28, United Mine Workers, Inc. v. Wellmore Coal Corp.*, 609 F.2d 1083, 1085–86 (4th Cir. 1979)) (citation modified). Additionally, a court may consider any documents attached to the complaint. *E.I. du Pont de Nemours & Co. v. Kolon Indus., Inc.*, 637 F.3d 435, 448 (4th Cir. 2011).

ECF No. 1-2. By virtue of an assignment recorded with the USPTO, Web3AI now owns the '574 Patent and holds all rights to enforce it. Compl. ¶ 7, ECF No. 1.

The '574 Patent describes allegedly novel systems and methods that provide a user-friendly interface for machine learning processes. *Id.* ¶ 8. In general, the patented technology enables users to adjust input parameters for a machine learning model and immediately see updated results, thereby making machine learning outputs dynamically accessible. *Id.* For example, the patent discloses an input module to receive user input (such as a value for a machine-learning parameter), a display module to show one or more machine learning results for the chosen parameter value, and an update module that automatically refreshes the displayed results in response to additional user input, such as when the user changes the parameter. *Id.* To achieve instantaneous updates, the patent further teaches a pre-computer module that pre-calculates or caches various permutations of the machine learning results in advance, so that new results can be retrieved without delay when the user provides new input. *Id.*

In short, the '574 Patent provides a framework for an interactive machine learning interface in which users can explore “what-if” scenarios or ask iterative questions, and the system will dynamically update the machine learning outcomes in real-time. *Id.* ¶ 11. This improves the usability of machine learning by eliminating the lag between user interactions and seeing analytical results. *Id.* Web3AI claims that the invention of the '574 Patent marked a significant improvement in machine learning interfaces. *Id.* ¶ 12. By enabling dynamic, real-time updates of predictive analytics

results based on user interaction, the patented system enhances user engagement and comprehension of machine learning outcomes. *Id.* A user can iteratively tweak inputs and instantly observe changes in predicted results, without waiting for lengthy retraining or re-computation. *Id.* In other words, the system can deliver new insights “on the fly,” which is especially valuable in business intelligence and data analytics scenarios where decision-makers need timely answers. *Id.* The ’574 Patent bridges the gap between complex machine learning algorithms and end-users who require fast, intuitive access to predictions and insights. *Id.*

C. Strategy’s Knowledge of the Patent-in-Suit and Alleged Acts of Infringement

Strategy is a well-known provider of business intelligence and analytics software. *Id.* ¶ 18. In recent years, Strategy has integrated advanced artificial intelligence (“AI”) and machine learning features into its flagship platform. *Id.* These features are designed to enhance data analysis by allowing users to interact with data in more natural and dynamic ways, including the use of natural language queries and real-time predictive analytics. *Id.*

In approximately September of 2024, Strategy introduced a suite of AI-driven capabilities as part of its platform update. *Id.* ¶ 19. This included a virtual AI assistant named “Auto,” which provides generative AI functionality and a conversational interface for data analysis. *Id.* Through Auto and related features, users may ask questions about their data in plain English and receive instant, dynamically generated answers and insights. *Id.* ¶ 20. Strategy touts that business owners can simply “type a question” about data and receive an “instant response” from Auto, drawn from

the organization's data and delivered in an intuitive format. *Id.* These AI features are offered via Strategy's cloud environment and can be embedded in its dashboards, reports, and even third-party applications, enabling on-demand analytics across various user interfaces. *Id.*

Web3AI alleges that Strategy's AI-powered products provide a user interface for machine learning results that embodies each element of one or more claims of the '574 Patent, including at least claim 1. *Id.* ¶¶ 22–24. Specifically, it asserts that Strategy's AI platform infringes claim 1 by including: (1) a predictive engine (Auto's generative AI model and underlying analytics) configured to produce machine learning results (predictions and insights) based on enterprise data and user-specified parameters; (2) an input component that accepts user queries or parameter selections; (3) a precomputation mechanism via caching/semantic graph that pre-calculates possible outcomes or stores results for quick lookup; (4) a display interface that presents the results for the user's chosen parameters; and (5) an update mechanism that refreshes the displayed results in response to further user input, almost instantaneously. *Id.* ¶ 24. Web3AI further alleges that Strategy's AI features infringe additional claims of the '574 Patent. *See id.* Therefore, by making, using, testing, demonstrating, marketing, offering for sale, and/or selling these AI-powered products in the United States, Web3AI alleges that Strategy has directly infringed and continues to infringe one or more claims of the '574 Patent. *Id.* ¶ 25.

