

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

E. J. BRENNEMAN, LP, Plaintiff, v. ROAD SCIENCE LLC, Defendant.	Civil Action No. 10-6922 Assigned to: The Honorable Juan R. Sanchez
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AMENDED COMPLAINT

Plaintiff, E. J. Breneman, LP (“EJB”), brings this action against Defendant, Road Science, LLC (“Road Science”), and alleges as follows:

PARTIES

1. EJB is a Pennsylvania limited partnership having its principal place of business at 1117 Snyder Road, Spring Township, Pennsylvania 19609.
2. On information and belief, Road Science is a Delaware limited liability company having its principal place of business at 6502 South Yale Avenue, Tulsa, Oklahoma 74136.

NATURE OF ACTION

3. This is an action for a declaratory judgment of patent non-infringement and invalidity as well as an action for unfair competition.
4. EJB seeks a declaration that U.S. Patent No. 7,802,941 (“the ’941 Patent”), which is attached as Exhibit A, assigned to Road Science, is invalid. EJB also seeks a declaration that EJB has not infringed the ’941 Patent.
5. Additionally, EJB seeks relief against Road Science for Road Science’s violation of Section 43(a) of the Lanham Act. 15 U.S.C. §1125(a).

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, Title 35 of the United States Code; the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202; and under the Lanham Act, 15 U.S.C. § 1125(a).

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331, as EJB's claims arise under the patent laws of the United States, the federal Declaratory Judgment Act, and the Lanham Act.

8. The Court has personal jurisdiction over Road Science by virtue of Road Science's specific and continuous contacts in this District and the Commonwealth of Pennsylvania. Specifically, upon information and belief, Road Science has in the past conducted and does presently conduct business in this District by licensing, marketing, promoting, advertising, offering for sale, and distributing products, services, and methods related to road paving technology.

9. Road Science has purposefully and voluntarily offered its services as well as placed its rut resistant coating technology and other business services into the stream of commerce with the expectation that they will be engaged in business by consumers in the District and in the Commonwealth of Pennsylvania.

10. Venue is proper in this District pursuant to 28 USC §§ 1391(b) because a substantial part of the events giving rise to EJB's claims occurred in this District, as described below.

FACTUAL BACKGROUND

History Of The Parties And Relevant Patents

11. EJB has been in the road paving and construction industry since 1942, serving public agencies and private builders.

12. As part of EJB's ongoing business, EJB provides spray paving services that comply with specifications issued by the departments of transportation ("DOT") for each state in which EJB provides services.

13. These specifications include, among other things, requirements about how the pavement is to be mixed and applied, thickness of the paving layers, and generally specifying ranges for key ingredients in each paving layer.

14. On information and belief, Road Science is a technology and intellectual property company in the road paving and construction industry.

15. Road Science is in the business of consulting with and licensing to contractors and manufacturers Road Science's intellectual property.

Bense Patent

16. On information and belief, Road Science acquired at one time U.S. Patent No. 5,069,578 to Bense et al., issued December 3, 1991, and filed July 19, 1990 (the "Bense Patent").

17. The Bense Patent expired on July 19, 2010.

18. Prior to the expiration of the Bense Patent, EJB licensed the right to practice the inventions of the Bense Patent from Road Science.

19. EJB's license agreement with Road Science terminated on July 19, 2010, the day the Bense patent expired.

20. EJB has no license rights to use any Road Science patents or intellectual property after July 19, 2010.

21. On information and belief, several other companies in the road paving and construction industry also licensed the Bense Patent from Road Science.

'941 Patent

22. Road Science owns by assignment the '941 Patent to Wingo et al., issued September 28, 2010, and filed April 28, 2008, as application no. 12/110,821, which relates to spray paving techniques.

23. Application no. 12/110,821, which ultimately was issued as the '941 patent, was published as publication no. US 2009/0269134 A1 on October 29, 2009 ("the '941 Publication").

24. The '941 Patent does not claim priority to any earlier-filed applications.

25. The priority date of the '941 Patent is April 28, 2008.

Road Science Makes Numerous False And Misleading Statements And Threatens An Improper Lawsuit Against EJB To Uphold Its Claimed Intellectual Property Rights

26. Road Science has contacted EJB on multiple occasions requesting that EJB enter into a new license agreement both before and after the expiration of the Bense Patent on July 19, 2010, and EJB's termination of its license with Road Science as of the same day.

27. In response to these requests, EJB has repeatedly declined to enter into a new license agreement.

28. The new license proposed by Road Science has at all times included rights to the application that has now resulted in the '941 Patent.

29. On at least one occasion, Road Science contacted EJB and falsely represented to EJB that most of EJB's competitors in the road paving business (including, for example, All

States Asphalt, Inc.) had already entered into a new license agreement incorporating the technology claimed in the now-issued '941 Patent.

30. Subsequently, EJB has been contacted by third parties and has been advised that Road Science similarly (and falsely) represented to other competitors that EJB has signed a new license agreement.

