

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ENSIGN US SOUTHERN DRILLING LLC,
Petitioner,

v.

C&M OILFIELD RENTALS, LLC
D/B/A C-MOR ENERGY SERVICES,
Patent Owner.

IPR2024-00005
Patent 10,900,626 B2

Before BRIAN J. McNAMARA, NORMAN H. BEAMER, and
JULIA HEANEY, *Administrative Patent Judges*.

HEANEY, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes Review*
35 U.S.C. § 314

I. INTRODUCTION

Ensign US Southern Drilling LLC (“Petitioner”) filed a Petition to institute an *inter partes* review of claims 9 and 19 of U.S. Patent No. 10,900,626 B2 (Ex. 1001, “the ’626 patent”). Paper 1 (“Petition” or “Pet.”). C&M Oilfield Rentals, LLC d/b/a C-Mor Energy Services (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018). Upon consideration of the Petition, the Preliminary Response, and the evidence of record, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing the unpatentability of at least one claim challenged in the Petition. Accordingly, we institute an *inter partes* review of all claims and all grounds asserted in the Petition.¹

A. *Related Proceedings*

The parties identify the following litigation involving the ’626 patent: *C&M Oilfield Rentals, LLC D/B/A C-Mor Energy Services v. Ensign US Southern Drilling LLC*, Civil Action No. 4:22-cv-00965, Southern District of Texas, Houston Division (served April 1, 2022) (“the related District Court proceeding”) and *C&M Oilfield Rentals, LLC v. Apollo Lighting Solutions, Inc. and Cleantek Industries, Inc.*, Civil Action No. 6:21-CV-

¹ *Guidance on the Impact of SAS on AIA Trial Proceedings* (Apr. 26, 2018), <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>; *see also SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018).

00544-ADA, Western District of Texas, Waco Division. Pet. 101; Paper 5, 1. Petitioner notes that U.S. Patent No. 10,976,016 B2 issued from a child application of the '626 patent and is the subject of currently pending *inter partes* review IPR2023-00804. Pet. 101.

Petitioner also identifies the following litigation involving the '626 patent: *Nabors v. C&M*, Case No. 4:22-cv-02140, Southern District of Texas, Houston Division. Pet. 101–102.

B. The '626 patent

The '626 patent, titled “Elevated Structure-Mounted Lighting System,” describes lighting systems that may be used on drilling rigs to ensure safe and continuous operation of well sites. Ex. 1001, code (54), 1:12–14. The '626 patent explains that, in order “[t]o ensure even and effective lighting of the well site, lighting systems have previously been installed on the uppermost portion of the drilling rig, also referred to as the ‘crown’ of the rig.” *Id.* at 1:14–17. The '626 patent further explains that “[p]rior art lighting systems for drilling rigs are fixed, monolithic structures that are typically crown or frame systems, with a single size and layout accommodating one type of light and rig.” *Id.* at 1:23–26.

According to the '626 patent, a prior art “single structural unit” is “heavy and typically require[s] cranes along with multiple workers for installation, removal, and adjustments.” *Id.* at 1:26–28. The '626 patent describes that “[a] typical rig lighting frame system may require between 6 and 12 hours for installation.” *Id.* at 1:29–30. According to the '626 patent, “before a derrick can be moved, the lighting systems must be removed—again with all of the necessary equipment and personnel—and a similar amount of time may be required for uninstallation.” *Id.* at 1:30–33.

Figure 1 of the '626 patent, reproduced below, depicts “a prior art crown-mounted frame-based lighting system.” *Id.* at 1:63–64.

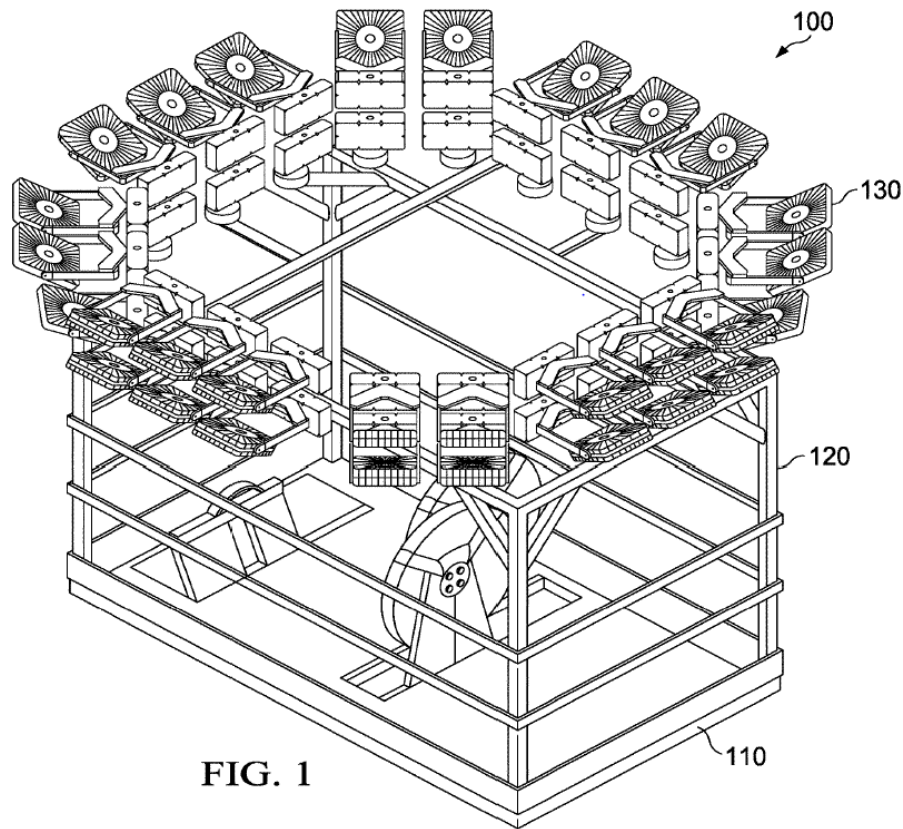


FIG. 1

Figure 1 above shows a prior art lighting system 100 built from a single frame 120, which includes multiple frame lights 130 rigidly fixed onto the frame 120. *Id.* at 2:21–25. The '626 patent explains that “frame 120 may be installed on the crown 110, or top, of a drilling rig such that the ground around the drilling rig is illuminated when in use.” *Id.* at 2:26–28.

