

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND & WALES
INTELLECTUAL PROPERTY LIST (ChD)

Claim No: IL-2021-000019

BETWEEN:

(1) CRYPTO OPEN PATENT ALLIANCE

Claimant

-and-

(1) DR CRAIG STEVEN WRIGHT

Defendant

WITNESS STATEMENT OF STEVE LEE

I, **STEVE LEE**, of [REDACTED], will say as follows:

1. I am an independent board member of COPA, the Crypto Open Patent Alliance, and I make this statement in that capacity. I am also the Lead of Spiral (which was formerly known as “Square Crypto”, and is a team within Block, Inc (formerly known as Square, Inc)).

2. COPA is the claimant in this case and Block, Inc is a represented party. This written statement has been prepared by Bird & Bird to record my own evidence and answers given to Bird & Bird in writing and also during an interview conducted via Teams, but I understand from Bird & Bird that our exchanges are considered privileged. The evidence given in this statement is written in my own words as far as practicable. The facts and matters set out in this statement are within my own knowledge unless otherwise stated. Where I refer to facts within my own knowledge, I believe them to be true. Where I refer to information from other sources, those facts and matters are true to the best of my knowledge and belief and I have identified my sources. Bird & Bird has pointed out the declaration at the bottom of this statement to me and asked me in particular to keep in mind that on points that I understand to be important in the case, I have stated honestly (a) how well I recall matters and (b) whether my memory has been refreshed by considering documents, and if so how and when.

My background and work at Spiral

3. I’m a software development manager. I studied computer science and computer engineering as an undergrad, and have worked as a developer and in professional software engineering and management since then. Most recently I was a product management director at Google for 8 ½ years before moving to Block. I’ve been in the bitcoin/crypto space full-time since 2017. Prior to joining Block I was already a volunteer contributor to bitcoin¹. I’ve been at Block for almost 4 years now, as the lead

¹ People sometimes distinguish between “Bitcoin” with a capital B to mean the network, concept and the system generally, and bitcoin with a lowercase b to mean BTC specifically. I normally write bitcoin all

of Spiral (which used to be known as “Square Crypto” until about the end of 2021), in which I take a product management role.

4. Spiral is a unique initiative for a corporation. It's intended to foster the adoption of bitcoin by funding and promoting open bitcoin development. There's no profit goal for Spiral, and no business model: Spiral is a part of Block and has an annual budget from Block, but we have total independence and freedom in how we choose to invest those funds to promote our aims.

5. For 4 years now we've funded about a dozen of what we think are really impactful projects in the bitcoin space which is an early developing industry. This includes some that existed prior to Spiral, but also projects that have been cofounded and enabled by Spiral like the Lightning Development Kit (LDK), the Bitcoin Development Kit (BDK) and Bitcoin Design Community, all projects I'm very proud of:

- a. The BDK combines the work of multiple people and companies into one open-source and well-reviewed and maintained project, instead of dispersing them across multiple closed/semi-closed or poorly designed projects. Overall, it is a collection of software tools and libraries that enable people to build bitcoin wallets in a modular way, which can be adapted for a variety of use cases from small single signature wallets to multi-billion cold-storage vaults.
- b. The LDK is another fully-open-source library, which allows people to build a Lightning node and integrate Lightning features in bitcoin wallets easily and without worrying about implementing small details of low-level logic. “Lightning” is a popular payment protocol for bitcoin and other blockchains and cryptocurrencies enabling fast payment transactions.
- c. The Bitcoin Design Community is a community project and set of resources to make bitcoin more intuitive and accessible with the aim to allow everyone can participate in bitcoin regardless of technical expertise or geography. Everyone is welcome to join and participate. Part of the Bitcoin Design Community is the Bitcoin Design Guide, which again is a free open-source guide designed to help people navigate the complexities of bitcoin and help people build software for a range of different use cases.

