IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

UTEX INDUSTRIES, INC.,	§ §
Plaintiff,	\$ \$
v.	§ CIVIL ACTION NO. 3:17-CV-01083
GARLOCK SEALING TECHNOLOGIES	§ JURY TRIAL DEMANDED
LLC, Defendant.	§ § §

PLAINTIFF UTEX INDUSTRIES, INC.'S ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff UTEX Industries, Inc. ("UTEX" or "Plaintiff"), for its Complaint against Garlock Sealing Technologies, LLC ("Garlock" or "Defendant"), hereby demands a jury trial and alleges as follows:

NATURE OF THE ACTION

1. Founded in 1940, UTEX (originally named Universal Packing and Gasket, "UP&G") has a long history as a provider of sealing products and services catered primarily to oil extraction, natural gas, and water distribution markets. Headquartered in Houston, Texas, UTEX is a global leader in the design and manufacture of complex gaskets and highly engineered seals, including header rings for use in high pressure well service pumps.

2. Continuously innovating to meet customer need and enhance the performance of its products, UTEX is committed to innovation and the development of highly engineered products to meet almost any customer application. In 1945, UTEX (then "UP&G") developed and obtained its first patent on a hinge type "Vee" packing. Since obtaining this first patent,

UTEX has been awarded over thirty-five patents on various sealing devices including reciprocating pump packing, molded rubber seals, molded mud pump piston rubbers, mechanical seals, pump gaskets, and molding presses.

3. One such product exemplifying UTEX's commitment to innovation is the XLH X-Tended Life Header Ring developed by UTEX. An exemplary product bulletin for the XLH X-Tended Life Header Ring is attached as **Exhibit 1**. This header ring was developed by UTEX for use in a packing or seal assembly for a pump.

4. As a general background, piston pumps or plunger pumps are positive displacement pumps that are commonly used in the oil and gas industry in environments (e.g., subterranean wells) where the fluids being handled pose problems such as high temperatures, viscous and very viscous media or solids-charged liquids. In these environments, sealing at the high pressure end of the pump is imperative to continued operation of the well-service pump. Indeed, abrasive media being handled by the pump, e.g., muds, cement slurries, fracturing slurries, acids and the like, must be prevented from leaking between the reciprocating plunger and the cylinder or housing in which it reciprocates. Leak prevention is typically accomplished using a sealing or packing assembly that includes one or more V-shaped rings ("V-rings") and a header ring. In well service pumps where energizing loads are very high, the header ring serves as a barrier to prevent the V-rings from being destroyed by abrasion from the media being handled by the well service pump. In other words, the header ring serves as a wiper, removing abrasive media circulating in the pump from the plunger before the abrasives can reach the V-rings.

5. Generally, the header rings have been made of homogeneous elastomeric material. The problem posed in this environment, however, is that conventional homogeneous

rubber header rings suffer from nibbling (i.e., pieces of rubber detaching), which is the primary cause of header ring failure within the sealing assembly and volume loss. When header rings lose volume, they lose their ability to hold the V-rings in place, causing the V-rings to reciprocate within the stuffing box and wear grooves in the stuffing box bore, requiring expensive repair or replacement. In order to prevent failure within the sealing assembly and associated equipment damage, conventional homogeneous rubber header rings are replaced prior to failure. With typical conventional homogeneous rubber header rings having a short useful life that is potentially less than what is required to service a well, this replacement or repair process may interrupt procedures and create costly downtime.

6. Prior to UTEX's development of the XLH X-Tended Life Header Ring, the prevailing view in the industry was that the conventional rubber header ring had to be soft enough to deform easily. Consequently, it was thought that adding fabric to cover any part of or encapsulate the header ring would restrict the rubber's ability to reshape, inhibiting its elasticity as well as greatly increasing the effective spring rate of the header ring. It was also believed that the addition of fabric to the header ring, which in its free state has a diametrical interference fit with the plunger, would cinch the plunger too tightly due to the fabric's high modulus and generate excessive and damaging heat while rubbing on the plunger. Further, it was believed that fabric would impair the header ring's ability to wipe the plunger. The prevailing view in the industry was that adding fabric to cover any part of or encapsulate a header ring would have serious adverse consequences.

