

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

KERR MACHINE CO.,

Plaintiff,

v.

VULCAN INDUSTRIAL HOLDINGS, LLC,
VULCAN ENERGY SERVICES, LLC, and
CIZION, LLC d/b/a VULCAN
INDUSTRIAL MANUFACTURING;

Defendant.

CIVIL ACTION NO. 6:20-CV-200-ADA

JURY TRIAL DEMANDED

**PLAINTIFF'S SECOND AMENDED COMPLAINT FOR
PATENT INFRINGEMENT AND JURY DEMAND**

Plaintiff Kerr Machine Co. files this Second Amended Complaint for Patent Infringement and Jury Demand against Defendants Vulcan Industrial Holdings, LLC (“VIH”), Vulcan Energy Services, LLC (“VES”), and Cizion, LLC d/b/a Vulcan Industrial Manufacturing (“VIM”) and alleges as follows:

Parties

1. Plaintiff Kerr Machine Co., doing business as Kerr Pumps (hereinafter “Kerr”) is a corporation organized and existing under the laws of Oklahoma, with its principal place of business at 2214 West 14th Street, Sulphur, OK 73086.

2. Defendant VIH is a Delaware limited liability company with its principal place of business at 1990 Post Oak Boulevard, Suite 2400, Houston, TX 77056.

3. Defendant VIM is a Delaware limited liability company with its principal place of business at 535 Simmon Drive, Osceola, Wisconsin 54020.

4. Defendant VES is a Delaware limited liability company with its principal place of business at 2107 East County Road 130, Building 5, Midland, TX 79706, which is located in Midland County and within this district.

5. Upon information and belief, Defendant VIM and Defendant VES are each wholly owned subsidiaries of Defendant VIH.

6. The term Vulcan Defendants shall be used to refer to defendants VIH, VES, and VIM collectively.

Jurisdiction

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action arises under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.*

8. This Court has personal jurisdiction over each of the Vulcan Defendants because, directly or through intermediaries and/or subsidiaries, they each have committed acts within the District giving rise to this action and/or has established minimum contacts with the District such that the exercise of jurisdiction would not offend traditional notions of fair play and substantial justice. Thus, the Court has both general and specific personal jurisdiction over each of the Vulcan Defendants.

9. The Vulcan Defendants have committed acts of infringement of the '070 Patent within this District by making, using, selling, offering for sale, and/or importing in or into this District products that have the same construction as the claimed fluid end assembly of the '070 Patent, have the same construction as the claimed system of the '070 Patent, and/or are made by practicing the claimed methods of the '070 Patent. The Vulcan Defendants have also placed, and are continuing to place, infringing products into the stream of commerce, via an established distribution channel, with the knowledge and/or understanding that such infringing products will

be purchased and used by customers and/or consumers in the State of Texas, including in this District. These infringing products and/or services have been and continue to be made, used, sold, offered for sale, purchased, and/or imported by customers and/or consumers in the State of Texas, including in this District.

10. The Vulcan Defendants also interact with customers, including through visits to customer sites in Texas, including in this District.

11. Kerr's causes of action arise, at least in part, from the Vulcan Defendants' contact with and activities in Texas, including in this District.

12. The Vulcan Defendants have derived substantial revenues from its infringing acts in this District, including from its manufacturing and sale of infringing products in the United States.

Venue

13. Venue is proper against VIH in this District pursuant to 28 U.S.C. § 1400(b) because (i) VIH has a physical place located in this District, (ii) it is a regular and established place of business in this District, and (iii) it belongs to VIH. *In re Cray Inc.*, 871 F.3d 1355, 1362–63 (Fed. Cir. 2017).

14. On its website, vulcanindustrial.com, and on multiple press releases, VIH advertises and holds itself out as having its “corporate headquarters” in Houston, but maintaining a location in Midland County, which the website refers to the as the “Permian Service Center.” The same website also states, “VULCAN Industrial Holdings (VULCAN) is a precision engineering, manufacturing, and machining company” and a “premium supplier” of, *inter alia*, infringing fluid ends. On the same website, VIH advertises that “Vulcan Industrial ... also operates in the Permian Basin area,” at a location in this District. Similarly, a Vulcan Industrial Holdings

Technical Service Bulletin advertises that “VULCAN replacement parts are available directly through our manufacturing facility or regional service centers.”

15. Venue is proper against VIM in this District pursuant to 28 U.S.C. § 1400(b) because (i) VIM has a physical place located in this District, (ii) it is a regular and established place of business in this District, and (iii) it belongs to VIM. *In re Cray Inc.*, 871 F.3d at 1362–63.

