

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

ZINKAN ENTERPRISES, INC.
1919 Case Parkway North
Twinsburg, OH 44087

Plaintiff,

vs.

NALCO COMPANY
c/o CT Corporation System
1300 E. 9th Street
Cleveland, OH 44114

Defendant.

CASE NO.: 1:08-cv-01177

Judge Patricia A. Gaughan

**SECOND AMENDED COMPLAINT
FOR DECLARATORY JUDGMENT**

Pursuant to the Court's Case Management Order of August 19, 2008, Plaintiff Zinkan Enterprises, Inc. ("Zinkan") states as follows for its Second Amended Complaint against defendant Nalco Company ("Nalco"):

Jurisdiction And Nature Of The Case

1. Zinkan is a corporation organized and operating under the laws of the State of Ohio, with its principal place of business at 1919 Case Parkway North, Twinsburg, Ohio 44087.
2. Upon information and belief, Nalco is a corporation organized and operating under the laws of the State of Delaware, with its principal place of business at 1601 West Diehl Road, Naperville, Illinois 60563, and has a location at 7154 Pine Street, Chagrin Falls, Ohio 44022. Nalco is registered to do business in the State of Ohio and its registered agent is CT Corporation System, located at 1300 E. 9th Street, Cleveland, Ohio 44114.

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1332, 1338, 2201 and 2202, on the grounds that Zinkan seeks a declaration of its rights against threats of patent infringement litigation made by Nalco directly to Zinkan.

4. This Court has jurisdiction over the person of defendant Nalco among other things by virtue of Nalco's allegations made against Zinkan, an Ohio corporation, and Nalco's own presence in this State.

5. Venue is proper in this Court by virtue of 28 U.S.C. §§ 1391 and 1400.

6. For over 25 years, Zinkan has manufactured a wide variety of specialty chemicals to serve the needs of mining, industrial, and commercial customers, including a variety of freeze conditioning agents for freeze proofing coal, iron, and other ores to allow movement and handling of the materials during winter months. Among Zinkan's products are glycerin-based products FreezeTrol™ FT-60 and FreezeTrol™ FT-62 ("Zinkan Products").

7. Zinkan received a letter dated March 18, 2008 from an attorney on behalf of Nalco, asserting that the use, manufacture, sale and/or offer for sale of the Zinkan Products by Zinkan infringes rights claimed by Nalco in U.S. Patent No. 7,108,800 ("the '800 Patent"). This letter is attached hereto as EXHIBIT A.

8. On July 15, 2008, U.S. Patent No. 7,398,935 ("the '935 Patent") issued. Nalco has asserted that the use, manufacture, sale and/or offer for sale of the Zinkan Products also infringes rights claimed by Nalco in the '935 Patent.

9. The use, manufacture, sale, offer for sale and/or importation of the Zinkan Products do not infringe the methods claimed in the '800 Patent or the '935 Patent.

10. The methods claimed in the '800 Patent and the '935 Patent are not valid or enforceable pursuant to the provisions of 35 U.S.C. §§ 101, 102, 103, and/or 112, among other

reasons because those claims are not novel, are obvious, do not describe the best mode for practicing the claimed invention, and do not set out sufficient information to permit a person skilled in the art to practice the invention. Further, the claims thereof do not particularly point out and distinctly claim the subject matter that the inventors regard as their invention.

11. While the application that resulted in the '800 Patent was pending and prior to the filing of the application that resulted in the '935 Patent, Nalco had notice of a Search Report issued in connection with International Patent Application PCT/US05/07462 ("Search Report"). [See Exhibit H to Zinkan's Markman Brief, ECF#22] The said International Patent Application relies for its priority date on U.S. Application SN 10/955,401, which in turn relies for its priority date on the U.S. application that gave rise to the '800 Patent.

12. The Search Report identified U.S. Patent No. 5,674,428 to Lott ("Lott") as a "Document Considered To Be Relevant" to various claims of the said International Patent Application. [See Exhibit I to Zinkan's Markman Brief, ECF#22] Lott was identified in the Search Report as a "document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone." Lott discloses the use of a glycerin-based spray as both a freeze-conditioning agent and a dust inhibitor on coal, which no other reference disclosed to the examiner of the application that led to the '800 Patent showed. Lott refutes or is inconsistent with the assertion made by the applicant for the patents in suit, for example in the Amendment and Discussion submitted February 16, 2006 regarding the '800 Patent, that no prior art reference teaches both a method of preventing the agglomeration of particulate material and the generation of dust from particulate material. Lott also establishes a prima facie case of unpatentability of the claims of the patents in suit. Lott is "material" to the patentability of the patents in suit as that term is used

in 37 C.F.R. § 1.56. The U.S. Patent Office “encourages applicants to carefully examine...prior art cited in search reports of a foreign patent office in a counterpart application,” as set out in 37 C.F.R. § 1.56(a). The Search Report in which the Lott reference was reported is of the type referred to in the previously-quoted portion of § 1.56(a).

13. Despite knowledge of the Lott reference and of its materiality to the inventions claimed in the patents at issue, Nalco, the inventors, and their patent attorneys did not disclose the Lott reference to the examiner during the prosecution of the applications that resulted in the ‘800 Patent and ‘935 Patent.

14. Nalco, the inventors of the patents in suit, and their patent attorneys were also aware, prior to the filing of the applications for the patents in suit, of U.S. Patent 4,117,214 to Parks (“Parks”). Neither Nalco, the inventors, nor their patent attorneys disclosed Parks during the prosecution of the application that led to the ‘800 Patent.

