

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BAKER HUGHES INCORPORATED  
and  
BAKER HUGHES OILFIELD OPERATIONS, INC.,  
Petitioner,

v.

PACKERS PLUS ENERGY SERVICES, INC.,  
Patent Owner.

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Case IPR2016-00596<sup>1</sup>  
Patent 7,134,505 B2

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Before SCOTT A. DANIELS, NEIL T. POWELL, and  
CARL M. DEFRANCO, *Administrative Patent Judges*.

POWELL, *Administrative Patent Judge*.

FINAL WRITTEN DECISION  
*35 U.S.C. § 318(a) and 37 C.F.R. § 42.73*

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<sup>1</sup> IPR2016-01496 has been joined with IPR2016-00596.

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## I. INTRODUCTION

Packers Plus Energy Services Inc. (“Patent Owner”) is the owner of Patent No. 7,134,505 B2 (“the ’505 patent”). Baker Hughes Incorporated and Baker Hughes Oilfield Operations, Inc. (collectively, “Petitioner”) filed a Petition challenging claims 1–7, 11, and 14–27 of the ’505 patent. IPR2016-00596, Paper 10 (“596 Pet.”). Rapid Completions LLC, the exclusive licensee of the ’505 patent, filed a Preliminary Response. IPR2016-00596, Paper 12 (“596 Prelim. Resp.”). In view of those submissions, we instituted an *inter partes* review of claims 1–7, 11, and 14–27 of the ’505 patent. IPR2016-00596, Paper 12 (“596 Dec. on Inst.”). Subsequent filings related to the grounds presented in the IPR2016-00596 Petition include a Patent Owner Response (IPR2016-00596, Papers 31, 32<sup>2</sup>, “596 PO Resp.”), a Petitioner Reply (IPR2016-00596, Paper 38, “596 Pet. Reply”), a Patent Owner Surreply (IPR2016-00596, Paper 45, “596 PO Surreply”), and a Petitioner Sur-surreply (IPR2016-00596, Paper 47, “596 Sur-surreply”).

In IPR2016-01496, Petitioner asserted different grounds of unpatentability of claims 1–7, 11, and 14–27 of the ’505 patent in another Petition. IPR2016-01496, Paper 1 (“1496 Pet.”). Rapid Completions LLC filed a Preliminary Response. IPR2016-01496, Paper 17 (“1496 Prelim. Resp.”). In view of those submissions, we instituted an *inter partes* review of claims 1–7, 11, and 14–27 of the ’505 patent. IPR2016-01496, Paper 19 (“1496 Dec. on Inst.”). Additionally, we granted Petitioner’s motion to join

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<sup>2</sup> Paper 31 is a private, unredacted version of the Patent Owner Response, and Paper 32 is a public, redacted version of the Patent Owner Response.

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IPR2016-01496 with IPR2016-00596. IPR2016-01496, Paper 30.

Subsequent filings addressing the grounds presented in the Petition for IPR2016-01496 include a Patent Owner Response (IPR2016-00596,<sup>3</sup> Papers 55, 56<sup>4</sup>, “1496 PO Resp.”<sup>5</sup>), and a Petitioner Reply (IPR2016-00596,<sup>6</sup> Paper 65, “1496 Pet. Reply”). All of the grounds presented in the Petition for IPR2016-00596 and all of the grounds presented in the Petition for IPR2016-01496 are pending in this *inter partes* review.

We have jurisdiction over this proceeding under 35 U.S.C. § 6(b). After considering the evidence and arguments of the parties, we determine that Petitioner has proven by a preponderance of the evidence that claims 1–7, 11, and 14–27 of the ’505 patent are unpatentable. *See* 35 U.S.C. § 316(e). We issue this Final Written Decision pursuant to 35 U.S.C. § 318(a).

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<sup>3</sup> This paper appears in the record of IPR2016-00596 because it was filed after the cases were joined.

<sup>4</sup> Paper 55 is a private, unredacted version of the Patent Owner Response, and Paper 56 is a public, redacted version of the Patent Owner Response.

<sup>5</sup> Because the substance of this paper addresses the grounds originally presented in the Petition for IPR2016-01496, subsequent citations use “1496” to identify this paper, notwithstanding that it appears in the record of IPR2016-00596. We apply the same convention with respect to other papers and exhibits that relate to the grounds originally presented in IPR2016-01496, but were filed in the record of IPR2016-00597 after joinder of the two cases.

<sup>6</sup> This paper (and each subsequent paper) appears in the record of IPR2016-00596 because it was filed after the cases were joined.

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## II. BACKGROUND

### A. *The '505 Patent*

The '505 patent discloses an apparatus and method for fluid treatment of a wellbore. Ex. 1001, 1:16–19. The '505 patent discloses that many prior systems required inserting a tubing string into a bore hole “with the ports or perforations already opened.” *Id.* at 2:10–12. The '505 patent states that this “can hinder the running operation and limit usefulness of the tubing string.” *Id.* at 2:15–17. The '505 patent addresses this problem, disclosing that its “method and apparatus provide for the running in of a fluid treatment string, the fluid treatment string having ports substantially closed against the passage of fluid therethrough, but which are openable when desired to permit fluid flow into the wellbore.” *Id.* at 2:26–30. Regarding applications for its system, the '505 patent discloses that “[t]he apparatus and methods of the present invention can be used in various borehole conditions including open holes, cased holes, vertical holes, horizontal holes, straight holes or deviated holes.” *Id.* at 2:31–34.

The '505 patent shows details of a wellbore fluid treatment assembly in Figure 1b. *Id.* at 6:8–9. Figure 1b is reproduced below.

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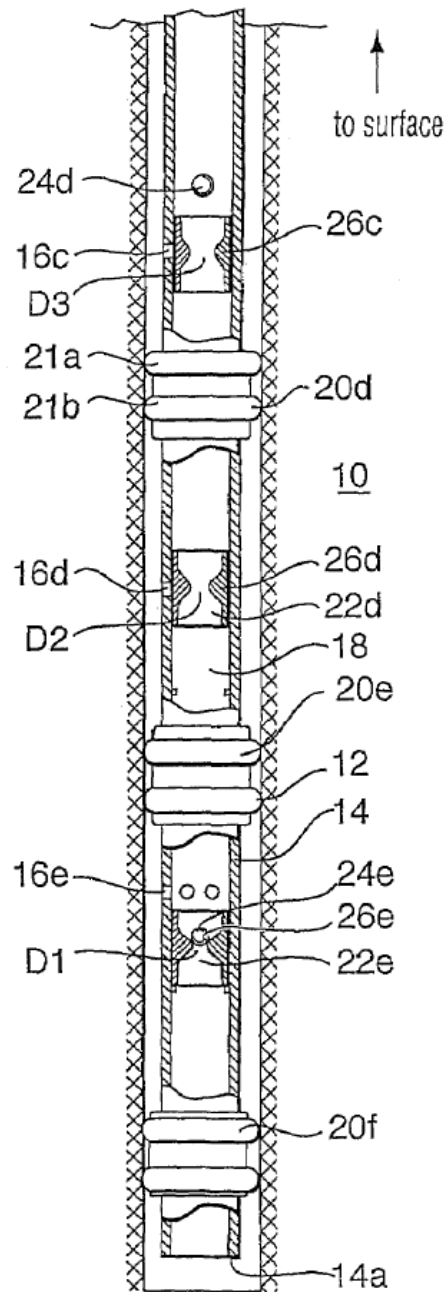


FIG. 1b

Figure 1b shows a wellbore fluid treatment assembly, including tubing string 14 disposed inside wellbore 12 of formation 10. *Id.* at 6:8–13.

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