



of Ensign Energy Services Inc., which is incorporated under the laws of the Province of Alberta, Canada, with its registered and head office located at 400 – 5th Avenue S.W., Suite 1000, Calgary, Alberta, Canada, T2P 0L6.

4. On information and belief, the registered agent for Ensign US Southern Drilling LLC and Ensign Energy Services Inc. 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 pendant 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 US Southern Drilling LLC at least because Ensign US Southern Drilling LLC resides in the State of Texas and in this judicial district. Further, Ensign US Southern Drilling LLC 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 US Southern Drilling LLC has committed the acts complained of herein within this judicial district. Therefore, the Court's exercise of personal jurisdiction over Ensign US Southern Drilling LLC comports with due process and would not offend traditional notions of fair play and substantial justice.

7. Venue is proper as to Ensign US Southern Drilling LLC pursuant to 28 U.S.C. §§ 1391 and 1400(b) at least because Ensign US Southern Drilling LLC is subject to the Court's

exercise of personal jurisdiction. Further, Ensign US Southern Drilling LLC 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.

8. The Court has personal jurisdiction over Ensign Energy Services Inc. pursuant to Fed. R. Civ. P. 4(k)(2) at least because the claims for patent infringement arise under federal law, Ensign Energy Services Inc. is not subject to the jurisdiction of the courts of general jurisdiction of any state, and exercising jurisdiction over Ensign Energy Services Inc. comports with due process and would not offend traditional notions of fair play and substantial justice.

9. Venue is proper as to Ensign Energy Services Inc. pursuant to 28 U.S.C. § 1391(c)(3) at least because Ensign Energy Services Inc. is not resident in the United States.

### **FACTUAL BACKGROUND**

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

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

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

12. 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.

13. 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.

14. 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.

15. 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.

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

17. In March 2018, C&M began offering customers a new drilling rig lighting system under its distinctive CROWN JEWEL<sup>®</sup> mark.

18. 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.

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

20. 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**

21. 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 1.

22. 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.

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. Defendants' Non-C&M Lighting System**

26. Defendants are in the business of providing oilfield services to the oil and natural gas industry, such as drilling, well servicing, equipment rentals and transportation. *See* Ensign, <https://www.ensignenergy.com> (last visited Mar. 17, 2022).

27. C&M has been hired to provide and install its CROWN JEWEL lighting systems on more than 25 Ensign drilling rigs to date, including Ensign 101, Ensign 119, Ensign 138, Ensign 147, Ensign 153, Ensign 157, Ensign 161, Ensign 451, Ensign 762, Ensign 774, Ensign 778, Ensign T52, Ensign T121, Ensign T123, Ensign T134, Ensign T136, Ensign T225, and Ensign T445.

28. On or about December 17, 2020, Defendants hired C&M to install a C&M CROWN JEWEL lighting system on Ensign 778. Exhibit 2, Ensign 778 Rig Up Invoice.

29. On or about August 31, 2021, Defendants hired C&M to install a C&M CROWN JEWEL lighting system on Ensign 774. Exhibit 3, Ensign 774 Rig Up Invoice.

30. In or around February 2022, Defendants began replacing C&M lighting systems with non-C&M lighting systems on multiple Ensign rigs. On information and belief, Defendants have replaced C&M's CROWN JEWEL lighting systems with non-C&M lighting systems on at least Ensign rigs identified as "Ensign 774" and "Ensign 778," as shown below.

31. On or about February 9, 2022, at Defendants' behest, C&M performed an uninstallation (also known as a "rig down") of the C&M CROWN JEWEL lighting system from Ensign 774.

32. In connection with C&M's delivery, installation, safety inspections, and rig down of the CROWN JEWEL lighting systems, Defendants received and executed various documents, including delivery tickets and invoices, as well as an Acknowledgement of Receipt of Documents and Consent to Terms and Conditions, which acknowledged that Defendants had read, understood,

and agreed to be bound by the terms of: (1) C-MOR Energy Services Job Safety Analysis – Rig Down; (2) C-MOR Energy Services Rig Down Inspection; and (3) C-MOR Energy Services Rig Down Invoice. Exhibit 4, Ensign 774 Rig Down Documents.