6. We do our work in a couple of ways. We have a full-time team of 8 engineers but we also have a really strong grant program in which we fund over 40 developers through individual grants. Collectively those developers work on a variety of projects. As I've tried to explain above, our projects are all free, open-source, and MIT-licensed and can be used by anyone. They aren't 'owned' by Block or Spiral in that sense, and they have had and do have contributors who are independent, not only through Spiral

lowercase b because I find it results in simpler writing, and the distinction is not really useful in such a ubiquitous concept. My work in bitcoin has been mainly focused on BTC.

grant program but also volunteers, and even other developers paid by other companies that are contributing to and collaborating on these projects too.

COPA and its purpose

7. I'm also an independent board member at COPA. Though I'm making this statement in that capacity I should say that I'm only one of several equal board members, I don't have a special say and I'm just giving my own evidence here, not speaking as the board.

8. COPA was first announced in September 2020, and I first found out about it a few months before then. I have been a board member since its inception and when it was still being formed and created, I played a role in the formation process - reviewed some of the formation documents, helped reach out to a number of independent people and companies in the space that I thought would be aligned with the philosophy of COPA, and made introductions.

9. The philosophy is around promoting open innovation in what is still a fledgling developing industry. Really anyone can join, it's open to businesses, individuals and anyone, there's no barrier to joining - COPA's membership agreement is available online for download and copies of the webpage (<https://www.opencrypto.org/joining/>) and the agreement itself are at **Exhibit SL1**, which also includes COPA's Articles of Incorporation and Bylaws. Members make a patent pledge not to assert patents other than in limited defensive situations, and COPA's mission is around open innovation generally – COPA wants to prevent IP from limiting its members from doing development, coding, or anything similar related to cryptocurrency.

10. Bitcoin has always been open-source and has been freely used and distributed. It has also been maintained by a community of open source developers, who maintain it and improve it over time. As a result it's also open in the sense that it can be forked, which involves creating a new cryptocurrency, which might operate differently based on technical changes to the code. In that situation, holders of the older coin will automatically get the same amount of the newer coin, because they will share the past ledger. There's no central committee that decides on which of the changes is better: both coins will exist together, and the market will tend to 'vote with their wallets' on which they perceive to be better, with people tending to sell the coin they believe in less and buy the coin they believe in more, with the value of each going up or down as a result.

11. In the crypto space, there's also a lot of people working in the industry who are individuals, small businesses, and startups who don't have much money to face down threats of litigation. Many of these individuals and companies believe strongly in open innovation and don't want industry progress to be disrupted or slowed by entities who hoard patents and litigate.

12. COPA was set up with a number of companies and independent people in this space with these ideas in mind COPA's bylaws (a copy of which is within **Exhibit SL1**) set out its Mission Statement:

"Accordingly, and solely in furtherance of its purposes in support of the cryptocurrency industry as stated in Section 1.01 above, the Corporation's specific mission and activities shall be to encourage the adoption and advancement of cryptocurrency technologies and to protect against anything that might be a barrier to growth, innovation and adoption, including through democratizing patents and sharing the underlying technology with everyone."

13. We had a concern about patents in particular, specifically the idea of patent aggressors who we thought could begin to sue startups, volunteer developers, and larger companies, and that could stop their work and could delay the progress of such an interesting industry that's potentially so valuable to the world. Personally, I have been aware of this type of patent challenge in various industries through a lot of my career: I previously worked at small startups and have invested in small startups, and I also worked at Google, so have experienced it from a small company perspective as well as a large company perspective. At Google in particular, though I think they really try to live up to their motto of "do no evil", I saw that the company felt forced to hoard patents because that could help them to defend against patent aggressors.

Dr Craig Wright

14. Before I joined Spiral I was generally aware of Craig Wright claiming to be Satoshi, just in the course of working in cryptocurrency. I'm also aware of BSV, which stands for "Bitcoin Satoshi Vision," which is a fork, as I mentioned above, of bitcoin (BTC) . As I understand it, the "Satoshi" that BSV refers to is based on Craig Wright's assertion that he is Satoshi and it's marketed as what he claims is the original vision of bitcoin.