The '626 patent describes a purportedly improved lighting system 200, which is modular and assembled using multiple standalone pieces that may be configured to different structures. *Id.* at 2:49–51. Figure 3 of the '626 patent, reproduced below, is an elevation view of three embodiments of an improved elevated structure mounted lighting system shown in relation to a crown deck. *Id.* at 2:1–3.

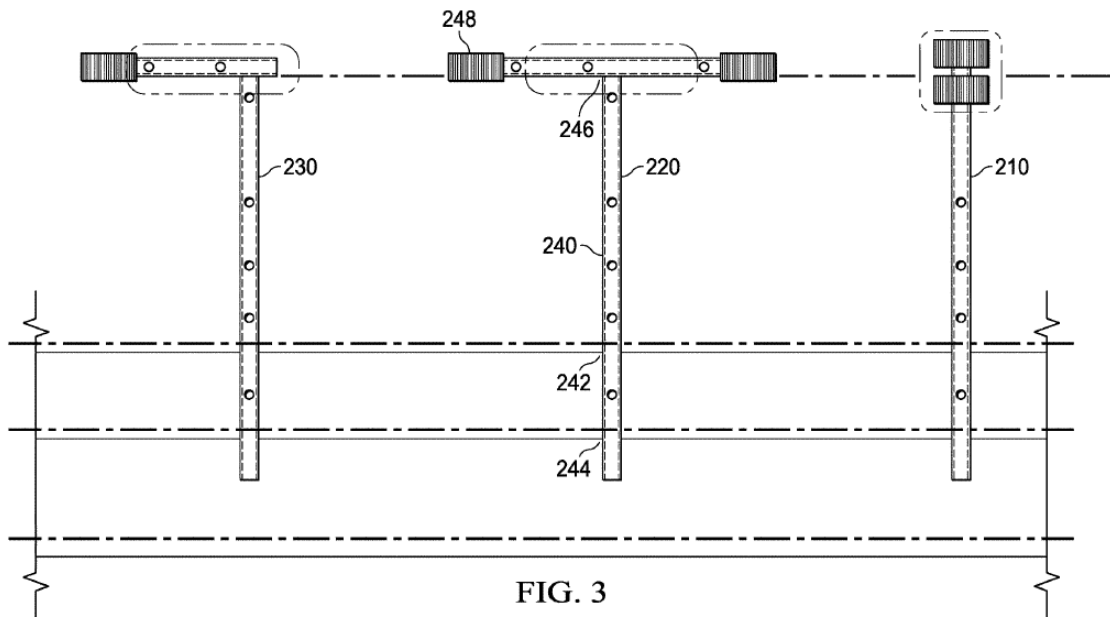


Figure 3 above shows light units 210, 220, and 230, which may include mounting pole 240, bracket for a top rail 242, bracket for a bottom rail 244, cap 246, and light fixture 248. *Id.* at 2:58–62. The bracket for top rail 242 and bracket for bottom rail 244 may be used to attach light mounting pole 240 to rails 205 of a crown deck (dashed lines) of a drilling rig using U-shaped bolts or straps. *Id.* at 2:61–64. Figure 2 of the ’626 patent is an isometric view of Figure 3 and includes element 110, labeled “existing crown deck.” *Id.* at Fig. 2.

C. The Challenged Claims

Petitioner challenges claims 9 and 19 (“the challenged claims”) of the ’626 patent. Pet. 7. Claims 9 and 19 are reproduced below:

9. A rig comprising:
 - a derrick;
 - a crown deck at the top of the derrick, the crown deck comprising a handrail; and

a plurality of light units attached to the handrail, each light unit comprising:

a mounting pole, wherein each light unit comprises a separate mounting pole, such that the system comprises a plurality of mounting poles; and

a light fixture comprising one or more lights, the light fixture coupled to the mounting pole.

Ex. 1001, 5:65–6:9.

19. A method for illuminating a wellsite, comprising:

mounting a plurality of mounting poles on a crown deck of a rig, wherein each of the plurality of mounting poles is attached to a handrail of the crown deck;

mounting a plurality of lights to the plurality of mounting poles, wherein each of the plurality of mounting poles supports at least one of the plurality of lights, and each of the plurality of lights is mounted to only one of the plurality of mounting poles; and

illuminating the wellsite using the plurality of lights.

Id. at 6:32–41.

D. Asserted Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability:

Challenged Claim(s)	35 U.S.C. ² §	Reference(s)/Basis
9, 19	103	Gowanlock 1, ³ Swivelpole ⁴
9, 19	103	Gowanlock 2, ⁵ Swivelpole
9, 19	103	Gowanlock 1 or Gowanlock 2, Magnalight Video ⁶

Pet. 11. Petitioner relies on the Declaration of Jake Hamdan (Ex. 1008).

II. ANALYSIS

A. Claim Construction

We apply the same claim construction standard that would be used to construe the claims in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b). Under that standard, claim terms “are generally given their ordinary and customary meaning” as understood by a person of ordinary skill in the art at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (*en banc*). “In determining the meaning of the disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the

² The Leahy-Smith America Invents Act (“AIA”) included revisions to 35 U.S.C. § 103 that became effective on March 16, 2013. Because the ’626 patent claimed priority to applications filed after March 16, 2013, we apply the AIA versions of the statutory bases for unpatentability.

³ PCT Pub. No. WO 2018/042348 A1 to Gowanlock, published Mar. 8, 2018 (Ex. 1003).

⁴ *Swivelpole™ Product Catalogue NEC V2–4*, 1–28, Mar. 2014 (Ex. 1004).

⁵ US Pat. No. US 9,316,390 B2, to Gowanlock, issued Apr. 19, 2016 (Ex. 1058).

⁶ Larson Electronics/Magnalight YouTube video *available at* <https://www.youtube.com/watch?v=EWXJeKNRs00> (copyright 2004–2012) (Ex. 1006).

prosecution history, if in evidence.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips*, 415 F.3d at 1312–17).

