

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

M-I DRILLING FLUIDS UK LTD.
AND M-I LLC,

Plaintiffs,

v.

DYNAMIC AIR INC.,

Defendant.

C.A. No.: 14-cv-4857 (ADM/HB)

AMENDED COMPLAINT

JURY TRIAL DEMANDED

AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs M-I Drilling Fluids UK Ltd. and M-I LLC allege as follows:

INTRODUCTION

1. This is an action brought by M-I Drilling Fluids UK Ltd. (“M-I Drilling”) and M-I LLC (collectively “Plaintiffs”) against Dynamic Air Inc. (“DAI” or “Defendant”) for DAI’s infringement under at least 35 USC § 271(b), (c), and/or (f) of patents owned by M-I Drilling and exclusively licensed to M-I LLC. In particular, DAI has infringed, and induced and contributed to the infringement of, U.S. Patent Nos. 6,702,539 (the “539 Patent”), 6,709,217 (the “217 Patent”), 7,033,124 (the “124 Patent”), 7,186,062 (the “062 Patent”), and 7,544,018 (the “018 Patent”) (collectively, the “Asserted Patents”). This action arises under the patent laws of the United States, 35 U.S.C. § 100, *et seq.*

PARTIES

2. M-I Drilling is a foreign private limited company existing under the laws of the United Kingdom, with its principal place of business at Porca Quay, Aberdeen, Aberdeenshire, AB11 5DQ, United Kingdom.

3. M-I LLC is a limited liability company existing and organized under the laws of the State of Delaware. It has a principal place of business at 5950 North Course Drive, Houston, Texas 77072.

4. Defendant Dynamic Air Inc. is a corporation existing under the laws of the State of Minnesota, with its principal place of business at 1125 Willow Lake Blvd, Saint Paul, MN 55110.

BACKGROUND, JURISDICTION AND VENUE

BACKGROUND

I. M-I DRILLING, M-I LLC, CLEAN CUT® TECHNOLOGY, AND THE ASSERTED PATENTS

5. Plaintiffs are leading suppliers of drilling fluid systems and equipment engineered to improve drilling performance by anticipating fluids-related problems, fluid systems and specialty tools designed to optimize wellbore productivity, production technology solutions to maximize production rates, and environmental solutions that safely manage waste volumes generated in both drilling and production operations.

6. When oil wells are drilled, the subterranean formation cuttings from the drilling operation are brought to the drilling rig on the surface. An example of such a drilling rig is an offshore drilling platform. When brought to the surface, drill cuttings

are in slurry with drilling fluid, and after some degree of separation from the drilling fluid, form a thick heavy paste. Drill cuttings must be disposed of in an environmentally-safe way and are typically transported off of the rig for processing and/or disposal elsewhere. Oftentimes, ships will receive drill cuttings from the oil rig and transport them to shore for processing and/or disposal.

7. One of the products and services that Plaintiffs offer its customers in the United States is the CLEAN CUT® pneumatic drill cuttings collections and containment system, which is the most widely-used technology for safely handling drilling waste offshore. CLEAN CUT® has been used to effectively complete hundreds of well sections with nearly 2 million barrels of cuttings safely collected and transported.

8. The Asserted Patents are directed to methods, systems and apparatuses used for collecting, conveying, transporting, and storing non-free flowing pastes, such as fluid containing drill cuttings, in an environmentally-safe way. The Asserted Patents provide a novel way to pneumatically convey non-free flowing pastes, such as drill cuttings, using compressed gas and one or more containers or vessels.¹ The claims of the Asserted Patents cover, *inter alia*, stand-alone pneumatic conveyance systems as well as systems specifically located or used aboard a receiving ship as well as systems installed on both an oil rig and receiving ship and used to transfer cuttings from one to the other.

9. M-I Drilling is the owner by assignment of all of the Asserted Patents. M-I LLC is an exclusive licensee of the Asserted Patents.

¹ It should be noted that the “vessel” claimed and discussed by the Asserted Patents is not the ship or the oil rig – it is a containment structure for the cuttings.

10. The 539 Patent, entitled *Pneumatic Conveying*, was duly and lawfully issued on March 9, 2004. M-I Drilling is the current owner of all rights, title, and interest in the 539 Patent. M-I LLC is an exclusive licensee to the 539 Patent. A true and correct copy of the 539 Patent is attached hereto as Exhibit A.

11. The 217 Patent, entitled *Method of Pneumatically Conveying Non-Free Flowing Paste*, was duly and lawfully issued on March 23, 2004. M-I Drilling is the current owner of all rights, title, and interest in the 217 Patent. M-I LLC is an exclusive licensee to the 217 Patent. A true and correct copy of the 217 Patent is attached hereto as Exhibit B.

