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EXAMINER

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Please find below and/or attached an Office communication concerning this application or proceeding.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESCO CORP.
Requester and

v.

Patent of WEATHERFORD/LAMB, INC.
Patent Owner and

Appeal 2012-010002
Reexamination Control 95/001,116
Patent 7,281,587 B2
Technology Center 3900

Before RICHARD M. LEOVITZ, DANIEL S. SONG, and
WILLIAM V. SAINDON, *Administrative Patent Judges*.

LEOVITZ, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal by the Third Party Requester from the Patent Examiner's determination not to adopt proposed rejections of claims 60-65 and 74-82 in an *inter partes* reexamination of U.S. Patent No.

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7,281,587 B2, issued Oct. 16, 2007. The Board's jurisdiction for this appeal is under 35 U.S.C. §§ 6 and 134. We affirm the Examiner.

STATEMENT OF THE CASE

A request for *inter partes* reexamination of U.S. Patent 7,281,587 (hereinafter, "the '587 patent"; named inventor is David M. Haugen) was made by Third Party Requester, Tesco Corporation, on November 18, 2008 pursuant to 35 U.S.C. §§ 311-318 and 37 C.F.R. §§ 1.902-1.997. The Owner of the '587 patent is Weatherford/Lamb, Inc. Weatherford Br. 2, dated January 7, 2011.

The claims were amended during the reexamination proceeding before the Examiner. Tesco proposed Rejections 3-8 of the amended claims in Comments filed December 31, 2009 ("Comments"), but the Examiner found the proposed rejections to be improper and did not adopt them. Right of Appeal Notice ("RAN") 4-5, mailed July 30, 2010. The Examiner concluded that claims 60-65 and 74-82, all the claims subject to reexamination, are patentable. *Id.*

Tesco appeals the Examiner's decision not to adopt proposed Rejections 3-8. Notice of Appeal dated August 17, 2010. An oral hearing was held on December 5, 2012. A transcript of the hearing has been entered into the record. Tesco did not participate in the oral hearing.

The '587 Patent has been involved in litigation in *Weatherford Int'l, Inc. v. Tesco Corp.*, C.A. No. 2:07-cv-531 (E.D. Tex), which was dismissed by joint stipulation on November 1, 2010.

PROPOSED REJECTIONS

Tesco proposed the following new rejections:

3. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over Casing Running Tool,¹ alone, or in view of one or more of Weiner '664;² Weiner '451³ and McCombs⁴ (Comments, p. 3).

4. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over the Admitted Prior Art of Original Claim 59 in view of one or more of Casing Running Tool, The Admitted Prior Art of Original Claims 27-53, The Admitted Prior Art of the '587 patent, Weiner '664, Weiner '451 and McCombs (Comments, p. 7).

5. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over The Admitted Prior Art of the '587 patent in view of one or more of The Admitted Prior Art of Original Claim 59, Weiner '664, Weiner '451 and McCombs (Comments, p. 9).

6. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over Juhasz⁵ in view of one or more of The Admitted Prior Art of Original Claim 59, Weiner '664, Weiner '451, McCombs and Murakami⁶ (Comments, p. 13).

7. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over Kamphorst '493⁷ in view of one or more of The Admitted Prior Art of

¹ G.H. Kamphorst, *Case Running Tool*, Presented at the Soc. of Petroleum Engineers/Int'l Ass'n of Drilling Contractors Mar. 1999 Conference.

² P.D. Weiner, U.S. 3,606,664 (Sep. 21, 1971).

³ Peter Weiner, U.S. 4,091,451 (May 23, 1978).

⁴ Russell McCombs et al., U.S. 4,365,402 (Dec.28, 1982).

⁵ Daniel Juhasz, U.S. 6,443,241 B1 (Sep. 3, 2002).

⁶ Yukitaka Murakami et al., U.S. 6,385,837 B1 (May 14,2002).

⁷ Herman Kamphorst et al., U.S. 6,527,493 B1 (Mar. 4, 2003).

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Original Claim 59, Weiner '664, Weiner '451 and McCombs (Comments, p. 16).

8. Claims 60-65 and 74-82 under 35 U.S.C. § 103(a) as obvious over The Admitted Prior Art of Original Claim 59 in view of the Admitted Prior Art of Original Claims 27-53 (Comments, p. 20).