15. When we started COPA we didn't think of any of those claims as a threat. COPA is not specific to bitcoin, the scope of COPA is cryptocurrencies in general and we don't play favorites when it comes to different cryptocurrencies. We just care about open innovation around cryptocurrencies generally, and we didn't then (and don't now) mind how many different ones there are.

16. We also didn't really have his (or anyone's) claim to be Satoshi in mind, and I don't even particularly keep track of people claiming to be Satoshi. If someone makes a claim to be Satoshi and that's the end of it, it could just be a silly thing and you'd think no more of it. But if they act on these claims by creating a burden on many people and companies, that hurts the bitcoin space. Especially if startups and new projects, or developers are impeded or harmed, so that people who otherwise would have done great work are stymied, that's a real problem, and that's what we began to see with Craig Wright: he didn't just claim to be Satoshi but also began to assert copyright in the White Paper itself, and for example I remember that Block (Square) received a takedown letter (and I asked Bird & Bird to check and am informed this was on 21 January 2021). I know there have been a lot of lawsuits he started against open source developers and volunteers, and others who dispute his claim to be Satoshi:

- a. His litigation in Florida with the family of Dave Kleiman, which I read about at the time it was going on. I understood that to be based on some sort of partnership with Dave Kleiman

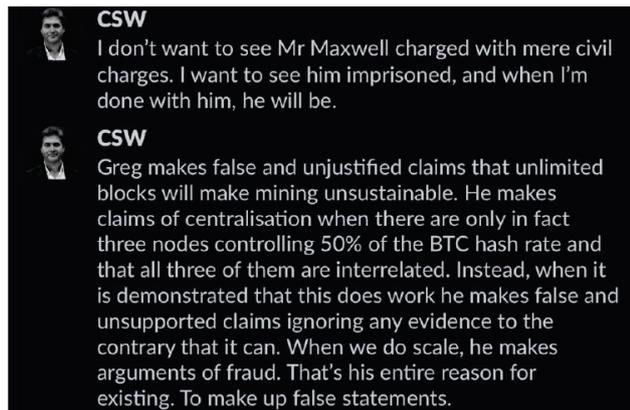
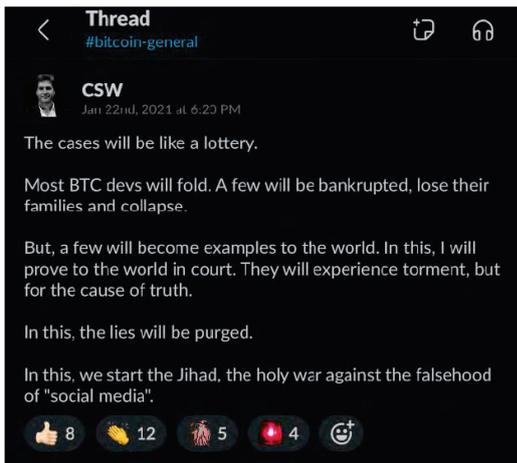
who I think was active in bitcoin, but I didn't really follow the details and don't know or remember much about the case.

- b. I later became aware of other litigation in which he sued the people who own bitcoin.org, who go by the name COBRA, to take down the White Paper from bitcoin.org.
- c. I'm aware of two defamation cases he brought, one against Peter McCormack and another against the person who goes by the name Hodlonaut (who Bird & Bird tells me is called Magnus Granath).
- d. There are also two lawsuits against open source developers that I'm aware of, and that he included some companies as defendants in those as well including Block. I do not work on litigation, so I don't know very much about the cases.

(Bird & Bird later asked me whether I was aware of the 'passing off' litigation about a claim to stop use of the word bitcoin, but I hadn't heard of that.)

17. As well as his litigation I am also aware of a lot of highly provocative and aggressive language from Craig Wright in particular that he uses in public forums. This includes direct threats against developers to ruin them financially and encourage criminal proceedings against them, and even mentioned threats to make them "lose their families". Bird & Bird has produced a collection of examples for me as illustrations of what I was talking about, which is at **Exhibit SL2**. On reviewing that I was already aware of almost all of these examples from my own experience, and they are definitely representative of the type of bullying and threatening language I'm talking about.

