

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INNOVEX DOWNHOLE SOLUTIONS, INC.,
Petitioner,

v.

BAKER HUGHES OILFIELD OPERATIONS, LLC,
Patent Owner.

IPR2019-00158
Patent 9,080,439 B2

Before MITCHELL G. WEATHERLY, CARL M. DEFRANCO, and
RYAN H. FLAX, *Administrative Patent Judges*.

FLAX, *Administrative Patent Judge*.

ORDER

Denial of Petitioner's Motion to Withdraw and
Conduct of the Proceeding
37 C.F.R. §§ 42.5(a), 42.74(a)

I. INTRODUCTION

Baker Hughes Oilfield Operations, LLC (“Patent Owner”) is the owner of U.S. Patent 9,080,439 B2 (“the ’439 patent”). Innovex Downhole Solutions, Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–23 of the ’439 patent. Paper 1 (“Pet.”). We instituted trial in the proceeding on April 15, 2019. Paper 9. A Final Decision was entered on April 13, 2020, finding claims 1–23 of the ’439 patent to be unpatentable. Paper 45 (“Final Decision”).

In *Baker Hughes Oilfield Operations, LLC v. Hirshfield*, 2021 WL 4227709 (Fed. Cir. Sept. 16, 2021) (Case 2020-1932) (non-precedential), the U.S. Court of Appeals for the Federal Circuit affirmed-in-part and vacated-in-part the Board’s Final Decision, and remanded to the Board for further proceedings. The Federal Circuit’s decision affirmed the Board’s Final Decision in its conclusion that claims 1 and 7–23 of the ’439 patent were anticipated and unpatentable, and vacated the Board’s determination that claims 2–6 were obvious and unpatentable. *Id.* at 1, 3. The Federal Circuit remanded the case to the Board specifically to “afford [Patent Owner] Baker an opportunity to present additional arguments and evidence responding to the obviousness theories on which the Board relied.” *Id.* at 3; *see also* Fed. Cir. Case 2020-1932, Document 60 (Nov. 8, 2021) (mandate returning jurisdiction to the Board).

Petitioner now files a Motion to Withdraw. Paper 50 (“Motion” or “Mot.”). Petitioner requests that we allow it to “withdraw from these proceedings.” *Id.* at 1. Petitioner has not certified that its Motion is unopposed, but, based on the circumstances, we understand that it is unopposed. *See* Ex. 1073. For the reasons below, we *deny* the Motion.

II. DISCUSSION

In the course of authorizing Petitioner's Motion and then authorizing its refiling, required because of technical difficulties in its initial filing, we were informed that "the parties resolved their dispute." *See, e.g.*, Ex. 1073, 2 (Patent Owner's email to the Board); Motion 1. Although the parties "resolved their dispute," the Board has been provided no details regarding the nature of the settlement. The parties have not requested termination of the proceeding pursuant to their settlement.

Further, during the same series of communications with the parties in advance of Petitioner's Motion, Patent Owner stated that it "believes that Petitioner's Motion to Withdraw is 'abandonment of the contest' pursuant to 37 CFR [§] 42.73(b)(4) that is construed as a request for adverse judgment pursuant to 42.73(b)." Ex. 1073, 2. In response, we instructed Petitioner as follows:

Petitioner may refile its motion as a MOTION TO ABANDON THE CONTEST ON REMAND AND FOR ADVERSE JUDGMENT UNDER 37 C.F.R. § 42.73(b). To mitigate any potential ambiguity, in such motion Petitioner should be explicit if its intention is to request adverse judgment on the issues remaining on remand, i.e., the patentability of U.S. Patent 9,080,439 claims 2–6 under 35 U.S.C. § 103 over the prior art asserted in the Petition.

Ex. 1073, 1.

On the issue of whether Petitioner requests adverse judgment in the remanded proceeding, Petitioner states, "[t]o be clear, while Petitioner is not further challenging the validity, patentability, or enforceability of the '439 Patent, Petitioner is not requesting adverse judgment, nor is Petitioner taking any position as to whether its withdrawal should be construed as an 'abandonment of the contest.'" Mot. 2.

When given the opportunity to clarify whether the Board should construe Petitioner’s Motion as a request for adverse judgment, Petitioner expressly stated that it “is not requesting adverse judgment.” *Id.* at 2; *see also* Ex. 1073, 1 (Board’s instructions for clarity). Therefore, we do not interpret the Motion as an abandonment of the contest that can be construed as a request for adverse judgment, and we do not enter adverse judgment against Petitioner.

We do not compel Petitioner to file additional papers during the remand proceeding relating to the merits of its patentability challenges. Currently, Petitioner has requested no briefing on the patentability issues remaining for dependent claims 2–6, and none has been authorized (*see* Paper 49). We note that Petitioner’s actions are consistent with Petitioner’s statement that it “does not intend to further challenge the validity of [the ’439 patent’s claims] on remand.” Mot. 1. However, because Petitioner obtained a decision on the merits with respect to independent claim 1, from which claims 2–6 depend, we determine that the most prudent course of action is for Petitioner to remain a party to the proceeding in the event that any issues arise with respect to the limitations of claim 1 incorporated into claims 2–6. As such, we *deny* Petitioner’s Motion to Withdraw. Petitioner will continue to be served with all papers and correspondence.

We turn to Patent Owner’s requests stated via e-mail, namely that Patent Owner: “(1) respectfully renews its request for authorization to file a Motion to Terminate, and (2) further asks that the current due date (February 14) for substantive papers be suspended or extended to allow for the resolution of the pending procedural issues.” Ex. 1073, 2. We *grant* both requests.

Given that our resolution of the Motion predates the due date for filing Patent Owner's brief and evidence by only one business day, we find that good cause exists to provide Patent Owner with additional time to submit its brief and evidence. Accordingly, we modify the Scheduling Order on remand (Paper 49) such that Patent Owner's brief and evidence may be filed no later than February 21, 2022, one week later than the original due date.

Although Patent Owner has not identified the precise grounds under which it may seek termination of the proceeding on remand, we authorize Patent Owner to file a seven-page motion to terminate the remanded proceeding, which is also due February 21, 2022. Petitioner may file an opposition to any motion to terminate by no later than February 28, 2022. After conferring with Petitioner, Patent Owner may also inform the Board in its motion to terminate whether Petitioner will oppose Patent Owner's motion to terminate.

ORDER

Accordingly, it is hereby:

ORDERED that Petitioner's Motion to Withdraw is *denied*; and

FURTHER ORDERED that the Scheduling Order on remand (Paper 49) is modified such that Patent Owner may file its brief and evidence relating to the vacated portion of the Final Decision addressing the patentability of claims 2–6 of the '439 patent by no later than February 21, 2022;

FURTHER ORDERED that Patent Owner is authorized to file a seven-page motion to terminate the proceeding by no later than February 21, 2022;

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FURTHER ORDERED that Petitioner is authorized to file a seven-page opposition to Patent Owner's motion to terminate by no later than February 28, 2022; and

FURTHER ORDERED that no other modifications, briefing, or evidence is authorized at this time.

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