“crown deck”

Petitioner argues no claim term needs “to be expressly construed for purposes of this IPR because the plain and ordinary meaning applies.” Pet. 18–19. Petitioner proposes, however, that we apply the constructions jointly proposed by the parties in the related District Court proceeding of the following claim terms:

- “crown deck” (claims 9 and 19),
- “attached” (claims 9 and 19), and
- “handrail” (claims 9 and 19).

Id. at 19 (citing Ex. 1056). Patent Owner agrees that these constructions should apply here. Prelim. Resp. 5. We note that the agreed constructions of all of the above terms are essentially ordinary meaning and we do not discuss them further in our analysis of Petitioner’s challenges, except for the term “crown deck.” The parties’ agreed-upon construction of “crown deck” is:

a collection of structures within the crown that includes a walking surface, parts supporting the walking surface, and any associated handrail.

Ex. 1056, 5.

“mounting pole”

The parties dispute the construction of “mounting pole” in the related District Court proceeding, and restate those positions here. *See* Pet. 20–21 (citing Ex. 1057, Ex. 1058); Prelim. Resp. 5. Both parties agree, however, that construction of “mounting pole” is not necessary in this proceeding.

Pet. 21; Prelim. Resp. 5. Accordingly, we need not construe this term at this stage of the proceeding. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

B. Level of Ordinary Skill in the Art

Factors pertinent to a determination of the level of ordinary skill in the art include “(1) the educational level of the inventor; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of workers active in the field.” *Envtl. Designs, Ltd. v. Union Oil Co. of Cal.*, 713 F.2d 693, 696–697 (Fed. Cir. 1983) (citing *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1381–82 (Fed. Cir. 1983)). Not all such factors may be present in every case, and one or more of these or other factors may predominate in a particular case. *Id.*

Petitioner argues a person of ordinary skill in the art at the time of the invention “would have had at least a bachelor’s degree in petroleum engineering, mechanical engineering, civil engineering, construction, architecture, or a similar degree with a year or more experience working on or around rigs, such as a drilling rig, where one or more lighting systems were used to illuminate the wellsite.” Pet. 18 (citing Ex. 1008 ¶¶ 39–40). Petitioner further argues that “[a]dditional practical experience would substitute for lack of a formal degree.” *Id.* (citing Ex. 1008 ¶ 41).

Patent Owner does not dispute the level of ordinary skill in the art. *See generally* Prelim. Resp. For purposes of this decision, we adopt Petitioner’s definition of the level of ordinary skill in the art because it is consistent with the ’626 patent and the asserted prior art.

C. Principles of Law

A claim is unpatentable under 35 U.S.C. § 103 if “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when available, evidence such as commercial success, long felt but unsolved needs, and failure of others. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966); *see KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [Graham] factors continue to define the inquiry that controls.”).

The Supreme Court made clear that we apply “an expansive and flexible approach” to the question of obviousness. *KSR*, 550 U.S. at 415. Whether a patent claiming the combination of prior art elements would have been obvious is determined by whether the improvement is more than the predictable use of prior art elements according to their established functions. *Id.* at 417. Reaching this conclusion, however, requires more than merely showing that the prior art includes separate references covering each

separate limitation in a challenged claim. *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011). Rather, obviousness additionally requires that a person of ordinary skill at the time of the invention “would have selected and combined those prior art elements in the normal course of research and development to yield the claimed invention.” *Id.*

D. Alleged Obviousness Based on Gowanlock 2 and Swivelpole

Petitioner contends the combination of Gowanlock 2 and Swivelpole renders claims 9 and 19 obvious. Pet. 69–80. In support, Petitioner and Mr. Hamdan explain where each limitation of the challenged claims is disclosed in the references, and the reasons a person of ordinary skill would have been motivated to combine the disclosures of the references. *See, e.g., id.* at 43–51; Ex. 1008 ¶¶ 89–106.

1. Overview of Gowanlock 2 (Ex. 1058)

Gowanlock 2 is titled “Lighting System for Drilling Rig.” Ex. 1058, code (54). Gowanlock 2 describes a “lighting system for a drilling rig including a lighting frame attached to a crown of the drilling rig.” *Id.*, code (57). Gowanlock 2 explains that at least one light support post is attached to a light bearing frame portion, and at least one lighting fixture is attached to each light support post. *Id.*

Figure 7 from Gowanlock 2, reproduced below, depicts “a prior art drawing” of “a general drilling rig.” *Id.* at 4:43.

