

**UNITED STATES DISTRICT COURT
NORTHWESTERN DIVISION
DISTRICT OF NORTH DAKOTA**

ENERGY HEATING, LLC, and ROCKY
MOUNTAIN OILFIELD SERVICES, LLC,

Plaintiffs and Counterclaim Defendants,

v.

HEAT ON-THE-FLY, LLC, and SUPER
HEATERS NORTH DAKOTA, LLC,

Defendants,

and

HEAT ON-THE-FLY, LLC,

Counterclaimant

HEAT ON-THE-FLY, LLC,

Third-Party Plaintiff,

v.

MARATHON OIL CORPORATION, and
MARATHON OIL COMPANY,

Third-Party Defendants.

Case No. 4:13-cv-010 -DLH-CSM

**FIRST AMENDED
THIRD-PARTY COMPLAINT**

Third-Party Plaintiff Heat On-The-Fly, LLC (“HOTF”), by and through its undersigned counsel, alleges as follows for its Third-Party Complaint against Marathon Oil Corporation and Marathon Oil Company (collectively, “Marathon” or the “Third-Party Defendants”) and respectfully avers as follows:

THE PARTIES

1. HOTF is a limited liability company organized and existing under the laws of the State of Louisiana to do and doing business in the State of North Dakota.

2. Marathon Oil Corporation is a corporation organized and existing under the laws of Delaware.

3. Marathon Oil Company is a corporation organized and existing under the laws of Ohio.

JURISDICTION AND VENUE

4. This Court has jurisdiction over HOTF's patent claims pursuant to 28 U.S.C. §§ 1331 and 1338(a) because these claims arose under the Patent Laws of the United States, Title 35, United States Code.

5. Venue for HOTF's claims against the Third Party Defendants is proper in the United States District Court for the Northwestern Division of the District of North Dakota ("District Court") pursuant to 28 U.S.C. 1391 because, among other things, a substantial part of the events or omissions giving rise to the claims arose in that district.

FACTS

6. On May 8, 2012, U.S. Patent No. 8,171,993, entitled "Water Heating Apparatus for Continuous Heated Water Flow and Method for Use in Hydraulic Fracturing" (hereafter "'993 patent") was duly and legally issued by the United States Patent and Trademark Office.

7. HOTF is the owner of the '993 patent.

8. On or about January 14, 2013 Rocky Mountain Oilfield Services, LLC (“Rocky Mountain”) and Energy Heating, LLC (“Energy Heating”) (collectively, “Energy” or “Plaintiffs”), filed a complaint in the District Court against HOTF and Superheaters North Dakota, LLC (“SHND”) (collectively, “Defendants”) seeking a declaration of invalidity and non-infringement of the ‘993 patent, among other things (the “Complaint”). (Dkt. No. 1.)

9. On or about March 1, 2013, Defendants filed their Answer to the Complaint. (Dkt. No. 17.)

10. On or about April 30, 2013 HOTF filed a counterclaim against Plaintiffs, asserting infringement of the ‘993 patent, inducement to infringe the ‘993 patent, and contributory infringement of the ‘993 patent (the “Counterclaim”). (Dkt. No. 23.)

11. Plaintiffs assert that they are not directly infringing the ‘993 patent because they “do[] not perform the bulk of the steps of the ‘993 patent (or provide the bulk of the elements required by the apparatus claims)” and are not indirectly infringing the ‘993 patent because they “do[] not direct or control the actions of those who arguably perform other necessary steps of the method (or provide elements required by the apparatus claims).” (*See* Dkt. No. 49 at 2-3.) These allegations are denied by Defendants.

12. Accordingly, HOTF filed, and the District Court granted on August 14, 2013, its Motion for Leave to Amend Counterclaim to include additional factual allegations in support of the HOTF’s Counterclaim and HOTF’s Motion for Leave to File Third-Party Complaint against Marathon Oil Corporation. (Dkt. No. 55.)

