IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS WACO DIVISION

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§ CIVIL ACTION NO. <u>6:22-cv-1</u> 316
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§ JURY TRIAL DEMANDED
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ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs NCS Multistage Inc. and NCS Multistage LLC (collectively "NCS" or "Plaintiffs"), by and through the undersigned counsel, hereby bring their Complaint for Patent Infringement against Defendant Entech Solutions, AS ("Entech" or "Defendant").

NATURE OF THE ACTION

- 1. This is an action for patent infringement. NCS alleges that Entech infringes the following NCS Patent, which is attached hereto as **Exhibit A**:
 - U.S. Patent No. 10,465,445 ("the '445 Patent")
- 2. NCS alleges that Entech indirectly infringes the '445 Patent by inducing its U.S. customer Halliburton to make, use, offer for sale, and/or sell the infringing AirGlideTM Floatation Sub (hereafter "AirGlide") in the United States, a system used in downhole well construction, and by encouraging U.S. customers to use the AirGlide to perform infringing floatation methods. NCS further alleges that Entech contributes to infringement of the '445 Patent by shipping components to the United States, including Texas, that have no substantial non-infringing uses and are specifically made to be assembled into the infringing AirGlide. NCS seeks damages, injunctive, and other relief for Entech's infringement of the '445 Patent.



THE PARTIES

- 3. Plaintiff NCS Multistage Inc. is a Canadian corporation with a place of business at 700, 333-7th Ave SW Calgary, AB T2P 2Z1.
- 4. Plaintiff NCS Multistage, LLC is a Texas corporation with a place of business at 19350 State Highway 249, Suite 600, Houston, TX 77070.
- 5. Upon information and belief, Defendant Entech is a Norwegian company with a principal place of business at Storanest 12, 5260 Indre Arna, Norway.

JURISDICTION AND VENUE

- 6. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.* This Court has original jurisdiction under 28 U.S.C. §§ 1331 and 1338.
- 7. This Court has specific personal jurisdiction over Entech because Entech purposefully directed its activities at Texas, the claim arises out of Entech's activities with Texas, and the assertion of personal jurisdiction is reasonable and fair. Entech conducts business in the State of Texas. Upon information and belief, Entech created and designed the infringing AirGlide. Entech entered into a license and distribution agreement with Halliburton for the AirGlide. Entech provides Halliburton in Texas the assembly drawings and manufacturing specifications for the AirGlide. Halliburton uses those drawings and specifications to make, assemble, and sell the AirGlide in the United States, including substantial sales in this District. Entech instructs or encourages U.S. customers to perform infringing floatation methods in this District, including in the Permian Basin. Furthermore, Entech ships to Halliburton in Texas parts specifically made for the AirGlide. Halliburton assembles those parts into the infringing AirGlide.



- 8. This Court has general personal jurisdiction over Entech because it has availed itself of the rights and benefits of the laws of Texas, has derived substantial revenue from the sales of the infringing AirGlide in Texas, and has systematic and continuous business contacts with Texas.
- 9. Alternatively, this Court has personal jurisdiction over Entech pursuant to Fed. R. Civ. P. 4(k)(2).
- 10. Venue is proper in this District under 28 U.S.C. §§ 1391. As a foreign defendant, Entech may be sued in any judicial district in the United States. 28 U.S.C. § 1391(c)(3). Moreover, Entech has committed acts of indirect infringement in this District, as explained above in ¶7, incorporated herein by reference.

BACKGROUND

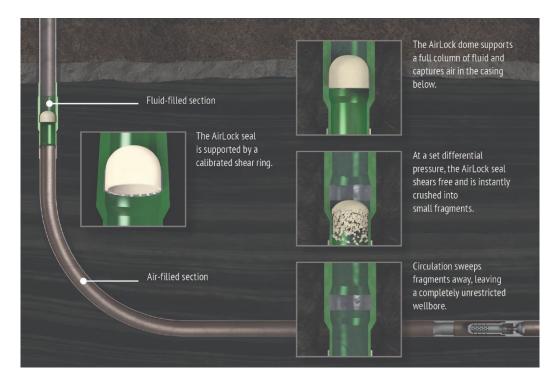
A. NCS

- 11. NCS is a leading technology and service company that specializes in multistage well construction and completions. NCS Multistage Inc. initially formed in Canada in 2006 as NCS Oilfield Services and began developing downhole completion tools for conventional and unconventional completions. In 2008, NCS Multistage, LLC was incorporated in the United States and established its worldwide headquarters in Houston, TX. Today, NCS has 20 offices in the U.S. and Canada, and operates in Argentina, the Middle East and the North Sea, with a record of over 12,000 field successes.
- 12. NCS is an expert in developing downhole tools like its AirLock® buoyancy system, a "casing float tool" covered by the '445 Patent. NCS marks its AirLock® system with the web address of its patent notice which contains the '445 Patent number. *See*



https://www.ncsmultistage.com/patents/. NCS started marking its Airlock® system with the '445 Patent the day the patent issued (i.e., November 5, 2019).

13. As a casing string is run into the horizontal portion of a wellbore, the casing string can drag on the bottom of the wellbore due to its weight and gravity. This makes it challenging to run the casing to the target zone. The AirLock® system is designed to create buoyancy in the casing string, so that the string is lighter and it is easier to run the casing into the wellbore. This is called "floating the casing" into the wellbore. Below is a picture of the patented Airlock® system.



14. The AirLock® system (above in green) is a tubular body attached to the casing string (above in grey). Within the tubular body is a rupture disc (above in white). In use, the portion of the casing string above the rupture disc is filled with fluid. The portion of the casing string below the rupture disc is filled with air, which creates buoyancy in the lower portion of the string. This enhanced buoyancy reduces sliding friction up to 50% while the enhanced weight of



the vertical section provides the force needed to push the string all the way to the toe of the well. After the casing string is run to the target zone, hydraulic pressure is applied from the surface, which causes the rupture disc to disengage from the tubular body walls and shatter. This process restores the internal diameter of the casing string so that tubing tools can be freely conveyed through the casing string. More than 12,000 AirLock® systems have been installed, and casing has landed on more than 99.9% of first attempts.

15. NCS invests substantial resources in innovation and the protection of its valuable intellectual property. To date, NCS has worldwide approximately 106 issued patents, including the '445 Patent that covers its AirLock® system, and 106 pending patent applications.

B. Entech

- 16. Upon information and belief, Entech is a Norwegian oil and gas technology company. Entech offers for sale through its website, entechteam.com, various oil and gas technologies and solutions.
- 17. Upon information and belief, Entech designed the AirGlide, including creating the assembly drawings and manufacturing specifications for the AirGlide. Entech manufactures components specifically designed for the infringing AirGlide (hereafter "Entech Components").
- 18. Upon information and belief, Entech entered into a license and distribution agreement with Halliburton, where Halliburton is authorized to make, use, sell, and/or offer for sale the infringing AirGlide. Pursuant to the agreement, Entech sends the Entech Components, the assembly drawings, and manufacturing specifications for the AirGlide to the United States, including to Halliburton in Texas. Upon information and belief, Halliburton manufactures or has third parties manufacture certain components of the AirGlide (hereafter the "Halliburton Components"), according to Entech's manufacturing specifications. Halliburton assembles



DOCKET

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