

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

2002 MAR 28 PM 2:52
CLERK OF COURT

ROCKBIT INTERNATIONAL, L.P.

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Plaintiff,

v.

NO. 402-CV-0193-A

SMITH INTERNATIONAL, INC.

Defendant.

FIRST AMENDED COMPLAINT

Plaintiff Rockbit International, L.P. ("Rockbit") alleges:

1. This is an action for declaratory judgment under 28 U.S.C. §§ 2201 and 2202 adjudging the United States Letters Patent No. 5,494,123 to be invalid, not infringed by plaintiff and unenforceable.

2. Plaintiff Rockbit is a Texas limited partnership with its principal place of business in Fort Worth, Tarrant County, Texas. Rockbit has for many years manufactured, distributed and sold drilling bits used in the exploration and drilling for oil and gas.

3. Defendant Smith International, Inc. ("Smith") is a Delaware corporation with its principal place of business in Harris County, Texas. Smith is a competitor of Rockbit, as it too, manufactures, distributes and sells drilling bits.

4. This Court has jurisdiction of this action pursuant to 28 U.S.C. § 1338. Venue is proper in this Court under 28 U.S.C. § 1391(c).

5. On October 4, 1994, Smith applied to the United States Patent Office for a patent for a "drill bit with protruding insert stabilizers." On February 27, 1996, the United States Patent Office issued to Smith Patent No. 5, 494,123 (the "'123 Patent") attached as Exhibit A. By letter dated March 5, 2002, a true copy of which is attached hereto as Exhibit B, Smith wrote Rockbit and by

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alleging that drill bits manufactured by Rockbit infringed on the '123 Patent, threatened Rockbit with imminent harm.

6. Rockbit has not infringed and is not now infringing the '123 Patent. In addition, plaintiff asserts that it is entitled to manufacture, use and sell its rockbits without interference by Smith.

7. By reason of the above, an actual controversy has arisen and exists between Rockbit and Smith as to the validity of the '123 Patent and to the alleged infringement of the '123 Patent by the manufacture and sale of rockbits by plaintiff.

Invalidity

8. The '123 Patent is invalid because at the time of the application, plaintiff had for many years already been manufacturing, distributing and selling drill bits using rounded or domed inserts that protrude laterally from the shirt-tail portion of the arm of the drill bit in order to stabilize the bit. Exhibit C discloses the Rockbit drill bit made and sold in April of 1992, some two and one-half years before Smith filed its patent application. Because Rockbit had made, used and sold the accused drill bit in this country more than one year before Smith filed its application, the '123 Patent is invalid under 35 U.S.C. § 102(b). Smith was not the original or first or sole inventor or discoverer of the alleged invention purported to be patented by the '123 Patent as required by 35 U.S.C. § 102(f).

Non-Infringement by Plaintiff


9. In the alternative, to the extent the '123 Patent does not contain art or an invention other than the use of rounded or domed inserts protruding laterally from the shirt-tail portion of the arm of the drill bit in order to stabilize the bit, that invention does not and could not cover the drill bits manufactured, distributed and sold by plaintiff.

Unenforceability of the '123 Patent

10. The Rockbit drill bit of Exhibit C is shown in the April 1992 edition of Offshore, an industry magazine made available to and subscribed to by virtually all U.S. and many foreign oil tool industry companies. The '123 Patent is unenforceable because of the inequitable conduct of Smith before the United States Patent and Trademark Office. Specifically, Smith intentionally withheld the material information contained in Exhibit C from the patent examiner in the prosecution of the '123 Patent. This action violated Smith's absolute duty of candor to the United States Patent and Trademark Office as required by 37 C.F.R. 1.56.

WHEREFORE, plaintiff urges the Court to enter a judgment or decree awarding the following relief:

1. A judgment declaring that the '123 Patent claims are invalid;
2. A judgment that none of the '123 Patent claims are infringed by the drill bits manufactured, distributed and sold by plaintiff;
3. A judgment that the '123 Patent claims are unenforceable against plaintiff; and
4. A judgment for plaintiff's reasonable and necessary attorney's fees together with all costs of court.

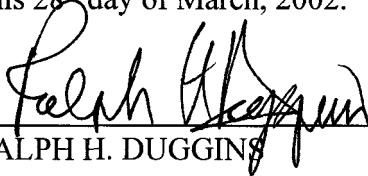


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ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing First Amended Complaint was served by certified mail, return receipt requested, on Jeffrey W. Tayon and Mack Ed Swindle, attorneys for defendant, Smith International, Inc., on this 28th day of March, 2002.



RALPH H. DUGGINS