12. The 124 Patent, entitled *Method and Apparatus for Pneumatic Conveying of Drill Cuttings*, was duly and lawfully issued on April 25, 2006. M-I Drilling is the current owner of all rights, title, and interest in the 124 Patent. M-I LLC is an exclusive licensee to the 124 Patent. A true and correct copy of the 124 Patent is attached hereto as Exhibit C.

13. The 062 Patent, entitled *Method and Apparatus for Pneumatic Conveying of Drill Cuttings*, was duly and lawfully issued on March 6, 2007. M-I Drilling is the current owner of all rights, title, and interest in the 062 Patent. M-I LLC is an exclusive licensee to the 062 Patent. A true and correct copy of the 062 Patent is attached hereto as Exhibit D.

14. The 018 Patent, entitled *Apparatus for Pneumatic Conveying of Drill Cuttings*, was duly and lawfully issued on June 9, 2009. M-I Drilling is the current owner of all rights, title, and interest in the 018 Patent. M-I LLC is an exclusive licensee

to the 018 Patent. A true and correct copy of the 018 Patent is attached hereto as Exhibit E.

II. DYNAMIC AIR INC. AND THE INFRINGING CONVEYING SYSTEMS

Dynamic Air Inc. (“DAI”)

15. Defendant DAI claims on its website that it is a “world renowned” developer, designer and manufacturer of pneumatic (gas-driven) conveyance systems sold “worldwide.” DAI provides custom-designed pneumatic systems for world-wide customers in various industries and for various materials. These pneumatic conveyance systems use compressed air or gas to move dry bulk solids from one location to another. DAI claims to have designed and manufactured over 15,000 pneumatic conveyance systems worldwide, including systems for loading dry bulk materials onto and off of railroad cars.

16. Each DAI system is custom-designed depending on the needs of the customer. DAI works closely with its customers to provide specifically-designed pneumatic solutions for the customer’s application, including visiting the customer’s site. DAI also boasts a fully-equipped testing laboratory where DAI tests the customer’s materials in order to determine the appropriate parameters and design of the system.

17. In addition to developing, designing and manufacturing complete pneumatic conveyance systems, DAI offers support services for its systems on a worldwide basis, including onsite start up assistance and troubleshooting.

18. DAI also has a number of subsidiaries, including Dynamic Air Ltda. in Brazil. These subsidiaries act as local sales offices for DAI and DAI often assists these subsidiaries with the design of pneumatic conveyance systems. DAI also supplies component parts for pneumatic systems to its subsidiaries.

The Accused Systems

19. Sometime between October 2011 and January 2012, Dynamic Air Ltda. (“DAL”), the Brazilian subsidiary of DAI, submitted a bid in response to a Request for Proposal (“RFP”) from Petróleo Brasileiro S.A. (“Petrobras”) for a pneumatic conveyance system that could be used to remove drill cuttings from an oil rig. M-I Drilling’s sister company and customer, M-I Swaco do Brasil - Comercio, Servicos E Mineracao Ltda. (“M-I Brazil”), submitted a bid in response to the RFP as well.

20. DAL was founded in 1999 as a foreign sales office of DAI to sell and provide DAI technology to the Brazilian market. DAL manufactures pneumatic conveyance systems that use DAI’s technology. To do so, DAL purchases many key components from DAI for use in pneumatic conveyance systems it makes, sells, and uses.

21. DAL is a “limited company” formed under the laws of Brazil with DAI as the majority owner and partner. DAI continues to be the majority owner and partner of DAL. The other partner is Horacio Paez. DAL received much of its startup capital from DAI.

22. DAL had never designed a pneumatic conveyance system for the transfer of drill cuttings prior to submitting the Petrobras bid.

23. DAL won the contract but because DAL was unable to commit to perform the contract by itself, it entered into the contract with DAI as its “partner.” Pursuant to this contract, DAI provided some aspects of the design and certain key components for certain pneumatic conveyance systems for Petrobras that convey, contain, and transport drill cuttings from oil drilling rigs located in international waters.

24. Specifically, DAL manufactured the Accused Systems in Brazil using several key components that DAI had supplied DAL, including valves, transporter vessels, couplers, various air control meters, and hoses, all necessary for the operation of the pneumatic conveyance systems. Then, the Accused Systems were installed on the U.S.-flagged ships, HOS Resolution and HOS Pinnacle by DAL. DAL has operated the Accused Systems aboard the U.S. flagged ships since.

25. As described in the paragraphs below, these Accused Systems infringe the Asserted Patents when the Accused Systems are made, used, sold for use, or offered for sale for use aboard the U.S.-flagged ships.