On December 2, 2024, Web3AI sent a letter to Strategy identifying the '574 Patent, notifying Strategy of its infringement of the same, and explaining how the

'574 Patent's claims are relevant to Strategy's AI Platform. *Id.* ¶¶ 14–15, 27; *see* Compl. Ex. B, ECF No. 1-3. Despite receiving notice of its alleged infringement, Strategy continues its infringing activities and has taken no steps to redesign or discourage alleged acts of infringement. Compl. ¶¶ 16, 26–27, ECF No. 1. It also continues to encourage and facilitate its customers' use of its products and derives profit from the same. *Id.* ¶ 26. Web3AI alleges that this constitutes induced infringement. *Id.* It further alleges that Strategy's infringement is willful and egregious, entitling Web3AI to enhanced damages under 35 U.S.C. § 284. *Id.* ¶ 27.

II. PROCEDURAL HISTORY

On May 1, 2025, Web3AI filed this civil action against Strategy alleging infringement of the '574 Patent. Compl., ECF No. 1. Web3AI seeks a judgment of infringement of one or more claims of the '574 Patent; an award of compensatory damages, including enhanced damages for willful infringement; a permanent injunction or ongoing royalty against continued infringement; attorneys' fees; costs and interest; and other relief as the Court deems just and proper. *Id.* at 13.

On July 15, 2025, Strategy moved to dismiss this action. Mot., ECF No. 22; Mem. Supp., ECF No. 23.³ In support of the Motion, Strategy argues that each of the

³ On January 8, 2026, Strategy submitted a Corrected Memorandum in Support of its Motion to Dismiss for Failure to State a Claim. Corrected Mem. Supp., ECF No. 29. Therein, Strategy made two changes: (1) "Defendant's corporate entity name changed to 'Strategy Inc' . . . The caption, title, and paragraph 1 have been corrected to reflect this change." and (2) "Defendant deleted five sentences in the penultimate paragraph of Section IV.C.2, to clarify Defendant's position that corresponding structure is not legally sufficient rather than altogether absent." *Id.* at 1 n.1. The Court has considered those changes in resolving the Motion.

'574 Patent's claims describe an abstract idea that is unpatentable and are therefore invalid under 35 U.S.C. § 101. Mem. Supp. at 15–32, ECF No. 29.⁴ In the alternative, Strategy asserts that claims 1, 21, and their dependent claims are invalid as indefinite under 35 U.S.C. § 112(f). *Id.* at 32–37.

On July 29, 2025, Web3AI filed a response in opposition. Resp. Opp'n, ECF No. 25. On August 4, 2025, Strategy filed a reply. Reply, ECF No. 26. The Motion is fully briefed and ripe for adjudication.⁵

III. LEGAL STANDARD

Federal Rule of Civil Procedure 12(b)(6) permits a defendant to seek dismissal based on a plaintiff's "failure to state a claim upon which relief can be granted." Fed. R. Civ. P. 12(b)(6). A motion to dismiss for failure to state a claim should be granted if the complaint does not allege "enough facts to state a claim to relief that is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). An adequate claim requires more than a "sheer possibility that a defendant has acted unlawfully." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.*

⁴ This Order utilizes ECF-generated pagination.

