

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

JOAO CONTROL & MONITORING
SYSTEMS, LLC,

Plaintiff,

v.

CONSOLIDATED EDISON, INC.,

Defendant.

Civil Action No. 1:14-cv-519

**FIRST AMENDED COMPLAINT FOR
PATENT INFRINGEMENT**

JURY TRIAL DEMANDED

Plaintiff Joao Control & Monitoring Systems, LLC (“Plaintiff” or “JCMS”), by and through its undersigned counsel, files this First Amended Complaint for Patent Infringement against Defendant Consolidated Edison, Inc. (hereinafter, “Defendant” or “ConEd”) as follows:

NATURE OF THE ACTION

1. This is a patent infringement action to stop Defendant's infringement of Plaintiff's United States Patent No. 6,549,130 entitled “*Control Apparatus and Method for Vehicles and/or for Premises*” (the “130 Patent”; a copy of which is attached hereto as Exhibit A) and United States Patent No. 7,397,363 entitled “*Control and/or Monitoring Apparatus and Method*” (the “363 Patent”; a copy of which is attached hereto as Exhibit B)(collectively, “the Patents-in-Suit”). Plaintiff is the owner of the Patents-In-Suit. Plaintiff seeks injunctive relief and monetary damages.

PARTIES

2. JCMS is a limited liability company organized and existing under the laws of the state of Delaware. Plaintiff maintains its principal place of business at 122 Bellevue Place, Yonkers (Westchester County), New York, 10703. Plaintiff is the owner of the Patents-in-Suit,

and possesses all rights thereto, including the exclusive right to exclude the Defendant from making, using, selling, offering to sell or importing in this district and elsewhere into the United States the patented invention(s) of the Patents-in-Suit, the right to sublicense the Patents-in-Suit, and to sue the Defendant for infringement and recover past damages.

3. Upon information and belief, ConEd is a corporation duly organized and existing under the laws of the State of Delaware since February 25, 1998 and has its principal place of business located at 4 Irving Place, New York, New York, 10003. Upon information and belief, ConEd may be served through its registered agent Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808.

JURISDICTION AND VENUE

4. This action arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 271, 281, 283, 284, and 285. This Court has subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

5. The Court has personal jurisdiction over Defendant because: Defendant has minimum contacts within the State of Delaware and in the District of Delaware; Defendant has purposefully availed itself of the privileges of conducting business in the State of Delaware and in the District of Delaware; Defendant has sought protection and benefit from the laws of the State of Delaware; Defendant regularly conducts business within the State of Delaware and within the District of Delaware, and Plaintiff's causes of action arise directly from Defendant's business contacts and other activities in the State of Delaware and in the District of Delaware.

6. More specifically, Defendant, directly and/or through its intermediaries, ships, distributes, offers for sale, sells, and/or advertises (including the provision of an interactive web page) its products and services in the United States, the State of Delaware, and the District of

Delaware. Upon information and belief, Defendant has committed patent infringement in the State of Delaware and in the District of Delaware. Defendant solicits customers in the State of Delaware and in the District of Delaware. Defendant has many paying customers who are residents of the State of Delaware and the District of Delaware and who use Defendant's products and services in the State of Delaware and in the District of Delaware.

7. Venue is proper in the District of Delaware pursuant to 28 U.S.C. §§ 1391 and 1400(b).

BACKGROUND

8. The Patents-in-Suit were duly and legally issued by the United States Patent and Trademark Office to Mr. Raymond A. Joao after full and fair examination. Mr. Joao assigned all rights, title and interest in and to the Patents-in-Suit to JCMS, giving JCMS the right to exclude Defendant from making, using, selling, offering to sell or importing in this district and elsewhere in the United States the patented invention(s) of the Patents-in-Suit, and the right to sublicense the Patents-in-Suit, collect damages and initiate lawsuits against the Defendant.

9. Upon information and belief, Defendant had actual knowledge of the specification and issued claims of the Patents-in-Suits, at the very latest, since June 3, 2013 when it received a letter from counsel for JCMS addressed to Kevin Burke, Chief Executive Officer of ConEd, describing JCMS's Licensing Program for the patents in JCMS's portfolio, including the Patents-in-Suit. A copy of said letter is attached as Exhibit C.

10. On information and belief, Defendant operates, advertises, implements, and controls its website, www.coned.com (either directly or through a third-party) as well as functionality modules and/or programming modules to support its products and services. In addition to providing information about Defendant's products and services and how to obtain

them, this website provides support to Defendant's customers by providing access to various instructional guides to assist customers in purchasing and using Defendant's products and services.

11. On information and belief, Defendant offers its customers products and services that infringe the Patents-in-Suit, including but not limited to: the products and services of ConEd's CoolNYC Program.