7. Despite these prevailing views in the industry, UTEX solved the long felt need for durable and long-lasting header rings by developing the XLH X-Tended Life Header Ring—the industry's first fabric reinforced header ring. The XLH X-Tended Life Header Ring includes a layer of reinforced elastomeric material and the header ring is completely encapsulated with fabric to create a fabric reinforced elastomeric material. Testing revealed that the XLH X-Tended Life Header Ring repeatedly surpassed more than 350 hours of use. The XLH X-Tended Life Header Ring addressed a long-felt need to increase the longevity of packing assemblies by increasing durability of the header ring. This increased durability resulted from placing fabric on various surfaces of the header ring including the surface that engages the shaft of the plunger.

8. UTEX sought and obtained a patent on its XLH X-Tended Life Header Ring, which issued as U.S. Patent No. 9,534,691 ("the '691 Patent") and is attached as **Exhibit 2**. Today, the XLH X-Tended Life Header Ring is marketed and sold globally by UTEX. UTEX first began selling the XLH X-Tended Life Header Ring in August 2008.

9. As part of its business development and marketing efforts, including for the XLH X-Tended Life Header Ring, UTEX has attended various trade shows. By way of example, UTEX attended the DUG Eagle Ford Conference held in San Antonio on October 26-27, 2015. While attending the DUG Eagle Ford Conference, UTEX employee, Bob Ash, became aware that Garlock had displayed a fabric wrapped header ring at its booth. At this point in time, however, UTEX's patent on the XLH X-Tended Life Header Ring had not issued.

10. UTEX also attended and maintained a booth at the DUG Permian Basin Conference, in Fort Worth, Texas, on April 3-5, 2017. At this conference, UTEX employee, Bob Ash, again saw Garlock exhibiting a fabric wrapped header ring (the accused EPS Header Ring product). On April 4, 2017, Bob Ash approached Chad Yoder of Garlock and obtained a copy of a Garlock brochure for the EPS Header Ring product, which is attached as **Exhibit 3**. Bob Ash of UTEX also informed Chad Yoder that UTEX's XLH X-Tended Life Header Ring product was patented. On April 5, 2017, Bob Ash delivered to Chad Yoder of Garlock a copy of the '691

Patent. Despite receiving a copy of the '691 Patent, upon information and belief, Garlock continues to make, use, offer for sale, and/or sell the EPS Header Ring product.

PARTIES

11. Plaintiff UTEX Industries, Inc. is a Texas corporation, having a principal place of business located at 10810 Katy Freeway, Suite 100, Houston, Texas 77043.

12. Upon information and belief, Defendant Garlock Sealing Technologies, LLC is a corporation organized and existing under the laws of the State of North Carolina, with its principal place of business located at 1666 Division Street, Palmyra, New York 14522. Garlock has appointed CT Corporation System, located at 1999 Bryan Street, Suite 900, Dallas, Texas 75201, as its agent for service of process in Texas.

JURISDICTION

13. This is an action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. §§ 1 *et seq*. This Court has original and exclusive subject matter jurisdiction over patent infringement claims pursuant to 28 U.S.C. §§ 1331 and 1338.

14. This Court has personal jurisdiction over Garlock because Garlock has established contacts with the forum—including by voluntarily conducting business and soliciting customers in the State of Texas—and exercise of jurisdiction over Garlock would not offend the traditional notions of fair play and substantial justice. Garlock's business in this District includes, but is not limited to offering to sell and/or selling products and systems that practice the subject matter claimed in the '691 Patent involved in this action. By way of example, Garlock offered to sell and/or sold products that practice the subject matter claimed in the '691 Patent involved in this action at the DUG Permian Basin Conference, in Fort Worth, Texas, on April 3-5, 2017.