16. Upon information and belief, VIM manufactures and services infringing fluid ends and sells the infringing products to customers located in the District through the Permian Service Center. Vulcan’s website indicates, “Our service centers will be your single point of contact for your fracturing pump equipment needs.” Upon information and belief VIM employs full-time personnel such as sales personnel, service personnel, and engineers, who work from a location in this District.

17. Venue is proper against VES in this District pursuant to 28 U.S.C. § 1400(b) because (i) VES has a physical place located in this District, (ii) it is a regular and established place of business in this District, and (iii) it belongs to VES. *In re Cray Inc.*, 871 F.3d at 1362–63.

18. Upon information and belief, VES leases a location in Midland County, within this District, from which VES commits acts of infringement by commercializing, marketing, selling, distributing, testing, and servicing infringing products. A Vulcan Industrial Holdings Technical Service Bulletin advertises that “VULCAN replacement parts are available directly through our manufacturing facility or regional service centers,” including Permian Service Center leased by VES. Vulcan’s website also makes clear that the Permian Service Center operates as a “single point of contact for your fracturing pump equipment needs.”

19. Additionally, the three Vulcan entities operate as alter egos and thus the activities of each entity are attributable to all three for purposes of venue. The entities combine financial

operations and tax returns, share departments such as sales and accounting, and are run by an identical set of officers. Vulcan also intentionally blurs the lines between all three entities by referring to them collectively as “Vulcan Industrial” when marketing to the public and communicating with customers.

United States Patent Number 10,591,070

20. On March 17, 2020, the U.S. Patent and Trademark Office duly and legally issued U.S. Patent No. 10,591,070 (“the ’070 patent”) titled, “Sealing High Pressure Flow Devices.”

21. The ’070 Patent was filed on September 18, 2019 as patent application serial number 16/574,918 and was published as United States Patent Application Publication US 2020/0011434 A1 on January 9, 2020.

22. The ’070 Patent is a divisional application of United States patent application serial number 15/719,124, filed on September 28, 2017.

23. Application serial number 15/719,124 is a continuation-in-part application of United States patent application serial number 15/280,642, which was filed on September 29, 2016.

24. The ’070 Patent claims patent-eligible subject matter and is valid and enforceable.

25. The named inventors of the ’070 Patent are Mark S. Nowell, Kelcy Jake Foster, Michael Eugene May, Brandon Scott Ayres, Christopher Todd Barnett, Michael Cole Thomas, and Guy J. Lapointe.

26. The named inventors conveyed to Kerr all rights, title, and interest in and to the invention of the ’070 Patent and its underlying patent applications, including the right to sue and recover for patent infringements, by written assignments recorded in the United States Patent and Trademark Office.

27. Kerr is the exclusive owner by assignment of all rights, title, and interest in the '070 Patent, including the right to bring this suit for injunctive relief and damages, and including the right to sue and recover all past, present and future damages for infringement of the '070 Patent.

28. The Vulcan Defendants have been on notice of the '070 Patent at least since the date of publication of United States Patent Application Publication US 2020/0011434 A1 on January 9, 2020.

The Accused Instrumentalities

29. The Vulcan Defendants make, use, sell, and/or offer to sell in the United States and/or imports into the United States fluid ends for use in the oil and gas industry.

30. Hereafter, the term "Accused Instrumentalities" refers to all products manufactured by the Vulcan Defendants practicing the '070 Patent and all processes employed by the Vulcan Defendants that practice the '070 Patent, including at least the fluid ends sold under the brand name Icon Evo.

Count 1

(Infringement of the '070 Patent)

31. Kerr repeats and re-alleges the allegations in the preceding paragraphs as if fully set forth herein.

32. The Accused Instrumentalities include a fluid end assembly. The fluid end assembly includes a housing having a first conduit extending therethrough. The fluid end assembly further includes a second conduit extending therethrough that intersects the first conduit. The fluid end assembly includes an endless groove formed in the housing such that the groove surrounds the first conduit. The fluid end assembly has a seal positioned within the groove. The fluid end assembly has a tubular sleeve installed within the second conduit such that at least a portion of the sleeve engages the seal. The fluid end assembly has a plurality of packing seals disposed within

the sleeve. The fluid end assembly has a reciprocating plunger disposed at least partially within the sleeve and the plurality of packing seals.

33. The Accused Instrumentalities, for example, include the Icon Evo fluid end. Advertising materials from the Vulcan Defendants showing the Icon Evo fluid end were attached as Exhibit B to the Original Complaint (docket no. 1).

34. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with a housing having a first conduit extending therethrough, and a second conduit extending therethrough that intersects the first conduit.

35. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with an endless groove formed in the housing such that the groove surrounds the second conduit.

36. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with a seal positioned within the groove.

37. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with a tubular sleeve installed within the second conduit such that at least a portion of the sleeve engages the seal.

38. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with a plurality of packing seals disposed within the sleeve.