33. The Acknowledgement of Receipt of Documents and Consent to Terms and Conditions and C-MOR Energy Services Rig Down Inspection prohibited Defendants from engaging in any business that would be deemed similar to C&M’s business without C&M’s consent and prohibited Defendants from developing, leasing, or purchasing any directly competitive rig-mounted lighting system within 12 months of rigging down. Exhibit 4, Ensign 774 Rig Down Documents.

34. On or after February 9, 2022, Defendants mounted and/or used a non-C&M lighting system on Ensign 774, as shown below in Figure 1:



Fig. 1: Ensign 774 with non-C&M lighting system (photo taken on or about Mar. 15, 2022).

35. On or about February 24, 2022, at Defendants' behest, C&M rigged down the C&M CROWN JEWEL lighting system from Ensign 778.

36. As part of the rig down for Ensign 778, Defendants executed the same documents as listed above for the rig down of Ensign 774 and were therefore bound by the same prohibitions. Exhibit 5, Ensign 778 Rig Down Documents.

37. On or after February 24, 2022, Defendants mounted and/or used a non-C&M lighting system on Ensign 778, as shown below in Figure 2:

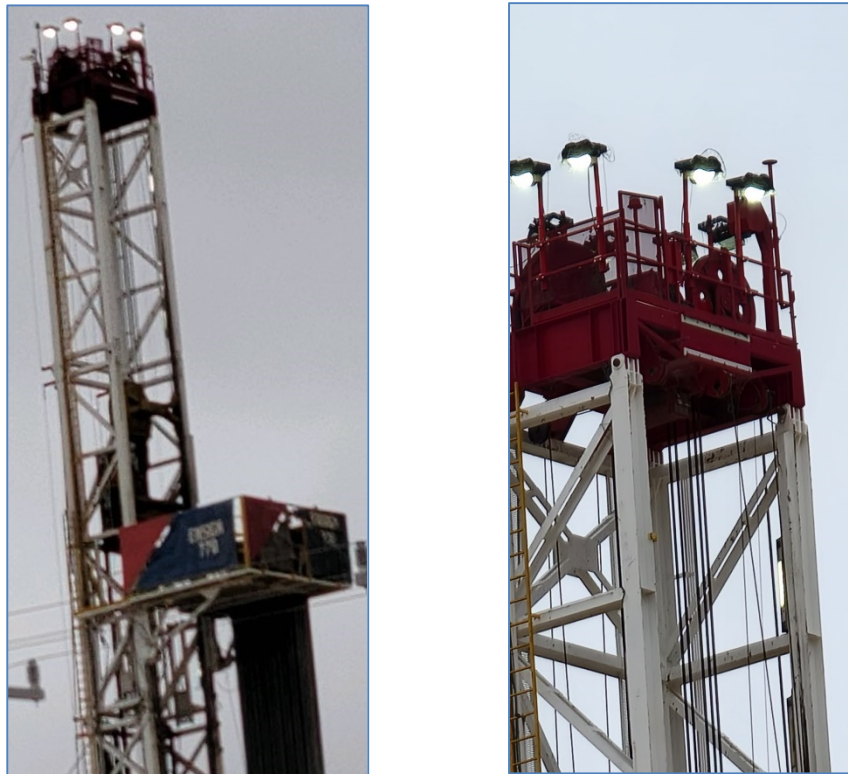


Fig. 2: Ensign 778 with non-C&M lighting system (photos taken on or about Mar. 11, 2022).

38. On information and belief, neither of the Ensign 774 and 778 lighting systems installed by Defendants appear to include proper safety measures, such as proper safety retention devised by C&M that has become industry standard.



