

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

| | | |
|-------------------------|---|------------------|
| CHEMFREE CORPORATION, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Civil Action No. |
| |) | 1:04-CV-3711 JTC |
| |) | |
| J. WALTER, INC., and |) | |
| J. WALTER COMPANY, LTD. |) | |
| |) | |
| Defendants. |) | |

FIRST AMENDED COMPLAINT

NOW COMES Plaintiff ChemFree Corporation ("ChemFree") and, pursuant to Fed.R.Civ.P. 15(a), hereby amends its original Complaint, which was filed on or about December 20, 2004. Pursuant to said Rule 15, ChemFree amends its Complaint as a matter of course, there having been no responsive pleading filed by any Defendant to this action.

The within First Amended Complaint supercedes and should be substituted fully in lieu of the original Complaint. ChemFree further shows this Court the following:

THE PARTIES

1.

Defendant J. Walter, Inc. ("JWI") is a corporation organized under the laws of Connecticut, with its principal place of business located at 141 Locust Street, Hartford, Connecticut 06114-1504.

2.

JWI may be served under Georgia's long-arm statute through its registered agent for service of process: R&C Service Company; located at 280 Trumbull Street, Hartford, Connecticut 06103.

3.

Defendant J. Walter Company, Ltd. ("JWCL") is a Canadian company that is affiliated with JWI. JWCL manufactures and ships products into the United States for commercial sale. JWCL maintains a place of business in the United States located at 141 Locust Street, Hartford, Connecticut 06114-1504.

4.

Plaintiff ChemFree is a corporation organized under the laws of the State of Georgia with its principal offices and place of business in the State of Georgia, located at 8 Meca Way, Norcross, Georgia 30093.

JURISDICTION AND VENUE

5.

This is an action for patent infringement arising under the patent laws of the United States, Title 35, United States Code.

6.

This Court has subject matter jurisdiction over all causes of action set forth herein pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7.

This Court has personal jurisdiction over JWI since JWI sells and ships products into the State of Georgia for purposes of commercial gain.

8.

This Court has personal jurisdiction over JWCL since JWCL manufactures products for importation into the United States with the knowledge and expectation that its U.S. affiliate, JWI, will sell and distribute such products throughout the United States, including the State of Georgia, for purposes of commercial gain.

9.

Venue is proper in this judicial district and division pursuant to 28 U.S.C. §§ 1391(b) and (c) (1993) and 1400(b).

CHEMFREE'S STANDING TO BRING SUIT AS THE SOLE PLAINTIFF

10.

ChemFree is engaged in the business of manufacture, distribution, and sale of parts washer systems.

11.

ChemFree is the co-owner of a number of United States patents that afford patent protection to its parts washer products and to various methods of washing parts using a parts washer system. Such patents include, but are not limited to: U.S. Patents 6,019,110; 6,074,491; 6,374,835; 6,440,226; and 6,451,125. True and correct copies of such patents are attached hereto as Exhibits "A" through "E" respectively.

12.

Pursuant to a certain Settlement, Release and Indemnity Agreement executed and delivered on or about October 14, 1996, (hereinafter the "Co-ownership Agreement") ownership of U.S. Patents 6,019,110; 6,074,491; 6,374,835; 6,440,226; and 6,451,125, and/or the patent applications leading to issuance thereof, was divided substantially equally and jointly between ChemFree and Advanced Bioremediation Systems, Inc. now known as ZYMO International, Inc. ("ZYMO").

13.

Under paragraph 2.5 of the Co-ownership Agreement, the right, but not the obligation, to enforce the patents and patent rights co-owned under the agreement belongs to ChemFree and ZYMO jointly.

14.

Sometime on or about September of 2004, pursuant to the applicable provisions of the Co-ownership Agreement, ChemFree duly notified ZYMO of its intent to prosecute patent infringement litigation against JWCL and JWI and solicited ZYMO's joint contribution and participation in such litigation.

15.

In response, ZYMO sent written notification to ChemFree that it waived its right to participate in the contemplated patent infringement action against JWCL and JWI and, furthermore, waived and disclaimed entitlement to any damages award or settlement proceeds that might arise as a consequence of such litigation and further advised ChemFree that it (ChemFree) was at liberty to unilaterally pursue such litigation without ZYMO's participation.

