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MURRAY DALLAS
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

OIL STATES ENERGY §
SERVICE, L.L.C., f/k/a §
STINGER WELLHEAD §
PROTECTION, INC., §

Plaintiff, §

VS. § Civil Action No.: 6:12-CV-611

TROJAN WELLHEAD §
PROTECTION, INC., f/k/a §
GUARDIAN WELLHEAD §
PROTECTION, INC., §

and §

GREENE'S ENERGY GROUP, §
LLC, §
Defendants. §

ORAL DEPOSITION OF MURRAY DALLAS
Houston, Texas
Thursday, March 13, 2014

Reported by:
RENE WHITE MOAREFI, CSR, CRR, CLR, CCR
JOB NO. 71428

MURRAY DALLAS

March 13, 2014

ORAL DEPOSITION OF MURRAY DALLAS, held at the offices of Morgan, Lewis & Bockius, LLP, 1000 Louisiana Street, Suite 4000, Houston, Texas, from 8:51 a.m. to 2:04 p.m., before Rene White Moarefi, Texas Certified Shorthand Reporter, Certified Realtime Reporter, Certified LiveNote Reporter, Louisiana Certified Court Reporter, and Notary Public in and for the State of Texas.

MURRAY DALLAS
A P P E A R A N C E S

MORGAN LEWIS & BOCKIUS
Attorney for Plaintiff

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Attorney for Defendant

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Washington, D.C. 20007

BY: JOHN FELDHAUS, ESQ.

BRADLEY ROUSH, ESQ.

Also Present:

MS. MYRA THETFORD - VIDEOGRAPHER

MURRAY DALLAS
I N D E X

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MURRAY DALLAS

EXAMINATION

By Mr. Feldhaus..... 6

REPORTER'S CERTIFICATION..... 173

E X H I B I T S

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U.S. Patent No. 4,867,243
(no Bates - 14 pages)

Exhibit 16 17 15

US Patent No. 3,830,304
(no Bates - 8 pages)

Exhibit 17 51 8

Brochure entitled Providing
Quality Wellhead Protection Services
Worldwide with handwritten annotations
(OSES_015945 - OSES_015956)

Exhibit 18 64 16

US Patent No. 6,179,053
(no Bates - 17 pages)

Exhibit 19 87 3

US Patent file for Patent No.
6,179,053
(no Bates - 106 pages)

Exhibit 20 107 20

US Patent No. 4,076,079
(no Bates - 3 pages)

Exhibit 21 108 24

File History of US Patent
5,819,851
(no Bates - 130 pages)

Exhibit 22 111 15

US Patent No. 4,076,079
(no Bates - 9 pages)

MURRAY DALLAS
E X H I B I T S (cont'd.)

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Exhibit 23 113 19

File History for US Patent No.

5,927,403

(no Bates - 86 pages)

PREVIOUSLY MARKED EXHIBITS

Exhibit 3 11 19

Settlement Agreement

(GEG-0001703 - GEG-0001715)

Exhibit 7 34 9

Plaintiff's Second Supplemental

Objections and Responses to Defendant

Greene's Energy Group's First Set of

Interrogatories

(No Bates - 11 pages)

Exhibit 8 38 20

Brochure entitled Providing

Quality Wellhead Protection Services

Worldwide

(OSES_015945 - OSES_015956)

Exhibit 10 84 25

US Patent No. 6,817,423

(No Bates - 17 pages)

Exhibit 11 60 20

US Patent No. 6,289,993

(No Bates - 12 pages)

Exhibit 12 35 21

US Patent No. 5,819,851

(No Bates - 14 pages)

Exhibit 13 96 22

Canadian Patent No. 2,195,118

(No Bates - 32 pages)