26. The Accused Systems also would infringe the Asserted Patents when manufactured at DAL’s facility in Brazil, or installed aboard the foreign-flagged P-59, P-III, and NS-46 rigs or offered for sale or sold to third parties if those activities occurred in the United States.

27. On or around January 2013, the Accused Systems were manufactured, sold, delivered, and installed aboard the U.S.-flagged ship HOS Resolution.

28. Beginning on or around February 2013, the Accused Systems were then used to pneumatically convey drill cuttings from offshore rig P-59, located in

international waters onto and off of the U.S.-flagged ship HOS Resolution in an infringing way and this infringing activity continued until the equipment was removed from the HOS Resolution on or about September 2015. DAL has indicated however, that the infringing equipment may be reinstalled on another ship at any time.

29. On or around August 2013, a similar Accused System was manufactured, sold, delivered and installed aboard the U.S.-flagged ship HOS Pinnacle, which pneumatically conveyed drill cuttings from offshore rig P-III, located in international waters in a manner that infringes the Asserted Patents. Shortly after this, the Accused System began to be used to pneumatically convey drill cuttings onto and off of the U.S. flagged HOS Pinnacle in an infringing way and this infringing activity continued until on or around July 2015 when the equipment was removed from the HOS Pinnacle. DAL has indicated, however, that the equipment may be reinstalled on a ship at any time. Likewise, upon information and belief, a similar system is planned to be installed, or has been installed, aboard the foreign flagged drillship NS-46.

30. As with the system aboard the U.S.-flagged HOS Resolution, DAI provided some designs and supplied key components for the pneumatic conveyance system on the U.S.-flagged HOS Pinnacle.

31. Because of these infringing activities, on August 29, 2013, M-I Drilling sent DAI (as well as DAL) a cease and desist letter notifying them of the Asserted Patents and how their activities infringe the Asserted Patents.

32. On August 30, 2013 M-I Drilling filed a patent infringement complaint in this District against DAI and DAL (the "August 30, 2013 Complaint"). The complaint

was timely served on DAI on September 3, 2013. M-I Drilling also timely moved for and received Letters Rogatory for DAL so that DAL could be served pursuant to the Inter-American Service Convention between the United States and Brazil.

33. On October 10, 2013, DAI filed a Motion to Dismiss the Complaint for Failure to State a Claim. The Motion was fully briefed and the Court held a hearing on the Motion on December 3, 2013. On February 6, 2014, the Court dismissed the case against DAI without prejudice. The case, no. 13-cv-02385, is still pending against DAL.

34. DAI is also liable for infringement under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the Asserted Patents if such combination occurred within the United States.

35. This case can be adjudicated independently of any liability of DAL because DAI's actions alone constitute patent infringement.

JURISDICTION AND VENUE

36. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) as the HOS Resolution and HOS Pinnacle are U.S.-flagged ships and U.S. patent laws are applicable to U.S. flagged vessels regardless of their location. The Court additionally has jurisdiction under 28 U.S.C. §§ 1331 and 1338(a) as the culpable activity under 35 U.S.C. § 271(f)(1) occurred in the United States.

37. This Court has personal jurisdiction over DAI because DAI is incorporated in Minnesota, maintains its principal place of business within the State of Minnesota, and DAI regularly conducts business within the State of Minnesota.

38. Venue is proper in this District for DAI under 35 U.S.C. 1391(c)(2) and 35 U.S.C. § 1400(b) because DAI resides within this District.

GENERAL ALLEGATIONS

39. M-I Drilling owns by assignment the entire right, title, and interest in and to the Asserted Patents. M-I LLC is an exclusive licensee to the Asserted Patents.

40. As described above, DAI has contributed to and is contributing to the infringement of each of the Asserted Patents under 35 U.S.C. § 271(c) by selling and offering to sell in the United States, and importing into the United States, certain material conveying systems and components thereof that have no substantial non-infringing uses, including, but not limited to conveying systems for drill cuttings currently installed on the U.S.-flagged ships HOS Resolution and HOS Pinnacle. As described *infra*, DAI has done so with knowledge of the Asserted Patents.

41. DAI has also induced, and continues to induce, the infringement under 35 U.S.C. § 271(b) of each of the Asserted Patents by instructing others, including but not limited to DAL, to use pneumatic conveyance systems, such as the ones aboard the U.S.-flagged ships HOS Resolution and HOS Pinnacle, in an infringing way. As described *infra*, DAI has done so with knowledge of the Asserted Patents and with the specific intent that DAL and other end users operate the systems in an infringing manner.