31. Road Science knows from prior discussions with EJB that EJB has no licensed technologies from Road Science and no interest in a license.

32. Subsequent to EJB's refusals to enter into a new license agreement, on or about September 20, 2010, EJB received a letter from Road Science (the "Cease and Desist Letter," attached as Exhibit B) asserting Road Science's claimed exclusive rights as claimed in the '941 Publication, despite the fact that the '941 Patent had not yet issued.

33. The Cease and Desist Letter also stated that U.S. Patent Application No. 12/540,847 was filed on August 13, 2009 ("the '847 Application"), and PCT/US2010/033,533 ("the PCT Application") is currently under prosecution and recited one claim purportedly from the '847 Application.

34. On information and belief, as of January 13, 2011, no publication of the '847 Application exists on the United States Patent and Trademark website, and the PCT Application is not available on the World Intellectual Property Organization website.

35. On information and belief, neither the '847 Application nor the PCT Application is available for public inspection.

36. In particular, the Cease and Desist Letter states, in part, the following (emphasis added):

Road Science, LLC, **by virtue of the** Allowed United States Patent Application and **Patent Pending** for the inventions and methods discussed above, **has certain rights in that intellectual property**, including but not limited to **the right to prevent unauthorized parties from using, marketing, offering to sell, selling or supplying** (1) the protected inventions and methods **as well as services related thereto**, and/or (2) road surface coatings constructed by use of the protected inventions and methods.

We take the opportunity in this letter to impress upon you our firm resolve to uphold our intellectual property rights and to intervene in this respect wherever and whenever necessary.

37. The Cease and Desist Letter is false on its face in that it states that the pending '847 Application provides the right to prevent unauthorized use, marketing, offering to sell, selling, or supplying the invention claimed in the one claim set forth in the letter and in that it states that services "related" to a protected invention can likewise be prohibited.

38. On information and belief, after July 19, 2010, Road Science, either directly or indirectly, has contacted governmental entities or other private owners of property on which spray paving construction work was being put out to bid or considered for being put out to bid and has falsely asserted that if a Road Science licensee or sublicensee was not hired to do the work, then the work would infringe upon Road Science's intellectual property rights, including the Bense Patent, the '941 Patent, and/or the '847 Application.

39. In August of 2010, representatives of Florida's Department of Transportation ("FDOT") advised EJB that Road Science had informed FDOT that technology fees must continue to be paid to Road Science for spray paving services, including services in accordance with specifications existing under the old technology and including spray paving services that EJB had previously performed in Florida under the license to the Bense Patent.

40. Additionally, FDOT advised EJB that FDOT will not issue new projects for spray paving until Road Science's claim for technology fees is resolved.

41. On information and belief, FDOT is currently not accepting any new proposals for spray paving services because Road Science has falsely asserted that such work cannot be performed without a license from Road Science.

42. EJB earned revenue from the State of Florida for previous road spray paving services and, thus, Road Science's conduct has caused EJB damages.

43. Road Science has a history of aggressively enforcing its alleged patent rights.

44. Road Science filed suit against Telfer Oil Company ("Telfer") and Shilling Construction Company Inc. ("Shilling") in the respective cases *Road Science, LLC v. Telfer Oil Co., et al.*, No. 2:10-cv-00786, U.S. Dist. Ct., E.D. Cal., and *Road Science, LLC v. Shilling Const. Co., Inc.*, No. 4:10-cv-00331, U.S. Dist. Ct., N.D. Okla., alleging that Telfer and Shilling infringe the Bense Patent.

45. DOT specifications for spray paving services issued by various states in which EJB has ongoing business specify ranges of paving mix that fall within claims of the '941 Patent. These DOT specifications have existed for more than one year prior to Road Science filing the application for the '941 Patent.

46. EJB is currently bidding for spray paving projects in states having specifications that encompass the claims of the '941 Patent.

47. EJB's performance of spray paving services in accordance with such specifications may infringe the '941 Patent.

48. EJB has requested that Road Science to agree to a covenant not to sue EJB for any spray paving services that EJB provides with paving mixes within DOT specifications existing more than one year prior to Road Science's filing of the application for the '941 Patent.

49. Road Science has refused to agree not to sue EJB for any spray paving services that EJB provides with paving mixes within DOT specifications existing more than one year prior to Road Science's filing of the application for the '941 Patent, which is explicitly directed at continuation of past practices.

50. Additionally, Road Science, in its communications with EJB, has threatened to enforce its alleged intellectual property rights against EJB with legal action.

51. Based on Road Science's statements to EJB, its history of enforcement of its intellectual property, its refusal to agree to a covenant not to sue EJB, Road Science's reliance on licensing as its primary source of revenue, the Cease and Desist Letter, Road Science's request that EJB take a license for the '941 Patent, Road Science's false statements to EJB and third parties about its intellectual property rights, and EJB's previous licensing relationship with Road Science, EJB has a reasonable apprehension of being sued by Road Science for patent infringement if EJB continues to offer its services in the marketplace, especially in compliance with DOT specifications that encompass paving mixes claimed by Road Science in the '941 Patent, and there is a substantial controversy between EJB and Road Science having adverse legal interests.