39. In connection with many of the rigs listed in Paragraph 27, Defendants similarly agreed to refrain from activities that directly compete with C&M's lighting business.

40. On information and belief, Ensign has replaced C&M's CROWN JEWEL lighting systems on multiple rigs listed in Paragraph 27 with other lighting systems that compete with C&M's CROWN JEWEL lighting systems.

### **CAUSES OF ACTION**

#### **Count 1: Infringement of the '016 Patent**

41. C&M incorporates by reference and realleges Paragraphs 1–40 of its Complaint, as though fully set forth herein.

42. C&M is the owner of all right, title, and interest in and to the '016 Patent.

43. As the owner of the '016 Patent, C&M is authorized and has standing to bring legal action to enforce all rights arising under the '016 Patent.

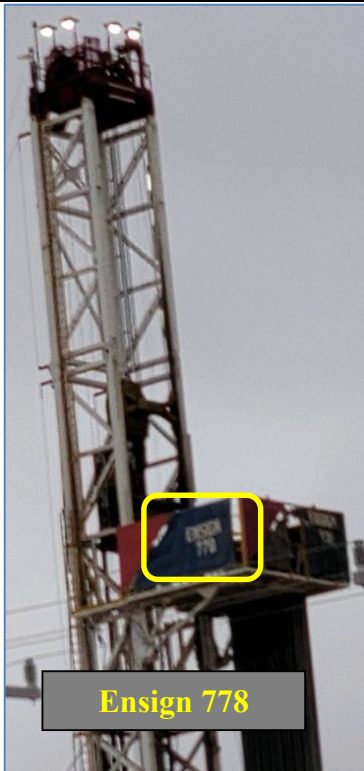
44. The '016 Patent is presumed valid pursuant to 35 U.S.C. § 282.

45. Defendants are not licensed to make, use, sell, offer to sell, or import any product or service that is covered by the claims of the '016 Patent, except as expressly authorized by C&M subject to the agreements listed herein.

46. On information and belief, Defendants, either alone or in concert with others and without authorization or license from C&M, have directly infringed and will continue to infringe, either literally or under the doctrine of equivalents, one or more claims of the '016 Patent in violation of 35 U.S.C. § 271, by making, using, selling, leasing, importing, installing, supplying, and/or offering to sell or lease an infringing lighting system in the United States.

47. On information and belief, Defendants installed and/or used the lighting system on Ensign 778, thereby infringing or more claims of the '016 Patent. By way of nonlimiting example,

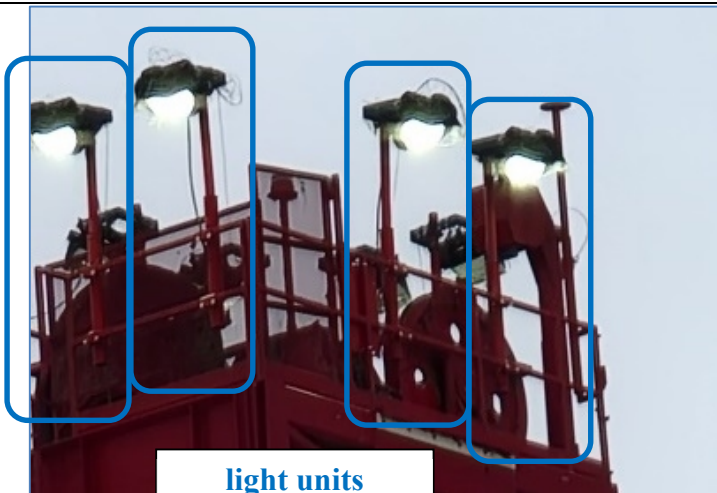
Defendants' installation and use of the lighting system installed on Ensign 778 infringes at least independent claim 23, as annotated below.



