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5

*Attorneys for Plaintiff*  
6 *SOILWORKS, LLC, an Arizona corporation*

7  
8 **UNITED STATES DISTRICT COURT**  
9 **IN AND FOR THE DISTRICT OF ARIZONA**

10  
11 SOILWORKS, LLC, an Arizona  
corporation,

12 Plaintiff,

13 v.

14 MIDWEST INDUSTRIAL SUPPLY, INC.,  
15 an Ohio corporation authorized to do  
business in Arizona,

16 Defendant.  
17

NO.: 2:06-CV-02141-DGC

**DECLARATION OF JOHN P.  
PASSARELLI IN OPPOSITION TO  
DEFENDANT'S MOTION TO  
DISMISS**

18 I, John P. Passarelli, declare as follows:

19 1. I am Of Counsel at Kutak Rock, counsel of record for Plaintiff, Soilworks,  
20 LLC, an Arizona corporation ("Soilworks") in this action. I submit this Declaration in  
21 Opposition to Defendant's Motion to Dismiss. I have personal knowledge of the facts set  
22 forth in this Declaration and can testify competently to those facts.  
23

24 2. Attached hereto as Exhibit "A" is a true and correct copy of correspondence  
25 Kutak Rock received from John M. Skeriotis of the law firm of Brouse McDowell, counsel  
26 to Defendant, Midwest Industrial Supply, Inc. ("Midwest"). Exhibit "A" was received on or  
27 about June 8, 2006.  
28

1           3.     Attached hereto as Exhibit "B" is a true and correct copy of a letter that I sent  
2 on July 18, 2006, to Mr. Skeriotis in response to his correspondence dated June 8, 2006.

3  
4           4.     Attached hereto as Exhibit "C" is a true and correct copy of a letter I received  
5 on or about August 8, 2006, from Mr. Skeriotis.

6           I declare under penalty of perjury and the laws of the United States of America that  
7 the foregoing is true and correct.

8           Executed this 14<sup>th</sup> day of November, 2006, at Omaha, Nebraska.

9  
10  
11 

12           John P. Passarelli

**BROUSE McDOWELL**  
A LEGAL PROFESSIONAL ASSOCIATION

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June 8, 2006

Douglas H. Allsworth, Esq.  
Kutak Rock LLP  
Suite 300  
8601 North Scottsdale Rd.  
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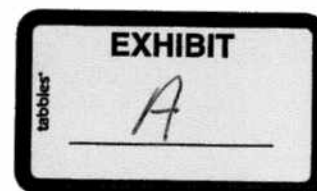
Re: Upcoming Issuance of U.S. Patents Directed Toward  
Chemical Soil Stabilization and Dust Control  
Our Ref. No.: 21786.27486

Dear Mr. Allsworth:

As you know, we represent Midwest Industrial Supply, Inc. ("Midwest") with respect to its intellectual property matters.

Midwest is a leading manufacturer and distributor of dust stabilization and suppressant materials. Midwest's product line includes a stabilization material that includes an emulsion of aliphatic and cyclic organic compounds with carboxylic acids and polyolefins. Additionally, Midwest has invented and developed a method of applying its materials to maximize their stabilizing and suppressing effects. Since significant sums of money were spent researching and developing these and other breakthroughs, Midwest has filed numerous patent applications to protect its technology. We have recently received a Notice of Allowance for two of these pending patent applications, namely, Publication Nos. 2004/0234682 and 2005/0124527 (collectively the "Applications"), and we expect to receive the actual patent numbers themselves at any moment.

Your client, Soilworks, LLC ("Soilworks") also offers products for soil stabilization and dust suppression, one of which is marketed under the trade name Durasoil<sup>®</sup>. According to the Durasoil website, Durasoil is listed as being an "Ultra-Pure Synthetic Organic Dust Control Agent." From reviewing the available public information, which includes your MSDS sheet, we feel that at least some of the claims in the two patent applications cited above could potentially affect your client's ability to make, use and sell Durasoil in the future.