VENUE

15. Venue is proper in this District under 28 U.S.C. §§ 1391 and/or 1400, because Garlock has transacted business in this District and has committed acts of patent infringement in this District. By way of example, Garlock committed acts of patent infringement while attending the DUG Permian Basin Conference, in Fort Worth, Texas, on April 3-5, 2017.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 9,543,691

16. UTEX realleges and incorporates by reference the allegations in paragraphs 1 through 15 of this Complaint as though fully set forth herein.

17. United States Patent Number 9,534,691 ("the '691 Patent"), entitled "Packing Assembly for a Pump," was duly and legally issued on January 3, 2017. The '691 Patent was duly and legally assigned to UTEX, and UTEX owns and has full rights to sue and recover damages for infringement of the '691 Patent. As stated above, a copy of the '691 Patent is attached hereto as **Exhibit 2**.

18. The '691 Patent is valid and enforceable.

19. Garlock has infringed, and continues to infringe, one or more claims of the '691 Patent by making, using, offering to sell, selling, and/or importing certain header ring products, including but not limited to the EPS Header Ring product. By way of example, Garlock exhibited the accused EPS Header Ring product at the DUG Permian Basin Conference, in Fort Worth, Texas, on April 3-5, 2017.

20. Products made, used, offered for sale, or sold by Garlock, including but not limited to Garlock's EPS Header Ring product, infringe at least claims 5 and 10 of the '691 Patent. By way of example, Garlock's EPS Header Ring infringes at least claims 5 and 10 of the '691 Patent in the manner described in **Exhibit 4**.

21. On information and belief, Garlock has actively induced, and continues to actively induce, the infringement of one or more claims of the '691 Patent by actively inducing the making, use, offer for sale, sale, and/or import of certain header rings, including but not limited to the EPS Header Ring.

22. On information and belief, Garlock's infringement of the '691 Patent has taken place prior to the time of service of this Complaint, and/or will be taking place after service of this Complaint, with full knowledge of the '691 Patent and has been, and/or will be, willful, deliberate, and intentional. On information and belief, UTEX has discussed the '691 Patent with Garlock employees and/or provided copies of the '691 Patent to Garlock employees prior to the time of service of this Complaint.

23. Garlock's infringement of the '691 Patent has injured UTEX, and UTEX is entitled to recover damages adequate to compensate it for Garlock's infringement, which in no event can be less than a reasonable royalty.

24. Garlock has caused UTEX substantial damage and irreparable injury by its infringement of the '691 Patent, and UTEX will continue to suffer damage and irreparable injury unless and until the infringement by Garlock is enjoined by this Court.

JURY DEMAND

25. UTEX demands a jury trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff UTEX respectfully requests that judgment be entered in favor of UTEX and against Defendant Garlock, and further prays that the Court grant the following relief to UTEX:

A. A judgment that Garlock has infringed, and/or induced the infringement of, the '691 Patent, and continues to infringe and/or induce the infringement of the '691 Patent;

B. A judgment that Garlock's infringement of the '691 Patent was, and continues to be, willful;

C. Entry of a permanent injunction pursuant to 35 U.S.C. § 283 enjoining Garlock, as well as its officers, directors, servants, consultants, managers, employees, agents, attorneys, successors, assigns, affiliates, subsidiaries, and all persons in active concert or participation with any of them, from infringement and inducing infringement of the '691 Patent, including but not limited to making, using, offering to sell, selling, or importing any products that infringe the claims of the '691 Patent;

D. An award of all damages adequate to compensate UTEX for Garlock's infringement and/or inducement of infringement, such damages to be determined by a jury and, if necessary, an accounting of all damages;

E. An award of pre-judgment and post-judgment interest to UTEX pursuant to 35 U.S.C. § 284;

F. An award of increased damages in an amount not less than three times the amount of damages awarded to UTEX for Garlock's willful infringement of the '691 Patent pursuant to 35 U.S.C. § 284;

G. A declaration that this case is exceptional under 35 U.S.C. § 285 and an award of the reasonable attorneys' fees, costs, and expenses incurred by UTEX in this action; and

H. Such other and further relief as this Court may deem just and proper.

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Dated: April 21, 2017

/s/ Tiffany M. Cooke

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