COUNT I—PATENT INFRINGEMENT

Direct Infringement

13. HOTF incorporates by reference the preceding paragraphs as if stated fully herein.

14. On information and belief Marathon owns or leases oil and gas wells on which infringing activity of the '993 patent has occurred and on information and belief Marathon has directed and authorized such activity.

15. On information and belief, on the oil wells owned or leased by Marathon, Marathon hired, directly or indirectly, various companies (including Plaintiffs) that together and in coordination with each other and as instructed by Marathon, performed all steps of many claims of the '993 patent.

16. On information and belief, a water transfer company was instructed by Marathon to transfer water for use in performing fracing services using water heated by Plaintiffs in a method infringing claims of the '993 patent.

17. On information and belief, a fracing company was instructed by Marathon and/or its agents or representatives to perform fracing services using water heated by Plaintiffs in a infringing method and with an apparatus infringing claims of the '993 patent.

18. On information and belief, these companies were contracted and instructed by Marathon and/or its agents or representatives to perform fracing services using water

heated by Plaintiffs in a method infringing claims of the '993 patent and using apparatus claimed in the '993 patent.

19. On information and belief, Marathon knew that all of the steps of the process claimed in the '993 patent would be performed by the above-referenced parties, and Marathon knew that such performance would result in infringement of the '993 patent.

20. Marathon performed all the steps of the claimed method, through others acting under its direction and/or control.

21. Thus, Marathon is liable for direct infringement of the claimed method.

Indirect Infringement (Induced Infringement)

22. On information and belief Marathon knowingly induced others to infringe the method claims of the '993 patent.

23. Marathon directed water transfer, fracing, and water heating companies to perform steps of the method claimed in the '993 patent and using the apparatus claimed in the '993 patent.

24. Marathon knew that the fracing and water heating companies would perform the steps of the claimed method and also knew that when those companies performed those steps, they would be infringing the '993 patent.

25. Thus, Marathon possessed specific intent to induce infringement by others.

26. The water transfer, fracing, and water heating companies did perform the steps of the claimed method as directed by Marathon and thus, directly infringed the '993 patent.

27. Thus, Marathon is liable for inducing infringement of the '993 patent.

Indirect Infringement (Contributory Infringement)

28. On information and belief Marathon knowingly contributed to the infringement of the method claims of the '993 patent.

29. Marathon directed water transfer, fracing, and water heating companies to perform steps of the method claimed in the '993 patent.

30. Marathon knew that the water transfer, fracing, and water heating companies would perform the steps of the claimed method and also knew that when those companies performed those steps, they would be infringing the '993 patent.

31. Thus, Marathon possessed specific intent to contribute to the infringement of the '993 patent.

32. The water transfer, fracing, and water heating companies did perform the steps of the claimed method as directed by Marathon and thus, directly infringed the '993 patent.

33. Thus, Marathon is liable for contributory infringement of the '993 patent.

PRAYER FOR RELIEF

WHEREFORE, HOTF prays for judgment as follows:

- A. A determination by this Court that this case is “exceptional” within the meaning of 35 U.S.C. §285.
- B. Entry of Judgment holding Marathon Oil Company and Marathon Oil Corporation liable for infringement of HOTF’s ‘993 patent;
- C. An Order permanently enjoining Marathon Oil Company and Marathon Oil Corporation and their officers, agents, employees, affiliated companies, assigns and successors in interest and those persons in active concert or participation with them, from continued acts of infringement of HOTF’s ‘993 patent;
- D. An Order awarding HOTF all damages resulting from Marathon Oil Company’s and Marathon Oil Corporation’s infringement of the ‘993 patent together with pre-judgment and post-judgment interest;
- E. Enhanced damages under 35 U.S.C. §284 with the finding of willful and deliberate infringement by Marathon Oil Company and Marathon Oil Corporation of the ‘993 patent;
- F. An Order awarding HOTF its costs and attorneys’ fees; and
- G. Any and all legal and equitable relief as may be available under law which this court may deem proper.

JURY TRIAL DEMAND

HOTF hereby demands a jury trial on all issues so triable.

Dated: December 4, 2014

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