<p>23. A rig comprising: a derrick;</p>	
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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:



<p>a mounting pole, wherein each light unit comprises a separate mounting pole, such that the system comprises a plurality of mounting poles; and</p>	
<p>a light fixture comprising one or more lights, the light fixture coupled to the mounting pole.</p>	

48. On information and belief, Defendants installed and/or used on Ensign 774 a non-C&M lighting system that is identical or substantially the same as the non-C&M lighting system installed and/or used on Ensign 778, thereby infringing or more claims of the '016 Patent. Accordingly, Defendants' installation and use of the lighting system installed on Ensign 774 infringes at least claim 23 of the '016 Patent for the same reasons as annotated above on Ensign 778.

49. Because Defendants' unauthorized and infringing lighting systems compete directly with C&M's CROWN JEWEL lighting system, Defendants' infringing acts are causing, and unless restrained, will continue to cause damage and immediate irreparable harm to C&M.

50. On information and belief, Defendants have and have had actual knowledge of the '016 Patent and actual knowledge that their activities constitute direct, indirect, or joint infringement of the '016 Patent, or have willfully blinded themselves to the infringing nature of their activities, and yet continue their infringing activities.

51. On information and belief, Defendants have actively induced and continue to induce others to directly infringe one or more claims of the '016 Patent, and/or have contributed and continue to contribute to others' infringement of one or more claims of the '016 Patent.

52. On information and belief, Defendants' infringement of the '016 Patent has been and will continue to be willful, deliberate, and intentional.

53. As a result of Defendants' infringement of the '016 Patent, C&M has suffered and will continue to suffer irreparable harm for which there is no adequate remedy at law, unless Defendants are permanently enjoined by this Court. Furthermore, the public interest would be served by issuance of an injunction.

54. As a result of Defendants' infringing activities, C&M has suffered actual damages in an amount to be determined at trial. Additionally, as a result of the willful and deliberate nature of Defendants' infringing activities, C&M is entitled to a trebling of its actual damages and is entitled to recover its attorneys' fees and costs incurred in prosecuting this action.

**Count 2: Breach of Contract**

55. C&M incorporates by reference and realleges Paragraphs 1–54 of its Complaint, as though fully set forth herein.

56. On February 9, 2022, Defendants executed the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions for Ensign 774.

57. On February 24, 2022, Defendants executed the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions for Ensign 778.

58. By executing the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions for Ensign 774 and Ensign 778, Defendants acknowledged that they read, understood, and agreed to be bound by the terms of: (1) C-MOR Energy Services Job Safety Analysis – Rig Down; (2) C-MOR Energy Services Rig Down Inspection; and (3) C-MOR Energy Services Rig Down Invoice.

59. For example, the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions for each of Ensign 774 and Ensign 778 states in paragraph 5:

In consideration for the equipment and services provided by C-MOR™ to Company, Company and/or its Affiliates, Agents, Representatives, Subcontractors or Employees shall not, in any manner represent, provide services, develop, or engage in any aspect of business that would be deemed similar in nature to the business of C-MOR™ without the written consent of C-MOR™ nor shall Company use any Confidential Information or Intellectual Property of C-MOR™ to develop any product which would compete directly or indirectly with C-MOR™. Company warrants and guarantees that throughout the duration of its engagement and for a period of 12 months following this culmination, completion, or termination of this Agreement, Company shall not directly or indirectly engage in any business that would be considered similar in nature to with C-MOR™, its subsidiaries, and any current or former clients and/or Company's. Nor shall Company solicit any client, vendor, officer, staff, or employee for the benefit of himself/herself or a third party that is or may be engaged in a similar business.

60. As another example, the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions for each of Ensign 774 and Ensign 778 states in paragraph 7:

In consideration of C-MOR's agreement to provide the goods/equipment to Company, Company and its Affiliates hereby agree, for a period of twelve (12) months from the date of this invoice, not to develop, lease or purchase from any third party any other rig-mounted lighting system(s) directly competitive with the Crown Jewel™ system. All parties to this document shall not use, disclose or in any way disseminate confidential information. Confidential information shall include price, terms, and timing in addition to the C-MOR Crown Jewel™ Design, Construction, Parts and Materials.

