

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

GREENE'S ENERGY GROUP, LLC,

Petitioner,

v.

OIL STATES ENERGY SERVICES, LLC,

Patent Owner.

Case IPR2014-00216

Patent No. 6,179,053

**PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO AMEND
UNDER 37 C.F.R. § 42.121**

A. The '118 Application Does Not Disclose, or Render Obvious, a Setting Tool as Required by the Proposed Amended Claims.

GEG and its new expert Mr. Perkin rely heavily on the argument that the '118 Application "requires" (but does not actually disclose) a "setting tool" that satisfies the language of claim 28. This argument is based on ignoring the actual claim language, as well as the terms of the '118 Application and the '053 Patent.

GEG argues that "OSES does not define the term 'setting tool,'" apparently in an effort to justify Mr. Perkin's decision to make up his own definition. The claim language itself plainly sets out the defining characteristics of the "setting tool": (1) "arranged to insert a bottom end of the mandrel through the wellhead"; and (2) "separate from" the first and second lockdown mechanisms and thus "removable from the other portions of the apparatus." Wooley Reply Decl. (Ex. 2034) at ¶ 1. Mr. Perkin nevertheless defines "setting tool" as "any device that is used to align the mandrel with the wellhead so that the mandrel can be inserted without interference." Perkin Decl. (Ex. 1014) at ¶ 44. There is nothing in the '053 Patent describing the setting tool as something used to "align" the mandrel, and it is the setting tool itself that performs the function of "inserting" the mandrel, rather than merely facilitating its insertion. Wooley Reply. Decl. at ¶¶ 3-5.

Moreover, Mr. Perkin's discussion of this claim element is completely divorced from the claim language. He refers repeatedly to a setting tool as

inserting a mandrel “into” the wellhead. Perkin Decl. at ¶¶ 44-59. The claim language, however, requires that the setting tool insert the mandrel “*through*” the wellhead. GEG has failed to provide *any* support for the suggestion that the tool of the '118 Application would have inherently required some undisclosed component “arranged to insert a bottom end of the mandrel *through* the wellhead.” Wooley Reply Decl. at ¶¶ 6-13. In fact, both the '053 Patent and the '118 Application make clear that such a component would *not* have been present because it was the hydraulic cylinder – which is not removable or separate from the alleged lockdown mechanisms – that inserted the mandrel through the wellhead. *Id.* at ¶ 11. The '118 Application does not disclose or suggest a “setting tool” with the characteristics required by claim 28.

GEG argues in passing that it would have been obvious to modify the tool of the '118 Application to include a separate “specialized” setting tool. The only cited support is one conclusory paragraph from Mr. Perkin's declaration that, again, is based on the fallacy that a “setting tool” is a device used to “align the mandrel of Dallas '118 so that it can be inserted into the well.” Perkin Decl. at ¶ 59. Furthermore, GEG's argument that a separate setting tool “could be used” in conjunction with the '118 Application is not only legally irrelevant but also untrue. Wooley Reply Decl. at ¶¶ 16-17. There is *no* evidence to suggest that it would have been obvious to modify the '118 Application to include a setting tool as

required by the claim language, and substantial evidence demonstrating that one of skill in the art would never even have considered such a modification. *Id.*

B. It Would Not Have Been Obvious to Completely Redesign the '118 Application by Substituting a Mechanical Lockdown Mechanism for the Hydraulic Cylinder.

GEG argues that it would have been obvious to substitute a mechanical lockdown mechanism for the hydraulic cylinder shown in the '118 Application, even asserting that "OSES never addresses" this issue. Opp. at 7. In reality, OSES and Dr. Wooley addressed this issue in detail, and it is GEG that has failed to respond to that evidence. Wooley Reply Decl. at ¶ 30.

As a threshold issue, GEG's argument on this point is based almost entirely on the McLeod patent, which clearly does not disclose the lockdown mechanism theorized by GEG and, in any event, could and would never have reasonably been combined with the '118 Application. Wooley Reply Decl. at ¶¶ 18-24, 27.

More fundamentally, this argument is based on the suggestion that one of skill in the art would have modified the '118 Application "in order to avoid the drawbacks of hydraulic cylinders." Opp. at 8. OSES and Dr. Wooley previously explained that this type of substitution would require not only jettisoning the basic design of the '118 Application but also proceeding in the opposite direction – from using a lockdown mechanism that relied *only* on hydraulic pressure to using a mechanism that expressly *excludes* hydraulic pressure. Because that would have

required “a substantial reconstruction and redesign of the elements” in the ’118 Application and “a change in the basic principles under which [the reference] was designed to operate,” such a fundamental departure cannot be considered obvious. *In re Ratti*, 270 F.3d 810, 813 (CCPA 1959). *See also, e.g., In re Giannelli*, 739 F.3d 1375 (Fed. Cir. 2014) (reversing finding of obviousness because “it is not obvious to modify a machine with handles designed to be pushed to one with handles adapted to be pulled.”). GEG has not even attempted to address this point.

C. The Commercial Success of Patent Owner's Tools Is Firmly Tied to the Merits of the Claimed Invention.

Because it is undisputed that the tools made and used by Patent Owner practice proposed claim 28 and have enjoyed remarkable commercial success in doing so, there is a presumption that the patented invention has been commercially successful. *See Omron Oilfield & Marine, Inc. v. MD/Totco, a Division of Varco, L.P.*, IPR 2013-00265 (Oct. 31, 2013). The *only* effort by GEG to rebut this presumption is based on misstatements about the record and mischaracterizations about the nature of the patented invention.

As a threshold matter, Patent Owner's witnesses did *not* testify that “the driving factor behind any commercial success of the Stage Frac Tool is that the Stage Frac Tool provides full-bore access to the casing.” Opp. at 10. In fact, the witnesses uniformly explained that the commercial success was caused by the claimed elements of the tool and the benefits flowing from that design, including

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