42. DAI further infringes the Asserted Patents under 35 U.S.C. § 271(f)(1) by also supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the Asserted Patents if such combination occurred within the United States.

43. The Asserted Patents contain apparatus, system, and method claims which cover pneumatic conveyance systems and the use thereof. The direct infringement of the Asserted Patents occurs when the Accused Systems are made, used, sold or offered for sale for use aboard the U.S.-flagged ships.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 6,702,539

44. Plaintiffs incorporate by reference the allegations set forth in the above paragraphs as though fully set forth herein.

45. DAI has contributed to and is contributing to the infringement of the 539 Patent by DAL and others in the United States. Under 35 U.S.C. § 271(c).

46. DAI contributes to the infringement of the 539 Patent by selling, offering to sell, and importing into the United States components of the Accused Systems that have no substantial non-infringing use other than to be combined to form the Accused Systems. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components to form the Accused Systems or operate the Accused Systems according to DAI's instructions.

The underlying direct infringement also occurs upon DAL's sale and offer for sale of the Accused Systems to Petrobras for delivery into the United States.

47. DAI has performed the acts that constitute contributory infringement with knowledge of the 539 Patent and knowledge that the pneumatic conveyance systems and components thereof were especially made or especially adapted for infringing use of the 539 Patent, and were not staple articles or commodities of commerce suitable for substantial non-infringing use. That is, the Accused Systems are specifically designed to convey, contain, or transport drill cuttings in an infringing way and the specific components thereof have no other use than to be used in the Accused Systems.

48. DAI has had knowledge of the 539 Patent since at least the August 29, 2013 notice letters sent to DAI indicating and explaining how DAI infringes and contributes to the infringement of the claims of the 539 Patent.

49. DAI has had further knowledge of the 539 Patent and the infringing activity through the September 19, 2013 service of a Complaint for Patent Infringement against DAI and DAL that involved the same patents and Accused Systems.

50. DAI has also induced and is inducing the infringement under 35 U.S.C. § 271(b) of the 539 Patent by DAL and others in the United States.

51. As shown in the above paragraphs, DAI has had knowledge of the 539 Patent at least as of August 29, 2013.

52. Despite this knowledge, DAI has specifically provided some degree of guidance to DAL as well as components used in the Accused Systems, which DAL used

to manufacture and operate the Accused Systems to convey, contain, or transport drill cuttings in an infringing way as described herein.

53. DAI provided key components for the Accused Systems and provided guidance to DAL on the use of those components in the manufacture, installation, and use of the infringing Accused Systems. Further, upon information and belief, DAI did so with the knowledge that DAL would manufacture and install the Accused Systems aboard the U.S.-flagged ships HOS Resolution and the HOS Pinnacle. DAL has admitted that it manufactures pneumatic conveyance systems “using DAI technology.” Further, DAI provides guidance and instruction on, and components for, the installation and operation of the Accused Systems with the intention that end users, including DAL and third parties, operate the Accused Systems in an infringing way. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components according to DAI’s instructions to form the Accused Systems or operate the Accused Systems according to DAI’s instructions.

54. Further, DAI partnered with DAL in entering into the Petrobras Contract, thereby actively aiding and abetting in DAL’s offer for sale, sale and use of the Accused Systems.

55. Further, DAI sells and imports components of the Accused Systems, which, as detailed in the above paragraphs, have no substantial non-infringing uses. As such, DAI performed the acts that constitute the induced infringement with knowledge of the 539 Patent and with the knowledge or willful blindness that the induced acts would constitute infringement.

56. DAI also is liable under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the 539 Patent if such combination occurred within the United States.

57. Specifically, DAI provides and/or supplies from the United States one or more key components of the Accused Systems to DAL with the knowledge that those components are to be combined in a manner by DAL in Brazil to make pneumatic conveyance systems that would infringe one or more claims of the 539 Patent if those activities occurred in the United States. This includes the manufacture of the Accused Systems by DAL in Brazil and the installation of certain Accused Systems aboard oil rigs, such as the P-59, P-III, and NS-46, which are, upon information and belief, outside the United States.

58. DAI's infringement of the 539 Patent has caused and continues to cause damage to Plaintiffs in an amount to be determined at trial. DAI has continued to infringe the 539 Patent even after having knowledge of the patent and so such infringement is willful and Plaintiffs are entitled to enhanced damages.

59. DAI's acts have caused, and unless restrained and enjoined, will continue to cause, irreparable injury and damage to Plaintiffs for which there is no adequate remedy at law. Unless enjoined by this Court, DAI will continue to infringe the 539 Patent.

