

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

McCLINTON ENERGY GROUP, LLC,
Petitioner,

v.

MAGNUM OIL TOOLS INTERNATIONAL, LTD.,
Patent Owner.

Case IPR2013-00231
Patent 8,079,413 B2

Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK, and
MICHAEL R. ZECHER, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

DECISION
Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Patent Owner, Magnum Oil Tools International, Ltd. (“Magnum”), timely filed a Request for Rehearing under 37 C.F.R. § 42.71(d) on October 2, 2014. Paper 32, “Req. Reh’g.” Magnum’s Request for Rehearing seeks reconsideration of the Final Decision (Paper 31, “Dec.”) entered on September 2, 2014, in which we determined that claims 1–20 (“the challenged claims”) of U.S. Patent No. 8,079,413 B2 (“the ’413 patent”) are unpatentable under 35 U.S.C. § 103(a). In its Request for Rehearing, Magnum presents the following arguments: (1) the Final Decision was based on a new ground of unpatentability that was not presented by McClinton Energy Group, LLC (“McClinton”) in its Petition, and Magnum was denied an opportunity to respond to that ground; (2) the Final Decision was based on facts that were not of record; (3) we misapprehended or overlooked whether the cited prior art teaches a particular claim limitation—namely, “an insert . . . adapted to receive a setting tool that enters the body through the first end thereof,” as recited in independent claims 1 and 7; and (4) the factual findings in the Final Decision were not supported by the evidence of record, much less substantial evidence. Req. Reh’g. 3–12. For the reasons discussed below, we have reconsidered the Final Decision, but we decline to modify the Final Decision.

II. STANDARD OF REVIEW

A request for rehearing must identify specifically all matters the party believes we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. 37 C.F.R. § 42.71(d); *see also* 37 C.F.R. § 42.120(a) (stating that a patent owner response is filed as an

opposition). With this in mind, we will address the arguments presented by Magnum in turn.

III. ANALYSIS

A. The Final Decision Does Not Include a New Ground of Unpatentability

Magnum contends that the Final Decision includes a new ground of unpatentability that was not presented by McClinton in its Petition. Req. Reh’g. 3. In particular, Magnum argues that neither the Petition nor supporting evidence includes the conclusion that “the simple substitution of shearable threads, as taught by Cockrell (Ex. 1005, 5:43–47, 54–60), for retaining pins 31 that secure . . . deformable release device 30, as taught by Lehr (Ex. 1007 ¶ 44), would . . . yield a predictable result.” *Id.* (quoting Dec. 23). Rather, Magnum argues that the position taken by McClinton in its Petition is based on a statement made by McClinton’s expert, Dr. Gary R. Wooley—namely, that “[i]t would have been obvious to substitute the device with shearable threads of Cockrell for the deformable release device of Lehr” *Id.* at 4 (quoting Ex. 1020 ¶ 75) (emphasis omitted). Magnum then asserts that it was not provided an opportunity to respond to this purported, new rationale to combine. *Id.*

We disagree with Magnum that the Final Decision includes a new ground of unpatentability. We instituted an *inter partes* review of the challenged claims based on six grounds of unpatentability asserted by McClinton, each of which is based, in part, on the combination of Lehr, Cockrell and Kristiansen. Paper 16, 26. As we explained in the Final Decision, McClinton proposed numerous grounds of unpatentability based, in part, on Alpha in its Petition. Dec. 20, n. 2 (citing Pet.

27–44). We did not institute an *inter partes* review as to those grounds of unpatentability. Notwithstanding this, to support its argument that one with ordinary skill in the art would have combined the teachings of Lehr, Cockrell, and Kristiansen, McClinton refers back to its discussion on how one with ordinary skill in the art would have combined the teachings of Alpha, Cockrell, and Kristiansen. *Id.* at 23 (citing Pet. 47 (“[The grounds of unpatentability based, in part, on Alpha] also explain[] why it was obvious to a person of skill to combine Cockrell and Kristiansen with other downhole plug prior art. The same analysis applies to combinations using Lehr as a base reference”).