⁵ On March 4, 2026, Web3AI filed a Motion for Leave to File Supplemental Brief in Opposition to Defendant's Motion to Dismiss. Mot., ECF No. 30. On March 16, 2026, Strategy filed a response wherein it consents to the motion for leave, but disputes the arguments made within Web3AI's supplemental brief. Resp., ECF No. 32. Accordingly, the motion for leave (ECF No. 30) is **GRANTED**, and the Court has considered the arguments set forth in Web3AI's Supplemental Brief (ECF No. 31) and Strategy's response thereto (ECF No. 32).

A threadbare recitation of the “elements of a cause of action, and bare assertions devoid of further factual enhancement fail to constitute well-pled facts for Rule 12(b)(6) purposes.” *Nemet Chevrolet, Ltd. v. Consumeraffairs.com, Inc.*, 591 F.3d 250, 255 (4th Cir. 2009). Although the truth of the facts alleged is assumed, and the facts are taken in the light most favorable to the plaintiff, courts are not bound by “legal conclusions drawn from the facts” and “need not accept as true unwarranted inferences, unreasonable conclusions, or arguments.” *E. Shore Mkts., Inc. v. J.D. Assocs. Ltd. P’ship*, 213 F.3d 175, 180 (4th Cir. 2000).

A motion to dismiss pursuant to Rule 12(b)(6) must be read in conjunction with Federal Rule of Civil Procedure 8(a)(2). Rule 8(a)(2) requires only “a short and plain statement of the claim showing that the pleader is entitled to relief,” so as to “give the defendant fair notice of what the . . . claim is and the grounds upon which it rests.” *Twombly*, 550 U.S. at 555 (quoting *Conley v. Gibson*, 355 U.S. 41, 47 (1957)). Fair notice is provided by setting forth enough facts for the complaint to be “plausible on its face” and to “raise a right to relief above the speculative level on the assumption that all the allegations in the complaint are true (even if doubtful in fact).” *Id.* at 555, 570 (internal citations and footnote omitted). A complaint may survive a motion to dismiss “even if it appears that a recovery is very remote and unlikely.” *Id.* at 556 (quoting *Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974)) (internal quotation marks omitted).

“Patent eligibility under 35 U.S.C. § 101 is a question of law that may contain underlying issues of fact.” *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1342

(Fed. Cir. 2018) (citing *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018)). Given the possibility of underlying factual disputes, deciding a patent challenge at the Rule 12(b)(6) stage is “inappropriate where claim elements are adequately challenged to be more than well-understood, routine, or conventional.” *Id.* at 1342 n.4. But, where “there are no disputed facts material to the issue of patent eligibility, the district court’s resolution of the inventive concept inquiry is proper.” *Id.* Thus, “it is possible and proper to determine patent eligibility under 35 U.S.C. § 101 on a Rule 12(b)(6) motion.” *Genetic Techs. Ltd. v. Merial LLC*, 818 F.3d 1369, 1373 (Fed. Cir. 2016); *see also AI Visualize, Inc. v. Nuance Commc’ns, Inc.*, 97 F.4th 1371, 1381 (Fed. Cir. 2024); *In re TLI Commc’ns LLC Pat. Litig.*, 87 F. Supp. 3d 773, 804–05 (E.D. Va. 2015).

IV. ANALYSIS

Strategy primarily argues that the ’574 Patent claims ineligible subject matter under 35 U.S.C. § 101. Mem. Supp. 15–32, ECF No. 29. Alternatively, Strategy submits that claims 1, 21, and their dependent claims are invalid on grounds of indefiniteness under 35 U.S.C. § 112(f). *Id.* at 32–37. The Court begins by analyzing the ’574 Patent under 35 U.S.C. § 101, as resolution of the Motion turns on whether the ’574 Patent purports to protect patent-ineligible subject matter. Because the Court finds that the ’574 Patent is directed to an abstract idea, and there are no non-abstract elements that transform the abstract idea into patent eligible material, it concludes that the ’574 Patent is invalid under 35 U.S.C. § 101.