60. DAI's infringement of the 539 Patent is exceptional and entitles Plaintiffs to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

COUNT II

INFRINGEMENT OF U.S. PATENT NO. 6,709,217

61. Plaintiffs incorporate by reference the allegations set forth in the above paragraphs as though fully set forth herein.

62. DAI has contributed to and is contributing to the infringement of the 217 Patent by DAL and others in the United States. Under 35 U.S.C. § 271(c).

63. DAI contributes to the infringement of the 217 Patent by selling, offering to sell, and importing into the United States components of the Accused Systems that have no substantial non-infringing use other than to be combined to form the Accused Systems. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components to form the Accused Systems or operate the Accused Systems according to DAI's instructions. The underlying direct infringement also occurs upon DAL's sale and offer for sale of the Accused Systems to Petrobras for delivery into the United States.

64. DAI has performed the acts that constitute contributory infringement with knowledge of the 217 Patent and knowledge that the pneumatic conveyance systems and components thereof were especially made or especially adapted for infringing use of the 217 Patent, and were not staple articles or commodities of commerce suitable for substantial non-infringing use. That is, the Accused Systems are specifically designed to

convey, contain, or transport drill cuttings in an infringing way and the specific components thereof have no other use than to be used in the Accused Systems.

65. DAI has had knowledge of the 217 Patent since at least the August 29, 2013 notice letters sent to DAI indicating and explaining how DAI infringes and contributes to the infringement of the claims of the 217 Patent.

66. DAI has had further knowledge of the 217 Patent and the infringing activity through the September 19, 2013 service of a Complaint for Patent Infringement against DAI and DAL that involved the same patents and Accused Systems.

67. DAI has also induced and is inducing the infringement under 35 U.S.C. § 271(b) of the 217 Patent by DAL and others in the United States.

68. As shown in the above paragraphs, DAI has had knowledge of the 217 Patent at least as of August 29, 2013.

69. Despite this knowledge, DAI has specifically provided some degree of guidance to DAL as well as components used in the Accused Systems, which DAL used to manufacture and operate the Accused Systems to convey, contain, or transport drill cuttings in an infringing way as described herein.

70. DAI provided key components for the Accused Systems and provided guidance to DAL on the use of those components in the manufacture, installation, and use of the infringing Accused Systems. Further, upon information and belief, DAI did so with the knowledge that DAL would manufacture and install the Accused Systems aboard the U.S.-flagged ships HOS Resolution and the HOS Pinnacle. DAL has admitted that it manufactures pneumatic conveyance systems “using DAI technology.” Further, DAI

provides guidance and instruction on, and components for, the installation and operation of the Accused Systems with the intention that end users, including DAL and third parties, operate the Accused Systems in an infringing way. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components according to DAI's instructions to form the Accused Systems or operate the Accused Systems according to DAI's instructions.

71. Further, DAI partnered with DAL in entering into the Petrobras RFP, thereby actively aiding and abetting in DAL's offer for sale, sale and use of the Accused Systems.

72. Further, DAI sells and imports components of the Accused Systems, which, as detailed in the above paragraphs, have no substantial non-infringing uses. As such, DAI performed the acts that constitute the induced infringement with knowledge of the 217 Patent and with the knowledge or willful blindness that the induced acts would constitute infringement.

73. DAI also is liable under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the 217 Patent if such combination occurred within the United States.

74. Specifically, DAI provides and/or supplies from the United States one or more key components of the Accused Systems to DAL with the knowledge that those components are to be combined in a manner by DAL in Brazil to make pneumatic

conveyance systems that would infringe one or more claims of the 217 Patent if those activities occurred in the United States. This includes the manufacture of the Accused Systems by DAL in Brazil and the installation of certain Accused Systems aboard oil rigs, such as the P-59, P-III, and NS-46, which are, upon information and belief, outside the United States.

75. DAI's infringement of the 217 Patent has caused and continues to cause damage to Plaintiffs in an amount to be determined at trial. DAI has continued to infringe the 217 Patent even after having knowledge of the patent and so such infringement is willful and Plaintiffs are entitled to enhanced damages.

76. DAI's acts have caused, and unless restrained and enjoined, will continue to cause, irreparable injury and damage to Plaintiffs for which there is no adequate remedy at law. Unless enjoined by this Court, DAI will continue to infringe the 217 Patent.

77. DAI's infringement of the 217 Patent is exceptional and entitles Plaintiffs to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

COUNT III

INFRINGEMENT OF U.S. PATENT NO. 7,033,124

78. Plaintiffs incorporate by reference the allegations set forth in the above paragraphs as though fully set forth herein.

79. DAI has contributed to and is contributing to the infringement of the 124 Patent by DAL and others in the United States. Under 35 U.S.C. § 271(c).