18. Some examples from that exhibit include the following:





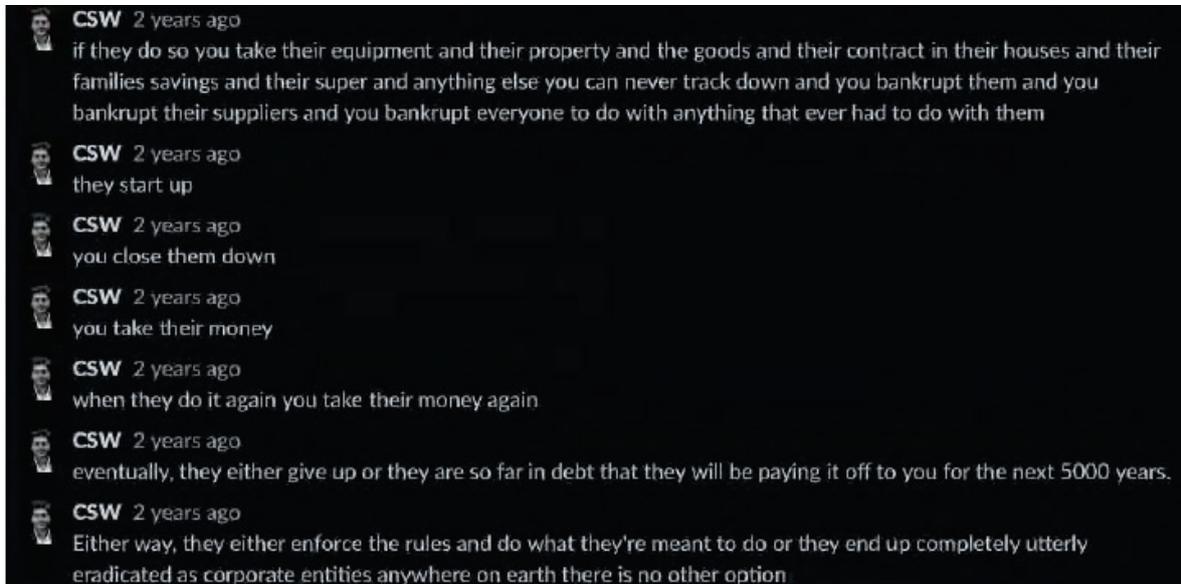
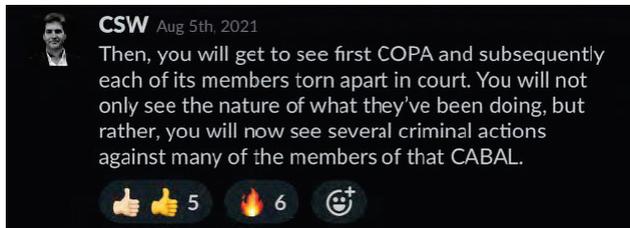
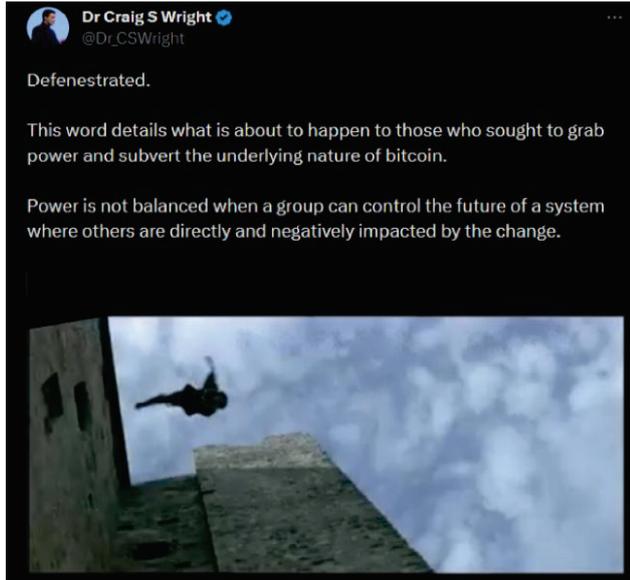
Craig S Wright

