

PGR2025-00002
Patent No. 12,134,952

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Intelligent Wellhead Systems, Inc.
Petitioner,

v.

Downing Wellhead Equipment, LLC
Patent Owner

PGR2025-00002
Patent No. 12,134,952

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

TABLE OF CONTENTS

I.	NO ABUSE OF DISCRETION	1
A.	PGR OF PETITION’S MERITORIOUS CHALLENGES IS EFFICIENT	1
B.	PO IS NOT UNDULY BURDENED	3
II.	BOARD PROPERLY EXERCISED DISCRETION UNDER § 325(D)	4
III.	BOARD DID NOT ERR IN A FINDING OF MATERIAL FACT.....	5

“A decision to institute is ‘a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition.’” ID, 42 (*citing PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018)). Moreover:

Section 314(a) does not require the Director to evaluate every claim individually. Instead, it simply requires him to decide whether the petitioner is likely to succeed on “at least 1” claim. Once that single claim threshold is satisfied, it doesn't matter whether the petitioner is likely to prevail on any *additional* claims; the Director need not even consider any other claim before instituting review.

SAS Inst., Inc. v. Iancu, 584 U.S. 357, 365 (2018). Patent Owner’s (“PO”) Director Review Request (“Request”) does not identify an important issue of law or policy or an erroneous conclusion of law warranting review. Instead, PO solely argues “abuse of discretion” and “erroneous factual findings.” PO’s arguments are legally flawed and/or inconsistent with the record. Therefore, Director Review should be denied.

I. NO ABUSE OF DISCRETION

For “abuse of discretion” a decision must: (1) be clearly unreasonable, arbitrary, or fanciful; (2) be based on an erroneous conclusion of law; (3) rest on a clearly erroneous fact finding; or (4) have a record that contains no evidence on which the Board could rationally base its decision. *Netflix, Inc. v. DivX, LLC*, 84 F.4th 1371, 1376 (Fed. Cir. 2023). PO’s Request does not show any such condition.

A. PGR of Petition’s Meritorious Challenges is Efficient

PO heavily relies on the *Chevron* and *Deeper* decisions to argue the Board

should have exercised discretion to deny institution because of alleged inefficiency. Request at 3-7, citing *Chevron Oronite Co. LLC v. Infineum USA L.P.*, IPR2018-00923, Paper 9 (Nov. 7, 2018) (informative) (“*Chevron*”) and *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 (Jan. 24, 2019) (informative) (“*Deeper*”). PO similarly argues that Congress intended to exclude “inefficient PGR petitions.” Request, 8-9. PO’s arguments misapply the law and ignore the record.

In *Chevron*, after finding the petitioner failed to show a reasonable likelihood of success with respect to independent claim 1 and all but 2 of 20 challenged claims, the Board concluded it was not an efficient use of its time and resources to institute trial for all 20 claims based on evidence and arguments directed to only 2 dependent claims. *Chevron* at 8-11. Similarly, the Board in *Deeper* declined to institute where petitioner failed to show a reasonable likelihood of prevailing on 21 of 23 challenged claims and 3 of 4 asserted grounds. *Deeper* at 29-35, 41-43. Unlike in *Chevron* or *Deeper*, here the Board instituted trial upon finding that Petitioner showed it is more likely than not that at least independent Claim 1, which Petitioner argued was representative of all claims, is anticipated or obvious over Krupa. ID at 24-26. The Board did not, as PO suggests, find that Petitioner failed to meet its burden with most claims or grounds, as in *Chevron* and *Deeper* and the other cases PO relies on. PO also argues that “five grounds have acknowledged deficiencies” as though the Board rejected those grounds. Not so. What PO calls “deficiencies” are the Board’s

guidance on how the parties can further develop the record at trial. *See* ID at 26 (“[other challenges] are best left for trial after full development of the record” and providing “observations” “in the interest of providing guidance to the parties”).

The Board found Petitioner met its burden with respect to at least one challenged claim—that is all that is required. *SAS Inst., Inc.*, 584 U.S. at 365 (2018).