16.

As a consequence of ZYMO's receipt of proper notification under the Co-ownership Agreement, together with its unequivocal

waiver of its right to participate in this litigation against JWCL and JWI, and, furthermore, as a consequence of ZYMO's unequivocal disclaimer of any interest in the damages award or settlement proceeds of this litigation and its further advisement to ChemFree that it (ChemFree) was at liberty to unilaterally pursue such litigation without ZYMO's participation, ChemFree has standing to bring this action as the sole plaintiff.

FACTS COMMON TO ALL COUNTS FOR JUDICIAL RELIEF

17.

JWCL manufactures and imports into the United States a parts washer system that is designated as the *Bio-Circle™ Parts Washer BR-200* (hereinafter the "Walter Parts Washer"). A true and correct copy of a page from JWCL's internet web-site obtained on or about December 9, 2004, and that depicts the Walter Parts Washer is attached hereto as Exhibit "F."

18.

JWCL manufactures and imports into the United States a cleaning fluid designated as *Bio-Circle L* for use in the Walter Parts Washer (such fluid shall hereinafter be referred to as the "Walter Cleaning Fluid"). A true and correct copy of a page from JWCL's internet web-site obtained on or about December 9,

2004, and depicting the Walter Cleaning Fluid is attached hereto as Exhibit "G."

19.

JWI is engaged in the business of, among other things, distributing and selling the Walter Parts Washer.

20.

JWI is also engaged in the business of distributing and selling the Walter Cleaning Fluid.

COUNT I

INFRINGEMENT OF U.S. PATENT 6,019,110

21.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-20 hereinabove.

22.

On February 1, 2000, United States Patent No. 6,019,110 (the "'110 Patent") was duly and legally issued to inventor James C. McClure *et al* and entitled "Parts Washing System."

23.

In accordance with, among other things, the facts alleged in paragraphs 12 through 16 hereinabove, ChemFree is a co-owner, by assignment, of the '110 Patent and has the right to bring suit for infringement of the '110 Patent as the sole plaintiff.

24.

JWCL and JWI have unlawfully infringed one or more claims of the '110 Patent by making, using, importing, offering to sell and/or selling articles which infringe the claims of the '110 Patent, including by making, using, importing, offering to sell and/or selling the Walter Parts Washer and the Walter Cleaning Fluid.

25.

Upon information and belief, JWCL and JWI have engaged in activities which constitute direct infringement, contributory infringement, and/or inducement to infringe the claims of the '110 Patent, in violation of 35 U.S.C. § 271.

26.

ChemFree has suffered damages by reason of JWCL and JWI's infringement of the '110 Patent for which ChemFree is entitled to relief under 35 U.S.C. § 284.

27.

JWCL and JWI's acts of infringement have caused irreparable harm to ChemFree. ChemFree does not have an adequate remedy at law. ChemFree will suffer additional and irreparable damages unless JWCL and JWI are enjoined preliminarily and permanently by this Court from continuing their infringement.

COUNT II

INFRINGEMENT OF U.S. PATENT 6,074,491

28.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-27 hereinabove.

29.

On June 13, 2000, United States Patent No. 6,074,491 (the "'491 Patent") was duly and legally issued to inventor James C. McClure *et al* and entitled "Parts Washing System."

30.

In accordance with, among other things, the facts alleged in paragraphs 12 through 16 hereinabove, ChemFree is a co-owner, by assignment, of the '491 Patent and has the right to bring suit for infringement of the '491 Patent as the sole plaintiff.

31.

JWCL and JWI have unlawfully infringed one or more claims of the '491 Patent by making, using, importing, offering to sell and/or selling articles which infringe the claims of the '491 Patent, including by making, using, importing, offering to sell and/or selling the Walter Parts Washer and the Walter Cleaning Fluid.

32.

Upon information and belief, JWCL and JWI have engaged in activities which constitute direct infringement, contributory infringement, and/or inducement to infringe the claims of the '491 Patent, in violation of 35 U.S.C. § 271.

33.