When asserting the grounds of unpatentability based on the combination of Alpha, Cockrell and Kristiansen, McClinton supports its conclusion of obviousness by suggesting that it is nothing more than the simple substitution of one known element for another to obtain a predictable result—namely, the substitution of Cockrell’s shearable threads for the Alpha’s shear ring. Dec. 23 (quoting Pet. 30). Based on the guidance provided by McClinton in its Petition, we applied essentially the same rationale to combine in the Decision on Institution (Paper 16, 20–21), and again in our Final Decision to support the conclusion that the combination of Lehr, Cockrell and Kristiansen, either standing alone or in combination with other cited prior art, renders the challenged claims unpatentable. Dec. 22–24.

We disagree then that Magnum was denied due process. The Decision on Institution included essentially the same rationale to combine the teaching of Lehr, Cockrell, and Kristiansen articulated by McClinton in its Petition. *Compare* Pet. 30, 47, *with* Paper 16, 20–21. Magnum’s Patent Owner Response, which came

after the filing of those papers, also addresses this rationale to combine. Paper 20, “PO Resp.” 22–24. We considered this argument presented in Magnum’s Patent Owner Response, but we were not persuaded. As such, Magnum had a fair opportunity to respond, and did respond, to this rationale to combine in its Patent Owner Response. Our determination to adopt this rationale to combine the teaching of Lehr, Cockrell, and Kristiansen in the Final Decision did not change the thrust of grounds of unpatentability proposed by McClinton in its Petition.

B. The Conclusion of Obviousness Set Forth in the Final Decision is Based on Sufficient Evidence Presented by McClinton in its Petition

Magnum contends that the conclusion of obviousness set forth in the Final Decision is based on facts that are not of record. Req. Reh’g. 5. In particular, Magnum argues that there is no evidence in the record to support the conclusion that “the simple substitution of shearable threads, as taught by Cockrell (Ex. 1005, 5:43–47, 54–60), for retaining pins 31 that secure . . . deformable release device 30, as taught by Lehr (Ex. 1007 ¶ 44), would . . . yield a predictable result.” *Id.* (quoting Dec. 23).

For essentially the same reasons discussed above, we are not persuaded by Magnum’s argument that the conclusion of obviousness set forth above is not based on the record before us. Moreover, we note that this rationale to combine the teachings of Lehr, Cockrell, and Kristiansen indeed is supported by sufficient evidence because it includes citations to both Cockrell and Lehr that were provided by McClinton in its Petition. *See, e.g.*, Pet. 44–47 (citing Ex. 1007, fig. 1 (described in more detail in ¶ 44); Ex. 1020 ¶¶ 71–80 (citing Ex. 1005, 5:43–47, 54–60)).

C. We Did Not Overlook or Misapprehend Whether the Cited Prior Art Teaches a Particular Claim Limitation, Especially One that was Presented as a Separate Patentability Argument in the Patent Owner Response

Magnum contends that, when determining that the cited prior art renders the challenged claims of the '413 patent unpatentable, we misapprehended or overlooked a particular claim limitation. Req. Reh'g. 7. In particular, Magnum argues that the combination of Lehr, Cockrell, and Kristiansen does not teach an “insert . . . adapted to receive a setting tool that enters the body through the first end thereof,” as recited in independent claims 1 and 7. *Id.* at 7–10. Magnum alleges that it presented the same argument in its Patent Owner Response. *Id.* at 10 (citing PO Resp. 17, 19–20, 22).

We do not agree with Magnum that we misapprehended or overlooked whether the cited prior art teaches an insert that may be adapted to receive a setting tool that enters the body through the first end, as required by independent claims 1 and 7. In its Patent Owner Response, Magnum simply reiterates this disputed claim limitation and generally alleges that the combination of Lehr, Cockrell, and Kristiansen does not teach the claimed subject matter recited therein. *See, e.g.*, PO Resp. 17, 19–22. Magnum, however, did not provide substantive analysis that explains why the collective teachings of Lehr, Cockrell, and Kristiansen relied upon by McClinton in its Petition do not teach this disputed claim limitation. Instead, the argument presented by Magnum in its Patent Owner Response was predicated on whether Lehr's deformable release device 30 is located within an inner surface of the plug body, or otherwise made to attach or secure to the inner

surface of the plug body. *Id.* at 21. We considered this argument presented in Magnum’s Patent Owner Response, but we were not persuaded.