THE CLAIM

Independent claim 82 is representative and reads as follows (underlining indicates that claim 82 was added by amendment during the reexamination proceeding):

82. A method of connecting casing sections, comprising:
closing a first member around a first casing;
engaging a second casing with a second member,
wherein the second member comprises a top drive comprising
at least one adapter for gripping a casing;
moving the second casing to a well center;
threading the second casing to the first casing to form a
joint and a casing string;
sending data from the second member to a controller,
wherein the controller is preprogrammed with an acceptable
torque value of the joint;
opening the first member;
lowering the casing string through the first member;
closing the first member around the casing string; and
disengaging the second member from the casing string.

Rejection 3 over Case Running Tool

In their comments dated December 31, 2009, Tesco proposed a rejection of claims 60-65 and 74-82 over *Casing Running Tool*, alone, or in

view of one or more of Weiner ‘664, Weiner ‘451 and McCombs. Comments, pp. 3-7. Tesco made allegations that *Case Running Tool* disclosed each of the limitations of claim 82. *Id.* However, Tesco did not cite to any specific passage of *Case Running Tool*, nor to any passages of the additionally cited prior art, where the limitations or pertinent disclosure could be found.

The Examiner did not adopt the rejection, stating that it was improper because Tesco did not “clearly set forth a rational [] reason to combine each and every one of the various permutations of possible combinations listed. Proposed rejections must not be lumped together. See MPEP 2617.” Action Closing Prosecution 4, dated April 17, 2010.

Tesco contends that the Examiner’s refusal to adopt the rejection was improper: 1) because the Examiner did not specifically explain why the proposed rejection was not in compliance with MPEP § 2617, 2) because MPEP § 2617 does not apply to Third Party comments, and 3) because a clear basis was not provided for modifying *Casing Running Tool* in view of one or more of Weiner ‘664, Weiner ‘451 and McCombs. App. Br. 4.

Weatherford added claim 82 by amendment on December 2, 2009. Under 37 C.F.R. § 1.948(a)(2), Tesco as the third party requester was entitled to cite additional prior art in response to Weatherford’s amendment to the claims. The rule does not specify the requirements of a new proposed rejection based on such prior art, but it is logical that such a rejection should follow 37 C.F.R. § 1.915⁸ specifying the “Content of request for *inter partes*

⁸ 37 CFR § 1.915 is cited in MPEP § 2617 and is the basis for the Examiner’s position that the proposed rejection was non-compliant.

examination” because in each case the third party requester is attempting to deny the patentability of a claim. Under 37 C.F.R. § 1.915(b)(3), the third party requester must provide “a detailed explanation of the pertinency and manner of applying the patents and printed publications to every claim for which reexamination is requested.” In other words, the Requester has the initial burden of putting forth specific evidence that the cited prior art makes the reexamined claims unpatentable. Thus, the Examiner’s position that MPEP 2617, which incorporates 37 C.F.R. § 1.915, applies to the newly proposed rejection was reasonable.

We now turn to the proposed rejection.

Tesco’s explanation of the proposed rejection merely alleged that certain limitations of the claims were described in the cited prior art, without any detailed explanation of how the disclosure in the publications met the claimed limitations. In fact, Tesco did not identify any specific passages of the cited prior art where pertinent disclosure could be found. Thus, the Examiner had a basis to conclude that rejection was improper because it did not provide a detailed explanation of the pertinence of the cited patents and printed publications to every claim for which reexamination is requested.

With respect to the limitation of claim 82 of “sending data from the second member to a controller [where “the second member comprises a top drive”], wherein the controller is preprogrammed with an acceptable torque value of the joint,” Tesco stated:

Casing Running Tool further discloses the use of a Torque Monitoring System for controlling the make-up torque during operation. Such a control system would inherently include monitoring of the torque and preprogrammed target torque value in order to automate the process.

However, to the extent that it may be argued that Casing Running Tool, during operation, does not send data to a controller, wherein the controller is preprogrammed with an acceptable torque value of the joint, Weiner '664, Weiner '451 and McCombs '402 all teach of the well known need to monitor torque and rotation while threadably connecting oilfield tubulars. Each of Weiner '664, Weiner '451 and McCombs '402 transmit the measured value of the torque on the joint to a controller that is preprogrammed with an acceptable torque value of the joint. In each of Weiner '664, Weiner '451 and McCombs '402, the preprogrammed acceptable torque value of the joint is compared with the measured actual value of the joint to stop rotation of the second pipe when the acceptable torque value of the joint is attained.