B. PO is Not Unduly Burdened

Next PO recasts the same above-discussed arguments under the umbrella of undue burden. Request, 7-8. These arguments fail for the same reasons discussed above. Additionally, that PO “will be forced to repeatedly address all 78 claims” is a direct consequence of PO’s patent having 78 claims. Regarding word count, the parties already briefed this issue in relation to Petitioner’s Motion to Exceed Word Count (Papers 4, 8, and 9), and the Board properly found that allowing additional words in one petition was more efficient than forcing Petitioner to file multiple parallel petitions (Paper 13). PO’s argument regarding prior art references having to be relitigated similarly fails because, as discussed below, none of the prior art is being relitigated. PO’s third argument, that the ’952 Patent has not yet been asserted in district court, runs hollow as the Board implicitly found when it granted Petitioner’s motion to exceed word count. Paper 13, 5. Receiving additional words to argue against a petition of the same word count is hardly an undue burden. And PO’s protestation regarding “deficient” grounds is disingenuous, as discussed above.

II. BOARD PROPERLY EXERCISED DISCRETION UNDER § 325(D)

PO's second argument, that the Board abused its discretion by declining to exercise its discretion to deny institution under § 325(d), is similarly without merit.

PO charges that the Board should have denied institution under § 325(d) because, according to PO, two prior art references in Grounds 7 and 10 (Pitcher and Al-Samani) are cumulative to a third reference (Jackson), and thus being relitigated. Request, 10-12. Significantly, Jackson was asserted against two *other* patents in two *other* IPRs—not in this PGR. As plainly stated in *Advanced Bionics* (cited by PO (Req., 11)), “[u]nder § 325(d), the art and arguments must have been previously presented to the Office *during proceedings pertaining to the challenged patent.*” (emphasis added). As the Board correctly notes, “[PO] does not contend that Pitcher and Al-Samani are substantially the same as art that was before the Examiner during [’952’s] prosecution...” ID, 11-12. That alone justifies the Board’s decision.

Moreover, and contrary to PO’s suggestion, the Board did not merit PO’s § 325(d) argument as to any ground. Rather, the Board correctly recognized that only 2 of 10 grounds (and not the Krupa-based grounds) even included the complained of prior art “at all,” thus PO’s § 325(d) arguments “at best” implicated only those 2 grounds. ID, 12. The Board therefore correctly found § 325(d) “not sufficiently implicated such that its statutory purpose would be undermined by instituting here.” *Id.* Finding PO’s argument “not persuasive,” the Board properly decided not to

discretionarily deny under § 325(d). Finally, PO misapplies *Becton, Dickinson* and *Advanced Bionics*. Both cases involved prior art specifically discussed by the Examiner *during prosecution of the challenged patent*. As discussed, PO makes no such allegation here. The Board did not abuse its discretion under § 325(d).

III. BOARD DID NOT ERR IN A FINDING OF MATERIAL FACT

PO boldly charges that Petitioner has “repeatedly” relied on Krupa as prior art; however, omits that Krupa was never reached on its merits in other IPRs. PO also misleadingly asserts it has “repeatedly illustrated” that “key portions of Krupa are not prior art” under § 102(b)(2). Request, 12. But not once in any of those proceedings, which, again, did not involve the ’952 Patent, did the Board reach PO’s arguments. Rather, the Board declined to reach such questions on the basis that the record in such proceedings did not include a copy of the provisional application to which Krupa claimed priority. *See, e.g.*, IPR2024-00300, Paper 10, 10-13.

Here, the Board reviewed the evidence and arguments, properly applied *Dynamic Drinkware*, and correctly found Krupa to be prior art. PO’s argument that the Board failed to consider PO’s argument and evidence contradicts the record, which clearly shows the Board considered all PO’s arguments and evidence in detail, including that relating to Krupa as § 102(a)(2) prior art. *See ID*, 17-24.

There was no abuse of discretion or material error. Review should be denied.

Dated: June 13, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, I hereby certify that a true and correct copy of the foregoing **Authorized Response to Director Review Request** was served on **June 13, 2025**, via email to all counsel for Patent Owner at the following:

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