In its Request for Rehearing, Magnum directs us to portions of Lehr, Cockrell, and Kristiansen that were not presented in its Patent Owner Response. *Compare* PO Resp. 17, 19–22 (citing Ex. 1007, figs. 3A, 8A; Ex. 3004 ¶¶ 26–28), *with* Req. Reh’g. 8–9 (citing Ex. 1007, ¶¶ 44, 46, and 48, fig. 3B; Ex. 1005; Ex. 1010, 8:34–36, fig. 1). A request for rehearing is not an opportunity to present new arguments or evidence that could have been presented and developed in the Patent Owner Response. In other words, we could not have overlooked or misapprehended arguments or evidence not presented and developed by Magnum in the first instance in its Patent Owner Response. We, therefore, maintain our position that McClinton presents sufficient evidence in its Petition to support a finding that the combination of Lehr, Cockrell, and Kristiansen teaches an insert that may be adapted to receive a setting tool that enters the body through the first end, as required by independent claims 1 and 7. Dec. 12 (citing Pet. 44–49; Ex. 1020 ¶¶ 71–80).

D. The Factual Findings Provided by McClinton in its Petition, and Relied Upon by Us in the Final Decision, are Supported by a Preponderance of the Evidence

Magnum contends that the factual findings in the Final Decision are not supported by the evidence of record, much less substantial evidence. Req. Reh’g. 11. In particular, Magnum argues that the evidence of record does not support the conclusion that “the simple substitution of shearable threads, as taught by Cockrell (Ex. 1005, 5:43–47, 54–60), for retaining pins 31 that secure . . .

deformable release device 30, as taught by Lehr (Ex. 1007 ¶ 44), would . . . yield a predictable result.’’ *Id.* (quoting Dec. 23). Magnum also argues that the evidence of record does not support a finding that the combination of Lehr, Cockrell, and Kristiansen teaches each claim limitation recited in the independent claims 1 and 7 of the ’413 patent, as well as the claims that depend therefrom. *Id.*

We understand Magnum’s position to be that the factual findings provided by McClinton in its Petition, and relied upon by us in the Final Decision, are not supported by a preponderance of the evidence. We do not agree. In an *inter partes* review, the petitioner has the burden of proving a proposition of unpatentability by a preponderance of the evidence. 35 U.S.C. § 316(e). As we concluded in the Final Decision, McClinton has demonstrated by a preponderance of the evidence that the challenged claims of the ’413 patent are unpatentable. Dec. 35.

For instance, as we explained previously, the rationale to combine the teachings of Lehr, Cockrell, Kristiansen set forth in the Final Decision indeed is supported by sufficient evidence because it includes citations to both Cockrell and Lehr that were provided by McClinton in its Petition. *See, e.g.*, Pet. 44–47 (citing Ex. 1007, fig. 1 (described in more detail in ¶ 44); Ex. 1020 ¶¶ 71–80 (citing Ex. 1005, 5:43–47, 54–60)). We also maintain our position that McClinton presents sufficient evidence in its Petition to support a finding that the combination of Lehr, Cockrell, and Kristiansen, standing alone or in combination with other cited prior art, teaches each claim limitation recited in independent claims 1 and 7 of the ’413 patent, as well as the claims that depend therefrom. *See generally* Dec. 12–35.

IV. CONCLUSION

For the foregoing reasons, Magnum has not demonstrated that we misapprehended or overlooked any matter in determining that the challenged claims of the '413 patent are unpatentable under 35 U.S.C. § 103(a). Accordingly, Magnum's Request for Rehearing is DENIED.

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