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Let me make this completely and utterly clear for everyone. I'm not going to be nice, I'm not going to compromise with anyone, none of that has ever got me anywhere positive and has only ever set me backwards. This is very simple. Bitcoin protocol and the database are owned by my corporation. They always have been, they always will be. I set the rules and then I said these were set in stone. That binds me as well. I also said, owner and not possessor in the whitepaper and that is a key difference.

If you don't like it, Stiff.

If you decide to run an alternative protocol, I'm not being nice anymore, the only option is cybercrime legislation and I will be prosecuting those who breach the protocol under criminal law to the full extent of the criminal law in whichever country it happens to be including those with the death penalty and some do. If you think this is about being nice, it's not. If you think this is because I'm angry, it's not. If you screw around with my property, I'll screw around with you legally. If you want to be an anarchist, go to Ethereum. I have no interest in any anarchist of my damn system. If you want to play by the rules, I have no qualms but that's it you play by the rules.



19. Threats like these are obviously going to scare people away from bitcoin development and I know personally that they actually are doing so:

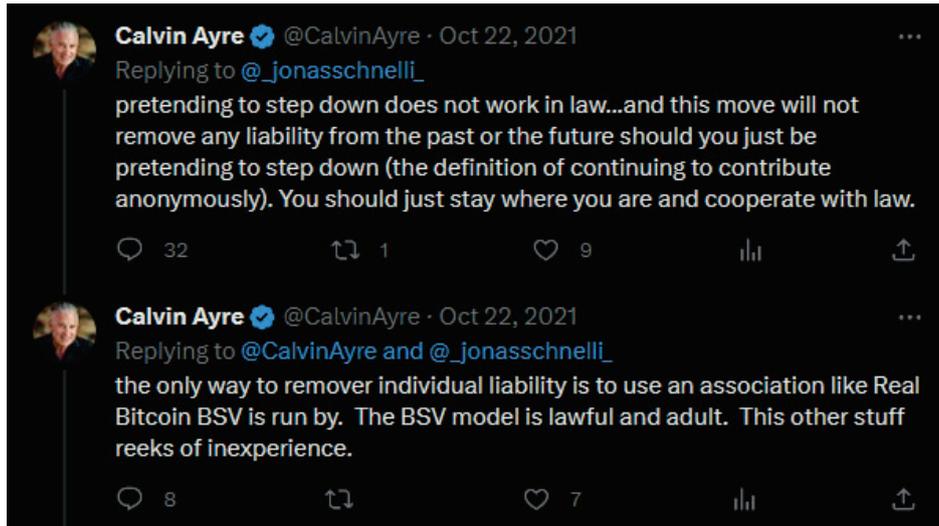
- a. We have community international meetups for Bitcoin Core developers which usually happen about twice a year. I've been the organizer for 3 of these and have attended others. In those meetups, I've been part of big gatherings of about 40-50 developers where the

threats, and the fear, and the chilling effect it has have been discussed widely. So I know from my own experience that this is on the minds of certainly at least dozens, and I believe hundreds of people who contribute to bitcoin.

- b. Craig Wright's threats aren't just online flame wars because of his litigious history. He is backing up his aggressive language on the internet with real-world and very public lawsuits which take up people's time, money, resources and energy which is a huge problem and distraction for a large number of people.
- c. He clearly has a lot of money to finance these claims. I don't know where he gets his money, but I am aware of a lot of speculation that he is funded by people like Calvin Ayre (who I understand was successful from online poker 15-20 years ago and made a lot of money, and who I know is a very big supporter of Craig Wright and BSV on Twitter and other public forums). The point is that he seems to have enough money and backing from others that he can make good on his threats to ruin people financially by bringing expensive litigation, and his threats have to be taken seriously.
- d. Even mere speculation in the community can be problematic because businesses can be concerned about funding open source development in case they get sued.

