

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FMC TECHNOLOGIES, INC.,
Petitioner,

v.

ONESUBSEA IP UK LIMITED,
Patent Owner.

Case IPR2019-00935
Patent 9,945,202 B1

Before KRISTEN L. DROESCH, JAMES A. TARTAL, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

TARTAL, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

On October 14, 2020, we issued a Final Written Decision determining that claims 1–15 of U.S. Patent No. 9,945,202 B1 (“the ’202 patent”) are unpatentable. Paper 45 (“Decision” or “Dec.”). OneSubsea IP UK Limited (“Patent Owner”) timely filed a Request for Rehearing of the Final Written Decision. Paper 46 (“Reh’g Req.” or “Rehearing Request”). For the reasons provided below, Patent Owner’s Rehearing Request is *denied*.

II. ANALYSIS

The party filing a request for rehearing of a final written decision has the burden of showing a decision should be modified, and the request for rehearing must specifically identify all matters the party believes we misapprehended or overlooked and the place where each matter was previously addressed in its papers. 37 C.F.R. § 42.71(d). Therefore, Patent Owner bears the burden of establishing that we misapprehended or overlooked the matters that it requests that we review.

Patent Owner’s Rehearing Request raises three issues. The first issue raised is whether we erred in finding that June ’946¹ teaches “an isolated path” because, according to Patent Owner, a person of ordinary skill in the art would not have been motivated to add seals to the ‘A’ annulus and would not have had a reasonable likelihood of success in adding seals to the ‘A’ annulus. *See generally* Reh’g Req. The second issue raised is whether we erred in finding that the alternative production flow passage of Reimert² is an annulus flow passage through the subsea tree because, according to Patent Owner, the incorrect standard was applied for claim language

¹ Ex. 1004, US 8,316,946 B2, issued Nov. 27, 2012 (“June ’946”).

² Ex. 1006, US 7,331,396 B2, issued Feb. 19, 2008 (“Reimert”).

requiring a specific configuration and Reimert fails to teach a specific configuration that permits annulus fluid to flow through the subsea tree. *See id.* The third issue raised is Patent Owner's new argument that Administrative Patent Judges are unconstitutionally appointed principal officers. *See id.* We have considered all of Patent Owner's arguments and find insufficient evidence to support any modification of our Decision for the reasons that follow.

A. Patent Owner Fails to Show Error in Our Determination that June '946 Teaches an Isolated Path

Patent Owner asserts that we erred in finding that June '946 teaches "an isolated path" because "[t]he Board failed to give credit to Mr. Voss's opinion that a [person of ordinary skill in the art] would not have been motivated to add seals to the 'A' annulus in June '946." Reh'g Req. 1–2 (citing PO Resp. 40–44). In particular, Patent Owner asserts that we erroneously found that Mr. Voss relied on the "precise proportions" of drawings. According to Patent Owner, Mr. Voss instead relied on his opinion that a person of ordinary skill in the art would have understood the figures of June '946 to show "a well-known tapered surface that supports the tubing hanger lock mechanism and accommodates for the transition between the tubing head spool inner diameter and tubing hanger outer diameter." *Id.* at 2–3 (citing Dec. 60–61; PO Resp. 40–44). Patent Owner further argues that we did not give sufficient weight to Mr. Voss's testimony as to the reasonable likelihood of success in adding seals to the 'A' annulus above the transition point, because we found Mr. Voss's testimony "was based on the precise proportions." *Id.* at 5–7 (further asserting Mr. Voss provided three reasons a person of ordinary skill would not have expected success).

Patent Owner fails to show that we failed to consider or incorrectly weighed the testimony of Mr. Voss. In our Decision, we considered the testimony of Mr. Voss, but we were not persuaded that the testimony outweighs Petitioner's evidence supporting the proposed modification. In particular, we weighed the evidence of both parties to determine whether Petitioner had shown by a preponderance of the evidence that a skilled artisan would have known and had reason to place seals above the transition point as proposed by Petitioner. We determined that Petitioner established by a preponderance of the evidence that it was known to place seals above a transition point in order to provide an isolated flow path. Dec. 50. We also credited the testimony of Mr. Parks over the testimony of Mr. Voss and found that implementation of the modifications proposed by Petitioner would have been within the basic level of skill of a person of ordinary skill in the art. *Id.* at 60. We considered and rejected Mr. Voss's assertion that Petitioner's proposed modification would place seals on uneven surfaces and on shoulder surfaces that are an improper location for a seal, and would locate seals at different diameters. Dec. 60 (citing Ex. 2004 ¶¶ 148–150).