A. Ineligible Subject Matter

Under 35 U.S.C. § 282, patents are presumed valid. 35 U.S.C. § 282(a). “The burden of establishing invalidity of a patent . . . rest[s] on the party asserting such invalidity.” *Id.* A challenging party may rebut that presumption by demonstrating that it purports to protect patent-ineligible subject matter. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

The Patent Act provides that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor.” 35 U.S.C. § 101. However, based on a concern that patents could be used to monopolize “the basic tools of scientific and technological work,” *Alice*, 573 U.S. at 216, courts have exempted “[l]aws of nature, natural phenomena, and abstract ideas” from patent-eligible subject matter. *Id.* (“Monopolization of those tools through the grant of a patent might tend to impede innovation more than it would tend to promote it, thereby thwarting the primary object of the patent laws.” (citation omitted)).

Strategy argues that the ’574 Patent is invalid under § 101 because it is wholly directed to an abstract idea. Mem. Supp. at 17–23, ECF No. 29. Thus, the Court must determine whether the ’574 Patent “claim[s] the building blocks of human ingenuity” or whether it “integrate[s] the building blocks into something more.” *Alice*, 573 U.S. at 216 (internal quotation marks omitted).

The Federal Circuit and the Supreme Court have set out a two-step framework for performing the patent-eligibility analysis (the “*Alice* test”). First, the Court must

determine “whether the claims at issue are directed to one of those patent-ineligible concepts, such that it “risk[s] disproportionately tying up the use of . . . underlying ideas.” *Id.* (citation omitted). Of course, “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012). Thus, the fact that a patent implicates ineligible subject matter does not mean that the patent is so *directed*; rather, “the claims are considered in their entirety to ascertain whether their character *as a whole* is directed to excluded subject matter.” *Internet Pats. Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015) (emphasis added). While conducting step one of the analysis, courts “must be careful to avoid oversimplifying the claims’ by looking at them generally and failing to account for the specific requirements of the claims.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016). Instead, the Court must focus on the specific contours of the patent, as outlined by the language of the claim. *Contour IP Holding LLC v. GoPro, Inc.*, 113 F.4th 1373, 1380 (Fed. Cir. 2024).

Abstract ideas are amongst those exempted from patentable subject matter. *Alice*, 573 U.S. at 216. “An idea is abstract if it has ‘no particular concrete or tangible form.’” *Nomula v. Hirschfeld*, 561 F. Supp. 3d 617, 623 (E.D. Va. 2021) (quoting *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014)). “The Supreme Court has not established a definitive rule to determine what constitutes an ‘abstract idea.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Courts have, however, determined that the category may vary broadly in kind, from

“preexisting, fundamental truths,” *id.* (quoting *Alice*, 573 U.S. at 220), to existing, everyday human practices, *Salwan v. Iancu*, 825 F. App’x 862, 866 (Fed. Cir. 2020). “As a general matter, claims directed to ‘a result’ rather than ‘a way of achieving [that result]’ are directed to abstract ideas.” *Dialect, LLC v. Amazon.com, Inc.*, 701 F. Supp. 3d 332, 339 (E.D. Va. 2023) (citing *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1167–68 (Fed. Cir. 2018)).

“For technology involving computers like the [instant patent], the step-one analysis often hinges on ‘whether the focus of the claims is on the specific improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Ocado Innov., Ltd. v. AutoStore AS*, 561 F. Supp. 3d 36 (D.N.H. 2021) (quoting *Enfish*, 822 F.3d at 1336)). Put differently, “at step one, courts determine whether a patent’s claimed advance represents a concrete ‘technological solution to a technological problem.” *Id.* (quoting *Packet Intel. LLC v. NetScout Sys. Inc.*, 965 F.3d 1299, 1309 (Fed. Cir. 2020)). A “tell-tale sign” that a patent is directed to an abstract idea “is when the claimed functions are mental processes that can be performed in the human mind or using a pencil and paper.” *Trinity Info Media LLC v. Covalent, Inc.*, 72 F.4th 1355, 1361–62 (Fed. Cir. 2023) (citation modified).

