

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WEATHERFORD INTERNATIONAL, LLC,
WEATHERFORD/LAMB, INC., WEATHERFORD US, LP, and
WEATHERFORD ARTIFICIAL LIFT SYSTEMS, LLC,
Petitioners,

v.

PACKERS PLUS ENERGY SERVICES, INC.,
Patent Owner.

Case IPR2016-01509 (Patent 7,861,774 B2)
Case IPR2016-01514 (Patent 7,543,634 B2)
Case IPR2016-01517 (Patent 7,134,505 B2)

Record of Oral Hearing
Held: November 2, 2017

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

Case IPR2016-01509 (Patent 7,861,774 B2)
Case IPR2016-01514 (Patent 7,543,634 B2)
Case IPR2016-01517 (Patent 7,134,505 B2)

APPEARANCES:

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The above-entitled matter came on for hearing on Thursday, November 2, 2017, commencing at 2:01 p.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

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P R O C E E D I N G S

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2 JUDGE POWELL: Good afternoon. This is the hearing for
3 IPR2016-01509, IPR2016-01514 and IPR2016-01517. The 1509 case
4 involves U.S. Patent 7,861,774 B2, the 1514 case involves U.S. Patent
5 7,543,634 B2 and the 1517 case involves U.S. Patent 7,134,505 B2.

6 In the hearing room with me I have Judge DeFranco and joining us
7 via video conference we have Judge Daniels. And, Petitioner, please
8 identify -- state your names for the record.

9 MR. SHAPIRO: Your Honor, I'm Jason Shapiro, lead counsel,
10 representing Weatherford and with me today who will be arguing the case is
11 backup counsel, Doug Wilson, of the Heimpayne & Chorush firm. Also
12 with us are David Morris and Bill Imwalle with Weatherford.

13 JUDGE POWELL: Patent Owner?

14 MR. NEMUNAITIS: Good afternoon, Your Honor. Justin
15 Nemunaitis. Also with me is Greg Gonsalves, Brad Caldwell, as counsel,
16 Tracey Beaudoin, in-house counsel for Packers Plus, Dan Themig, inventor
17 and CEO, and Phil Mitchell with Rapid Completions. Thank you.

18 JUDGE POWELL: Thank you.

19 Each side will have 45 minutes. We'll start with Petitioner,
20 followed by the Patent Owner's case and then the Petitioner may respond
21 with its rebuttal.

22 When you present, please identify each slide clearly and
23 specifically and it's particularly important for Judge Daniels who can't see
24 the projection here in the hearing room. We note that there are assertions of

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1 improper new evidence and arguments in the record. When we prepare the
2 final decisions, we will exercise vigilance for those so that we don't rely on
3 anything improperly introduced newly into the case. I will take into account
4 any assertions on the record about that.

5 That said, for today we can -- each party can talk about anything
6 that's already in the record and each party can use any of the time allotted to
7 discuss their concerns that anything is new or improper, newly improper I
8 should say.

9 With that, are there any questions before we begin?

10 (No response.)

11 JUDGE POWELL: Okay. Petitioner, you have the floor and let
12 me ask if you would like to reserve any rebuttal time.

13 MR. WILSON: Thank you, Your Honor. Douglas Wilson for the
14 Petitioner Weatherford entities. I would like to reserve 10 minutes.

15 JUDGE POWELL: 10 minutes?

16 MR. WILSON: That's going to be my goal.

17 JUDGE POWELL: Are you ready?

18 MR. WILSON: Not just yet. Give me just a second here. It
19 worked fine just a minute ago. Here we go. Ready.

20 JUDGE POWELL: You may begin.

21 MR. WILSON: So I want to start with slide 2 of the presentation
22 and I want to start by going briefly over the claims, the challenged claims
23 that are at issue in the three IPRs. First of all, in the 1509 IPR we have, of
24 course, the '774 challenged claims.

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1 And the point that I want to reiterate and hopefully I'm not
2 belaboring this point from this morning, but Claim 1, the only independent
3 claim of the '774 patent recites a method for fracturing a
4 hydrocarbon-containing formation. It is a method claim. It is not an
5 apparatus claim and that becomes particularly important when we get to
6 questions of secondary considerations of nonobviousness.

7 There are four method steps that are recited in Claim 1, running a
8 tubing string, expanding radially outward the first, second and third solid
9 body packers, conveying a fluid-conveyed sealing device and pumping
10 fracturing fluid.

11 In order to show any nexus or any secondary considerations
12 evidence, the Patent Owner has to show that all four of those steps are
13 practiced. And as we look at the other IPRs, for example, the 634, you can
14 see the one challenged claim. The single challenged claim is Claim 25. It
15 depends from Claim 20, which is also a method for fluid treatment of a
16 borehole. It doesn't require fracturing. It's just a method for fluid treatment
17 of a borehole.

18 Claim 20 is anticipated by the Thomson reference. The only
19 argument for distinction of Claim 25 over Thomson is open hole, the portion
20 in red there. The same is true of the '505 challenged claims, Claims 23 and
21 27, and, I'm sorry, I'm on slide 4 now.

22 The same is true of Claims 23 and 27 in the '505 patent. They
23 depend from Claims 19 and 24 respectfully. Both recite a method for fluid
24 treatment of a borehole and, again, Claims 19 and 24 are anticipated by
25 Thomson. The only argument for validity for Claims 23 and 27 over

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