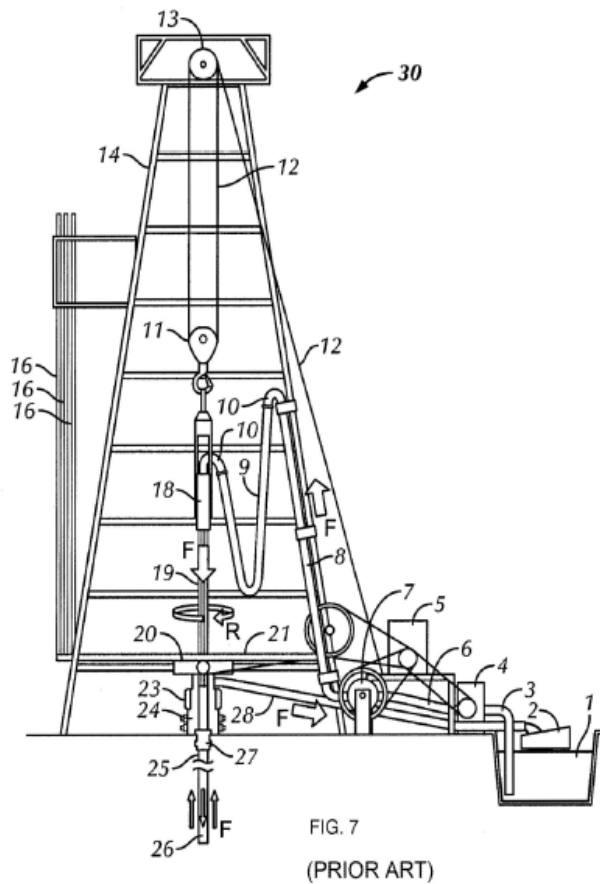


Figure 7 above shows a conventional drilling rig 30 having, *inter alia*, derrick 14 with crown block 13. *Id.* at 1:23–41. Gowanlock 2 explains that “[t]here is a desire to increase productivity by providing visibility during hours of low daylight, and this has thus far been accomplished by providing mobile lighting arrangements on vehicles proximate the drilling rig, or otherwise manually adding impromptu lighting arrangements.” *Id.* 2:4–9. However, these arrangements “are inadequate and not readily adaptable to systematic visibility improvements in appropriate locations around a drilling rig.” *Id.* at 2:11–13. Gowanlock 2 thus provides a lighting frame that is “attached to a crown of the drilling rig.” *Id.* at 2:18–21.

Figures 1 and 2 from Gowanlock 2, reproduced below, are a perspective view and a front view of “a lighting system mounted on a drilling rig,” respectively. *Id.* at 4:34–36.

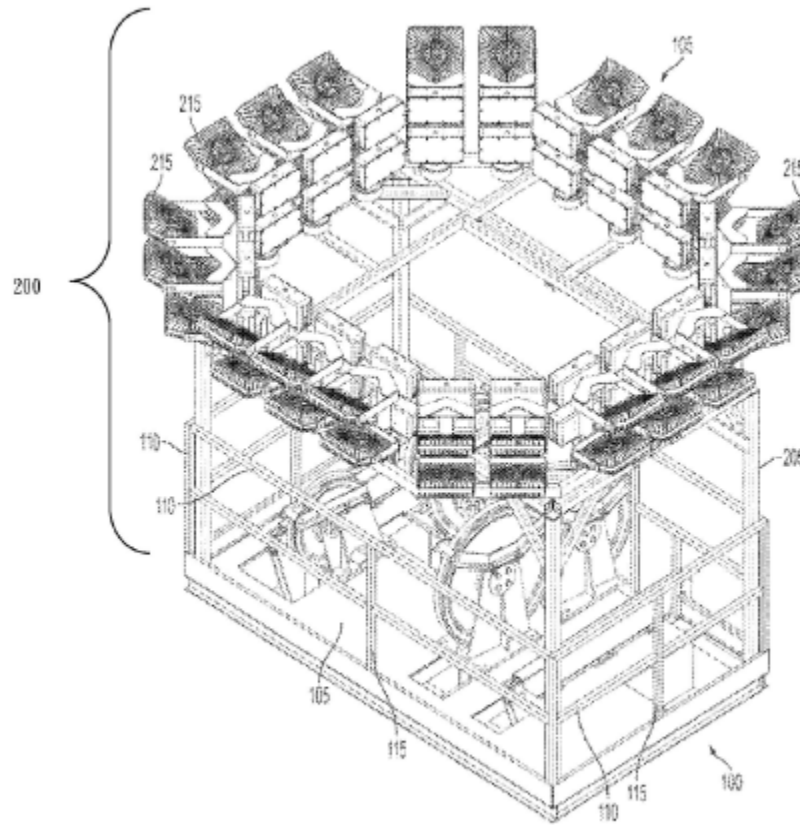


FIG. 1

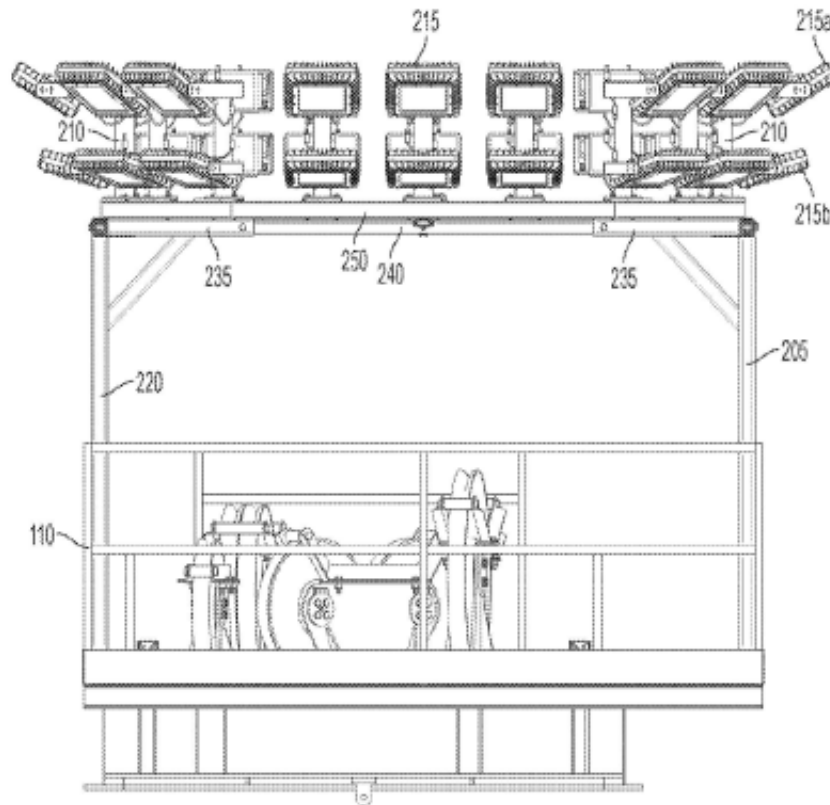
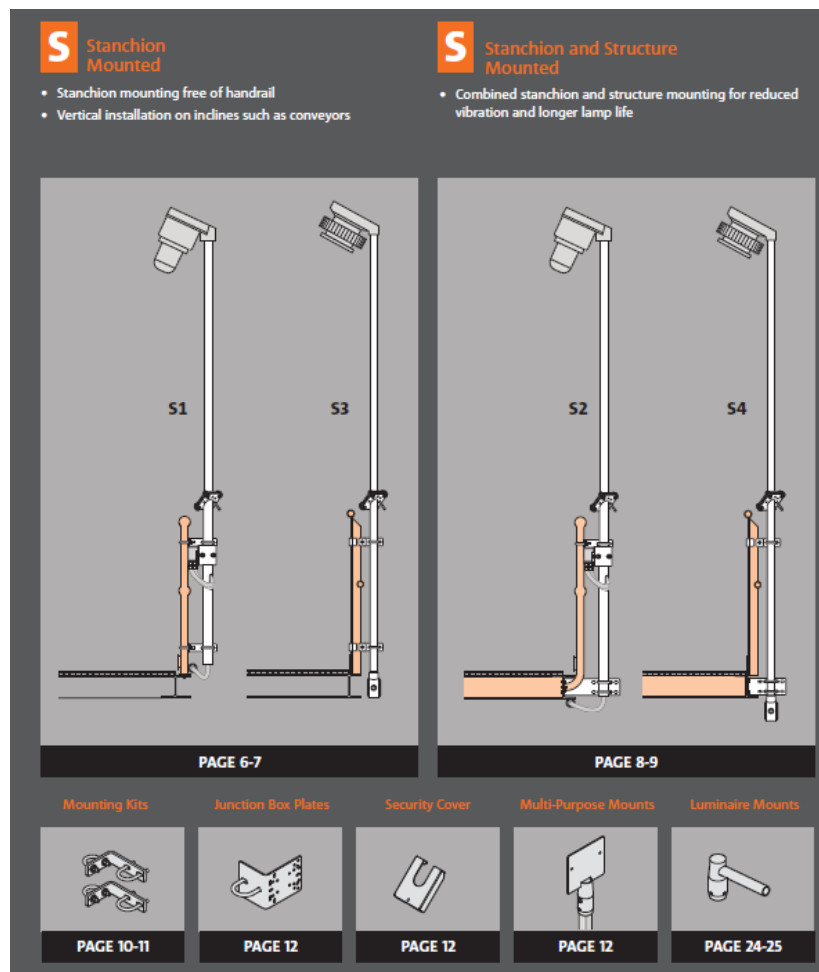