If a patent is directed to an abstract idea, *Alice* step two requires courts to examine the non-abstract elements of the claim to determine whether they amount to an “inventive concept sufficient to transform the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221. That examination requires courts to

consider any non-abstract elements individually and in relation to the entire claim. *Id.* at 217. An inventive concept is something more than “the application of an abstract idea using well-understood, routine, and conventional activities previously known to the industry.” *Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1316 (Fed. Cir. 2019) (citation omitted).

“The question of whether a claim element or combination of elements is well-understood, routine, and convention to a skilled artisan in the relevant field is a question of fact.” *Berkheimer*, 881 F.3d at 1368. A claim directed to an abstract idea is invalid as a matter of law, however, if it merely combines the abstract idea with “generic computer components,” *In re TLI Commc’ns LLC Pat. Litig.*, 823 F.3d 607, 614 (Fed. Cir. 2016), or limits the abstract idea to “a particular technological environment,” *Alice*, 573 U.S. at 223.

1. *Claim 16 is Representative of the ’574 Patent*

As an initial matter, the ’574 Patent contains 25 different claims. Compl. Ex. A, ECF No. 1-2. Yet, all 25 claims need not be considered individually where one claim is representative of the ’574 Patent as a whole. The Federal Circuit has held that when multiple claims in a single patent application are “substantially similar and linked to the same abstract idea,” a court may treat a single claim as representative and that “addressing each claim of the asserted patents [is] unnecessary.” *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1348 (Fed. Cir. 2014); *see also Berkheimer*, 881 F.3d at 1365 (holding that courts “may treat a claim as representative . . . if the patentee does not present any meaningful

argument for the distinctive significance of any claim limitations not found in the representative claim . . .”).

In the motion to dismiss briefing, Strategy asserts that claim 16 is representative of the ’574 Patent as a whole. Web3AI did not challenge Strategy’s assertion that claim 16 is representative of the ’574 Patent as a whole. *See generally* Resp. Opp’n, ECF No. 25. The Court’s review of all the claims confirms that claim 16 is representative of the ’574 Patent.⁶ Accordingly, it is appropriate to consider claim 16 to be representative of all claims in the ’574 Patent, and thus it is unnecessary to consider separately the other claims included in the ’574 Patent. *See In re TLI Commc’ns LLC Pat. Litig.*, 87 F. Supp. 3d 773, 786 (E.D. Va. 2015) (explaining that “the § 101 analysis only needs to be carried out with respect to a ‘representative’ claim and the results of that analysis can then be applied to the remaining claims in the patent.”).

Claim 16 of the ’574 Patent recites:

16. A method for machine learning results, the method comprising:

[a] generating a predictive program comprising a plurality of learned functions from multiple machine learning classes;

⁶ Claims 1, 16, and 21 are the only independent claims of the ’574 Patent. *See* Compl. Ex. A, ECF No. 1-2. Claim 1 describes an “apparatus” and claim 21 describes a “system,” which differ from claim 16 (which describes a “method”) only in that each recites “modules”—made from generic hardware—that perform steps 16(a) through (e). *Id.* at 36:54–58, 38:62–67 (stating that the recited modules “comprise one or more of logic hardware and a non-transitory computer readable storage medium storing program code executable by a processor”). In addition, claim 1 recites an “update” module related to step 16 (e) and claim 21 recites a “collaboration” module related to step 16(c). *Id.* at 36:48, 38:53. These differences are immaterial to the § 101 inquiry because all three independent claims are substantially similar in that they recite little more than the same abstract idea. Additionally, all dependent claims are directed to the same subject matter with minor variations, and therefore rise and fall with their respective independent claims.

[b] inputting permutations of machine learning parameters incrementally between minimum values for the machine learning parameters and maximum values for the machine learning parameters into the predictive program;

[c] determining machine learning results from the predictive program for the input permutations of the machine learning parameters;

[d] populating a results data structure with the determined machine learning results indexed by the machine learning parameters;

[e] dynamically changing a display of one or more input permutations of the machine learning parameters from the results data structure in response to user input adjusting a displayed value for one or more of the machine learning results from the predictive program.

