

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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McCLINTON ENERGY GROUP, LLC, JAYCAR ENERGY GROUP LLC,  
SURF FRAC WELLHEAD EQUIPMENT CO., MOTOR MILLS  
SNUBBING LLC, STAN KEELING, and TONY D. McCLINTON,  
Petitioner,

v.

MAGNUM OIL TOOLS INTERNATIONAL, LTD.,  
Patent Owner.

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Case IPR2014-00993  
Patent 8,459,346 B1

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Before SALLY C. MEDLEY, MICHAEL R. ZECHER, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

DECISION  
Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

### A. Background

McClinton Energy Group, LLC, Jaycar Energy Group LLC, Surf Frac Wellhead Equipment Co., Motor Mills Snubbing LLC, Stan Keeling, and Tony D. McClinton (collectively, “Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–38 of U.S. Patent No. 8,459,346 B1 (Ex. 1001, issued June 11, 2013, “the ’346 patent”). Magnum Oil Tools International, Ltd. (“Patent Owner”) timely filed a Preliminary Response (Paper 11, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

Upon consideration of the Petition and Patent Owner’s Preliminary Response, we conclude Petitioner has established a reasonable likelihood it would prevail with respect to at least one of the challenged claims. For the reasons that follow, we institute an *inter partes* review of claims 1–38 of the ’346 patent.

### B. Related Proceedings

Petitioner informs us that the ’346 patent is asserted in federal district court case in *Magnum Oil Tools Int’l LLC v. Tony D. McClinton*, No. 2:13-cv-00163 (S.D. Tex.). Pet. 1. In addition, related U.S. Patent No. 8,079,413 (“the ’413 patent”) was the subject of instituted *inter partes* review *McClinton Energy Group, LLC v. Magnum Oil Tools International, Ltd.*, Case IPR2013-00231 (PTAB) (“IPR2013-00231”). *Id.* at 2. A final decision issued in IPR2013-00231 finding challenged claims 1–20 of the

'413 patent unpatentable. *See* IPR2013-00231, slip op. at 35 (PTAB Sept. 2, 2014) (Paper 31).

*C. The '346 Patent*

The '346 patent relates to downhole tools that are set within a wellbore with a lower shear mechanism. Ex. 1001, 1:15–19. The '346 patent discloses that bridge plugs, packers, and fracking (“frac”) plugs are downhole tools that typically are used to isolate, permanently or temporarily, one wellbore zone from another. *Id.* at 1:21–23. Such isolation is often necessary to pressure test, perforate, frac, or simulate a zone of the wellbore, without impacting or communicating with other zones within the wellbore. *Id.* at 1:23–26. Plugs typically are removed, or otherwise compromised, in order to reopen or restore fluid communication through the wellbore. *Id.* at 1:26–28.

The '346 patent discloses that the process of removing permanent, non-retrievable plugs, or packers, typically includes drilling or milling. *Id.* at 1:29–30. Problems sometimes occur, however, during the removal or drilling of such non-retrievable plugs. *Id.* at 1:33–35. For instance, the non-retrievable plug components can bind upon the drill bit and rotate within the casing string, thereby resulting in extremely long drill-out times, excessive casing wear, or both. *Id.* at 1:35–39.

The '346 patent also discloses that certain completion or production activities may require several plugs or plug types that can run in series. *Id.* at 1:52–55. The uncertainty regarding the number and types of plugs that may be required typically leads to over-purchasing, or under-purchasing, of the appropriate number and types of plugs, thereby resulting in fiscal waste or field delays. *Id.* at 1:61–65. The '346 patent indicates that it solves these

problems by providing a downhole tool that functions as a shearable plug for isolating a wellbore that: (1) seals the wellbore at wellbore conditions effectively; (2) may be removed from the wellbore quickly, easily, and/or reliably; and (3) is capable of being configured in the field to perform one or more functions. *Id.* at 1:66–2:2.

Figure 2A of the '346 patent, reproduced below, illustrates a partial sectional view of a plug configured with shearable insert 100. *Id.* at 2:18–20, 5:29–32.

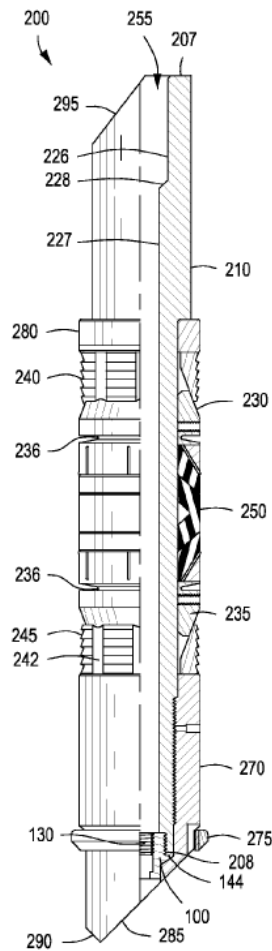


FIG. 2A

Figure 2A illustrates a partial sectional view of plug 200 configured with insert 100.

The '346 patent discloses that plug 200 includes mandrel or body 210 having first end 207 and second end 208. *Id.* at 5:32–34. Insert 100 can be threaded or otherwise disposed within plug 200 at second end 208 of body 210. *Id.* at 5:42–43. A setting tool, tubing string, plug, or other tool can enter bore 255 through first end 207 of body 210 and can be threaded to, coupled to, or disposed within insert 100. *Id.* at 5:44–47; *see id.* at Figs. 1A, 1B. Figure 1A of the '346 patent, reproduced below, illustrates insert 100. *Id.* at 3:12–14, 3:27–29.

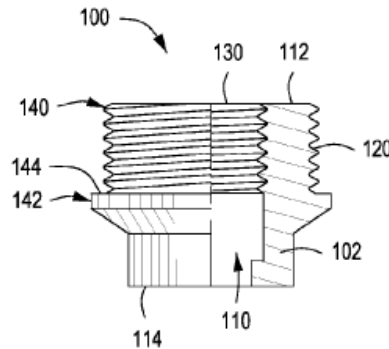


FIG. 1A

Figure 1A illustrates a partial sectional view of insert 100 configured for use with plug 200.

Shearable threads 130 on insert 100 can be sheared, fractured, or otherwise deformed, thereby releasing the setting tool, tubing string, plug, or other tool from plug 200. *Id.* at 5:47–50.

*D. Illustrative Claim*

As noted above, Petitioner challenges claims 1–38 of the '346 patent, of which claims 1, 18, and 32 are the only independent claims. Claims 2–17 directly or indirectly depend from independent claim 1, claims 19–31 directly or indirectly depend from independent claim 18, and claims 33–38 directly or indirectly depend from independent claim 32. Claim 1 is illustrative of the challenged claims and is reproduced below:

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