



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

January 30, 2017

VIA E-MAIL

Dalton W. McGrath, Q.C., FCI Arb

Partner

Dir: 403-260-9654

dalton.mcgrath@blakes.com

Reference: 96643/12

Anthony Creber

Gowling WLG

160 Elgin Street

Suite 2000

Ottawa, Ontario K1P 1C3

Dear Sir:

RE: Federal Court File Nos. T-1569-15, T-1741-13, T-1728-15, and T-2088-15

We are in receipt of your letter dated January 19, 2017 and the corresponding attachments.

As you know, during the Case Management Conference on January 16, 2017, Prothonotary Aalto, without the benefit of having reviewed any of the documents or questions which you have now provided to us, gave you permission to ask questions by way of written interrogatory. He did not direct that answers be provided and counsel for Baker Hughes expressly stated that any questions would be taken under advisement.

We have now had an opportunity to review the questions and the attached documents. The purported basis for the alleged relevance of the questions is the unfounded allegation that the Defendants somehow copied the alleged invention disclosed in the 072 Patent. You seem to make a series of false assumptions seeking to conclude that erroneous claim and then, based on that false assumption, claim that documents are somehow relevant. As a result, the various assumptions in your letter are false and none of the documents attached to your letter contradict Baker Hughes' pleading. You asked a number of related discovery questions on August 12, 2016 which were refused. Your client had the opportunity for months to bring a motion on those refusals and did not do so.

As a result, we object to the questions on the basis of, the questions being, among other things, irrelevant and improper, however, are answering all but one under reserve objection pursuant to Rule 95(2) of the *Federal Courts Rules* based upon Appendix A.

1. Exhibit 2024 is confirmed as being produced in accordance with the order.
2. Denied.
3. Exhibit 2024 is a collection of discrete documents produced by counsel for Rapid Completions for submission to the court.

**BAKER HUGHES INCORPORATED
AND BAKER HUGHES OILFIELD
OPERATIONS, INC.**

Exhibit 1026

**BAKER HUGHES INCORPORATED
AND BAKER HUGHES OILFIELD
OPERATIONS, INC. v. PACKERS**



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We have now had an opportunity to review the questions and the attached documents. The purported basis for the alleged relevance of the questions is the unfounded allegation that the Defendants somehow copied the alleged invention disclosed in the 072 Patent. You seem to make a series of false assumptions seeking to conclude that erroneous claim and then, based on that false assumption, claim that documents are somehow relevant. As a result, the various assumptions in your letter are false and none of the documents attached to your letter contradict Baker Hughes' pleading. You asked a number of related discovery questions on August 12, 2016 which were refused. Your client had the opportunity for months to bring a motion on those refusals and did not do so.

As a result, we object to the questions on the basis of, the questions being, among other things, irrelevant and improper, however, are answering all but one under reserve objection pursuant to Rule 95(2) of the *Federal Courts Rules* based upon Appendix "A" of your letter as numbered:

1. Exhibit 2024 is confirmed as being produced in U.S. litigation by Baker Hughes.
2. Denied.
3. Exhibit 2024 is a collection of discrete documents from Baker Hughes' files that were selected by counsel for Rapid Completions for submission in the pending Inter Parties Reviews of certain



U.S. patents. All of Exhibit 2024 is not, as claimed, an "Engineering Change Notice" and the collection of separate documents by them presumes an order that is not necessarily correct.

4. Denied and not agreed to.
5. Unknown.
6. Exhibit 2024 itself was assembled by U.S. attorneys for Rapid Completions and Packers Plus as noted above.
7. The meeting did not have 25 people. Page 6 appears to be the first page of the meeting minutes and shows the actual attendees. Moreover, it does not appear to be a design team meeting but rather, a brainstorming meeting.
8. Baker Hughes has no information at this juncture as to who created page 13 of 34 (of Exhibit 2024), how it was created or for what purpose it was created.
9. Page 13 of Exhibit 2024 speaks for itself as to what is printed on it. As indicated above, Baker Hughes has no information at this juncture as to who created page 13 of Exhibit 2024, how it was created or for what purpose it was created.
10. See answers above. It is unknown at this juncture how and when that document came into the possession of Baker Hughes, who created it or the circumstances under which it was created. Baker Hughes has not found any emails or other communications, including native electronic versions, of page 13 of Exhibit 2024. Rather, it was simply located in a job book.
11. The development of Baker Hughes' FracPoint System was involved and independently developed at Baker Hughes. The interrogatory posed is simply too general and vague to answer.
12. See answers above. Again, it is unknown how and when that document came into the possession of Baker Hughes, who created it or the circumstances under which it was created.
13. Baker Hughes does not know whether it was marked "Confidential" by Baker Hughes or whether it may have been marked "Confidential" by a customer, Packers Plus or anyone else.
14. Baker Hughes does not know why the other pages do not include a "Confidential" designation, nor why such a designation would be required.
15. The term "Iso-Frac" is believed to be a registered trademark of HIPPO Tanks, for low-pressure, modular fracking manifold designed to simplify fluid supply from storage tanks to the high-pressure injection equipment on oil and gas exploration fracturing sites. Beyond that, it is believed that SMITH International claimed certain rights in the trademark in connection with fracturing systems and/or services, and the term has been used by various companies at various times to refer to a variety of multistage fracturing systems, including by Baker Hughes in

internal and external presentations during the development of the Iso-Frac Packer for 7" Liner project.

- 16. The heading "Open Hole Pin Point Frac System" as contained on pages 12 and 14 of Exhibit 2024 came from an engineering document related to the development of the Iso-Frac Packer for 7" Liner project.
- 17. See answers to 15 and 16 above.
- 18. No.
- 19. Gus Weinig
- 20. Other than those slides being presented internally at Baker Hughes, Baker Hughes does not have sufficient knowledge at this juncture to answer that interrogatory.
- 21. Gus Weinig
- 22. Gus Weinig
- 23. Unknown. See answer 20 above.
- 24. Page 26 of 34 of Exhibit 2024 is a part of a Baker Hughes slide. "Proven System" in the PowerPoint presentation was only meant by Mr. Weinig as meaning that Packers Plus had a system on the market.
- 25. Even if the questions asked on Exhibit 2024 are relevant (which are denied), this question goes way beyond Exhibit 2024. That question is wholly irrelevant, improper and is objected to.

Yours truly,

Dalton W. McGrath, Q.C., FCI Arb

DM/jp

- c: David Madsen, Q.C./Evan Nuttall/Tim Webb (Borden Ladner), Counsel for Weatherford
Andrew Bernstein/Yael Bienenstock (Torys), Counsel for Resource Well Completions
Neil Kathol/Laura MacFarlane (Field Law), Counsel for Resource Well Completions
Robert MacFarlane/Joshua Spicer (Bereskin & Part), Counsel for Packers Plus/Rapid Completions
Anthony Creber/William Boyer (Gowlings), Counsel for Packers Plus/Rapid Completions
Anthony Prenol/Antonio Turco/Santosh Chari (Blakes), Counsel for Essential Energy
Michael O'Brien/Santosh Chari/Sarah O'Grady (Blakes), Counsel for Baker Hughes