80. DAI contributes to the infringement of the 124 Patent by selling, offering to sell, and importing into the United States components of the Accused Systems that have no substantial non-infringing use other than to be combined to form the Accused Systems. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components to form the Accused Systems or operate the Accused Systems according to DAI's instructions. The underlying direct infringement also occurs upon DAL's sale and offer for sale of the Accused Systems to Petrobras for delivery into the United States.

81. DAI has performed the acts that constitute contributory infringement with knowledge of the 124 Patent and knowledge that the pneumatic conveyance systems and components thereof were especially made or especially adapted for infringing use of the 124 Patent, and were not staple articles or commodities of commerce suitable for substantial non-infringing use. That is, the Accused Systems are specifically designed to convey, contain, or transport drill cuttings in an infringing way and the specific components thereof have no other use than to be used in the Accused Systems.

82. DAI has had knowledge of the 124 Patent since at least the August 29, 2013 notice letters sent to DAI indicating and explaining how DAI infringes and contributes to the infringement of the claims of the 124 Patent.

83. DAI has had further knowledge of the 124 Patent and the infringing activity through the September 19, 2013 service of a Complaint for Patent Infringement against DAI and DAL that involved the same patents and Accused Systems.

84. DAI has also induced and is inducing the infringement under 35 U.S.C. § 271(b) of the 124 Patent by DAL and others in the United States.

85. As shown in the above paragraphs, DAI has had knowledge of the 124 Patent at least as of August 29, 2013.

86. Despite this knowledge, DAI has specifically provided some degree of guidance to DAL as well as components used in the Accused Systems, which DAL used to manufacture and operate the Accused Systems to convey, contain, or transport drill cuttings in an infringing way as described herein.

87. DAI provided key components for the Accused Systems and provided guidance to DAL on the use of those components in the manufacture, installation, and use of the infringing Accused Systems. Further, upon information and belief, DAI did so with the knowledge that DAL would manufacture and install the Accused Systems aboard the U.S.-flagged ships HOS Resolution and the HOS Pinnacle. DAL has admitted that it manufactures pneumatic conveyance systems “using DAI technology.” Further, DAI provides guidance and instruction on, and components for, the installation and operation of the Accused Systems with the intention that end users, including DAL and third parties, operate the Accused Systems in an infringing way. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components according to DAI’s instructions to form the Accused Systems or operate the Accused Systems according to DAI’s instructions.

88. Further, DAI partnered with DAL in entering into the Petrobras RFP, thereby actively aiding and abetting in DAL's offer for sale, sale and use of the Accused Systems.

89. Further, DAI sells and imports components of the Accused Systems, which, as detailed in the above paragraphs, have no substantial non-infringing uses. As such, DAI performed the acts that constitute the induced infringement with knowledge of the 124 Patent and with the knowledge or willful blindness that the induced acts would constitute infringement.

90. DAI also is liable under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the 124 Patent if such combination occurred within the United States.

91. Specifically, DAI provides and/or supplies from the United States one or more key components of the Accused Systems to DAL with the knowledge that those components are to be combined in a manner by DAL in Brazil to make pneumatic conveyance systems that would infringe one or more claims of the 124 Patent if those activities occurred in the United States. This includes the manufacture of the Accused Systems by DAL in Brazil and the installation of certain Accused Systems aboard oil rigs, such as the P-59, P-III, and NS-46, which are, upon information and belief, outside the United States.

92. DAI's infringement of the 124 Patent has caused and continues to cause damage to Plaintiffs in an amount to be determined at trial. DAI has continued to infringe the 124 Patent even after having knowledge of the patent and so such infringement is willful and Plaintiffs are entitled to enhanced damages.

93. DAI's acts have caused, and unless restrained and enjoined, will continue to cause, irreparable injury and damage to Plaintiffs for which there is no adequate remedy at law. Unless enjoined by this Court, DAI will continue to infringe the 124 Patent.

94. DAI's infringement of the 124 Patent is exceptional and entitles Plaintiffs to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

COUNT IV

INFRINGEMENT OF U.S. PATENT NO. 7,186,062

95. Plaintiffs incorporate by reference the allegations set forth in the paragraphs above as though fully set forth herein.

96. DAI has contributed to and is contributing to the infringement of the 062 Patent by DAL and others in the United States. Under 35 U.S.C. § 271(c).

97. DAI contributes to the infringement of the 062 Patent by selling, offering to sell, and importing into the United States components of the Accused Systems that have no substantial non-infringing use other than to be combined to form the Accused Systems. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components to form the Accused Systems or operate the Accused Systems according to DAI's instructions.

The underlying direct infringement also occurs upon DAL's sale and offer for sale of the Accused Systems to Petrobras for delivery into the United States.