1 MURRAY DALLAS
 2 THE VIDEOGRAPHER: On the record
 3 at 8:51 a.m., beginning Tape 1.
 4 (All parties present have hereby
 5 waived the necessity of the
 6 reading of the statements by the
 7 deposition officer as required by
 8 Rule 30(b)(5).
 9 THE REPORTER: Any stipulations or
 10 agreements for the record?
 11 MR. FELDHAUS: None.
 12 MURRAY DALLAS,
 13 having been duly sworn, testified as follows:
 14 EXAMINATION
 15 BY MR. FELDHAUS:
 16 Q. Morning, Mr. Dallas.
 17 A. Good morning.
 18 Q. Thank you for coming today.
 19 A. No problem.
 20 Q. Would you state your full name for the
 21 record, sir.
 22 A. Lloyd Murray Dallas.
 23 Q. And where do you reside, sir?
 24 A. Streetman, Texas.
 25 Q. Are you currently employed?

1 MURRAY DALLAS
 2 Q. And what was your --
 3 MR. HAWES: I just want to make
 4 sure we designate this part of the transcript at
 5 least as confidential.
 6 MR. FELDHAUS: Okay.
 7 Q. (BY MR. FELDHAUS) And what was your
 8 position with Stinger?
 9 A. I was -- right now you mean or --
 10 Q. No, you say you were --
 11 A. When I owned it?
 12 Q. Yes, when you owned Stinger.
 13 A. Well, owner of Stinger and president.
 14 Q. Were you a founder of Stinger?
 15 A. Yes.
 16 Q. When did you find -- when did you found
 17 Stinger?
 18 A. I actually filed it in '86.
 19 Q. And were you -- were you the sole founder?
 20 A. Yeah.
 21 Q. Were you employed prior to founding
 22 Stinger?
 23 A. Yes.
 24 Q. With whom?
 25 A. Directly before that, I was in -- I did

1 MURRAY DALLAS
 2 A. Yes.
 3 Q. With who?
 4 A. Partly with Stinger on the retainer or Oil
 5 States, it would be, and I do stuff privately with
 6 trusts and a couple other oil companies.
 7 Q. Could you say the name of that trust
 8 again? What is the name of that?
 9 A. Trust, Alaskan trust.
 10 Q. What is your position with Oil States?
 11 A. I just -- in business development. It's
 12 kind of like a retainer with them. I've -- I used to
 13 own Stinger at one time, sold it to them, and then
 14 they've -- on a retainer to partly look after patents
 15 and stuff.
 16 Q. Do you have any equity interest in Oil
 17 States?
 18 A. No.
 19 Q. And what -- what is the -- what are the
 20 compensation terms of your retainer? Are -- are you
 21 getting paid a salary?
 22 A. Yeah, monthly.
 23 Q. How much is that?
 24 A. I don't know. It's -- it's not much.
 25 It's around 6,000, I think, something like that.

1 MURRAY DALLAS
 2 some sales stuff for a friend of mine while I was
 3 getting Stinger started with a firefighting company,
 4 Covell.
 5 Q. When did you first learn of the litigation
 6 that we're taking this deposition in today?
 7 A. I don't remember the dates. It's been a
 8 while. I mean, it was last -- last year.
 9 Q. Have you ever had your deposition taken
 10 before?
 11 A. Yeah, I have.
 12 Q. How many times?
 13 A. Oh, 10, 12, I don't know, something like
 14 that.
 15 Q. And in what capacity?
 16 A. A lot of it was to do with patents.
 17 Q. Do you remember how many times you had
 18 your deposition taken with respect to patents?
 19 A. Oh, seven, eight times.
 20 Q. Were those in separate litigations?
 21 A. Not all separate, but mostly.
 22 Q. Were -- were these related to patent
 23 litigations that were filed by Stinger?
 24 A. Yes.
 25 Q. And how many patent litigations did