39. Advertising materials from the Vulcan Defendants show the Icon Evo fluid end with a reciprocating plunger disposed at least partially within the sleeve and the plurality of packing seals.

40. The Vulcan Defendants have directly infringed and continue to directly infringe the '070 Patent, in violation of 35 § U.S.C. 271(a) & (g) by making, using, selling, offering to sell, and/or importing in or into the United States Accused Instrumentalities and other products that

include the elements claimed in or equivalent to the '070 Patent as described above, including at least claims 6, and 20 – 21 of the '070 Patent.

41. The Vulcan Defendants have directly infringed and continue to directly infringe the '070 Patent, in violation of 35 § U.S.C. 271(a) & (g) by making, using, selling, offering to sell, and/or importing in or into the United States Accused Instrumentalities and other products that are manufactured using the methods claimed in or equivalent to the '070 Patent as described above, including at least claim 1 of the '070 Patent.

42. In addition to the foregoing and/or in the alternative, the Vulcan Defendants were liable and continue to be liable as a contributory infringer of the '070 Patent under 35 U.S.C. § 271(c). The Vulcan Defendants have offered to sell and/or sold within the United States services for manufacturing and designs for the Accused Instrumentalities that practice the '070 Patent. The Accused Instrumentalities comprise fluid ends and parts for fluid ends, each of which constitutes a material part of the '070 Patent's invention.

43. On information and belief, the Vulcan Defendants' infringement of the '070 patent was and continues to be willful. At least by March 17, 2020, the Vulcan Defendants had actual and/or constructive notice of the issued '070 Patent. Nevertheless, without authorization, the Vulcan Defendants have continued to infringe the '070 Patent in the manners described above, both directly and through its agents, including by, on information and belief, making, using, offering for sale, selling, and/or importing the Accused Instrumentalities.

44. On information and belief, the Vulcan Defendants had actual notice prior to the issuance of the '070 Patent of the 16/574,918 patent application filed on September 18, 2019. The claimed inventions in the Patent application are substantially identical to those in the '070 Patent. Without authorization, the Vulcan Defendants infringed the claimed inventions in the Patent

application in the manners described above, both directly and through its agents, including by, on information and belief, making, using, offering for sale, selling, and/or importing the Accused Instrumentalities.

45. On information and belief, including the allegations above showing knowledge and intent, the Vulcan Defendants' infringement has been and continues to be deliberate, willful, and in reckless disregard of Kerr's patent rights.

46. The Vulcan Defendants' acts of infringement have caused damage to Kerr, and Kerr is entitled to recover from the Vulcan Defendants the damages it has sustained as a result of the Vulcan Defendants' wrongful acts in an amount subject to proof at trial.

47. The Vulcan Defendants' infringement of Kerr's exclusive rights under the '070 Patent has caused Kerr irreparable harm for which there is no adequate remedy at law, unless the infringement is enjoined by this Court.

Demand for Jury Trial

48. Kerr hereby demands a jury trial for all issues so triable.

Prayer for Relief

WHEREFORE, Kerr prays for judgment as follows:

A. Declaring that each of the Vulcan Defendants have infringed and continue to infringe the '070 Patent, contributed to the infringement of the '070 Patent, and/or induced the infringement of the '070 Patent;

B. Declaring that the infringement of the '070 Patent was and continues to be willful;

C. Awarding damages arising out of the Vulcan Defendants' infringement of the '070 Patent, including damages for infringing Kerr's provisional rights in existence prior to issuance of the '070 Patent pursuant to 35 U.S.C. § 154(d) and for enhanced damages for willful infringement

pursuant to 35 U.S.C. § 284 and a compulsory future royalty until expiration of the '070 Patent, to Kerr, together with prejudgment and post-judgment interest, in an amount according to proof;

D. Permanently enjoining, pursuant to 35 U.S.C. § 283, the Vulcan Defendants, its officers, agents, and employees, and those persons in active concert or participating with any of them, and its successors and assigns, from infringing, inducing infringement, and contributing to the infringement of the '070 Patent, including but not limited to making, using, selling and/or offering for sale within the United States or importing into the United States, any devices, products, or methods that infringe the '070 Patent before the expiration of the '070 Patent;

E. Awarding reasonable attorneys' fees and the costs of this action to Kerr pursuant to 35 U.S.C. § 285 or as otherwise permitted by law;

F. Awarding such other costs and further relief as the Court may deem just and proper.

Dated: September 25, 2020

Respectfully submitted,

By: /s/ Brian D. Melton

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 25, 2020, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the counsel of record of all represented parties. I further certify that this document has been mailed by first class mail, or dispatched via third-party commercial carrier for delivery within 3 calendar dates to any non-CM/ECF participants.

/s/ Brian D. Melton
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