COUNT I
Declaratory Judgment Of Non-Infringement

52. EJB repeats and re-alleges the allegations in all preceding paragraphs of this Amended Complaint.

53. Road Science has threatened to enforce its rights in the '941 Patent against EJB.

54. EJB has provided and is continuing to provide paving mixtures in accordance with DOT specifications of numerous states that have been in existence prior to April of 2007 and that include mixes that fall within the ranges of mixtures claimed in the '941 Patent.

55. An actual and justiciable controversy exists between EJB and Road Science with respect to the '941 Patent.

56. Declaratory relief will resolve this controversy.

57. Accordingly, EJB respectfully asks this Court to declare that EJB does not infringe the '941 Patent.

COUNT II
Declaratory Judgment Of Invalidity

58. EJB repeats and re-alleges the allegations in all preceding paragraphs of this Amended Complaint.

59. The claimed methods and products of the '941 Patent are invalid as anticipated and obvious over prior art, knowledge, use, sale, or publication in the United States.

60. DOTs of various states publish specifications for road paving methods and product applications. These specifications provide guidelines within which road paving and construction companies must operate when working under government contracts, including the compositions and applications of the asphalt mixes that may be used during road paving and construction.

61. More than one year prior to the filing date of the '941 Patent, one or more states published and made publicly available specifications for road paving and construction that disclosed, either explicitly or inherently, each and every limitation of the claims of the '941 Patent.

62. On information and belief, one or more companies have performed road paving and construction services in accordance with these DOT specifications and pursuant to government contracts more than one year prior to the filing date of the '941 Patent.

63. Accordingly, each and every claim of the '941 Patent is anticipated in view of the prior art and, therefore, invalid for failure to comply with 35 U.S.C. § 102.

64. More than one year prior to the filing date of the '941 Patent, one or more states published and made publicly available specifications for road paving and construction that disclosed, either explicitly or inherently, methods and compositions for road paving and construction, the difference of which as compared to the claims of the '941 Patent are such that the subject matter claimed in the '941 Patent as a whole would have been obvious at the time the purported invention was made to a person having ordinary skill in the art.

65. On information and belief, one or more companies have performed road paving and construction services in accordance with these DOT specifications and pursuant to government contracts more than one year prior to the filing date of the '941 Patent.

66. Accordingly, each and every claim of the '941 Patent is obvious in view of the prior art and, therefore, invalid for failure to comply with 35 U.S.C. § 103.

COUNT III

Unfair Competition Pursuant To Section 43(A) Of The Lanham Act, 15 U.S.C. § 1125(a)

67. EJB repeats and re-alleges the allegations in all preceding paragraphs of this Complaint.

68. Road Science has engaged in a pattern of false and misleading statements made to EJB, competitors of EJB, and EJB's customers concerning Road Science's intellectual property rights, Road Science's product, and EJB's product.

69. The false statements made by Road Science are part of an effort to extract license fees from EJB and the industry in general and constitute unfair competition.

70. Road Science has engaged in acts of unfair competition that include at least the following:

a) Sending the Cease and Desist Letter to EJB with false statements that Road Science has the right, among other things, to enforce claims in the '847 Application to prevent unauthorized parties from using, marketing, offering to sell, selling, or supplying the claimed invention as well as services related thereto, and stating Road Science can prevent a party from selling services "related" to the invention claimed in the '941 Patent;

b) Misrepresenting to EJB the status of Road Science's license agreements with third parties;

c) Misrepresenting to EJB's competitors the status of Road Science's license negotiations with EJB; and

d) Misrepresenting to customers of EJB the nature and extent of Road Science's intellectual property rights and the status of EJB's license negotiations with Road Science.

71. The foregoing acts of Road Science have prevented EJB from obtaining work and have otherwise damaged EJB.

72. Road Science's unfair competition has been willful as it relates to EJB, thus entitling EJB to an award of enhanced damages, attorneys' fees and costs.

WHEREFORE, Plaintiff respectfully requests that the Court grant the following relief:

A. Declare that EJB does not infringe the '941 Patent;

B. Declare that the '941 Patent is invalid;

C. A judgment finding Road Science liable for unfair competition under the Lanham

Act and:

1) awarding to EJB its lost profits and/or actual damages, enhanced and/or trebled due to Road Science's intentional, willful and /or reckless conduct;

2) All statutory rights to relief whether as injunctive relief and/or damages;

- 3) awarding EJB its reasonable attorneys' fees and costs; and
- 4) enjoining Road Science from making any further false and misleading statements.

D. Award such other and further relief as this Court deems just and proper.

Respectfully Submitted,

FOX ROTHSCHILD LLP

Dated: January 20, 2011

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