

Petroleum Geo-Services Inc. v. WesternGeco LLC, Decision on Institution IPR2014-00689

Article By:

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Takeaway: The fact that an attorney working as in-house counsel both for a petitioner and a company that would be barred from filing a petition is not sufficient, by itself or even with evidence that the two companies have shared interests with regard to the proceeding, to render the company a real party-in-interest in the proceeding, because the particulars of the attorney's employment associations do not affect the corporate relationship between the two companies.

In its [Decision](#), the Board instituted *inter partes* review of claims 1, 2, 18, and 19 of the '520 patent, because they determined that Petitioner established a reasonable likelihood of prevailing on the unpatentability of those claims. However, the Board did not institute grounds that involved the unpatentability of claim 6. The '520 patent generally relates to a method and apparatus for improving marine seismic survey techniques by more effectively controlling the movement and positioning of marine seismic streamers towed in an array behind a boat.

The Board began with claim construction. The '520 patent is unexpired, so the Board interpreted claims using the "broadest reasonable construction in light of the specification of the patent in which they appear." Beginning with the term "streamer positioning device," the Board agreed with Petitioner's interpretation the term means "a device that controls the position of a streamer as it is towed." Patent Owner argued that the term should be interpreted as "a device that controls at least the lateral position of a streamer as it is towed." The Board found that the claim recited the term without any specificity to the manner, trajectory, or direction in the positioning device is controlled. Further, the Board found that the specification referred to different positioning of the device and types of the device, and thus, the broadest reasonable interpretation was determined to be controlling positioning generally, without further restriction.

The Board further discussed the term "streamer separation mode." Petitioner argued that the term should be interpreted as "a mode wherein the global control system attempts to direct the steamer positioning to maintain a minimum separation distance between adjacent streamers." Patent Owner argued that the term should be interpreted as "a control mode that attempts to set and maintain the spacing between adjacent streamers." The Board found that the specification states that the general purpose of the "streamer separation mode" is an "attempt[] to minimize the risk of entanglement of the streamers." The Specification further explains that the streamer separation mode attempts to "maximize" the distance between streamers, and which is recited in dependent claims. Thus, the

Board was not persuaded that the term should be limited to a “minimum” or a “maximum” separation or at specific distance be set and maintained. Thus, the Board interpreted the term as “a mode to control separation, or spacing, between streamers.” The Board further discussed other terms, and in each case agreed with Petitioner, or declined to interpret the term.

Next, the Board discussed Patent Owner’s contention that Petitioner was statutorily barred under 35 U.S.C. § 315(b) from filing the Petition. On June 12, 2009, Patent Owner filed, via the court’s ECF, a complaint initiating a lawsuit against ION. On December 8, 2009, Patent Owner provided Petitioner with a copy of the complaint against ION and remarked that Petitioner may have been involved in the design and testing of the ION products. Petitioner was subpoenaed on January 22, 2010, to produce documents and evidence in the ION lawsuit. Petitioner received a copy of an amended complaint against ION on March 14, 2011 via ECF. The Board determined that merely being served with a complaint for a case in which Petitioner is not a party is not sufficient to start the clock on the statutory deadline.

Next, the Board discussed Patent Owner’s contention that PGS Americas, Inc., (PGSAI) is a real party-in-interest to this proceeding. Patent Owner alleges that an in-house attorney for PGSAI has been involved in the ION lawsuit and “controlled the review, dissemination and discussion of the prior art that was presented in the Petition.” Further, Patent Owner alleges that the in-house attorney for PGSAI retained trial counsel for Petitioner and acted as Petitioner’s in-house counsel. The Board is not persuaded that the evidence of common in-house counsel between PGSAI and Petitioner shows that PGSAI funded, or directed Petitioner in connection with the filing of this Petition. While the in-house attorney was acting on behalf of Petitioner at times, and PGSAI at other times, this employment association does not explain the corporate, or legal, relationship between PGSAI and Petitioner.

Next, the Board discussed Patent Owner’s contention that ION is a real party-in-interest because (a) ION and Petitioner have a mutual desire to invalidate the ’520 patent, claiming a “common interest privilege,” (b) ION expressed its desire to satisfy its product assurance pledge to Petitioner; and (c) Petitioner invoked ION’s indemnity obligations. The Board is not persuaded that invoking a common interest privilege with respect to sharing potentially-invalidating prior art references shows that ION has the ability to control the instant Petition or is directing or funding the present proceeding.

Next, the Board discussed Patent Owner’s contention that ION is a privy of Petitioner by virtue of shared interests in invalidating the ’520 patent, the indemnity relationship, the common interest privilege assertion, and because Petitioner is essentially arguing that remand or reversal of the ION lawsuit on appeal should also extinguish Petitioner’s liability for infringement of the ’520 patent. The Board notes that the notion of privity is more expansive than real party-in-interest. However, collaboration is not, by itself, evidence that ION has any involvement, either by way of control or funding the filing of this Petition. Further, because Petitioner was never served as a defendant in the ION lawsuit, no indemnity impacting funding or control of such a defense could have arisen in that proceeding.

Finally, the Board turned to Petitioner’s asserted grounds of unpatentability. With regard to the anticipation and obviousness grounds over Workman or Hedberg, respectively, the Board found that Petitioner had established a reasonable likelihood of prevailing. Patent Owner’s opposition to each was based on claim construction positions that the Board did not accept. With regard to the obviousness grounds based on WO 98/28636 in combination with other references, the Board exercised its discretion not to institute the grounds with respect to claims 1 and 18, since other challenges against the same claims had already been instituted. With respect to claims 6 and 23, the

Board did not find a persuasive fact-based analysis to support the obviousness of “throwing out” the streamers during a turn by generating a force on the streamers in a direction opposite to the turn. The identification of the problem, by itself, does not suggest a particular solution. The secondary references were found to fail to remedy this deficiency.

***Petroleum Geo-Services Inc. v. WesternGeco LLC*, IPR2014-00689 Paper 32: Decision Denying Institution of *Inter Partes* Review**

Dated: December 15, 2014

Patent: 7,293,520 B2

Before: Bryan F. Moore, Scott A. Daniels, and Beverly M. Bunting

Written By: Daniels

Related Proceedings: *WesternGeco LLC v. Petroleum Geo-Services, Inc. et al.*, Civ. Action No. 4:13-cv-03037 (S.D. Tex.); *WesternGeco LLC v. ION Geophysical Corp. et al.*, Civ. Action No. 4:09-cv-01827 (S.D. Tex.); IPR2014-00688 (U.S. Pat. No. 7,080,607); IPR2014-0687 (U.S. Pat. No. 7,162,967); and IPR2014-00678 (U.S. Pat. No. 6,691,038)

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National Law Review, Volume IV, Number 354

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