98. DAI has performed the acts that constitute contributory infringement with knowledge of the 062 Patent and knowledge that the pneumatic conveyance systems and components thereof were especially made or especially adapted for infringing use of the 062 Patent, and were not staple articles or commodities of commerce suitable for substantial non-infringing use. That is, the Accused Systems are specifically designed to convey, contain, or transport drill cuttings in an infringing way and the specific components thereof have no other use than to be used in the Accused Systems.

99. DAI has had knowledge of the 062 Patent since at least the August 29, 2013 notice letters sent to DAI indicating and explaining how DAI infringes and contributes to the infringement of the claims of the 062 Patent.

100. DAI has had further knowledge of the 062 Patent and the infringing activity through the September 19, 2013 service of a Complaint for Patent Infringement against DAI and DAL that involved the same patents and Accused Systems.

101. DAI has also induced and is inducing the infringement under 35 U.S.C. § 271(b) of the 062 Patent by DAL and others in the United States.

102. As shown in the above paragraphs, DAI has had knowledge of the 062 Patent at least as of August 29, 2013.

103. Despite this knowledge, DAI has specifically provided some degree of guidance to DAL as well as components used in the Accused Systems, which DAL used

to manufacture and operate the Accused Systems to convey, contain, or transport drill cuttings in an infringing way as described herein.

104. DAI provided key components for the Accused Systems and provided guidance to DAL on the use of those components in the manufacture, installation, and use of the infringing Accused Systems. Further, upon information and belief, DAI did so with the knowledge that DAL would manufacture and install the Accused Systems aboard the U.S.-flagged ships HOS Resolution and the HOS Pinnacle. DAL has admitted that it manufactures pneumatic conveyance systems “using DAI technology.” Further, DAI provides guidance and instruction on, and components for, the installation and operation of the Accused Systems with the intention that end users, including DAL and third parties, operate the Accused Systems in an infringing way. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components according to DAI’s instructions to form the Accused Systems or operate the Accused Systems according to DAI’s instructions.

105. Further, DAI partnered with DAL in entering into the Petrobras RFP, thereby actively aiding and abetting in DAL’s offer for sale, sale and use of the Accused Systems.

106. Further, DAI sells and imports components of the Accused Systems, which, as detailed in the above paragraphs, have no substantial non-infringing uses. As such, DAI performed the acts that constitute the induced infringement with knowledge of the 062 Patent and with the knowledge or willful blindness that the induced acts would constitute infringement.

107. DAI also is liable under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the 062 Patent if such combination occurred within the United States.

108. Specifically, DAI provides and/or supplies from the United States one or more key components of the Accused Systems to DAL with the knowledge that those components are to be combined in a manner by DAL in Brazil to make pneumatic conveyance systems that would infringe one or more claims of the 062 Patent if those activities occurred in the United States. This includes the manufacture of the Accused Systems by DAL in Brazil and the installation of certain Accused Systems aboard oil rigs, such as the P-59, P-III, and NS-46, which are, upon information and belief, outside the United States.

109. DAI's infringement of the 062 Patent has caused and continues to cause damage to Plaintiffs in an amount to be determined at trial. DAI has continued to infringe the 062 Patent even after having knowledge of the patent and so such infringement is willful and Plaintiffs are entitled to enhanced damages.

110. DAI's acts have caused, and unless restrained and enjoined, will continue to cause, irreparable injury and damage to Plaintiffs for which there is no adequate remedy at law. Unless enjoined by this Court, DAI will continue to infringe the 062 Patent.

111. DAI's infringement of the 062 Patent is exceptional and entitles Plaintiffs to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

COUNT V

INFRINGEMENT OF U.S. PATENT NO. 7,544,018

112. Plaintiffs incorporate by reference the allegations set forth in the above paragraphs as though fully set forth herein.

113. DAI has contributed to and is contributing to the infringement of the 018 Patent by DAL and others in the United States. Under 35 U.S.C. § 271(c).

114. DAI contributes to the infringement of the 018 Patent by selling, offering to sell, and importing into the United States components of the Accused Systems that have no substantial non-infringing use other than to be combined to form the Accused Systems. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components to form the Accused Systems or operate the Accused Systems according to DAI's instructions. The underlying direct infringement also occurs upon DAL's sale and offer for sale of the Accused Systems to Petrobras for delivery into the United States.

115. DAI has performed the acts that constitute contributory infringement with knowledge of the 018 Patent and knowledge that the pneumatic conveyance systems and components thereof were especially made or especially adapted for infringing use of the 018 Patent, and were not staple articles or commodities of commerce suitable for substantial non-infringing use. That is, the Accused Systems are specifically designed to

convey, contain, or transport drill cuttings in an infringing way and the specific components thereof have no other use than to be used in the Accused Systems.

