

Judge Tosses Patent Suit Over Decentralized Exchange Tech

By Adam Lidgett

Law360 (February 11, 2026, 4:07 PM EST) -- A New York federal judge has thrown out a lawsuit accusing the companies behind Uniswap of infringing patents for smart contract technology used in decentralized exchanges, finding the patent claims didn't pass the U.S. Supreme Court's Alice test.

U.S. District Judge John G. Koeltl on Tuesday granted a motion from Uniswap Labs and the Uniswap Foundation to dismiss the lawsuit, filed in May by BProtocol Foundation and LocalCoin Ltd., the developers behind the decentralized exchange Bancor. The dismissal was without prejudice and gave the patent owners about three weeks to file an amended complaint.

Judge Koeltl applied the test established by the U.S. Supreme Court in the 2014 case *Alice Corp. v. CLS Bank*, which directs a court to ask whether the claims are directed to a patent-ineligible concept, like a law of nature, and if so, a court must then ask whether the claims have an inventive concept.

The claims of the two patents-in-suit cover a way to calculate "currency exchange rates to perform transactions," which Judge Koeltl said was an abstract idea. As for the second step, Judge Koeltl said the patent owners couldn't find an inventive concept to save the claims, finding the ideas behind the patents are accomplished only "in the context of existing smart contract and blockchain technology."

Bancor and Uniswap are both decentralized exchanges, which use so-called smart contracts to automate exchange activity instead of using third-party market makers or order book matching models.

Bancor said it patented its solution for a "constant product automated market maker" design in 2017.

The operative complaint said the "invention uses new implementations of smart token and smart contract technology to improve the functionality of the blockchain by solving problems uniquely associated with smart tokens ... and with the operation of decentralized exchanges on the blockchain."

But the complaint said Uniswap launched its own protocol in 2018 that has been running an infringing version of the constant product automated market maker.

Josh Krevitt and Stuart Rosenberg, attorneys for Uniswap Labs, said in a joint statement to Law360 that the Tuesday decision was important not just for the firm "but also more broadly for the continued development and use of decentralized cryptocurrency exchanges."

"The court held not only that Bancor failed to state a claim of infringement against Uniswap Labs and

the Uniswap Protocol, but also that Bancor's patent claims are invalid because they are ineligible under the Supreme Court's Alice test," they added.

Counsel for the other parties did not immediately respond to requests for comment.

The patents-in-suit are U.S. Patent Nos. 11,107,049 and 11,574,291.

BProtocol Foundation and LocalCoin Ltd. are represented by Kevin P.B. Johnson, Emily Kapur, Eric Huang, Owen Roberts, Ron Hagiz, Valerie Lozano and Arian Koochesfahani of Quinn Emanuel Urquhart & Sullivan LLP.

Uniswap Labs is represented by Josh Krevitt, Stuart Rosenberg, Kate Dominguez, Brian Rosenthal, Ben Hershkowitz, R. Scott Roe, Ryan Jin and Evan Kratzer of Gibson Dunn & Crutcher LLP.

Uniswap Foundation is represented by Patricia Young, Gabriel K. Bell, Sean Gloth and Di Ai of Latham & Watkins LLP.

The case is BProtocol Foundation et al. v. Universal Navigation Inc. et al., case number 1:25-cv-04214, in the U.S. District Court for the Southern District of New York.

--Additional reporting by Aislinn Keely. Editing by Nick Siwek.