Thus, since the addition of torque and rotation monitoring and control to the top drive of the Casing Running Tool, as taught by each of Weiner '664, Weiner '451 and McCombs '402, would have provided a combination of known elements according to known methods to achieve predictable results, such a combination of elements would have been obvious to a person having ordinary skill in the art at the time of the invention.

Comments 4-5.

Tesco contends that the aforementioned limitation is either described by *Case Running Tool* or in the secondary references, but does not identify pertinent disclosure in these publications where the features are described. Tesco simply did not point to factual support for its allegations.

Case Running Tool describes a case running tool that comprises a Spider-Elevator connected to the Top Drive. *Case Running Tool*, p. 1, col. 2 (section titled “Spider-Elevator”). According to *Case Running Tool*, the main functions of the Spider-Elevator are “transmitting torque from the Top Drive to the casing and carrying the weight of the casing (-string).” *Id.*

Case Running Tool describes a “Torque Monitoring System,” but does not disclose *sending data to a controller* (i.e., monitoring torque) *from a member comprising a top drive* as required by claim 82. *Id.* at 2, col. 2, in section titled “Torque Monitoring System”; Oral Hearing Transcript, p. 14, l. 15 to p. 15, l. 24; p. 16, l. 8-16. Nor did Tesco make that allegation in their Comments (“Such a control system [described by *Case Running Tool*] would inherently include monitoring of the torque and preprogrammed target torque value in order to automate the process.” Comments 4 reproduced above.)

Tesco contends that this deficiency is made up by each of Weiner ‘664, Weiner ‘451 and McCombs. However, Weiner ‘664, for example, teaches measuring torque on the tong apparatus, not a member comprising a top drive. Weiner ‘664, col. 3, ll. 1-8. Similar disclosure is in Weiner ‘451 (col. 3, ll. 8-13) and McCombs (col. 3, ll. 32-35). Tesco contends that “the addition of torque and rotation monitoring and control to the top drive of the *Casing Running Tool*, as taught by each of Weiner ‘664, Weiner ‘451 and McCombs ‘402, provide a combination of known elements according to known methods to achieve predictable results,” but failed to provide a rationale as to why the torque measurement would be moved to the top drive as required by claim 82, and then sent to a controller. Consequently, we conclude that the Examiner’s determination not to adopt Rejection 3 was supported by a preponderance of the evidence.

Rejections 4, 5, and 8

In Rejections 4, 5, and 8, beginning on pages 7, 9, and 20, respectively of Tesco's Comments, Tesco relied upon claim 59 for its teaching of "sending data from the second member to a controller, wherein the controller is preprogrammed with an acceptable torque value of the joint."

According to Tesco, Weatherford admitted that claim 59 is prior art by canceling it during the reexamination proceeding. Tesco App. Br. 10. The Examiner disagreed. Thus, the issue in these rejections is whether the cancellation of claim 59 by Weatherford constituted an admission that its subject matter is prior art.

During the reexamination proceeding, claim 59 was rejected by the Examiner. In response to the rejection, Weatherford cancelled the claim and included new claim 82 that combined limitations from cancelled claims 59 and 66. Amendment, p. 8, Dec. 2, 2009. Weatherford explained that "Claim 82, as amended, includes the content of claims 59 and 66, which were found to have no substantial issue of patentability. Therefore, this rejection is no longer applicable." *Id.* at p. 9.

Tesco argues that it is settled law that when a patent owner cancels claims for reasons of patentability, the subject matter of those claims is presumed to be admitted prior art. Tesco App. Br. 10. In a reference to the specific limitation of "sending data from the second member to a controller, wherein the controller is preprogrammed with an acceptable torque value of the joint," Tesco contends that Weatherford admitted that "a feedback control system for joining together sections of casing that monitors torque

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and includes a preprogrammed acceptable value for torque . . . is actually prior art. Comment, p. 2. Based on claim 59 as admitted prior art in combination with other cited prior art, Tesco proposed new rejections. Comment, pp. 7-21.

The Examiner refused to consider the rejections for the reason that the subject matter of a cancelled claim is not admitted prior art. ACP 5.

Tesco cites *Deering Precision Instruments, L.L.C. v. Vector Distribution Systems, Inc.*, 347 F.3d 1314, 1325 (Fed. Cir. 2003), cert. denied, 540 U.S. 1184 (2004) for holding that “when a patent owner cancels an independent claim and adds a new, narrower claim that includes subject matter from the cancelled independent claim, the subject matter from the cancelled independent claim is presumed to be prior art.” Tesco App. Br. 10.