15. Parks discloses, among other things, spraying glycerin mixed with water and other components onto coal, and is considered one of the seminal patents in the art of freeze conditioning coal. [See Exhibit G to Zinkan’s Markman Brief, ECF #22] The Parks reference discloses that, unlike compositions directed to deicing or anti-icing, water/glycerin mixtures like those disclosed in the ‘800 Patent modify the crystalline structure of the ice, but do not “prevent” ice from forming or coal from agglomerating.

16. Nalco, the inventors of the patents in suit, and their attorneys had knowledge of the Parks reference, as evidenced by the citation of Parks in connection with various patents assigned to and, upon information and belief, prosecuted by Nalco – including U.S. Patent 4,470,827 to Kekish, et al., and U.S. Patent 4,410,431 to Roe, both of which are related to treatment of coal, including for the purpose of freeze conditioning or freeze protection.

17. The Parks reference is inconsistent with the argument made by Nalco, the inventors and their attorneys, for example in the Amendment and Discussion submitted June 20, 2006 in the prosecution of the '800 Patent, that their claimed invention "prevent[s] the agglomeration of particulate materials using the recited diluted product."

18. On information and belief, Nalco, the inventors, and their patent attorneys were also aware, during the prosecution of the application that resulted in the '800 Patent that actual testing of their product was inconsistent with the argument made by Nalco, the inventors and their attorneys, for example in the Amendment and Discussion submitted June 20, 2006 in the prosecution of the '800 Patent, that their claimed invention "prevent[s] the agglomeration of particulate materials using the recited diluted product."

19. During the prosecution of the '935 Patent, Nalco, the inventors and their patent attorneys again misrepresented that the claimed invention prevented agglomeration and adhesion in order to distinguish it from other prior art, despite knowledge from the Parks reference and from prior testing that the claimed methods did not prevent agglomeration, for example in the Response to Office Action submitted January 12, 2007.

20. The failure of Nalco, the inventors, and their patent attorneys to bring the Lott reference to the attention of the examiner during the prosecution of the applications that resulted in the '800 Patent and the '935 Patent, and their failure to bring the Parks reference to the attention of the examiner during the prosecution of the application that resulted in the '800 Patent, and their misrepresentation of the nature of the claimed inventions in those patents as "preventing" the agglomeration of particulate materials, each independently violate the duty of candor and good faith owed by those entities to the U.S. Patent Office "to disclose to the Office

all information known to that individual to be material to patentability,” pursuant to 37 C.F.R. 1.56

21. The aforesaid violation of the duty of candor and good faith renders unenforceable the ‘800 Patent, the ‘935 Patent, and all other applications relating to those patents or claiming a priority date based on the applications that resulted in those patents.

22. There is a real and immediate controversy over the aforementioned matters between Zinkan and Nalco, the resolution of which is necessary in order that Zinkan may avoid wrongful injury to the reputation of its goods in the marketplace and other direct injury suffered from Nalco’s wrongful allegations.

Claim One

23. The foregoing allegations are reasserted in this Claim as if rewritten herein in full.

24. Zinkan is entitled to a declaration in its favor that the use, manufacture, sale, offer for sale and/or importation of the Zinkan Products, whether by Zinkan or by its customers, do not infringe the ‘800 Patent or the ‘935 Patent.

25. Absent the requested declaration by the Court, Zinkan will suffer irreparable injury.

Claim Two

26. The foregoing allegations are reasserted in this Claim as if rewritten herein in full.

27. Zinkan is entitled to a declaration in its favor that the ‘800 Patent and the ‘935 Patent are invalid.

28. Absent the requested declaration by the Court, Zinkan will suffer irreparable injury.

Claim Three

29. The foregoing allegations are reasserted in this Claim as if rewritten herein in full.

30. Zinkan is entitled to a declaration in its favor that the '800 Patent and the '935 Patent are unenforceable, including for inequitable conduct in the prosecution of the patents, based among other things on Nalco, the inventors, and their patent attorneys' violation of the duty of candor and good faith set out in 37 C.F.R. § 1.56, as described above.

31. Absent the requested declaration by the Court, Zinkan will suffer irreparable injury.

Request For Relief

WHEREFORE, Zinkan demands a trial by jury and demands judgment against Defendant as follows:

- A. For a declaratory judgment that the use, manufacture, sale, offer for sale and/or importation of the Zinkan Products do not infringe the '800 Patent or the '935 Patent.
- B. For a declaratory judgment that the '800 Patent and the '935 Patent are invalid.
- C. For a declaratory judgment that the '800 Patent and the '935 Patent, and all other patents and patent applications related to them or claiming priority dates based upon them are unenforceable.
- D. For the cost of this action, together with an assessment of interest and reasonable attorney fees;
- E. For an Order precluding Nalco from commencing or maintaining any action against Zinkan, Zinkan's customers or the end users of the Zinkan Products, with regard to the sale and/or use in commerce of the Zinkan Products;
- F. For such other and further relief as this Court may deem just and proper.

Dated: February 16, 2009

/s/ Christina J. Moser
Thomas H. Shunk (0025793)
Christina J. Moser (0078417)
BAKER & HOSTETLER, LLP
1900 E. Ninth St. Suite 3200
Cleveland, Ohio 44114
(216) 621-0200
(216) 373-6557 (fax)
tshunk@bakerlaw.com
cmoser@bakerlaw.com

Attorneys for Plaintiff, Zinkan Enterprises, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Second Amended Complaint was filed via the Court's electronic filing system on February 16, 2009. Counsel of record may access the document electronically.

/s/ Christina J. Moser
an attorney for Plaintiff