IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MIDWEST ENERGY EMISSIONS CORP. and MES INC.,	)	
Plaintiffs,	)	
v.	)	Civil Action No. 19-1334-CJB
ARTHUR J. GALLAGHER & CO., et al.,	)	
Defendants.	)	

James M. Lennon, DEVLIN LAW FIRM, Wilmington, DE; Bradley W. Caldwell, Jason D. Cassady, John Austin Curry, Justin T. Nemunaitis, Daniel R. Pearson, Adrienne R. Dellinger, CALDWELL CASSADY CURRY P.C., Dallas, TX; Attorneys for Plaintiffs.

Kenneth L. Dorsney and Cortlan S. Hitch, MORRIS JAMES LLP, Wilmington, DE; Jeff Dyess, Paul Sykes and Benn Wilson, BRADLEY ARANT BOULT CUMMINGS LLP, Birmingham, AL; Jessica Zurlo, BRADLEY ARANT BOULT CUMMINGS LLP, Washington, D.C., Attorneys for Defendants CERT Operations IV LLC, CERT Operations V LLC, CERT Operations RCB LLC, Senescence Energy Products, LLC, Rutledge Products, LLC, Springhill Resources LLC, Buffington Partners LLC, Bascobert (A) Holdings LLC, Larkwood Energy LLC, Cottbus Associates LLC, CERT Operations II LLC, and Marquis Industrial Company, LLC.

Jack B. Blumenfeld, Brian P. Egan and Anthony D. Raucci, MORRIS, NICHOLS, ARSHT & TUNNELL LLP, Wilmington, DE; Richard W. Mark, Joseph Evall and Paul J. Kremer, GIBSON, DUNN & CRUTCHER LLP, New York, NY; David Glandorf, GIBSON, DUNN & CRUTCHER LLP, Denver, CO; Attorneys for Defendants AJG Iowa Refined Coal LLC, Arbor Fuels Company, LLC, Belle River Fuels Company, LLC, Canadys Refined Coal, LLC, Chouteau Fuels Company, LLC, Coronado Refined Coal, LLC, DTE Energy Resources, LLC, Erie Fuels Company, LLC, George Neal North Refined Coal, LLC, George Neal Refined Coal, LLC, Hastings Refined Coal, LLC, Huron Fuels Company, LLC, Jasper Fuels Company, LLC, Jefferies Refined Coal, LLC, Joppa Refined Coal LLC, Louisa Refined Coal, LLC, Newton Refined Coal, LLC, Portage Fuels Company, LLC, Superior Fuels Company 1, LLC, Walter Scott Refined Coal LLC, and Williams Refined Coal, LLC.

Nicole A. DiSalvo, Jessica R. Kunz and Daniel S. Atlas, SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP, Wilmington, DE; Douglas R. Nemec and Leslie A. Demers, SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP, New York, NY; Attorneys for Defendant Alistar Enterprises, LLC.

MEMORANDUM OPINION

November 3, 2023
Wilmington, Delaware

Christopher J. Burke
BURKE, United States Magistrate Judge

This is a patent action filed by Plaintiffs Midwest Energy Emissions Corp. ("Midwest Energy") and MES Inc. ("MES" and collectively with Midwest Energy, "Plaintiffs" or "ME2C") against 34 Defendants, in which Plaintiffs assert five patents-in-suit. The Court has set out a listing of all of the parties and asserted patents in its recent October 16, 2023 Memorandum Opinion ("October 16, 2023 MO"), (D.I. 586 at 2); it incorporates that discussion by reference here. Presently pending before the Court is Defendants' motion for summary judgment No. 6: no contributory infringement under 35 U.S.C. § 271(c) (the "Motion"). (D.I. 568) ME2C opposes the Motion. For the reasons set forth below, the Motion is DENIED.[1]

I. BACKGROUND

ME2C commenced this action on July 17, 2019. (D.I. 1) Defendants filed the instant Motion on March 23, 2023. (D.I. 527; *see also* D.I. 568) The Motion was fully briefed as of April 18, 2023, (D.I. 555), and the Court held oral argument on the Motion (as well as other summary judgment motions) on May 17, 2023, (D.I. 581 ("Tr.")). A trial is set to begin on November 13, 2023. (D.I. 507)

The Court here writes primarily for the parties, and so any facts relevant to this Memorandum Opinion will be discussed in Section III below.

II. STANDARD OF REVIEW

[1] The parties have jointly consented to the Court's jurisdiction to conduct all proceedings in this case, including trial, the entry of final judgment and all post-trial proceedings. (D.I. 398)

The Court incorporates by reference the standard of review for summary judgment motions, which it set out in the October 16, 2023 MO, (D.I. 586 at 3-4), and the summary judgment-related legal standards specifically relating to claims of patent infringement, which it set out in an October 17, 2023 Memorandum Opinion, (D.I. 588 at 3).