In *Deering*, the patent applicant had canceled an original claim and filed a new claim incorporating a dependent claim into the original claim – similar to the amendments made here. *Deering*, 347 F.3d at 1319. However, the *Deering* court did not hold that the canceled original claim was prior art. Rather, the court held that the narrowing amendment for reasons of patentability gave rise to a presumption of prosecution history estoppel for purposes of determining infringement under the doctrine of equivalents. *Deering*, 347 F.3d at 1325-26. Thus, *Deering* does not support Tesco’s position that claim 59 is prior art against claim 82.

Tesco also cites *In re Clement*, 131 F.3d 1464, 1469 (Fed. Cir. 1997), in support of its position. Tesco App. Br. 10. In *Clement*, the court stated: “Deliberately canceling or amending a claim in an effort to overcome a

reference strongly suggests that the applicant admits that the scope of the claim before the cancellation or amendment is unpatentable, but it is not dispositive because other evidence in the prosecution history may indicate the contrary.” This statement was made in the context of a reissue proceeding. Even were *Clement* applicable to reexamination, Tesco did not point to adequate evidence in the prosecution history that claim 59 was cancelled solely for prior art reasons.

Moreover, *Clement* did not hold that the canceled claim, itself, is prior art applicable under 37 C.F.R. § 1.906 which specifies that “Claims in an inter partes reexamination proceeding will be examined on the basis of *patents or printed publications.*”

In sum, we do not find sufficient support for Tesco’s position that canceled claim 59 is prior art. Accordingly, we affirm the Examiner’s reason for not adopting rejections 4, 5, and 8, each which invoked canceled claims as prior art.

Rejection 6

In Rejection 6, Tesco relied upon original claim 59, Weiner '664, Weiner '451, McCombs and Murakami as teaching “send[ing] the measured value of the torque on the joint to a controller that is preprogrammed with an acceptable torque value of the joint.” Comments, p. 14.

The Examiner did not adopt the rejection, stating that it was improper because Tesco did not “clearly set forth a rational [] reason to combine each and every one of the various permutations of possible combinations listed.

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Proposed rejections must not be lumped together. See MPEP 2617.” Action Closing Prosecution 4, dated April 17, 2010.

The Examiner properly did not adopt the rejection. As discussed above, claim 59 is not prior art. In addition, there is no evidence that Weiner '664, Weiner '451, McCombs and Murakami describe or suggest sending torque data from a second member comprising a top drive to a controller. Rather, as indicated above, it appears the secondary references describe measuring torque on a tong apparatus, not a member comprising a top drive as required by the claims. In addition, as pointed out by the Examiner, Tesco did not provide a rationale as to why the torque data would have been sent from a second member comprising a top drive to a controller. Consequently, we conclude that the Examiner properly did not adopt Rejection 6.

Rejection 7

In Rejection 7, Tesco acknowledged that the primary cited reference, Kamphorst '493, did not “send data to a controller, wherein the controller is preprogrammed with an acceptable torque value of the joint.” Comments, p. 17. However, Tesco contended that this deficiency is met by *Casing Running Tool*:

However, Casing Running Tool - which describes various details and operational details of the commercial embodiment of the method and apparatus of Kamphorst '493 - states that “[t]he torque that is applied to the casing can easily be monitored with the Torque Monitoring System. This makes better control of make-up torques possible.” Thus, at the very least, Casing Running Tool suggests the use of a torque monitoring and control system in Kamphorst '493.

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Comments, pp. 17-18.

However, this citation to *Casing Running Tool* does not address the specific claimed limitation of “sending data from the second member [comprising a top drive] to a controller.” Tesco did not give a reason for making this modification nor show where it was described in *Case Running Tool*. As discussed at the Oral Hearing, this feature is not described in *Case Running Tool*. Oral Hearing Transcript, p. 14, l. 15 to p. 15, l. 24; p. 16, l. 8-16. Consequently, we conclude that the Examiner properly did not adopt Rejection 6.

TIME PERIOD FOR RESPONSE

Requests for extensions of time in this *inter partes* reexamination proceeding are governed by 37 C.F.R. § 1.956. *See* also 37 C.F.R. § 41.79

AFFIRMED

ack
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