61. As another example, the C-MOR Energy Services Rig Down Inspection for each of Ensign 774 and Ensign 778 states:

In consideration for the equipment and services provided by C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™ to Company, Company shall not, in any manner represent, provide services, develop, or engage in any aspect of business that would be deemed similar in nature to the business of C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™ without the written consent of C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™ nor shall Company use any Confidential Information or Intellectual Property of C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™ to develop any product which would compete directly or indirectly with C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™. Company warrants and guarantees that throughout the duration of its engagement and for a period of 12 months following this culmination, completion, or termination, whichever occurs last, of this agreement, Company shall not directly or indirectly engage in any business that would be considered similar in nature to with C&M Oilfield Rentals, LLC, d/b/a C-MOR Energy Services™, its subsidiaries, and any current or former clients and/or Company's. Nor shall Company solicit any client, Company, officer, staff, or employee for the benefit of himself/herself or a third party that is or may be engaged in a similar business.

62. Defendants agreed to the terms of the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions and C-MOR Energy Services Rig Down Inspection for each of Ensign 774 and Ensign 778 in consideration for the goods and services described therein, including at least the “rig down” of the C-MOR CROWN JEWEL from Ensign 774 and Ensign 778, the C-MOR Energy Services Job Safety Analysis – Rig Down, and C-MOR Energy Services Rig Down Inspection.

63. Defendants breached the terms of the Acknowledgement of Receipt of Documents and Consent to Terms and Conditions and the C-MOR Energy Services Rig Down Inspection for Ensign 774 and Ensign 778 by removing C&M's CROWN JEWEL lighting system and installing a non-C&M lighting system on Ensign 774 on or about February 9, 2022, and on Ensign 778 on or about February 24, 2022.



64. Defendants have agreed to terms similar to those in paragraphs 59-62 in several other invoices, inspection signoffs, installation acknowledgements and the like in connection with the installation of the C-MOR CROWN JEWEL on other drilling rigs, including multiple rigs listed in Paragraph 27.

65. Defendants breached the terms similar to those in paragraphs 59-62 in other invoices, inspection signoffs, installation acknowledgements and the like by installing a non-C&M lighting systems on other drilling rigs, including, but not limited to, T136 and T451.

66. As a result of Defendants' breach, C&M has incurred actual damages.

**JURY DEMAND**

67. Pursuant to Federal Rule of Civil Procedure 38(b), C&M requests a trial by jury on all issues.

**PRAYER**

68. For these reasons, C&M respectfully requests that the Court award the following relief:

- (A) Judgment be awarded in favor of C&M and against Defendants on all counts, including a finding that Defendants have directly and indirectly infringed the '016 Patent;
- (B) A permanent injunction enjoining Defendants, their owners, affiliates, officers, directors, managers, agents, servants, employees, trainees, and all persons in active concert or participation with them, from continuing to infringe the '016 Patent, including but not limited to under 35 U.S.C. § 283;
- (C) An award of damages adequate to compensate C&M for Defendants' infringement of the '016 Patent under 35 U.S.C. § 284;



- (D) A determination that Defendants' infringement of the '016 Patent has been willful and deliberate;
- (E) A determination that this case is "exceptional" under 35 U.S.C. § 285, thereby entitling C&M to an award of its reasonable attorneys' fees and costs incurred in prosecuting this action;
- (F) An award of treble damages based on the willful and deliberate nature of Defendants' infringement;
- (G) An award of damages adequate to compensate C&M for Defendants' breach of their contractual obligations;
- (H) Awarding C&M interest, including prejudgment and post-judgment interest, on all damages computed;
- (I) An award of court costs and attorneys' fees as allowed by any other applicable law; and
- (J) Such other relief as this Court deems fair, just, and appropriate.

Dated: March 24, 2022

Respectfully submitted,

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