1 MURRAY DALLAS
 2 Q. All right. Where -- where -- what region
 3 was Stacy Herschap in charge of?
 4 A. South Texas and -- South Texas and -- and
 5 a little portion in Mexico just over the border,
 6 Reynosa, Mexico.
 7 Q. Okay. Anyone else?
 8 A. I believe that's all.
 9 Q. How many district managers were there in
 10 each region?
 11 A. I don't know by re -- there's -- I believe
 12 at the time 20 -- 20 shops in the US, 4 shops in
 13 Canada, 3 shops in Mexico, 2 shops in Argentina, 2
 14 shops in Venezuela, 1 shop in Columbia. We had a
 15 yard in Scotland. We were over in Australia and the
 16 South China area. That would include Indonesia,
 17 Thailand, and the Middle East.
 18 Q. Were the 20 district managers equally
 19 divided between the -- or the 20 district managers in
 20 the US, were they equally divided between the US
 21 regions?
 22 A. Yeah, the -- the west side -- we -- we
 23 didn't do a lot of work in Alaska, but we did some
 24 work in Alaska. We did work over on the West Coast
 25 basically out of Bakersfield, so that -- those tied

1 MURRAY DALLAS
 2 anything to -- to that. If they had any questions,
 3 they called me or Bob, you know. We split the calls.
 4 Pretty much everything was taken care of out of the
 5 regions.
 6 Q. Uh-huh.
 7 A. And the reason we did regions is because
 8 the trucks would work out of a certain region and
 9 they would get busier in one area, then the trucks
 10 would move over to another shop in that region.
 11 They'd keep the revenue to the regions, partly
 12 because it's closer.
 13 And the region manager, they kind of run
 14 their own -- they hired their own people and they run
 15 their own show.
 16 Q. Did they have an equity interest in
 17 Stinger?
 18 MR. HAWES: Object to the form of
 19 the question.
 20 A. No.
 21 Q. (BY MR. FELDHAUS) Were -- were you the
 22 sole owner of Stinger?
 23 A. I had a 10 percent partner.
 24 Q. Who was that?
 25 A. Halford Neustetter.

1 MURRAY DALLAS
 2 in with what we would call the Rocky Mountain region,
 3 and that would include Vernal, Utah; Rock Springs,
 4 Wisconsin; Williston, North Dakota; Casper; and
 5 Farmington, New Mexico; Artesia. Do you want me to
 6 do the region for Oklahoma?
 7 Q. If you remember any of these district
 8 managers, I'd appreciate that. Can you remember any
 9 of the district managers in the Rockies?
 10 A. In the Rockies would be Royce Griffin out
 11 of -- out of Rock Springs.
 12 Q. So if I -- if I wanted to ask for a
 13 particular document from Stinger when you owned it
 14 that would give me this type of information, what
 15 would I ask for?
 16 MR. HAWES: Object to the form of
 17 the question.
 18 A. I don't know. I -- I'm going off the top
 19 of my head.
 20 Q. (BY MR. FELDHAUS) I know. Normally I
 21 would ask for an org chart. It --
 22 A. Well --
 23 Q. -- seems that maybe you didn't have one.
 24 I'm just wondering --
 25 A. Yeah, I don't really know if we had

1 MURRAY DALLAS
 2 Q. Was he still your partner when you sold
 3 out to Oil States?
 4 A. Yeah.
 5 Q. Do you know where he is today?
 6 A. No, I haven't kept up. He lives in
 7 Alberta. He was out of Canada. And he was a -- kind
 8 of money or he put money into it at an early age
 9 and -- or early -- earlier on, and he didn't -- he
 10 had really no working knowledge of anything that we
 11 did.
 12 Q. So I'd like to move on now to, you know,
 13 your process of inventing. Did you have some process
 14 that you would go through when you came up with a new
 15 design that you wanted to patent?
 16 MR. HAWES: Object to the form of
 17 the question.
 18 A. Well, there's a lot of different patents.
 19 Each -- probably each one has its own story.
 20 Q. (BY MR. FELDHAUS) All right. Well, let's
 21 try the '851. What's the story with the '851?
 22 MR. HAWES: Object to the form of
 23 the question.
 24 A. That would mean -- what I did is there's
 25 no sense in having anything out there unless -- or

1 MURRAY DALLAS

2 coming up with anything unless there's a need for it.