FIG. 2

Figures 1 and 2 above show lighting system 200 in combination with crown 100 of a drilling rig. *Id.* at 4:47–49. Crown 100 includes, *inter alia*, base 105 and outer frame structure 110 which has horizontal 110 and vertical 115 frame members. *Id.* at 4:49–53. Lighting frame 205 and a plurality of light support posts 210 are “arranged around a perimeter of the lighting frame and extending vertically” such that light fixtures 215, 215a, 216b “may be connected to each light post 210.” *Id.* at 4:62–3:1. The light fixtures are “arranged and separated vertically from each other” via light support posts 210 being positioned “in a predetermined region proximate the crown 100 and at a predetermined region encompassing a ground area surrounding the drill rig.” *Id.* at 5:1–6.

2. Overview of Swivelpole (Ex. 1004)

Swivelpole is product literature that discloses a “High-Safety Luminaire Support System” for walkway lighting, platforms, stairways, etc. Ex. 1004, 6.⁷ Swivelpole discloses a light fixture on a pole that may be mounted in various configurations, and provides “mounting solutions for all applications.” *Id.* at 2. Models S1 and S3 of Swivelpole, reproduced below, depict mounting configurations.

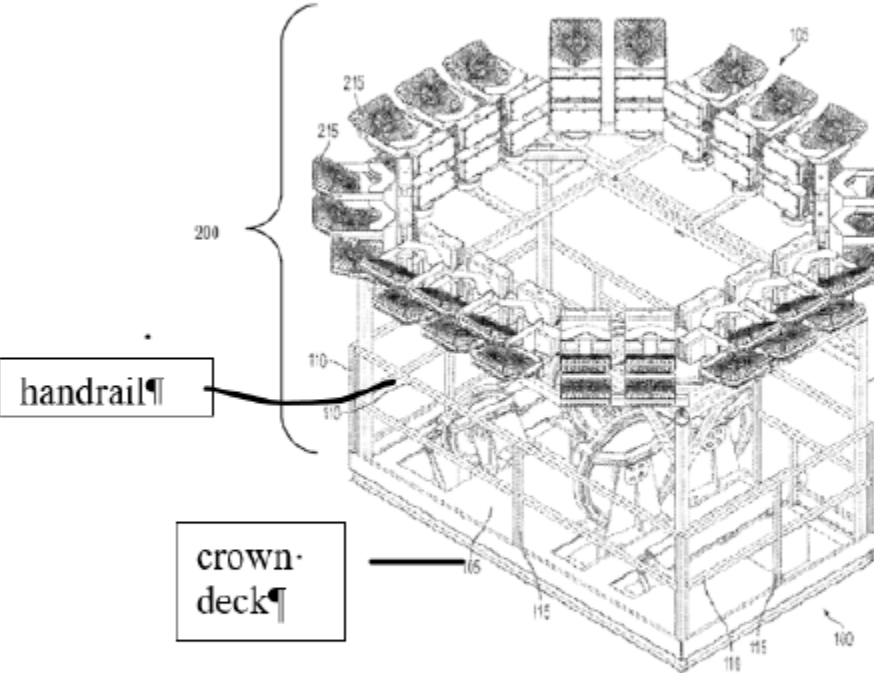


⁷ We refer to the page numbers applied to Exhibit 1004 by Petitioner.

Swivelpole depicts Models S1 and S3, shown above, that may be mounted “free of handrail” using commercially available “Mounting Kits” and “Multi-Purpose Mounts.” *Id.* at 6. Swivelpole discloses that the pole can be mounted to a column because “[i]t features a sturdy right-angle bracket which simply bolts to an existing structure.” *Id.* at 18.