III. DISCUSSION

This case relates to mercury control at coal-fired power plants ("power plants"). (*See* D.I. 546, ex. A at 10, at ¶ 24) In 1990, Congress required the United States Environmental Protection Agency ("EPA") to prepare regulations addressing air pollutants, including mercury. (*Id.* at 18, at ¶ 45) Then in 2004, Congress created a new tax credit to promote the production of refined coal ("Section 45 tax credits"); pursuant to this law, a refined coal producer can claim a tax credit for each ton of refined coal sold to a power plant that results in a 40% reduction in mercury emissions and a 20% reduction in NOx emissions. (*Id.* at 20-22, at ¶¶ 52-53) In 2011, the EPA finalized national standards to reduce mercury (and other toxic air pollutants) from power plants, which are known as the Mercury and Air Toxics Standards ("MATS"). (*Id.* at 19, at ¶ 50; *see also* D.I. 406 at ¶ 55) Most power plants were required to comply with this rule by 2015, unless granted a one-year extension to 2016. (D.I. 546, ex. A at 19-20, at ¶ 50)

The inventors of the asserted patents were researchers at the Energy & Environmental Research Center ("EERC") studying the issue of mercury capture. (*Id.* at 19, at ¶¶ 48-49) The asserted claims of the asserted patents[2] relate to methods for reducing mercury emissions from

[2] The '147 patent issued on May 1, 2012. (D.I. 533, ex. 2 at 1) The '114 patent issued on July 9, 2019. (*Id.*, ex. 1 at 1) The '225 patent issued on March 17, 2020. (*Id.*, ex. 3 at 1) The '517 patent issued on March 24, 2020. (*Id.*, ex. 4 at 1) The '430 patent issued on June 2, 2020. (*Id.*, ex. 5 at 1)

power plants with the use of bromine-enhanced coal (or "refined coal") and a sorbent such as activated carbon. (D.I. 533, exs. 1-5; *see also* D.I. 546, ex. A at 19, at ¶ 49 & at 32, at ¶ 70)

In this case, ME2C asserts that Defendants are liable for, *inter alia*, contributory infringement of certain method claims of the asserted patents by manufacturing and then selling refined coal to non-party power plants. (D.I. 546, ex. A at 123, at ¶ 99; *see also* D.I. 406 at ¶¶ 67, 208, 217) Specifically, Defendants[3] are alleged to have: (1) purchased un-refined coal from their power plant customers; (2) added Mer-Sorb, which contains a bromide compound, to the coal;[4] (3) sold the now refined coal back to the power plant (at a cheaper price than what the power plant paid for the coal); and (4) physically transferred the coal back to the power plant on conveyer belts leading to the combustion chambers of the power plants. (D.I. 546, ex. A at 119-24, at ¶¶ 98-99) The power plants are alleged to then inject activated carbon ("ACI") to the process in which refined coal is combusted—which enables additional mercury capture so that

[3] There are 28 "RC Defendants" that owned or leased a Refined Coal Facility that manufactured and sold refined coal to a power plant during the relevant time. (D.I. 546, ex. A at 119-20, at ¶ 98; D.I. 528 at 4) Five of the remaining defendants (four CERT Operations Defendants and AJG Iowa Refined Coal LLC) are alleged to have participated in the operation, production and delivery of refined coal to the power plants, and DTE Energy Resources, LLC is alleged to have either been the alter ego of Defendants that engaged in contributory infringement or to have used such Defendants as its agent. (D.I. 528 at 4; D.I. 546, ex. A at 46-56, at ¶¶ 85-94; D.I. 545 at 10-11) The Court recently granted summary judgment in favor of Defendants as to Plaintiffs' contributory infringement claims against the CERT Operations Defendants and AJG Iowa Refined Coal LLC. (D.I. 593 at 8) So for purposes of this Motion, it appears that contributory infringement claims against 29 Defendants (the 28 RC Defendants and DTE) are still at issue.

[4] To determine the amount of Mer-Sorb to apply, Defendants relied on reports provided by the EERC following refined coal testing; Defendants would apply an amount sufficient to achieve mercury emissions reductions that would qualify for Section 45 tax credits. (D.I. 546, ex. A at 42, at ¶ 81; *id.* at 62-63, at ¶ 99)

the power plants can meet MATS requirements—in a manner that allegedly amounts to direct infringement of the patents. (*Id.* at 62-63, at ¶ 99; *id.* at 125, at ¶ 102)

The instant Motion focuses on ME2C's contributory infringement claims. (D.I. 568 at ¶ 1) To prove contributory infringement, a patentee must demonstrate that an alleged contributory infringer has sold, offered to sell or imported into the United States a material or apparatus for use in practicing a patented process "knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use[.]" 35 U.S.C. § 271(c); *see also Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1320 (Fed. Cir. 2009).

With the Motion, Defendants move for summary judgment of no contributory infringement for two reasons. First, they argue that refined coal has "[a]lways [h]ad [s]ubstantial [n]on-[i]nfringing [u]ses." (D.I. 528 at 21 (emphasis omitted)) Second, they contend that refined coal is not especially made or adapted for use with ACI. (*Id.* at 24) The Court will assess each argument in turn.

A. Substantial Non-infringing Use

To establish contributory infringement, ME2C must prove, *inter alia*, that there are no substantial non-infringing uses for the refined coal at issue. *Toshiba Corp. v. Imation Corp.*, 681 F.3d 1358, 1362 (Fed. Cir. 2012). "[N]on-infringing uses are substantial when they are not unusual, far-fetched, illusory, impractical, occasional, aberrant, or experimental." *Id.* (quoting *Vita–Mix Corp. v. Basic Holding, Inc.*, 581 F.3d 1317, 1327 (Fed. Cir. 2009)).

Defendants begin by noting that the accused product here is refined coal (i.e., coal that has been treated with added bromide); they then assert that when assessing the issue of substantial non-infringing uses, one must not look solely at the *accused uses* of refined coal

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