

RECEIVED - GLEN# UNITED STATES DISTRICT COURT
U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS
2006 MAY 12 PM 6:06 TYLER DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

MAY 12 2006

DAVID J. MALAND, CLERK

BY _____
DEPUTY

- (1) REEDHYCALOG UK, LTD.,
- (2) REEDHYCALOG, LP, and
- (3) GRANT PRIDECO, INC.

Plaintiffs,

v.

- (1) BAKER HUGHES OILFIELD OPERATIONS, INC.,
- (2) HALLIBURTON ENERGY SERVICES, INC., and
- (3) U.S. SYNTHETIC CORPORATION,

Defendants.

Civil Action No. 6:06cv222

JURY DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiffs, ReedHycalog UK, Ltd. and ReedHycalog, LP (collectively "ReedHycalog") and Grant Prideco, Inc. ("Grant Prideco") for its Complaint against Defendants Baker Hughes Oilfield Operations, Inc., Halliburton Energy Services, Inc. and U.S. Synthetic Corporation alleges as follows:

THE PARTIES

1. Plaintiff ReedHycalog UK, Ltd. is a United Kingdom corporation with its principal place of business in Stonehouse, Gloucestershire, England.
2. Plaintiff ReedHycalog, LP is a Delaware limited partnership with its principal place of business in Houston, Texas.

3. Plaintiff Grant Prideco, Inc. is a Delaware corporation with a place of business at 400 N. Sam Houston Parkway East, Suite 900, Houston, Texas 77060. Grant Prideco owns, directly or indirectly, ReedHycalog UK, Ltd. and ReedHycalog, LP.

4. Defendant Baker Hughes Oilfield Operations, Inc. is a California corporation with its principal place of business in Houston, Texas. Hughes Christensen Company ("HCC") is an operating division of Baker Hughes Oilfield Operations, Inc. (Baker Hughes Oilfield Operations, Inc. and HCC are collectively referred to as "Baker Hughes.") HCC manufactures fixed cutter, or so-called "drag," rotary drill bits as well as "roller cone" rotary drill bits and provides drilling-related products and services to its customers.

5. Defendant Halliburton Energy Services, Inc. ("Halliburton") is a Delaware corporation with a principal place of business in Houston, Texas.

6. Defendant U.S. Synthetics Corporation ("USS") is a Delaware corporation with its principal place of business in Utah County, Utah. USS is engaged in the business of manufacturing and distributing various products employing synthetic diamonds. Most of its products are components for drill bits.

7. Each of the Defendants Baker Hughes and Halliburton manufactures drill bits which employ leached polycrystalline diamond compact ("PDC") cutters and inserts (individually and collectively "PDCs") wherein at least a portion of the catalyzing material from the polycrystalline diamond matrix is removed by a leaching process.

8. Defendant USS manufactures and sells leached polycrystalline diamond compact ("PDC") cutters and inserts (individually and collectively "PDCs") wherein at least a portion of the catalyzing material from the polycrystalline diamond matrix is removed by a leaching process. On information and belief, USS sells such leached cutters to Defendant Halliburton and/or to Defendant Baker Hughes.

JURISDICTION

9. 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, Title 35, United States Code, including 35 U.S.C. § 271 *et seq.* The Court has personal jurisdiction over the Defendants in that the Defendants have established minimum contacts with the forum. Defendants have manufactured, leased, used, sold and/or offered for sale infringing drill bits and cutters in Texas, including in this district. Moreover, the Defendants have committed acts of infringement or induced or contributed others to commit acts of infringement in this judicial district. The exercise of jurisdiction over the Defendants would not offend traditional notions of fair play and substantial justice.

VENUE

10. Venue is proper in this district pursuant to 28 U.S.C. §§ 1331, 1338(a), 1391(b), (c) and (d) and 1400(b).

INFRINGEMENT OF U.S. PATENT NO. 6,861,098

11. On March 1, 2005, United States Patent No. 6,861,098 (“the ‘098 patent”) was duly and legally issued to inventors Nigel Dennis Griffin and Peter Raymond Hughes for a Polycrystalline Diamond Partially Depleted of Catalyzing Material. All rights and interest in the ‘098 patent have been assigned to the plaintiff ReedHycalog UK, Ltd. ReedHycalog, LP is a licensee of the ‘098 patent. A true and correct copy of the ‘098 patent is attached hereto as Exhibit A.