3. The Parties’ Positions

Petitioner argues that Gowanlock 2 and Swivelpole disclose every limitation of claims 9 and 19. Petitioner presents a claim chart, reproduced below, identifying each limitation it asserts Gowanlock and Swivelpole disclose:

US 10,900,626	
Claim Language	U.S. Patent No. 9,316,390 (Gowanlock 2) and Swivelpole
9. A rig comprising: a derrick; a crown deck at the top of the derrick, the crown deck comprising a handrail; and	FIG. 1 of Gowanlock 2 shows a derrick with a crown deck at the top of the derrick and a handrail associated with the crown deck.  The diagram illustrates a derrick structure 100. At its base is a support frame 105. A vertical mast 110 rises from the center of the frame. Near the top of the mast is a crown deck 115. The crown deck 115 is a platform with a railing or handrail 200 around its perimeter. The handrail 200 consists of vertical posts 215 connected by horizontal rails. Various other components are labeled with reference numerals: 106, 107, 108, 109, 111, 112, 113, 114, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 85

attached to the handrail, each light unit comprising: a mounting pole, wherein each light unit comprises a separate mounting pole, such that the system comprises a plurality of mounting poles; and a light fixture comprising one or more lights, the light fixture coupled to the mounting pole.	catalog to make a modular lighting system as shown in the Swivelpole catalog mounted to a handrail.  Officially certified to withstand the world's strongest winds There's no pole stronger than a Swivelpole®. They've been put through rigorous independent engineering simulations and analysis, including wind tunnel testing, to prove they will withstand the harshest conditions and even cyclonic winds over 200mph. In fact, Swivelpole® is built so tough, it will easily outlast the life of a typical project or plant. That is why it's been the luminaire support solution of choice in some of the world's most remote and challenging locations since 1999. Swivelpole® Lowering Costs, Raising Standards Swivelpole catalog photo
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Claim Language	
19. A method for illuminating a wellsite, comprising:	Figure 1 of Gowanlock 2 above shows a lighting system for illuminating a wellsite.
mounting a plurality of mounting poles on a crown deck of a rig, wherein each of the plurality of mounting poles is attached to a handrail of the crown deck;	FIG. 1 of Gowanlock 2 above shows a lighting frame 205 includes a “plurality of light support posts 210 arranged around a perimeter of the lighting frame and extending vertically such that one or more light fixtures 215, 215a and 215b may be connected to each light support post 210. The plurality of light fixtures 215 arranged and separated vertically from each other by their positioning on the light support posts 210 permits for light to be directed in a predetermined region proximate the crown 100 and at a predetermined region encompassing a ground area surrounding the drill rig. Ex. 1058, 4:63-5:10. A POSITA would readily modify Gowanlock 2 to employ lights mounted to separate mounting poles attached to a crown deck handrail as shown in the Swivelpole catalog photos above.
mounting a plurality of lights to the plurality of mounting poles,	FIG. 1 of Gowanlock 2 above shows a lighting system for illuminating a wellsite. A POSITA would readily modify Gowanlock 2 to employ lights mounted to separate mounting poles attached to a crown deck handrail as shown in the Swivelpole catalog photos above.

wherein each of the plurality of mounting poles supports at least one of the plurality of lights, and each of the plurality of lights is mounted to only one of the plurality of mounting poles; and	
illuminating the wellsite using the plurality of lights.	The reason to use a plurality of lights is to illuminate the wellsite as described in Gowanlock 2.

Pet. 77–80; Ex. 1008 ¶ 88.

Petitioner argues a person of ordinary skill in the art would have modified Gowanlock 2 to attach a plurality of mounting poles with lights to the handrail of the crown deck as shown in Swivelpole, instead of Gowanlock 2's frame mounted lights, for several reasons. Pet. 72. Petitioner argues: (1) combining Swivelpole's separately attached pole mounted lights with brackets to Gowanlock 2's crown deck or the crown deck's hand railing would have been a simple combination of known elements to obtain predictable results; (2) replacing Gowanlock 2's

separately attached crown deck lights with Swivelpole's lights would have been a simple substitution of known elements for another to obtain predictable results; (3) Swivelpole's swivel ability would have added functionality and flexibility to Gowanlock 2's rig lighting with regard to installation, adjustment, and maintenance of the light fixtures; (4) "the combination addresses the known problems . . . with certain types of rig lighting that were difficult to install and adjust; and (5) the use of known techniques (attaching poles with lights to an associated handrail of a crown deck) to improve similar devices in the same way." *Id.* at 43–48 (quoting Ex. 1008 ¶¶ 89–93). Petitioner contends a person of ordinary skill in the art would have reasonably expected the combination to succeed because lights with mounting poles attached with brackets have been attached to many items such as guardrails for years. *Id.* at 48–51 (quoting Ex. 1008 ¶¶ 93–96).

Patent Owner argues Petitioner has not demonstrated a reasonable likelihood of prevailing on its obviousness challenge based on Gowanlock 2 and Swivelpole. Prelim. Resp. 47–55. Patent Owner argues that neither reference discloses "a crown deck" including a "handrail" or "a mounting pole," as required by claims 9 and 19. *Id.* at 45–50. Patent Owner further argues there is no motivation to combine the references, or a reasonable expectation of success in doing so. *Id.* at 50–56.

4. Analysis

Having considered the evidence and arguments presented by both parties, we determine on this preliminary record that Petitioner sufficiently shows that Gowanlock 2 and Swivelpole teach or suggest all of the limitations in claims 9 and 19, and has set forth a reasonable explanation of

why a person of ordinary skill in the art would have combined the teachings of the references to arrive at the subject matter of the claims with a reasonable expectation of success.

Petitioner makes a sufficient showing that Gowanlock 2 teaches a crown deck and associated handrail. Gowanlock 2 states that Figure 1 includes base 105 that provides an internal floor to crown 100, and outer frame structure 110 including vertical 115 and horizontal 120 frame members. Ex. 1058, 4:49–53, Fig. 1. *See* Ex. 1008 ¶¶ 70 (explaining that horizontal frame member 120 is the crown deck’s associated handrail), 88 (annotated claim chart)). Petitioner also sufficiently shows that Swivelpole teaches attaching a mounting pole for a light to a handrail, and that Gowanlock 2 describes that lighting frame 205 includes a plurality of light support posts 210 for positioning light fixtures 215. Ex. 1058, 4:63–5:10, Fig. 2. *See* Ex. 1008 ¶ 88.