Although Patent Owner asserts that the testimony of Mr. Voss is “not premised on treating the figures [of June '946] as precise engineering drawings,” but based on the understanding of an ordinary artisan (Reh'g Req. 4–5), Figure 7 of June '946, which Petitioner proposes to modify, depicts the features upon which Mr. Voss's testimony hinges. As discussed in our Decision, “Patent Owner [or Mr. Voss] does not direct us to persuasive objective evidence to suggest that the schematic drawing of the completion illustrated in Figure 7 of June '946 requires any element at any *specific angle or orientation.*” Dec. 58 (emphasis added). Moreover, Patent

Owner did not refute the testimony of Mr. Parks that a person of ordinary skill in the art “would have readily recognize[d] there is ample room within the body of the tubing hanger to drill the annulus bore as shown, and would not have required locating seals on the tapered landing shoulder of the tubing hanger.” Ex. 1032 ¶¶ 46, 49. We also noted in the Decision that Patent Owner did not suggest any of the modifications proposed by Petitioner were “beyond the ability of a person of ordinary skill in the art.” Dec. 58.

Patent Owner also fails to show that, as a result of our evaluation of the evidence supporting the placement of a seal on the ‘A’ annulus, we gave the testimony of Mr. Voss insufficient weight with respect to the reasonable likelihood of success in adding seals. In our Decision, we stated the following:

Petitioner also establishes that a person of ordinary skill in the art would have had a reasonable expectation of success in its proposed modification of either including an annulus stab on the ‘A’ annulus flow path of the Figure 7 Completion in place of, or in addition to, the annulus stab shown on the ‘B’ annulus flow path. Pet. 24–25. In particular, Petitioner shows that the Figure 7 Completion illustrates the successful use of an annulus stab, albeit on the ‘B’ flow path, and the use of multiple annulus stabs, albeit in a different dual bore configuration embodiment illustrated by Figure 5. *Id.* Petitioner further persuasively shows that “completions having an annulus stab on the A annulus were commonplace,” and provides several examples that establish a person of ordinary skill in the art’s “base knowledge.” *Id.* at 25–28. Specifically, Petitioner identifies Figure 5 of June ’946, the monobore subsea completion of Figure 4 of Bartlett [U.S. Patent No. 6,488,083], and Figure 1A of June ’308 as showing an annulus stab on the A annulus. *Id.* at 25–27; *see also id.* at 27–28, 28 n.2 (stating that API 17D provides “industry

specifications governing subsea installations,” and includes a section addressing annulus stabs).

Dec. 51. We expressly addressed the testimony of Mr. Voss testimony in the Decision and found it not persuasive because his opinions were “premised on treating figures that are schematic drawings as though they are precise engineering drawings, and do not refute Petitioner’s demonstration that a person of ordinary skill in the art would have had reason to modify the Figure 7 Completion as proposed by Petitioner, and would have had a reasonable likelihood of success in implementing the modifications proposed by Petitioner.” Dec. 60–61. For these reasons, Patent Owner fails to show that we misapprehend the evidence presented, and, as a result, erred in determining that a preponderance of the evidence showed that it would have been obvious to modify June ’946 to add a seal above the ‘A’ annulus as shown by Petitioner.

B. Patent Owner Fails to Show Error in our Determination that the Alternative Production Flow Passage of Reimert is an Annulus Flow Passage through the Subsea Tree

Claim 1 of the ’202 patent recites “an annulus stab extending between the tubing hanger and the subsea tree to provide an isolated path within the stab and through the plenum region, the isolated path further being routed through the subsea tree.” Ex. 1001, 6:52–55. Patent Owner argues that the ’202 patent requires “a specific configuration for a well completion” that is not rendered obvious by Reimert “merely because it is *capable of* performing the claimed configuration.” Reh’g Req. 7–12 (citing *ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361–62 (Fed. Cir. 2018)).

Patent Owner’s argument amounts to no more than a bald assertion that the pipes and valves taught by Reimert that correspond, without alteration, to the recited “isolated path” does not actually teach an “isolated path” unless Reimert expressly states which valves are open or closed to make an “isolated path” through the subsea tree. *Id.* According to Patent Owner “‘where an apparatus need[s] to be altered in order to be “configured” as claimed and there was no evidence of such alteration,’ it does not anticipate or render obvious those claims.” Reh’g Req. 8 (quoting *ParkerVision*, 903 F.3d at 1361–62). Patent Owner’s assertion that whether a valve is opened or closed is an “alteration” of the apparatus is not persuasive. *See, e.g., Fantasy Sports Properties, Inc. v. Sportsline.com, Inc.*, 287 F.3d 1108, 1118 (Fed. Cir. 2002) (stating that “although a user must activate the [valves] by selecting [particular valves], the user is only activating [valves] that are already present”). Patent Owner further argues that “as explained by Mr. Voss, Reimert specifically articulates how the completion system is intended to operate and provides specific instructions for opening and closing the valves of the system.” *Id.* at 10. Claims 1 and 9, the only independent claims challenged, are directed to “a system,” not a method. Ex. 1001, 6:40–65, 7:27–49. As explained in the Decision, “Patent Owner’s arguments are improperly premised on how Patent Owner contends Reimert was intended to be operated, depending on the circumstances, based on how Reimert teaches ‘specific instructions for opening/closing valves.’” Dec. 74–75. Further, we explained in the Decision as follows:

Patent Owner then concedes that there are “alternative flow paths,” but argues, based on closing certain valves and opening others, that “even when annulus fluid is permitted to flow into the tubing hanger, the annulus fluid is not permitted to flow into

the tree.” *Id.* at 64–65 (citing Ex. 1006, 5:47–49). Patent Owner proceeds to explain how Reimert would be operated during “typical operation” and how valves would be operated “during workover mode,” “not when a tree is attached.” Whether Reimert teaches, as an apparatus, a system configured to allow annulus fluid to flow through the tree simply does not turn on whether a valve taught by Reimert is opened or closed by an operator. Petitioner persuasively shows that “Reimert’s configuration shown in FIG. 4 provides a fluid flow path through the tubing spool, tubing hanger, and into the tree (e.g., via the plenum) that is in communication with ‘annular region 56.’” Pet. Reply 19–20 (citing Ex. 1032 ¶ 61).

Dec. 75. For these reasons, Patent Owner fails to show that we misapprehended the evidence presented and, as a result, erred in determining that the alternative production flow passage of Reimert is an annulus flow passage through the subsea tree, as shown by a preponderance of the evidence by Petitioner.

C. Constitutional Challenge

Patent Owner argues, for the first time in its Request for Rehearing, that Administrative Patent Judges are principal officers that “are not appointed through the constitutionally-mandated mechanism of appointment.” Reh’g Req. 12–15. Moreover, now according to Patent Owner, the Federal Circuit remedy in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F3d 1320 (Fed. Cir. 2019) was erroneous. *Id.* at 12.

A request for rehearing is not an opportunity to submit new arguments that were not made previously, and Patent Owner fails to identify where the constitutional arguments it now presents were previously raised. *See* 37 C.F.R. § 42.71(d). We issued the Decision in this case on October 14, 2020, nearly a year after the Federal Circuit issued *Arthrex* on October 31, 2019. The Federal Circuit issued a mandate in *Arthrex* on

April 6, 2020. *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 2018-2140, Dkt. No. 119 (Fed. Cir. April 6, 2020). Thus, Patent Owner had notice of *Arthrex* prior to the Final Written Decision. Indeed, Patent Owner submitted a sur-reply (Paper 26, filed May 15, 2020) and conducted oral arguments on June 29, 2020 (*see* Paper 42) without presenting any Appointments Clause argument.

The Federal Circuit has rejected similar Appointments Clause challenges on the ground that the Board judges were deemed constitutionally appointed as of the date that the Federal Circuit issued its precedential decision in *Arthrex*. *Caterpillar Paving Products Inc. v. Wirtgen America, Inc.*, 957 F.3d 1342, 1343 (Fed. Cir. 2020); *see also* *Arthrex, Inc. v. Smith & Nephew, Inc.*, 953 F.3d 760, 764 (Fed. Cir. 2020) (Moore, J., concurring in denial of rehearing) (“Because the APJs were constitutionally appointed as of the implementation of the severance, *inter partes* review decisions going forward were no longer rendered by unconstitutional panels.”). Accordingly, we deny Patent Owner’s request that this case be dismissed.

III. CONCLUSION

Patent Owner has not demonstrated that we misapprehended or overlooked arguments or evidence in determining that Petitioner established by a preponderance of the evidence that claims 1–15 of the ’202 patent are unpatentable.

Accordingly, we do not modify our Final Written Decision in this case. The final outcome of our Final Written Decision after consideration of Patent Owner's Request for Rehearing is as follows:

Claims	35 U.S.C. §	Reference(s)/Basis	Claims Shown Unpatentable	Claims Not shown Unpatentable
1–7	103	June '946	1–7	
8	103	June '946, June '308	8	
9, 10, 12–15	103	June '946, Cameron	9, 10, 12–15	
11	103	June '946, Cameron. June '308	11	
9, 10, 12–15	103	June '946, API 17D, June '354	9, 10, 12–15	
11	103	June '946, API 17D, June '354, June '308	11	
1–7, 9, 10, 12–15	103	Reimert, Donald, Cameron	1–7, 9, 10, 12–15	
8, 11	103	Reimert, Donald, Cameron June '308	8, 11	
Overall Outcome			1–15	

IV. ORDER

Accordingly, it is

ORDERED that Patent Owner's Request for Rehearing of our Final Written Decision is *denied*; and

FURTHER ORDERED that, because this is a decision on rehearing of a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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