Douglas H. Allsworth, Esq.  
June 8, 2006  
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We are hopeful we can resolve the issues regarding your client's sales of Durasoil in view of our two pending patent applications. While no legal actions are contemplated by Midwest at this time, we ask you to kindly review the claims in the Applications, which are enclosed herewith, as a first step toward entering into a good-faith resolution of the outstanding issues.

I look forward to discussing these issues with you in the near future, and coming to an amicable resolution. As always, please feel free to call me if you would like to discuss this matter further.

Very truly yours,

**BROUSE MCDOWELL**

*John M. Skeriotis*

John M. Skeriotis

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647346.1

**KUTAK ROCK LLP**

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July 18, 2006

Mr. John M. Skeriotis  
Brouse McDowell  
388 South Main Street  
Suite 500  
Akron, OH 44311-4407

Dear Mr. Skeriotis:

Please be advised that Scott Dosek has referred this matter to me. I have had an opportunity to review your correspondence dated June 8, 2006, and the materials you provided with regard to your client's position on its alleged patent rights. I have also had an opportunity to conduct a preliminary investigation concerning these matters. On the basis of these efforts, I am aware of no factual or legal basis which would support your position that our client is infringing upon any of your client's proprietary rights or that our client's product and service offerings in any way fall within the scope of the purported claims.

As you know, patent owners are required to conduct investigations and to map them to each element of an asserted patent claim. I refer you to *View Engineering, Inc. v. Robotic Vision Systems, Inc.*, 208 F.3d 981 (Fed. Cir. 2000). I assume you have conducted the required investigation and prepared an applicable claims chart. I would be happy to review the foregoing and take that into consideration in advising our client with respect to this matter.

I look forward to hearing from you.

Sincerely,

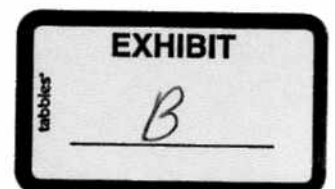


John P. Passarelli

slm

cc: Soilworks, LLC  
E. Scott Dosek

4846-2129-2801.1



■ John M. Skeriotis

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August 8, 2006

John P. Passarelli, Esq.  
Kutak Rock, LLP  
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1650 Farnham Street  
Omaha, NE 68102

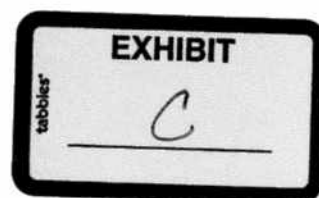
**VIA E-MAIL**  
**ORIGINAL BY MAIL**  
john.passarelli@kutakrock.com

Re: Issuance of U.S. Patent Nos. 7,074,266 B2 and 7,081,270 B2  
Our Ref. No.: 21786.27486

Dear Mr. Passarelli,

I am in receipt of your letter dated July 18, 2006. I note, as a matter of first response, that your letter has not offered any substantive response to the concerns raised by me about the potential impact of my client's now issued patents (copies of which have been enclosed for your review) on Soilwork's product line. In my letter of June 8, I indicated that our investigation of Durasoil<sup>®</sup> was based on, amongst other things, the Durasoil<sup>®</sup> MSDS information.

Despite assurances from your colleague that I would receive a substantive response to my letter, which I hoped would resolve this matter, I received nothing for over a month, and, when I did receive a response, it was entirely non-substantive. By our review, the claims of the two enclosed patents are not complicated and, if your client has conducted any sort of investigation of its own product and determined them not to come within the scope of the claims, then, I simply ask that you let me know the grounds for that position so that we can set this matter aside. Your silence in responding provides us assurances of our review, that your client infringes. If Durasoil does not infringe the claims of Midwest's newly issued patents, and, parenthetically, based on the trade secret and proprietary knowledge that Soilworks holds, Soilworks is in the best position currently to make that determination, then I ask again that you contact me in that regard.



Mr. John P. Passarelli  
August 10, 2006  
Page 2 of 2

I look forward to your response.

Very truly yours,

**BROUSE MCDOWELL**

*John M. Skeriotis*

John M. Skeriotis

JMS/cjn  
Enclosure  
652343.1