Patent Owner’s argument that base 105 in Gowanlock 2 is not a crown deck because it fails to include a walking surface and any associated handrail is not persuasive. Base 105 of Figure 1 depicts a solid horizontal surface suitable for walking. Ex. 1058, Fig. 1. Further, element 110 of Figure 1 of the ’626 patent, which depicts the same structure as Figure 1 of Gowanlock 2, is labeled “Existing Crown Deck.” Ex. 1001, Fig. 2. Patent Owner’s argument that element 105 of Gowanlock 2 “is not suitable for an operator to occupy as it is an incredibly dangerous area with cutouts and unprotected rotating crown blocks etc.” (Prelim. Resp. 46) is unsupported attorney argument. Patent Owner has not submitted evidence, such as an expert’s declaration, to support its arguments.

Patent Owner argues that Petitioner does not sufficiently show a mounting pole in either Gowanlock 2 or Swivelpole. Prelim. Resp. 47–50. As to Swivelpole, Patent Owner argues Petitioner’s reliance on only two photographs from the cover and page 15 of Swivelpole is insufficient because it lacks analysis and suggests that “any purportedly pole-like structure in the prior art would suffice.” *Id.* at 34. We do not find Patent Owner’s argument persuasive because Mr. Hamdan’s declaration concerning Swivelpole is not limited to those two photographs; for example, he also testifies that Swivelpole’s poles may be mounted in many different configurations (Ex. 1008 ¶ 76) and that a person of ordinary skill in the art would readily know to employ the lights and mounting poles in Swivelpole to separately attach a plurality of light units to a handrail around the crown deck. *Id.* ¶ 91.

As to motivation to combine the references, we find that Petitioner sufficiently demonstrates a rational basis for a person of ordinary skill in the art to combine the teachings of Gowanlock 2 and Swivelpole. *See* Pet. 43–51; Ex. 1008 ¶¶ 89–96. Patent Owner’s argument that the combination “goes against the fundamental teachings of both references, neither of which disclose a crown deck” (Prelim. Resp. 50) is not persuasive, because as discussed above, Petitioner has sufficiently shown that Gowanlock 2 discloses a crown deck. We do not agree that Swivelpole’s disclosure is limited to a lighting system for illuminating the area immediately beneath the light, and nothing beyond its adjacent walkway. *See id.* at 50–51. For example, Swivelpole’s description of its S3 system also states it is ideal for lighting roof tops. Ex. 1004, 9. Because Patent Owner’s argument does not

reasonably credit the ability of a person of ordinary skill in the art to interpret Swivelpole's disclosure as a whole, we do not find it persuasive.

Patent Owner further argues Petitioner does not sufficiently show it would be a simple substitution to replace Gowanlock 2's frame of lights attached to the crown deck with Swivelpole's modular handrail-mounted lighting system. According to Patent Owner, a person of ordinary skill would not be able to use Swivelpole for such a purpose because of its inability to illuminate anything beyond the crown and its tendency to fail from structural deficiencies inherent in Swivelpole's height and swivel. Prelim. Resp. 52–53. This is speculative, unsupported attorney argument and therefore not persuasive. We find that similar assertions by Patent Owner about Swivelpole's instability (*see id.* 44, 54, 55) and “the rigors of installing a lighting system atop a crown deck ... (*e.g.*, high winds, sudden changes in wind pressure and direction, sway of the rig, and lightning safety among others)” (*see id.* 55) are also unsupported.

We disagree with Patent Owner's assertion that Petitioner relies on common sense “as a wholesale substitute for reasoned analysis and evidentiary support.” Prelim. Resp. 53. As discussed above, we find that Mr. Hamdan's declaration provides sufficient evidentiary support for modifying Gowanlock 2's rig lighting with Swivelpole.

Accordingly, we determine that Petitioner has shown a reasonable likelihood of prevailing on its obviousness challenge to claims 9 and 19 based on a combination of Gowanlock 2 and Swivelpole.

E. Grounds 1 and 3

Petitioner contends the combination of Gowanlock 1 and Swivelpole renders claims 9 and 19 obvious (Pet. 60–69) and the combination of

Gowanlock 1 or Gowanlock 2, and Magnalight Video renders claims 9 and 19 obvious. *Id.* at 81–97.

Based on the current record, and at this stage of the proceeding, we do not consider the merits of Petitioner’s challenges based on these combinations of references. Because Petitioner demonstrates that at least one claim of the ’626 patent meets the threshold for institution, we institute *inter partes* review on all challenges. *SAS Inst.*, 138 S.Ct. at 1359–60; *see also PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (interpreting the statute to require “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”). We will address the merits of these challenges, if necessary, after a full development of the record during trial.

III. DISCRETION UNDER 35 U.S.C. § 325(d)

Patent Owner argues we should exercise discretion under § 325(d) and deny institution because Gowanlock 1, Gowanlock 2, and Swivelpole are identical to or substantially the same as prior art considered during examination, and Petitioner presents arguments that are substantially the same as those before the Examiner. Prelim. Resp. 6–13. For the reasons discussed below, we do not invoke our discretion to deny institution under § 325(d).

A. *Principles of Law*

Under § 325(d), in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments

previously were presented to the Office.”⁸ Our § 325(d) analysis employs a two-prong framework: (1) whether the prior art and arguments presented in the petition are the same or substantially the same as those previously presented to the Office; and (2) if so, whether the petitioner has demonstrated a material error by the Office in its prior consideration of those prior art and arguments. *Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (“*Advanced Bionics*”), 8 (PTAB Feb. 13, 2020) (precedential).

We consider several non-exclusive factors as set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”), which “provide useful insight into how to apply the framework” under § 325(d). *Advanced Bionics*, 9. These non-exclusive factors include:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

⁸ The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.4(a).

Becton, Dickinson, 17–18 (formatting added). “If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office.” *Advanced Bionics*, 10.