ChemFree has suffered damages by reason of JWCL and JWI's infringement of the '491 Patent for which ChemFree is entitled to relief under 35 U.S.C. § 284.

34.

JWCL and JWI's acts of infringement have caused irreparable harm to ChemFree. ChemFree does not have an adequate remedy at law. ChemFree will suffer additional and irreparable damages unless JWCL and JWI are enjoined preliminarily and permanently by this Court from continuing their infringement.

COUNT III

INFRINGEMENT OF U.S. PATENT 6,374,835

35.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-34 hereinabove.

36.

On April 23, 2002, United States Patent No. 6,374,835 (the "'835 Patent") was duly and legally issued to inventor James C. McClure *et al* and entitled "Parts Washing System."

37.

In accordance with, among other things, the facts alleged in paragraphs 12 through 16 hereinabove, ChemFree is a co-owner, by assignment, of the '491 Patent and has the right to bring suit for infringement of the '835 Patent as the sole plaintiff.

38.

JWCL and JWI have unlawfully infringed one or more claims of the '835 Patent by making, using, importing, offering to sell and/or selling articles which infringe the claims of the '835 Patent, including by making, using, importing, offering to sell and/or selling the Walter Parts Washer and the Walter Cleaning Fluid.

39.

Upon information and belief, JWCL and JWI have engaged in activities which constitute direct infringement, contributory infringement, and/or inducement to infringe the claims of the '835 Patent, in violation of 35 U.S.C. § 271.

40.

ChemFree has suffered damages by reason of JWCL and JWI's infringement of the '835 Patent for which ChemFree is entitled to relief under 35 U.S.C. § 284.

41.

JWCL and JWI's acts of infringement have caused irreparable harm to ChemFree. ChemFree does not have an adequate remedy at law. ChemFree will suffer additional and irreparable damages unless JWCL and JWI are enjoined preliminarily and permanently by this Court from continuing their infringement.

COUNT IV

INFRINGEMENT OF U.S. PATENT 6,440,226

42.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-41 hereinabove.

43.

On August 27, 2002, United States Patent No. 6,440,226 (the "'226 Patent") was duly and legally issued to inventor James C. McClure *et al* and entitled "Parts Washing System."

44.

In accordance with, among other things, the facts alleged in paragraphs 12 through 16 hereinabove, ChemFree is a co-owner, by assignment, of the '226 Patent and has the right to bring suit for infringement of the '226 Patent as the sole plaintiff.

45.

JWCL and JWI have unlawfully infringed one or more claims of the '226 Patent by making, using, importing, offering to sell and/or selling articles which infringe the claims of the '226 Patent, including by making, using, importing, offering to sell and/or selling the Walter Parts Washer and the Walter Cleaning Fluid.

46.

Upon information and belief, JWCL and JWI have engaged in activities which constitute direct infringement, contributory infringement, and/or inducement to infringe the claims of the '226 Patent, in violation of 35 U.S.C. § 271.

47.

ChemFree has suffered damages by reason of JWCL and JWI's infringement of the '226 Patent for which ChemFree is entitled to relief under 35 U.S.C. § 284.

48.

JWCL and JWI's acts of infringement have caused irreparable harm to ChemFree. ChemFree does not have an adequate remedy at law. ChemFree will suffer additional and irreparable damages unless JWCL and JWI are enjoined preliminarily and permanently by this Court from continuing their infringement.

COUNT V

INFRINGEMENT OF U.S. PATENT 6,451,125

49.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-48 hereinabove.

50.

On September 17, 2002, United States Patent No. 6,451,125 (the "'125 Patent") was duly and legally issued to inventor James C. McClure *et al* and entitled "Parts Washing System."

51.

In accordance with, among other things, the facts alleged in paragraphs 12 through 16 hereinabove, ChemFree is a co-owner, by assignment, of the '125 Patent and has the right to bring suit for infringement of the '125 Patent as the sole plaintiff.

52.

JWCL and JWI have unlawfully infringed one or more claims of the '125 Patent by making, using, importing, offering to sell and/or selling articles which infringe the claims of the '125 Patent, including by making, using, importing, offering to sell and/or selling the Walter Parts Washer and the Walter Cleaning Fluid.

