

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CRUSOE ENERGY SYSTEMS, LLC,
Petitioner,

v.

UPSTREAM DATA INC.,
Patent Owner.

PGR2023-00052
Patent 11,574,372 B2

Before HYUN J. JUNG, JAMES J. MAYBERRY, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION
Denying Institution of Post-Grant Review
35 U.S.C. § 324

Crusoe Energy Systems, LLC (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting post-grant review of claims 1–41 (“the challenged claims”) of U.S. Patent No. 11,574,372 B2 (Ex. 1001, “the ’372 patent”). Upstream Data Inc. (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”).

We have authority to determine whether to institute a post-grant review. 35 U.S.C. § 324 (2018); 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”). Section 324(a) provides that a post-grant review may not be instituted “unless . . . the information presented in the petition . . . , if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” Upon considering the Petition, Preliminary Response, and the cited evidence, we conclude that Petitioner has not satisfied its burden under 35 U.S.C. § 324 to show that it is more likely than not that claim 1 is unpatentable.

I. BACKGROUND

A. Real Parties-in-Interest

Petitioner identifies that Crusoe Energy Systems, LLC is the real party-in-interest. Pet. 53. Patent Owner indicates Upstream Data Inc. is the patent owner and real party-in-interest in this proceeding. Paper 5, 2.

B. Related Proceedings

The parties state that the ’372 patent is at issue in PGR2023-00039, filed July 20, 2023 (“the ’039 PGR”) and *Upstream Data Inc. v. Crusoe*

will receive relative to competition.” *Id.* at 13:20–21. The ’372 patent further discloses that reliance on “low-cost hydroelectric power” has led to a “centralization of blockchain miners in specific countries with abundant hydroelectric power.” *Id.* at 14:4–11. This, according to the ’372 patent, is counter to the idea of decentralization and distribution inherent in the blockchain model, so the ’372 patent identifies a “need to further decentralize BITCOIN™ and other blockchain mining through a more decentralized source of low-cost power.” *Id.* at 14:13–20. To this end, the ’372 patent describes positioning a generator and blockchain mining device “at a suitable location relative to the hydrocarbon well, storage site, or processing facility,” such as located adjacent to a remote oil well. *Id.* at 9:14–19.

D. Illustrative Claim

The ’372 patent includes 41 claims, and Petitioner challenges claims 1–41. Of the challenged claims, claims 1 and 24 are independent. Claim 1 is illustrative and reads as follows¹:

[1pre] A system comprising:

[1a] a source of combustible gas produced from a facility selected from a group consisting of a hydrocarbon production, storage, or processing facility;

[1b] a generator connected to the source of combustible gas to receive a continuous flow of combustible gas to power the generator; and

[1c] blockchain mining devices connected to the generator; in which:

¹ We utilize Petitioner’s annotations. Pet. v.

- [1c_i] the blockchain mining devices each have a mining processor and are connected to a network interface;
- [1c_ii] the network interface is connected to receive and transmit data through the internet to a network that stores or has access to a blockchain database;
- [1c_iii] the mining processors are connected to the network interface and adapted to mine transactions associated with the blockchain database and to communicate with the blockchain database;
- [1c_iv] the network is a peer-to-peer network;
- [1c_v] the blockchain database is a distributed database stored on plural nodes in the peer-to-peer network; and
- [1c_vi] the blockchain database stores transactional information for a digital currency.

Ex. 1001, 19:52–20:7.

E. Asserted Grounds of Unpatentability

Petitioner asserts that claims 1–41 of the '372 patent are unpatentable on the following grounds (Pet. 3–4, 10–46):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–41	112(b) ²	Indefiniteness
1–41	112(a)	Written Description
10–16, 23, and 41	112(f)/112(b)	112(f) Indefiniteness

² The Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284 (2011) (“AIA”), included revisions to 35 U.S.C. § 103 that became effective on March 16, 2013, before the filing of the applications to which the '372 patent claims priority. Therefore, we apply the AIA versions of Section 112.

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