

October 6, 2022

CONFIDENTIAL SETTLEMENT COMMUNICATION
(FEDERAL RULE OF EVIDENCE 408)

Via Email

John R. Emerson
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Re: Response to Cease & Desist Letter regarding
U.S. Patent No. 11,401,779
Our File: [18470-036001]

Dear Mr. Emerson:

In response to your letter of August 31, 2022, we have further investigated your allegations regarding IWS's system with respect to your client's U.S. Patent No. 11,401,779 ('779 Patent).

Putting aside for the moment the serious issues of patentability and enforceability of the '779 Patent we previously raised, we have reviewed IWS's system and your claim chart labeled "Preliminary Comparison of IWS's Technology to Claims 15 and 25 of U.S. Patent No. 11,401,779," and we confirm our original conclusion, that IWS's system does not infringe the '779 Patent.

Specifically, based on our review, IWS's system does not infringe the '779 Patent because IWS's system does not perform *at least* the following steps: "measuring a flow rate of the fluid being pumped into the second well," or "wherein: in response to determining that the flow rate measured at step (a) has satisfied one or more flow rate conditions, the first valve associated with the first well is opened at step (b) before the second valve associated with the second well is closed at step (b); or in response to determining that the flow rate measured at step (a) has not satisfied one or more flow rate conditions, the first valve associated with the first well is opened at step (b) during or after the second valve associated with the second well is closed at step (b)," as recited in Claim 15.

Although you have provided a claim chart that purports to show how IWS's system meets the asserted claims, that chart does not in any way show or explain how our client's system meets the above-identified limitations. Instead, the chart merely shows annotations on an unverified

alleged “photograph of an IWS jobsite” with yellow arrows marked as “measuring a flow rate of the fluid being pumped into the second well.” With respect to the “wherein” clause, the chart merely cites a journal article that indicates that the IWS system provides “75.4 hours of continuous pumping” using “the older but less capital-intensive ‘zipper frac’ method.” The annotated images and brief excerpt from the journal article fail to show that IWS’s system performs each and every step recited in the method of Claim 15.

Regarding Claim 25, the claim chart you provided merely refers back to the images and journal excerpt provided in Claim 15 of the claim chart. Again, these annotated images and journal article excerpt do not show that IWS’s system performs each and every step recited in the method of Claim 25. As noted with respect to Claim 15, after our investigation of IWS’s system, we believe that IWS’s system does not execute *at least* the following steps of Claim 25: “measuring a flow rate of the fluid being pumped into the second well,” or “wherein: in response to determining that the flow rate measured at step (a) has satisfied one or more flow rate conditions, the first valve associated with the first well is opened at step (b) before the second valve associated with the second well is closed at step (b); or in response to determining that the flow rate measured at step (a) has not satisfied one or more flow rate conditions, the first valve associated with the first well is opened at step (b) during or after the second valve associated with the second well is closed at step (b).”

For at least these reasons, we do not agree that Downing would be likely to prevail in any patent infringement litigation based on the ’779 Patent or the allegations as we understand them. If your client still believes the limitations noted above are met by IWS’s system, please provide an explanation that specifically addresses each of these claim limitations and where or how the IWS system allegedly performs these steps, and we will review and consider accordingly. Absent any further communication, we consider this matter closed.

This letter is written without prejudice to and should not be deemed a waiver of any of IWS’s rights, remedies, or defenses, all of which are expressly reserved.

Very truly yours,



Tammy J. Terry