53.

Upon information and belief, JWCL and JWI have engaged in activities which constitute direct infringement, contributory infringement, and/or inducement to infringe the claims of the '125 Patent, in violation of 35 U.S.C. § 271.

54.

ChemFree has suffered damages by reason of JWCL and JWI's infringement of the '125 Patent for which ChemFree is entitled to relief under 35 U.S.C. § 284.

55.

JWCL and JWI's acts of infringement have caused irreparable harm to ChemFree. ChemFree does not have an adequate remedy at law. ChemFree will suffer additional and irreparable damages unless JWCL and JWI are enjoined preliminarily and permanently by this Court from continuing their infringement.

COUNT VI

WILLFUL INFRINGEMENT

56.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-55 hereinabove.

57.

ChemFree, prior to the institution of this action, sent copies of the above referenced patents to JWCL, together with a written statement of ChemFree's belief that the Walter Parts Washer and Walter Cleaning Fluid infringed such patents.

58.

Shortly after the original Complaint was filed in this civil action, ChemFree sent copies of its original Complaint in to JWCL and JWI, thereby further notifying them that they were infringing ChemFree's patents.

59.

JWCL and JWI have persisted in their infringing conduct despite being notified of ChemFree's patent rights and, moreover, have persisted in such infringing conduct even after the initiation of this litigation.

60.

JWCL and JWI's ongoing and continuing infringement of the above-referenced ChemFree patents, despite receipt of notification of their infringing conduct, evinces such a lack of due care with respect to ChemFree's patent rights as to constitute willful infringement.

61.

The willfulness of JWCL and JWI's continuing infringement warrants imposition by the Court of treble damages pursuant to 35 U.S.C. § 284.

COUNT VII

ATTORNEYS FEES

62.

ChemFree repeats and incorporates by reference, as if fully restated herein, the averments set forth in paragraphs 1-61 hereinabove.

63.

The circumstances surrounding JWCL and JWI's infringement, including, without limitation, the willfulness thereof, warrant a determination by the Court that this is an "exceptional case" within the meaning of 35 U.S.C. § 285 and further justifying an award of ChemFree's attorneys fees and costs in pursuing this action.

PRAYER FOR RELIEF

WHEREFORE, ChemFree prays:

(a) that JWCL and JWI be declared to have infringed one or more claims of the '110 Patent, the '491 Patent, the '835 Patent, the '226 Patent, and/or the '125 Patent;

(b) that the Court issue a preliminary and permanent injunction pursuant to 35 U.S.C. § 283 against the continuing infringements of the claims of the '110 Patent, the '491 Patent, the '835 Patent, the '226 Patent, and/or the '125 Patent by JWCL and JWI, and their respective officers, agents, employees, attorneys, representatives, and all others acting in concert therewith;

(c) that the Court award money damages in favor of ChemFree and against JWCL and JWI, jointly and severally, adequate to compensate ChemFree for JWCL and JWI's infringement in accordance with applicable law including 35 U.S.C. § 284;

(d) that the Court award ChemFree prejudgment interest and costs pursuant to 35 U.S.C. § 284;

(e) that the Court increase the damages assessed against JWCL and JWI to three times the amount found or assessed pursuant to 35 U.S.C. § 284 as a result of JWCL and JWI's willful infringements as alleged herein;

(f) that the Court declare this an exceptional case and order that JWCL and JWI pay to ChemFree its reasonable attorneys' fees and costs, pursuant to 35 U.S.C. § 285; and

(g) that the Court award such further and other relief to CHEMFREE as the Court deems just, together with its costs and disbursements in this action.

Respectfully submitted, this 23rd day of May, 2005.

WOMBLE CARLYLE SANDRIDGE & RICE, PLLC

 /s/ William A. Capp

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Counsel for Plaintiff,
ChemFree Corporation

CERTIFICATE OF SERVICE

I hereby certify that on May 23, 2005, I electronically filed the within and foregoing FIRST AMENDED COMPLAINT with the Clerk of Court using the CM/ECF system which will automatically send e-mail notification of such filing to the following attorneys of record:

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