Compl. Ex. A at 37, ECF No. 1-2.

2. *Alice Step One*

Strategy argues that the '574 Patent fails step one of the *Alice* test because steps (a) through (e) of claim 16 are “directed to the manipulation of mathematical and display functions without reference of any specific computer, software, or any other device.” Mem. Supp. at 17, ECF No. 29. Web3AI responds that the '574 Patent is not directed to an abstract idea; rather, it “improves how the computer itself operates as a predictive analytics tool,” improving speed and interactivity and using “structural components arranged to achieve those benefits.” Resp. Opp’n at 12, ECF No. 25.

Claim 16 describes a “method” for machine learning comprising five steps. Step (a) requires generating a “predictive program” comprising a plurality of “learned functions” from “multiple machine learning classes,” but does not define the structure or implementation of that program. Compl. Ex. A at 37, ECF No. 1-2. Step (b) requires inputting “permutations of machine learning parameters” between unspecified

minimum and maximum values into the predictive program. *Id.* Step (c) requires determining results from the predictive program generated at step (a) for the values inputted at step (b). *Id.* Step (d) requires populating a “results data structure” with the results generated at step (c), indexed by the “machine learning parameters.” *Id.* Finally, step (e) requires “dynamically” changing the display of the user input permutations from step (b) based on results determined at step (c). *Id.* These steps are described at a high level of generality and are not tied to any specific computer, software, or technological environment; instead, they are drafted to apply broadly to any form of data, model, or algorithm.

At *Alice* step one, the Court finds that claim 16 is directed to an abstract idea. Stripped of its machine-learning terminology, the claim is directed to varying inputs to a model, calculating outputs, storing the results, and displaying those results—a form of mathematical analysis and data manipulation. The Federal Circuit has repeatedly held that claims focused on collecting, analyzing, organizing, and displaying information are abstract. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1351 (Fed. Cir. 2016) (holding ineligible patents which claimed “methods for performing real-time performance monitoring of an electric power grid by collecting data from multiple data sources, analyzing the data, and displaying the results”); *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017) (invalidating as abstract claims for a “method whereby a user displays images on a first display, assigns image codes to the images through an interface using a mathematical formula, and then reproduces the image based on the codes”); *Hawk Tech. Sys., LLC v.*

Castle Retail, LLC, 60 F.4th 1349, 1357–58 (Fed. Cir. 2023) (invalidating as abstract claims “directed to a method of receiving, digitizing, displaying, converting, storing, and transmitting digital video using result-based functional language”); *Broadband iTV, Inc. v. Amazon.com, Inc.*, 113 F.4th 1359, 1363–64 (Fed. Cir. 2024) (invalidating as abstract a claim for “receiving metadata and organizing the display of video content based on that metadata”).

The ’574 Patent purports to improve machine learning by making it more accessible for a lay person, by translating raw data for a lay person and speeding up a lay person’s use and understanding of otherwise conventional machine learning. This is not a proposed improvement on machine learning itself; rather, it is a purported improvement on user operation and interpretation. Improvements in usability, speed, or user comprehension—without a corresponding improvement in the underlying technology—do not render a claim non-abstract. *See Bancorp Servs., LLC v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266 (Fed. Cir. 2012) (stating that “the fact that the required calculations could be performed more efficiently via a computer does not materially alter the patent eligibility of the claimed subject matter”); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011) (stating that “computational methods which can be performed entirely in the human mind are the types of methods that embody the basic tools of scientific and technological work that are free to all men and reserved exclusively to none” (citation modified)).

