

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**C&M OILFIELD RENTALS, LLC
D/B/A C-MOR ENERGY SERVICES,**

Plaintiff,

v.

**ENSIGN US SOUTHERN DRILLING
LLC,**

Defendant.

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Civil Action No. 4:22-cv-00965-ASH

JURY TRIAL DEMANDED

PLAINTIFF C&M OILFIELD RENTALS, LLC’S SECOND AMENDED COMPLAINT

Plaintiff C&M Oilfield Rentals, LLC d/b/a C-MOR Energy Services (“C&M”), by and through its undersigned attorneys, files this Second Amended Complaint and Request for Permanent Injunction against Defendant Ensign US Southern Drilling LLC (“Ensign”), and alleges as follows:

NATURE OF THE ACTION

1. This action seeks legal and equitable relief based on Ensign’s unlawful infringement of C&M’s U.S. Patent No. 10,976,016 (“the ’016 Patent”) and U.S. Patent No. 10,900,626 (“the ’626 Patent”) (collectively, “the Asserted Patents”), which generally relate to lighting systems that may be used on drilling rigs, and breach of contract.

PARTIES

2. C&M is a Wyoming limited liability company with its principal place of business located at 3429 Cottonwood Ave., Cody, Wyoming 82414.

3. On information and belief, Ensign US Southern Drilling LLC is a Delaware limited liability company with a principal place of business at 15015 Vickery Drive, Houston, Texas 77032.

4. On information and belief, the registered agent for Ensign US Southern Drilling LLC is CT Corporation System, located at 1999 Bryan Street, Suite 900, Dallas, Texas 75201.

JURISDICTION AND VENUE

5. The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 (federal question) and 1338 (action arising under an Act of Congress relating to patents) because this lawsuit arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 *et seq.*, including but not limited to §§ 271 and 281. The Court has supplemental or pendent jurisdiction over C&M's remaining claims pursuant to 28 U.S.C. § 1367 because such claims are so related to C&M's federal claims that they form part of the same case or controversy under Article III of the United States Constitution.

6. The Court has personal jurisdiction over Ensign at least because Ensign resides in the State of Texas and in this judicial district. Further, Ensign has continuous and systematic contacts with the State of Texas pursuant to its business activities in the State, thereby purposely availing of the benefits and protections under Texas law. Arising from that activity, Ensign has committed the acts complained of herein within this judicial district. Therefore, the Court's exercise of personal jurisdiction over Ensign comports with due process and would not offend traditional notions of fair play and substantial justice.

7. Venue is proper as to Ensign pursuant to 28 U.S.C. §§ 1391 and 1400(b) at least because Ensign is subject to the Court's exercise of personal jurisdiction. Further, Ensign has a regular and established place of business in this judicial district and has committed the acts complained of herein in at least this judicial district.

FACTUAL BACKGROUND

A. C&M's Development of the CROWN JEWEL

8. C&M markets, leases, and sells oilfield service equipment to customers nationwide.

9. C&M is a market-leading innovator in the development of modular drilling rig lighting systems.

10. Generally, the construction of a well for oil and/or natural gas involves three phases: drilling, completion, and production. The drilling phase must be completed before the other two phases may begin. Well construction is very expensive, in part because the drilling rig and other pieces of equipment are rented by the day. Accordingly, once the operator of a wellsite has begun drilling, it is extremely important to finish that phase of the process as quickly as possible.

11. One consequence of the need to complete drilling as quickly as possible is that operators often choose to drill around the clock, or as close to that schedule as possible. As a result, drilling activity often continues after dark. Because wellsites are almost always in remote locations, there is no readily available source of lighting to keep the wellsite illuminated during nighttime operations.

12. Proper illumination during nighttime operations is exceedingly important. Wellsites are crowded and inherently dangerous workplaces, with many hazards that can cause injury to workers, and these risks are intensified if a wellsite is not adequately illuminated.

13. Prior to C&M's advances in the field, the lighting options available for wellsite operators were limited. The most common solution had long been portable light towers with halogen bulbs. There were numerous limitations with these towers, including that the towers could not be centrally located within a wellsite. As a result, an operator would be required to use multiple towers spaced around the drilling rig, but this was inefficient and created inconsistent lighting.

14. Other rig-mounted lighting systems suffered from drawbacks including weight, difficulty of installation, safety concerns, limited customization, and lack of portability.

15. In March 2018, C&M began offering customers a new drilling rig lighting system under its distinctive CROWN JEWEL[®] mark.

16. Unlike the large, frame-based design of prior rig-mounted lighting systems, the CROWN JEWEL lighting system uses multiple small lightweight lights that attach via mounting poles and/or brackets directly to the handrail of the rig's crown deck. The light fixture is mounted such that it may be placed in one of at least two discrete positions, a feature that allows the system to be left in place when a rig is moved.

17. C&M has multiple issued U.S. patents, including U.S. Patent No. 10,976,016 ("the '016 Patent"), U.S. Patent No. 10,900,626 ("the '626 Patent"), pending U.S. patent applications, and multiple foreign and international applications related to its novel design for a drilling rig lighting system.

18. C&M has devoted substantial time, effort, and resources to the development and promotion of its CROWN JEWEL product and related patents. As a result, the CROWN JEWEL system has achieved commercial success and wide adoption through the industry.

B. The '016 Patent

19. On April 13, 2021, U.S. Patent No. 10,976,016, entitled "Elevated Structure-Mounted Lighting System" ("the '016 Patent") was duly issued by the U.S. Patent and Trademark Office to C&M. A true and correct copy of the '016 Patent is attached hereto as Exhibit 1A.

20. As assignee of the '016 Patent, C&M owns all right, title and interest in the '016 Patent and has all substantial rights to sue for infringement.

21. Claim 1 of the '016 Patent recites:

1. A modular lighting system mounted on a rig, the modular lighting system comprising:

a plurality of light units, each light unit separately attached to a crown deck of the rig, and each light unit comprising:

a mounting pole;

a light fixture comprising one or more lights; and

a bracket configured to attach the mounting pole to the crown deck of the rig.

22. Claim 2 of the '016 Patent recites:

2. The lighting system of claim 1, wherein the bracket is connected to the crown deck of the rig using bolts.

23. Claim 23 of the '016 Patent recites:

23. A rig comprising:

a derrick;

a crown deck at the top of the derrick; and

a plurality of light units, each light unit separately attached to the crown deck, each light unit comprising:

a mounting pole, wherein each light unit comprises a separate mounting pole, such that the system comprises a plurality of mounting poles; and

a light fixture comprising one or more lights, the light fixture coupled to the mounting pole.

24. C&M has practiced the '016 Patent in connection with installing and leasing its CROWN JEWEL.

25. C&M has marked and continues to virtually mark the CROWN JEWEL with the '016 Patent pursuant to 35 U.S.C. § 287(a) at <https://cmorenergy.com/crown-jewel-lights/>.

C. **The '626 Patent**

26. On January 26, 2021, U.S. Patent No. 10,900,626, entitled "Elevated Structure-Mounted Lighting System" ("the '626 Patent") was duly issued by the U.S. Patent and Trademark Office to C&M. A true and correct copy of the '626 Patent is attached hereto as Exhibit 1B.

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