UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WEATHERFORD INTERNATIONAL, LLC

Petitioner,

v.

BAKER HUGHES OILFIELD OPERATIONS, LLC

Patent Owner.

Case IPR2019-00768
Patent RE46,137

PETITIONER'S RESPONSE TO PATENT OWNER'S MOTION TO EXCLUDE EX. 1012'S 2011-USE STATEMENT AS HEARSAY

I. Introduction

Patent Owner's motion ("Mot.") requests the Board to exclude from Ex. 1012 its statement that "[t]he operator found that by employing the RDV that they could reduce the cost of their wells by eliminating the CT conveyed first-stage perforating gun run and began incorporating the valve in the second quarter of 2011" (the "2011-Use Statement"). The motion should be denied.

Ex. 1012 is the Society for Petroleum Engineers ("SPE") Paper SPE 162658, "Streamlined Completions Process: An Eagle Ford Shale Case History," published October 2012. EX1012, 1. Petitioner and its expert Mr. Michael Chambers rely on Ex. 1012 (along with Exs. 1010 and 1011) to show simultaneous invention with the challenged '137 Patent, which has a priority date of July 29, 2011. Paper 2 at 65-66; EX1022, ¶¶53-54. Ex. 1012 describes a tool "referred to as an initiator rupture disc valve (RDV) [that] provides a way to efficiently start the hydraulic fracturing process for the toe stage." EX1012, 3. After explaining the RDV's operation, Mr. Chambers states that "[t]his tool is very similar to the '137 Patent disclosure" and concludes that the RDV is evidence that the '137 Patent "was merely the exercise of ordinary skill in the art, not of invention." EX1022, ¶¶54-55.

Patent Owner files its motion under the belief that Ex. 1012 cannot be evidence of simultaneous invention without the 2011-Use Statement, which Patent Owner argues is hearsay. Patent Owner is wrong on both counts.

II. The Board Need Not Determine Whether the 2011-Use Statement Is Hearsay to Deny Patent Owner's Motion

Patent Owner ultimately seeks to exclude the RDV as evidence of simultaneous invention by requesting the Board to exclude the 2011-Use Statement in Ex. 1012 as hearsay. Mot. at 1. The Board need not resolve the question of whether the 2011-Use Statement is hearsay, however, because Ex. 1012's October 2012 disclosure of the RDV is sufficient to show simultaneous invention whether the 2011-Use Statement is excluded or not. *See Haig-Streit AG v. Eidolon Optical, LLC*, IPR2018-01311, at 47 (P.T.A.B. Dec. 19, 2019) (Paper 46) (denying a motion to exclude allegedly hearsay evidence as moot because the statements were not relied upon in the final decision). That is, even if the Board ignores that second quarter 2011 use of the RDV, the RDV was still publicly disclosed *no later* than the October 2012 publication date of Ex. 1012.

Fifteen months (or less) is within the amount of time courts have allowed for inventions to be considered "simultaneous." *See Geo. M. Martin Co. v. All. Mach. Sys. Int'l LLC*, 618 F.3d 1294, 1305 (Fed. Cir. 2010) (period of 6-18 months based on the claimed invention date as early as 2001 compared to the reference's invention date of June 2002); *Felburn v. New York Cent. R. Co.*, 350 F.2d 416, 424-26 (6th Cir. 1965) (period of 12-18 months based on a reducing to practice the claimed invention as early as the summer of 1954 compared to the reference that was "printed

in June 1955 and was mailed out during the latter part of 1955"); *Trustees of Columbia Univ. v. Illumina, Inc.*, 620 F. App'x 916, 929 (Fed. Cir. 2015) (14 months based on October 2000 priority of the claimed invention compared to the two references that were conceived in December 2001).

Further, there are other unchallenged statements in Ex. 1012 that establish the RDV was invented some time prior to October 2012, shortening any gap between its invention and the '137 Patent filing date. For example, Ex. 1012 states that the RDV has been used "in over 300 horizontal well applications" and provides data from three example wells. EX1012, 4-5. These unchallenged statements necessarily show that the RDV was used prior to Ex. 1012's October 2012 publication date.

Finally, Patent Owner's argument that the at most 15 months between the Ex. 1012 publication date and the priority date of the '137 Patent is too long to qualify as a simultaneous invention fails. Patent Owner cites no authority for a rule that 15 months is too long because it is simply not the law as noted above. Patent Owner asserts that Petitioner set the "required 'comparatively short space of time'" at "a few months" (Mot. at 1), but Patent Owner cites nothing from Petitioner for that proposition because Petitioner never asserted it. Patent Owner also asserts that the comparatively short space of time "cannot be as long as 9-10 months" because Petitioner and Mr. Chambers relied on a May 2011 priority date for Ex. 1010, despite its May 2012 filing date. Mot. at 1. But after noting the two different dates for Ex.

1010 and Ex. 1011, Mr. Chambers expressly states, "I consider the '483 [Provisional] Application ***and the resulting '684 Patent*** to be an example of simultaneous invention." EX1022, ¶53 (emphasis added). Thus, Mr. Chambers relied on both. Even if he had not, the fact that Petitioner chose the earlier of two dates to which Ex. 1010 was entitled to priority does not admit that the latter date would not also have met the required standard.

III. The 2011-Use Statement Falls Under the Residual Use Exception to Hearsay

To the extent it is necessary to consider the 2011-Use Statement, that statement is admissible under the Residual Exception of Fed. R. Evid. 807. ***First***, the statement is supported by sufficient guarantees of trustworthiness considering the totality of circumstances under which it was made. Fed. R. Evid. 807(a)(1). Ex. 1012 is a paper authored by four SPE members that was selected for publication and presentation at 2012 SPE Conference. It provides a case history explaining that the RDV was used in "over 300 horizontal well applications," and providing data from three of the wells. EX1012, 4-5. The widespread prior use (which is unchallenged) stated in a well-known industry publication provides sufficient guarantees of trustworthiness supporting the 2011-Use Statement. ***Second***, to the extent the 2011-Use Statement is necessary to show the RDV is a simultaneous invention, the 2011-Use Statement is more probative on that issue than any other evidence that could be

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