Web3AI urges that *Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356 (Fed. Cir. 2018), is instructive. In *Core Wireless*, the Federal Circuit held that

claims directed to a “particular manner of summarizing and presenting information in electronic devices” were not abstract. *Id.* at 1362. The court emphasized that the claims were directed to a *specific improvement in user interface technology*, including particular limitations on the size, layout, and location of displayed information that improved how users accessed data on small-screen devices. *Id.* at 1362–63. By contrast, claim 16 is not directed to any specific improvement in user interface technology. Although it recites “dynamically” changing a display in response to user input, it does so at a high level of generality and without specifying any particular interface structure, layout, or mechanism for achieving that result. The claim thus recites the idea of interactive display of information, not a concrete technological solution for implementing such interaction. Accordingly, unlike the claims in *Core Wireless*, which were limited to a specific manner of improving user interfaces, claim 16 merely invokes generic display functionality to present results. It therefore lacks the kind of particularized technological improvement that rendered the claims in *Core Wireless* non-abstract. Moreover, the claimed improvements in speed, interactivity, and user comprehension are not tied to any specific technological mechanism, structure, or enhancement to computer functionality itself. As such, these alleged benefits do not render the claims non-abstract.

The other cases relied on by Web3AI fare no better. *See Data Engine Techns. LLC v. Google LLC*, 906 F.3d 999, 1010–11 (Fed. Cir. 2018) (finding claims not abstract which recited “a specific structure (i.e., notebook tabs) within a particular spreadsheet display that performs a specific function (i.e., navigating within a three-

dimensional spreadsheet”); *Enfish*, 822 F.3d at 1339 (finding claims were not abstract because “the self-referential table recited in the claims . . . is a specific type of data structure designed to improve the way a computer stores and retrieves data in memory”); *McRO*, 837 F.3d at 1314 (finding claims not abstract which was “focused on a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type”). Each of these cases involved concrete technological solutions to technological problems. Claim 16 does not. It recites only generalized, functional steps for analyzing and displaying data using unspecified machine learning techniques. Accordingly, it is directed to an abstract idea at *Alice* step one.

3. *Alice Step Two*

At *Alice* step two, the Court considers whether the ’574 Patent includes “an element or combination of elements” that transforms the claim into something “significantly more” than a claim on the patent-ineligible concept itself. *Alice*, 573 U.S. at 217–18. Strategy argues that the ’574 Patent fails at step two of the *Alice* test because the “results-oriented claims do not add transformative elements” and “the claims also fail . . . as an ordered combination.” Mem. Supp. at 23–26, ECF No. 29. Web3AI responds that the ordered combination provides significantly more. Resp. Opp’n at 14–19, ECF No. 25.

The Court agrees with Strategy. The claims recite only generic data-processing steps implemented by using unspecified computer components. This is insufficient to “transform the nature of the claim into a patent-eligible application of the abstract data.” *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1338

(Fed. Cir. 2017). Rather than specifying how the claimed results are achieved, the '574 Patent describes the steps in purely functional terms, relying on an unidentified and generic “program.” See Compl. Ex. A at 3:25–6:10, ECF No. 1-2 (describing that any combination of generic hardware, software, and/or other computer components may be used in the disclosed invention).⁷ As the Federal Circuit has explained, claims that rely on such “generic functional language” and conventional components operating according to their ordinary functions are not patent-eligible. *Hawk Tech.*, 60 F.4th at 1358.

Nor does the ordered combination of claim elements provide “significantly more” than the abstract idea represented in claim 16. Steps (a) through (e) of claim 16—generating a model, varying parameters, computing results, storing these results, and displaying them—are arranged in a standard sequence for data analysis and do not interact in a manner that produces a technological improvement or other

⁷ The specification makes clear that the invention is not restricted to any specific implementation. See, e.g., Compl. Ex. A at 3:27–32, ECF No. 1-2 (“Accordingly, aspects of the present disclosure may take the form of an entirely hardware embodiment, an entirely software embodiment (including firmware, resident software, micro-code, etc.) or an embodiment combining software and hardware aspects that may all generally be referred to herein as a ‘circuit,’ ‘module,’ or ‘system.’”); *id.* at 3:60–63 (“Similarly, operational data may be identified and illustrated herein within modules, and may be embodied in any suitable form and organized within any suitable type of data structure.”); *id.* at 4:21–25 (“In the context of this document, a computer readable storage medium may be any tangible medium that can contain, or store a program for use by or in connection with an instruction execution system, apparatus, or device.”); *id.* at 4:26–32 (“Computer program code for carrying out operations for aspects of the present disclosure may be written in any combination of one or more programming languages, including an object oriented programming language such as Java, Python, C++ or the like and conventional procedural programming languages, such as the ‘C’ programming language or similar programming languages.”).