20. In these circumstances, it stands to reason that volunteers and startups are going to be deterred from their work, but I'm also aware that his threats and lawsuits have had a direct effect on people on an individual level, whose fear is very real, including people who were developing Bitcoin as volunteers but stopped as a result. I can think of at least:

- a. Jonas Schnelli, who was a Bitcoin Core Maintainer but stepped down and posted publicly about it on his Twitter account in October 2021. That message is at <https://twitter.com/jonasschnelli/status/1451268523616051201> and mentioned that "*the legal risks for Bitcoin developers are increasing year by year (which can be stressful). New contributors should join anonymously (it's tricky).*" A copy of that Twitter thread is at **Exhibit SL3**. There was speculation at the time that he might continue to contribute anonymously as shown in that thread, after which Calvin Ayre replied to his original tweet to reinforce the legal threat and encourage him not to do so:



A few days later it was reported by CoinGeek at <https://coingeek.com/core-maintainer-jonas-schnelli-quits-highlighting-btc-total-lack-of-decentralization/> in terms that mentioned Craig Wright's legal action. CoinGeek is a website founded by Calvin Ayre which often posts articles in favour of Craig Wright. A copy of that article, and CoinGeek's About page, are at **Exhibit SL4** and **Exhibit SL5** respectively.

- b. Wladimir van der Laan was the Lead Maintainer of Bitcoin Core, but he stepped down and I believe I remember reading his public posts on his Twitter account referring to legal issues as a contributing factor. He stepped down shortly after Craig Wright's lawyers sent takedown notices about the White Paper and CoinGeek again reported on this shortly afterwards on 23 January 2021 at <https://coingeek.com/wladimir-van-der-laan-steps-back-from-btc-core-role-asks-for-more-decentralization/>, in the first two paragraphs linking Wladimir's stepping down to Craig Wright's legal letters shortly before. A copy of that article is at **Exhibit SL6**. Wladimir's own blog post is at <https://web.archive.org/web/20210121201607/https://laanwj.github.io/2021/01/21/decentralize.html> (at **Exhibit SL7**) in which he mentioned "recent events" obliquely. The post was titled "*The Widening Gyre*". I didn't recognize the phrase originally and I do not really know much about poetry, but having looked into it in more detail for the purpose of this witness statement I googled the phrase "the widening gyre", and realised that it seems to be a reference to the poem *The Second Coming* by William Butler Yeats which begins:

*Turning and turning in the widening gyre
 The falcon cannot hear the falconer;
 Things fall apart; the centre cannot hold;
 Mere anarchy is loosed upon the world,
 The blood-dimmed tide is loosed, and everywhere
 The ceremony of innocence is drowned;
 The best lack all conviction, while the worst
 Are full of passionate intensity.*

That opening seems to relate to the “*recent events*” he mentioned as being the anarchy caused by the supposed ‘second coming’ of Satoshi in the form of Craig Wright (and in the poem the second coming turns out to be monstrous). Bird & Bird has prepared a copy of the poem for me at **Exhibit SL8**.

- c. I also believe Greg Maxwell stopped contributing to bitcoin entirely after Craig Wright’s lawsuits began and that the reason was the way he was threatened by Craig Wright. I am not aware of this directly from Greg or his posts, but I have been informed as part of my work at Spiral (this was relevant to us as we at Spiral had considered hiring Greg).
- d. Another valuable developer and former Bitcoin Core Maintainer, Marco Falke, told me directly about his fear when he resigned from his Maintainer role in 21 February 2023 (although to be clear I believe he does still review code that is contributed to Bitcoin Core, though not in the more formal and responsible role of Maintainer). Again his leaving was reported by CoinGeek and their article is at **Exhibit SL9** (<https://coingeek.com/btc-core-maintainer-marco-falke-resigns/>) Their article noted that he had the record for the highest number of code contributions (‘commits’) to the project, that he was the latest in a series of resignations citing legal risks including Craig Wright’s litigation. They listed Wladimir, Samuel Dobson, John Newbery, Jonas Schelli and Pieter Wuille.
- e. Samuel Dobson, another former Bitcoin Core Maintainer who is listed in the CoinGeek article above, also privately expressed to me his legal concerns over Craig Wright’s activities prior to quitting, and I believe from that conversation that it was a direct cause.