116. DAI has had knowledge of the 018 Patent since at least the August 29, 2013 notice letters sent to DAI indicating and explaining how DAI infringes and contributes to the infringement of the claims of the 018 Patent.

117. DAI has had further knowledge of the 018 Patent and the infringing activity through the September 19, 2013 service of a Complaint for Patent Infringement against DAI and DAL that involved the same patents and Accused Systems.

118. DAI has also induced and is inducing the infringement under 35 U.S.C. § 271(b) of the 018 Patent by DAL and others in the United States.

119. As shown in the above paragraphs, DAI has had knowledge of the 018 Patent at least as of August 29, 2013.

120. Despite this knowledge, DAI has specifically provided some degree of guidance to DAL as well as components used in the Accused Systems, which DAL used to manufacture and operate the Accused Systems to convey, contain, or transport drill cuttings in an infringing way as described herein.

121. DAI provided key components for the Accused Systems and provided guidance to DAL on the use of those components in the manufacture, installation, and use of the infringing Accused Systems. Further, upon information and belief, DAI did so with the knowledge that DAL would manufacture and install the Accused Systems aboard the U.S.-flagged ships HOS Resolution and the HOS Pinnacle. DAL has admitted that it manufactures pneumatic conveyance systems “using DAI technology.” Further, DAI

provides guidance and instruction on, and components for, the installation and operation of the Accused Systems with the intention that end users, including DAL and third parties, operate the Accused Systems in an infringing way. The underlying direct infringement occurs when end users of the pneumatic conveyance systems, including DAL and third parties, combine the components according to DAI's instructions to form the Accused Systems or operate the Accused Systems according to DAI's instructions.

122. Further, DAI partnered with DAL in entering into the Petrobras RFP, thereby actively aiding and abetting in DAL's offer for sale, sale and use of the Accused Systems.

123. Further, DAI sells and imports components of the Accused Systems, which, as detailed in the above paragraphs, have no substantial non-infringing uses. As such, DAI performed the acts that constitute the induced infringement with knowledge of the 018 Patent and with the knowledge or willful blindness that the induced acts would constitute infringement.

124. DAI also is liable under 35 U.S.C. § 271(f)(1) for supplying or causing to be supplied from the United States a substantial portion of the components of the Accused Systems in such manner as to actively induce the combination of such components in Brazil in a manner that would infringe the 018 Patent if such combination occurred within the United States.

125. Specifically, DAI provides and/or supplies from the United States one or more key components of the Accused Systems to DAL with the knowledge that those components are to be combined in a manner by DAL in Brazil to make pneumatic

conveyance systems that would infringe one or more claims of the 018 Patent if those activities occurred in the United States. This includes the manufacture of the Accused Systems by DAL in Brazil and the installation of certain Accused Systems aboard oil rigs, such as the P-59, P-III, and NS-46, which are, upon information and belief, outside the United States.

126. DAI's infringement of the 018 Patent has caused and continues to cause damage to Plaintiffs in an amount to be determined at trial. DAI has continued to infringe the 018 Patent even after having knowledge of the patent and so such infringement is willful and Plaintiffs are entitled to enhanced damages.

127. DAI's acts have caused, and unless restrained and enjoined, will continue to cause, irreparable injury and damage to Plaintiffs for which there is no adequate remedy at law. Unless enjoined by this Court, DAI will continue to infringe the 018 Patent.

128. DAI's infringement of the 018 Patent is exceptional and entitles Plaintiffs to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

DEMAND FOR JURY TRIAL

129. Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs demand a trial by jury of all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment and seeks relief against Defendant as follows:

(a) That the Asserted Patents have been and continue to be infringed by Defendant under 35 U.S.C. §§ 271(b), 271(c), and/or 271(f), and that such infringement has been willful;

(b) That the Asserted Patents are not invalid and are not unenforceable;

(c) For all damages sustained as a result of Defendant's infringement of the Asserted Patents as herein alleged, including an award of enhanced damages pursuant to 35 U.S.C. § 284;

(d) For pre-judgment interest and post-judgment interest at the maximum rate allowed by law;

(e) For a permanent injunction enjoining Defendant, its officers, agents, servants, employees and all other persons acting in concert or participation with it from further contributory infringement, and inducement of infringement of the Asserted Patents;

(f) For an award of attorneys' fees pursuant to 35 U.S.C. § 285 or as otherwise permitted by law;

(g) For all costs of suit; and

(h) For such other and further relief as the Court may deem just and proper.

Dated: November 13, 2015

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