non-conventional result.⁸ Considered together, they “ad[d] nothing . . . that is not already present when the steps are considered separately” and remain abstract ideas devoid of any sufficiently transformative, inventive concepts. *Alice*, 573 U.S. at 225; *cf. Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016) (stating that “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.”); *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (finding that the ordered combination of the asserted claims recited an invention that was not merely the routine or conventional use of the internet where the claims incorporated elements from multiple sources in order to solve a problem faced by websites on the internet). Accordingly, the claims lack an inventive concept sufficient to confer patent eligibility.

* * *

In sum, the ’574 Patent is directed to an abstract idea, and its ordered combination does not transform the claim into something significantly more than the abstract idea. Therefore, the ’574 Patent is invalid under 35 U.S.C. § 101.⁹

⁸ Web3AI states that a factual dispute exists as to whether the claimed elements are conventional, which it argues precludes dismissal. Resp. Opp’n at 18–19, ECF No. 25. But Web3AI does not meaningfully support that assertion. It offers only a conclusory statement that the claimed “precompute + update approach was not conventional in 2013”—and its argument lacks any citation to the ’574 Patent or other supporting authority. *Id.* at 18. That conclusory allegation is insufficient to create a genuine factual dispute. To the contrary, the ’574 Patent itself states that the claimed invention may be implemented using generic computer components, confirming that the elements are well-understood, routine, and conventional. As discussed *supra*, such admissions in the specification undercut any argument that the claims recite a non-conventional inventive concept.

⁹ Strategy compels the Court to consider the Northern District of California’s decision in *PurePredictive, Inc. v. H2O.AI, Inc.*, No. 17cv3049, 2017 WL 3721480 (N.D. Cal.

B. Indefiniteness

In the alternative, Strategy argues that claims 1, 21, and their dependent claims are invalid under 35 U.S.C. § 112(f). Mem. Supp. at 32–37, ECF No. 29. Because the Court concludes that the ’574 Patent is invalid under 35 U.S.C. § 101, it does not reach this argument. *See Bilski v. Kappos*, 561 U.S. 593, 602 (2010) (describing patent eligibility under § 101 as a “threshold test”).

V. CONCLUSION

For the foregoing reasons, the Motion (ECF No. 22) is **GRANTED**. All claims in this action are **DISMISSED with prejudice**. Web3AI’s Motion for Leave to File Supplemental Brief (ECF No. 30) is **GRANTED**. The Clerk is **DIRECTED** to close this case. The Clerk is further **REQUESTED** to forward a copy of this Order to all counsel of record.

IT IS SO ORDERED.

/s/

Arenda L. Wright Allen
United States District Judge

March 30, 2026
Norfolk, Virginia

Aug. 29, 2017), *aff’d sub nom, PurePredictive, Inc. v. H20.AI, Inc.*, 741 F. App’x 802 (Fed. Cir. 2018). Therein, the Northern District of California determined that a related patent of the ’574 Patent was invalid under 35 U.S.C. § 101. *Id.* at *5 (finding that the related patent’s claims were “directed to a mental process and the abstract concept of using mathematical algorithms to perform predictive analysis.”). In response, Web3AI argues that the *PurePredictive* patent is entirely different and that decision predates key Federal Circuit decisions discussed herein. *See* Resp. Opp’n at 3–4, ECF No. 25. The Court finds the *PurePredictive* decision persuasive and has considered it appropriately, in the context of more recent Federal Circuit authority.