12. Upon information and belief, USS has infringed and continues to infringe the ‘098 patent. The infringing acts of USS include at least the manufacture, use, sale, and/or offer for sale of infringing products and inducing and contributing thereof. USS is liable for infringement of the ‘098 patent pursuant to 35 U.S.C. § 271.

13. Upon information and belief, Defendants Baker Hughes and Halliburton have infringed and continue to infringe the ‘098 patent. The infringing acts of Baker Hughes and

Halliburton include, but are not limited to, inducing others, such as USS, to infringe the '098 patent. Baker Hughes, Halliburton and USS are liable for infringement of the '098 patent pursuant to 35 U.S.C. § 271.

14. Defendants' acts of infringement have caused damage to Plaintiffs, and Plaintiffs are entitled to recover from Defendants the damages sustained by Plaintiffs as a result of Defendants' wrongful acts in an amount subject to proof at trial. Defendants' infringement of Plaintiffs' rights under the '098 patent will continue to damage Plaintiffs' business, causing irreparable harm, for which there is no adequate remedy at law, unless defendant is enjoined by this Court.

15. Upon information and belief, Defendants' infringement of the '098 patent is willful and deliberate, entitling Plaintiffs to increased damages under 35 U.S.C. § 284 and to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

INFRINGEMENT OF U.S. PATENT NO. 6,861,137

16. On March 1, 2005, United States Patent No. 6,861,137 ("the '137 patent") was duly and legally issued to inventors Nigel Dennis Griffin and Peter Raymond Hughes for a High Volume Density Polycrystalline Diamond with Working Surfaces Depleted of Catalyzing Material. All rights and interest in the '137 patent have been assigned to the plaintiff ReedHycalog UK, Ltd. ReedHycalog, LP is a licensee of the '137 patent. A true and correct copy of the '137 patent is attached hereto as Exhibit B.

17. Upon information and belief, the Defendants have infringed and continue to infringe the '137 patent. The infringing acts include at least the manufacture, use, sale, and/or offer for sale of infringing products and inducing and contributing thereof. Defendants are liable for infringement of the '137 patent pursuant to 35 U.S.C. § 271.

18. Defendants' acts of infringement have caused damage to Plaintiffs, and Plaintiffs are entitled to recover from the Defendants the damages sustained by Plaintiffs as a result of Defendants' wrongful acts in an amount subject to proof at trial. Defendants' infringement of

Plaintiffs' rights under the '137 patent will continue to damage Plaintiffs' business, causing irreparable harm, for which there is no adequate remedy at law, unless defendant is enjoined by this Court.

19. Upon information and belief, Defendants' infringement of the '137 patent is willful and deliberate, entitling Plaintiffs to increased damages under 35 U.S.C. § 284 and to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

INFRINGEMENT OF U.S. PATENT NO. 6,878,447

20. On April 13, 2005, United States Patent No. 6,878,447 ("the '447 patent") was duly and legally issued to inventors Nigel Dennis Griffin and Peter Raymond Hughes for a Polycrystalline Diamond Partially Depleted of Catalyzing Material. All rights and interest in the '447 patent have been assigned to the plaintiff ReedHycalog UK, Ltd. ReedHycalog, LP is a licensee of the '447 patent. A true and correct copy of the '447 patent is attached hereto as Exhibit C.

21. Upon information and belief, the Defendants have infringed and continue to infringe the '447 patent. The infringing acts include at least the manufacture, use, sale, and/or offer for sale of infringing products and inducing and contributing thereof. Defendants are liable for infringement of the '447 patent pursuant to 35 U.S.C. § 271.

22. Defendants' acts of infringement have caused damage to Plaintiffs, and Plaintiffs are entitled to recover from the Defendants the damages sustained by Plaintiffs as a result of Defendants' wrongful acts in an amount subject to proof at trial. Defendants' infringement of Plaintiffs' rights under the '447 patent will continue to damage Plaintiffs' business, causing irreparable harm, for which there is no adequate remedy at law, unless defendant is enjoined by this Court.