21. These were some of the best and most hard working on open-source bitcoin and it is a loss to bitcoin and the community that they have stopped. They are not the only people who have expressed concerns about Craig Wright’s behavior to me, as I have indicated in paragraph 19 above.

22. All this hurts bitcoin, but it also hurts COPA and COPA’s members, because all of us rely on software developed and maintained by volunteer developers. If they are fearful, it hurts those companies.

23. The White Paper is significant in that context for bitcoin in a couple of ways,

- a. Even though it’s a relatively short document, in the first 5 pages it explains how bitcoin works in a way that’s really approachable for a broad audience. It doesn’t cover every single detail, but it is at a level of detail where you get a really good introduction, and it’s about as good a summary as one could possibly do in a few pages. You don’t need to be a mathematician or cryptographer or a computer scientist to understand how it works, just by reading it. So it’s a document which is a great and really accessible introduction to bitcoin around the world, and this was one of the first ways bitcoin was communicated to the world and remains a great starting point.

- b. I also think the White Paper is an important symbol for the community because it captures the spirit of bitcoin. Even in the opening paragraph, the opening few sentences, it speaks right to the use case of bitcoin as money, and as being a money that has no centralized party in control of it. So there's a philosophical significance. I think this philosophy is a big reason that people contribute, especially the volunteer open source community of developers, who take part because nobody controls it - so it is a project that's owned by everyone. Also a really important thing is that though we describe it as "decentralized", the property of centralization is a spectrum and something can be more or less centralized, and it can also become more or less centralized over time: the degree of centralization is a property that can be gained or lost. People contribute and maintain bitcoin to contribute to that decentralization, to help maintain the decentralization.

24. If the White Paper is threatened too, and its distribution is prevented, that is limiting free speech in something really useful, but also causing a very visible limitation to an important symbol of bitcoin and cryptocurrencies generally. That's going to harm adoption. Bitcoin.org in the UK already had to take down the White Paper that it was hosting as a result of the litigation I mentioned above, because the person who hosts that website cannot represent themselves in court and can't speak for other companies or individuals: that is a clear message that there is a negative effect from hosting the White Paper or communicating or contributing to open-source bitcoin and was a significant moment in the community. By threatening expensive litigation against people and companies who even just host the White Paper, Craig Wright is hampering the free exchange of ideas and development in cryptocurrency and if those threats stop I believe that we'll see an increase in development and innovation.

25. At COPA, when we set it up we had originally been thinking only about patents. We actually didn't predict that different kinds of intellectual property could cause the kind of chilling effect we were standing up to prevent, and we never envisioned this lawsuit about copyright or the White Paper. It wasn't until we began to understand the effects of Craig Wright's threats, and our members received threats, that we decided to take action to stop them - which is what this case is about for us.

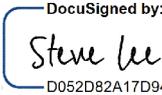
DECLARATION

I understand that the purpose of this witness statement is to set out matters of fact of which I have personal knowledge. I understand that it is not my function to argue the case, either generally or on particular points, or to take the court through the documents in the case. This witness statement sets out only my personal knowledge and recollection, in my own words.

On points that I understand to be important in the case, I have stated honestly (a) how well I recall matters and (b) whether my memory has been refreshed by considering documents, if so how and when.

I have not been asked or encouraged by anyone to include in this statement anything that is not my own account, to the best of my ability and recollection, of events I witnessed or matters of which I have

personal knowledge. I believe the facts stated in this statement are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed: .. 
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