

JURISDICTION AND VENUE

5. The Court has subject matter jurisdiction because this case arises under the laws of the United States. 28 U.S.C. § 1331. In addition, the Court has exclusive subject matter jurisdiction over this matter because this is an action for patent infringement arising under Title 35 of the United States Code. *See* 28 U.S.C. § 1338(a); 35 U.S.C. § 271.

6. Starr, TexStarr, and Spectrum are subject to personal jurisdiction in the Northern District of Texas (the "District") because they reside in the District, offer their products for sale in this District, and have committed and/or induced acts of patent infringement in this District.

7. Venue is proper in this District pursuant to 28 U.S.C. 1391(b)-(d), 1400(b).

FACTS

8. T&CO develops and owns proprietary technology related to water transfer services for oil and gas fracking projects. T&CO's technology includes modularly displaceable reels for storage and deployment of hoses, and related deployer systems.

9. T&CO is a technological leader and innovator in providing modularly displaceable reels for storage and deployment of hose and reel deployment systems. T&CO has spent considerable effort in time and money in various research and development efforts. T&CO is the owner of United States Patent Nos. 9,061,862 and 9,016,609 (the "T&CO Patents" and attached as Exhibits A and B), which are directed to systems, methods and components of modularly displaceable hose and reel deployment systems.

10. T&CO's hose and reel deployer systems are commonly used in oilfield drilling projects such as hydraulic fracturing. Drilling or oil production sites may need access to water during various stages of their life cycle. Water or other materials may also need to be pumped away from the site. But the sites can be located in undeveloped terrain that is hundreds of yards or even miles away from a water source. T&CO's hose and reel deployer system helps solve

these problems. The hose and reel systems contain numerous components, but two main portions are the reel and the deployer. The reel resembles a large wheel with an axle around which hose can be spooled. The deployer, used to pick up and move the reels, can attach to a fork lift or other vehicle. A motor on the deployer can turn the reels as hose is being deployed or picked up. A user of the system may need to deploy several reels (or even tens of reels) of hose, end to end, to connect a drilling or production site to water sources or receptacles. When the hose is no longer needed the deployer is used to collect the hose onto the reels again for storage or for use at another site.

11. Defendants Starr, TexStarr, and Spectrum are engaged in marketing and selling oilfield and drilling products and services. Starr is a former employee of ARC Pressure Data, Inc. ARC is a company that sells and markets T&CO's products. Starr began working for ARC on August 31, 2010, and submitted his resignation on April 15, 2014. In a salesman role, Starr's work included extensive interaction with ARC's customers, sales and marketing, and with the research and development efforts shared with T&CO.

12. In early to mid 2013, T&CO began confidentially developing a new product. This work eventually led to the T&CO Patents. In connection with T&CO's development of the hose and reel system, Starr, and other employees of ARC, signed a Nondisclosure Agreement on March 4, 2013. Starr knew of and assisted with the patent application process for United States Patent No. 8,814,075, the patent from which the T&CO Patents claim priority.

13. Unknown to T&CO, and during the development of the hose and reel deployer system, Starr registered a new company with the State of Texas. TexStarr was registered on December 3, 2013. Starr was still employed by ARC at this time.

14. Since leaving ARC, Starr has used the TexStarr and Spectrum entities (and possibly others such as LayFlat Consultants, LLC) to compete against T&CO in the market for

hose and reel deployer systems. Furthermore, Starr, TexStarr, and Spectrum have sold or marketed hose and reel deployer systems and/or components that infringe T&CO's patent rights.

15. On May 6, 2015, counsel for T&CO sent a letter to counsel for Starr, TexStarr, and Spectrum notifying them of their infringement of the '609 Patent.

16. Defendants are infringing and/or inducing others to infringe by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, products or processes that practice one or more inventions claimed in the T&CO Patents.

17. Defendants have profited through infringement of the T&CO Patents. As a result of Defendants' unlawful infringement of the T&CO Patents, T&CO has suffered and will continue to suffer damage. T&CO is entitled to recover from Defendants the damages suffered by T&CO as a result of Defendants' unlawful acts.

18. On information and belief, Defendants' infringement of one or more of the T&CO Patents is willful and deliberate, entitling T&CO to enhanced damages and reasonable attorney fees and costs.

19. On information and belief, Defendants intend to continue their unlawful infringing activity, and T&CO continues to, and will continue to, suffer irreparable harm - for which there is no adequate remedy at law - from such unlawful infringing activity unless Defendants are enjoined by this Court.

COUNT ONE: INFRINGEMENT OF U.S. PATENT NO. 9,061,862

20. T&CO incorporates all of the allegations in the paragraphs above.

21. T&CO is the owner by assignment of all right, title, and interest in and to the '862 Patent, is listed as the assignee therein, and has the full and exclusive right to bring suit to enforce the '862 Patent. A copy of the '862 Patent is attached as Exhibit A.

22. Defendants have been and/or are directly infringing and/or inducing infringement of, and/or contributorily infringing the '862 Patent by, among other things, making, using, offering to sell or selling in the United States, or importing into the United States, products and/or services that are covered by at least claims 1, 9 and 14 of the '862 Patent, including, by way of example and not limitation, the Power Reel LHHS product.

COUNT TWO: INFRINGEMENT OF U.S. PATENT NO. 9,016,609

23. T&CO hereby incorporates all of the allegations in the paragraphs above.

24. T&CO is the owner by assignment of all right, title, and interest in and to the '609 Patent, is listed as the assignee therein, and has the full and exclusive right to bring suit to enforce the '609 Patent. A copy of the '609 Patent is attached as Exhibit B.

25. Defendants have been and/or are directly infringing and/or inducing infringement of, and/or contributorily infringing the '609 Patent by, among other things, making, using, offering to sell or selling in the United States, or importing into the United States, products and/or services that are covered by at least claims 1 and 8 of the '609 Patent, including, by way of example and not limitation, the Power Reel LHHS product.

DEMAND FOR JURY TRIAL

26. Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, T&CO respectfully requests a trial by jury of all issues properly triable by jury.

PRAYER FOR RELIEF

WHEREFORE, T&CO prays for relief as follows:

- A. For a judgment declaring that Defendants have infringed each of the T&CO Patents;
- B. For a judgment awarding T&CO compensatory damages as a result of Defendants' infringement of the T&CO Patents, together with interest and costs, and in no event less than a reasonable royalty;

- C. For a judgment declaring that Defendants' infringement of T&CO Patents has been willful and deliberate;
- D. For a judgment awarding T&CO treble damages and pre-judgment interest under 35 U.S.C. § 284 as a result of Defendants' willful and deliberate infringement of the T&CO Patents;
- E. For a judgment declaring that this case is exceptional and awarding T&CO its expenses, costs, and attorneys' fees in accordance with 35 U.S.C. §§ 284 and 285 and Rule 54(d) of the Federal Rules of Civil Procedure;
- F. For a grant of a permanent injunction pursuant to 35 U.S.C. § 283, enjoining Defendants from further acts of infringement; and
- G. For such other and further relief as the Court deems just and proper.

Respectfully submitted,

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