3 Q. (BY MR. FELDHAUS) Uh-huh.

4 A. And like I was saying, I got a pretty
5 extensive background in hydraulic fracturing.

6 Q. Uh-huh.

7 A. And spent a lot of time traveling, a lot
8 of time reading, too. And I would look at potential
9 opportunities or potential problems in the oil
10 industry that if we had something to fix, a certain
11 problem, then you'd think about it, you'd come up
12 with the idea, or hopefully you could, and then I
13 would design it and we'd do a patent search and then
14 we'd go ahead and work on the patent.

15 Q. So what -- what was the problem that you
16 were addressing with the '851 patent?

17 MR. HAWES: Object to the form of
18 the question.

19 A. Just simply to isolate BOPs and all that
20 with -- with a full bore opening into the production
21 casing.

22 Q. (BY MR. FELDHAUS) So what -- what did you
23 consider to be the solution to that problem?

24 MR. HAWES: Object to the form of
25 the question.

1 MURRAY DALLAS

2 A. Every tool that was out there sealed off
3 inside the casing, so it wasn't full bore. So the
4 solution to it was figure out a way to seal off into
5 the tubing head spool and get a -- get full bore
6 access, meaning the mandrels and the valves on the
7 top and any of the -- any of the frac stack or frac
8 equipment. The inside diameter would be larger than
9 the inside diameter of the casing that you'd install
10 the tools through the BOPs or -- or frac valves or
11 whatever.

12 Q. (BY MR. FELDHAUS) Why do you keep looking
13 at your attorney?

14 A. I'm not.

15 Q. Oh, okay. So were you aware of any tools
16 at the time that allowed full bore access to the
17 casing?

18 A. No, there's nothing out there.

19 Q. So was it your view that you were the
20 inventor of a tool that would allow full -- full bore
21 access?

22 MR. HAWES: Object to the form of
23 the question.

24 A. Yes.

25 Q. (BY MR. FELDHAUS) Is that still your

1 MURRAY DALLAS

2 position today, that you invented full bore access?

3 MR. HAWES: Same objection.

4 A. I invented full bore access in putting a
5 tool and pulling -- pulling and setting a tool in --
6 in and out of BOPs or a wellhead under pressure.

7 Q. (BY MR. FELDHAUS) Well, who, then,
8 invented full bore access?

9 MR. HAWES: Object to the form of
10 the question.

11 A. You could put BOPs or valves or anything
12 over top of casing that was larger than casing, and
13 that would be full bore. But it wouldn't isolate
14 the -- the well or the BOPs or whatever, you know.

15 Q. (BY MR. FELDHAUS) Well, did you invent
16 the concept of a wellhead isolation tool with full
17 bore access?

18 MR. HAWES: Object to the form of
19 the question.

20 A. Well, I patented -- like, on the '053
21 patent or whatever, it's -- is -- it's -- I didn't
22 call it -- it was an isolation tool, but it was a
23 blowout preventer protector.

24 Q. (BY MR. FELDHAUS) Well, are you the
25 inventor of the concept of an isolation tool that

1 MURRAY DALLAS

2 allows full bore access?

3 MR. HAWES: Object to the form of
4 the question.

5 A. The concept of an isolation tool? I
6 didn't call it an isolation tool. I called it a
7 BOP -- protect the -- the -- BOPs and all that on the
8 wellhead. This is just for casing.

9 Q. (BY MR. FELDHAUS) Are you the inventor of
10 that concept, then?

11 A. Yeah.

12 MR. HAWES: Object to the form of
13 the question.

14 Q. (BY MR. FELDHAUS) So you invented the
15 concept of a BOP protector that allows full bore
16 access to a casing?

17 MR. HAWES: Object to the form --

18 Q. (BY MR. FELDHAUS) Is that --

19 MR. HAWES: -- of the question.

20 Q. (BY MR. FELDHAUS) -- your testimony?

21 A. Yeah.

22 Q. And that's what you thought you were
23 applying for a patent for?

24 MR. HAWES: Object to the form of
25 the question.

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