23. Upon information and belief, Defendants' infringement of the '447 patent is willful and deliberate, entitling Plaintiffs to increased damages under 35 U.S.C. § 284 and to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

INFRINGEMENT OF U.S. PATENT NO. 6,601,662

24. On August 5, 2003, United States Patent No. 6,601,662 (“the ‘662 patent”) was duly and legally issued to inventors Terry R. Matthias, Nigel Dennis Griffin and Peter Raymond Hughes for Polycrystalline Diamond Cutters With Working Surfaces Having Varied Wear Resistance While Maintaining Impact Strength. All rights and interest in the ‘662 patent have been assigned to the plaintiff ReedHycalog UK, Ltd. ReedHycalog, LP is a licensee of the ‘662 patent. A true and correct copy of the ‘662 patent is attached hereto as Exhibit D.

25. Upon information and belief, the Defendants have infringed and continue to infringe the ‘662 patent. The infringing acts include at least the manufacture, use, sale, and/or offer for sale of infringing products and inducing and contributing thereof. Defendants are liable for infringement of the ‘662 patent pursuant to 35 U.S.C. § 271.

26. Defendants’ acts of infringement have caused damage to Plaintiffs, and Plaintiffs are entitled to recover from the Defendants the damages sustained by Plaintiffs as a result of Defendants’ wrongful acts in an amount subject to proof at trial. Defendants’ infringement of Plaintiffs’ rights under the ‘662 patent will continue to damage Plaintiffs’ business, causing irreparable harm, for which there is no adequate remedy at law, unless defendant is enjoined by this Court.

27. Upon information and belief, Defendants’ infringement of the ‘662 patent is willful and deliberate, entitling Plaintiffs to increased damages under 35 U.S.C. § 284 and to attorneys’ fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

MARKING

28. To the extent marking was required by 35 U.S.C. § 287, Plaintiffs have complied with such marking requirements for the ‘098 patent, the ‘137 patent, the ‘447 patent, and the ‘662 patent. Plaintiffs are entitled to recover damages for acts of infringement occurring prior to the filing of the lawsuit.

JURY DEMAND

29. Plaintiffs hereby demand a jury trial on all issues and claims so triable.

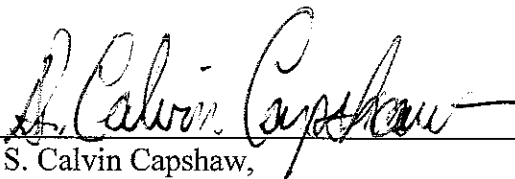
PRAYER FOR RELIEF

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

- (a) For judgment that the '098 patent, the '137 patent, the '447 patent and the '662 patent have been and/or continue to be infringed by defendant;
- (b) For an accounting of all damages sustained by Plaintiffs as the result of Defendants' acts of infringement;
- (c) For a permanent injunction enjoining the aforesaid acts of infringement by Defendants, their officers, agents, servants, employees, subsidiaries and attorneys, and those persons acting in concert with the Defendants, including related individuals and entities, customers, representatives, OEMs, dealers, distributors and importers;
- (d) For actual damages together with prejudgment interest, according to proof,
- (e) For enhanced damages pursuant to 35 U.S.C. § 284;
- (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: May 12, 2006+

Respectfully submitted,

By: 
S. Calvin Capshaw,
Attorney-in-Charge
State Bar No. 0378390
BROWN MCCARROLL LLP
1127 Judson Road, Suite 220
P.O. Box 3999 (75606-3999)
Longview, Texas 75601-5157
Telephone: (903) 236-9800
Facsimile: (903) 236-8787
Email: ccapshaw@mailbmc.com

Danny L. Williams
State Bar No. 21518050
J. Mike Amerson
State Bar No. 01150025
WILLIAMS, MORGAN & AMERSON, P.C.
10333 Richmond Avenue, #110
Houston, Texas 77042
Telephone: (713) 934-7000
Facsimile: (713) 934-7011
E-Mail: danny@wmalaw.com
E-Mail: mike@wmalaw.com

T. John Ward, Jr.
State Bar No. 00794818
LAW OFFICE OF T. JOHN WARD JR. P.C.
P.O. Box 1231
Longview, Texas 75606
Telephone: (903) 757-6400
Facsimile: (903) 757-2323
E-Mail: jw@jwfirm.com

ATTORNEYS FOR PLAINTIFFS

LON:158326.1
52652.1