B. *Whether the Prior Art and Arguments are the Same or Substantially the Same*

Patent Owner argues that Gowanlock 1 and Gowanlock 2 are identical to or substantially the same as references considered during prosecution of the '626 patent, and that Swivelpole was also presented to the Office during prosecution. Prelim. Resp. 6–7. Patent Owner further argues that five patents assigned to Swivelpole, which disclose substantially the same prior art as that on which Petitioner relies from Swivelpole, were presented to the Office during prosecution. *Id.* at 10 (citing Ex. 1002, 241–43). Patent Owner further argues Magnalight Video is cumulative of art and arguments previously presented to the Office and does not provide any additional information relevant to the challenged claims that was not already considered by the Office. *Id.* at 10–11. Petitioner does not dispute that the Gowanlock references were presented to the Office during prosecution. Petitioner asserts that only an excerpt of Swivelpole was presented to the Office. Pet. 27 (citing Ex. 1001, code (56)).

We find that the Gowanlock references were previously presented to the Office. As to Swivelpole, we agree with Patent Owner that the excerpt presented to the Office is substantially the same prior art and shows substantially the same disclosures as those on which Petitioner now relies. We also agree with Patent Owner that Magnalight Video is cumulative of art

presented to the Office. *See* Prelim. Resp. 10–11. Accordingly, we find that Patent Owner satisfies the first prong of *Advanced Bionics*.

C. *Whether Petitioner has Demonstrated Material Error*

We next analyze whether Petitioner has demonstrated a material error by the Office under the second prong of *Advanced Bionics*.

Petitioner argues the Examiner did not apply the prior art presented to the Office (under *Advanced Bionics* prong one) during prosecution of the '626 patent. Pet. 17. Patent Owner argues Petitioner fails to argue any material error by the Office. Prelim. Resp. 13.

We find that Petitioner has demonstrated a material error by the Office in failing to consider the teachings of the prior art of record. Under the second prong of *Advanced Bionics*, we consider “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection.” *Becton, Dickinson*, 17. Here, Petitioner has shown that during prosecution of the '626 patent, the Examiner immediately allowed claims 21–33 and 35–39 of the application without rejection, in the first office action dated November 25, 2020. Ex. 1002, 34–35. The reasons for allowance set forth in the office action merely recite the limitations of claims 21 and 31, and state “the references of the Prior Art of record fail to teach or suggest the combination of the limitations as set forth in claim [21 and 31].” *Id.* Upon issuance, claims 21 and 31 became claims 9 and 19 of the '626 patent, respectively. In view of the Examiner’s statement in the reasons for allowance of claims 9 and 19, we determine the Examiner erred by failing to consider the prior art of record. As discussed above with regard to the patentability challenges to claims 9 and 19 (*see* Section II.D.4), we find that Petitioner has sufficiently shown a reasonable likelihood that the

combination of Gowanlock 2 and Swivelpole discloses the subject matter found allowable by the Examiner. Accordingly, we are persuaded that the Examiner erred in a manner material to patentability by overlooking the teachings of Gowanlock 2 and Swivelpole.

D. *Conclusion*

For the foregoing reasons, we decline to exercise discretion to deny institution under § 325(d).

IV. DISCRETION UNDER 35 U.S.C. § 314(a)

Patent Owner contends that we should exercise discretion to deny institution in favor of the parallel proceeding taking place in the U.S District Court for the Southern District of Texas. Prelim. Resp. 14. Patent Owner cites the discretionary-denial factors articulated in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). *Id.* at 14–21. Petitioner opposes. Pet. 97–100.

Under § 314(a), the Director has discretion to deny institution of an *inter partes* review, and that discretion has been delegated to the Board. *See* 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”); *SAS Inst.*, 138 S. Ct. at 1356 (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)).

The Board may, in the interest of fairness and the efficient use of Board resources, deny institution under § 314(a) where there are parallel district-court proceedings involving the same or substantially the same parties and invalidity challenges. *Fintiv*, Paper 11 at 5–6, 12–13 (setting out six nonexclusive factors that the Board may consider in determining whether to deny institution because of a parallel district-court proceeding). “These

factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6.

Our analysis under *Fintiv* is guided by the USPTO Director’s Memorandum titled *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (June 21, 2022)⁹ (“*Fintiv* Memo”). The *Fintiv* Memo states

[c]onsistent with *Sotera Wireless, Inc.*, the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.

Id. at 3 (footnote omitted); *see Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A). A *Sotera* stipulation mitigates concerns of potentially conflicting PTAB and district-court decisions and duplicative efforts between the district court and PTAB. *Id.*

In light of the mandatory *Fintiv* guidance regarding *Sotera* stipulations discussed above, we decline to exercise discretion under § 314(a) to deny institution of *inter partes* review. The *Sotera* stipulation filed by Petitioner states that it will not pursue in the related District Court proceeding any ground that it raised or reasonably could have raised in this proceeding. Ex. 1060. The stipulation thus mitigates the concerns of potentially conflicting PTAB and district court decisions as to the disputes between Petitioner and Patent Owner.

⁹ Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf

A. Conclusion

Having considered the parties' arguments and circumstances in view of the *Fintiv* factors, and taking into account Petitioner's stipulation, we determine that the circumstances here do not warrant exercising discretion under § 314(a) to deny institution.

V. CONCLUSION

Based on the arguments in the Petition and the evidence of record, we determine that Petitioner has established a reasonable likelihood of prevailing with respect to at least one challenged claim of the '626 patent, and we institute *inter partes* review on all challenges raised in the Petition.

Our factual findings, conclusions of law, and determinations at this stage of the proceeding are preliminary, and based on the evidentiary record developed thus far. This is not a final decision as to the patentability of claims for which *inter partes* review is instituted. Our final decision will be based on the record as fully developed during trial.

VI. ORDER

In consideration of the foregoing, it is hereby

ORDERED that an *inter partes* review of all challenged claims of the '626 patent is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a), *inter partes* review of the '626 patent is hereby instituted commencing on the entry date of this Decision, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial.

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For PETITIONER:

Gregory L. Porter
Daniel Shanley
ANDREWS KURTH LLP
gregporter@HuntonAK.com
danshanley@HuntonAK.com

For PATENT OWNER:

Dion Bregman
Jason White
Clay Hawes
MORGAN, LEWIS & BOCKIUS LLP
dion.bregman@morganlewis.com
jason.white@morganlewis.com
erik.hawes@morganlewis.com