COUNT I: INFRINGEMENT OF U.S. PATENT NO. 6,549,130

12. Plaintiff re-alleges and incorporates by reference each of Paragraphs 1 - 11 above.

13. The '130 Patent was duly and legally issued by the United States Patent and Trademark Office on April 15, 2003, after full and fair examination for systems and methods for controlling vehicle or premises systems using at least three devices. A Certificate of Correction was issued on July 1, 2003. Plaintiff is the owner of the '130 Patent and possesses all substantive rights and rights of recovery under the '130 Patent, including the right to sue for infringement and recover past damages.

14. Plaintiff is informed and believes that Defendant has infringed and continues to infringe the '130 Patent either literally or under the doctrine of equivalents. Upon information and belief, Defendant has infringed and continues to infringe one or more claims of the '130 Patent by making, using, providing, and/or importing, directly or through intermediaries, in this district and elsewhere in the United States, systems which are comprised of three devices that constitute a control apparatus, including but not limited to ConEd's CoolNYC Program (the "Accused Products and Services"). The control apparatus used by Defendant consists of a SmartAC Kit (modlet and smart thermostat), located at a premises, the Consolidated Edison Servers in electronic communication with the SmartAC Kits, and an Internet-enabled computer

or phone, at a location remote from both the premises and the Consolidated Edison Servers. ConEd remotely controls a program participant's window AC unit by sending a signal from an Internet-enabled computer or phone to the Consolidated Edison servers, which then sends a signal to the smart thermostat, which then sends a signal to the modlet to control the operation of the window AC unit.. Infringing conduct regarding this apparatus and its attendant functions take place in this district and elsewhere in the United States, enabled by and accessed through Defendant's remote access capabilities via the Internet and smartphone applications.

15. Upon information and belief, Defendant has intentionally induced and continues to induce infringement of one or more claims of the '130 Patent in this district and elsewhere in the United States, by its intentional acts which have successfully, among other things, encouraged, instructed, enabled, and otherwise caused Defendant's customers to use the Accused Products and Services in an infringing manner. Despite knowledge of the '130 Patent as early as June 3, 2013, Defendant, upon information and belief, continues to encourage, instruct, enable, and otherwise cause its customers to use its systems, in a manner which infringes the '130 Patent. Upon information and belief, Defendant has specifically intended its customers to use its systems in such a way that infringes the '130 Patent by, at a minimum, providing and supporting the Accused Products and Services and instructing its customers on how to use them in an infringing manner, at least through information available on Defendant's website. Defendant knew that its actions, including, but not limited to any of the three aforementioned systems, would induce, have induced, and will continue to induce infringement by its customers.

16. Defendant's aforesaid activities have been without authority and/or license from Plaintiff.

17. Despite its knowledge of the '130 Patent, known of at least since June 3, 2013, and without a reasonable basis for continuing the infringing activities described in the preceding paragraphs, on information and belief, Defendant has willfully infringed the '130 Patent.

18. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of Defendant's wrongful acts in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

COUNT II: INFRINGEMENT OF U.S. PATENT NO. 7,397,363

19. Plaintiff re-alleges and incorporates by reference each of Paragraphs 1 – 11 above.

20. The '363 Patent was duly and legally issued by the United States Patent and Trademark Office on July 8, 2008, after full and fair examination. Plaintiff is the owner of the '363 Patent and possesses all substantive rights and rights of recovery under the '363 Patent, including the right to sue for infringement and recover past damages.

21. Plaintiff is informed and believes that Defendant has infringed and continues to infringe the '363 Patent either literally or under the doctrine of equivalents. Upon information and belief, Defendant has infringed and continues to infringe one or more claims of the '363 Patent by making, using, providing, and/or importing, directly or through intermediaries, in this district and elsewhere in the United States, systems which are comprised of three devices that constitute a control apparatus, including but not limited to ConEd's CoolNYC Program (the "Accused Products and Services"). The apparatus used by Defendant consists of a SmartAC Kit (modlet and smart thermostat), located at a premises, the Consolidated Edison Servers in electronic communication with the SmartAC Kits, and an Internet-enabled computer or phone, at

a location remote from both the premises and the Consolidated Edison Servers. ConEd remotely controls a program participant's window AC unit by sending a signal from an Internet-enabled computer or phone to the Consolidated Edison servers, which then sends a signal to the smart thermostat, which then sends a signal to the modlet to control the operation of the window AC unit.. Infringing conduct regarding this apparatus and its attendant functions take place in this district and elsewhere in the United States, enabled by and accessed through Defendant's remote access capabilities via the Internet and smartphone applications.

22. Upon information and belief, Defendant has intentionally induced and continues to induce infringement of one or more claims of the '363 Patent in this district and elsewhere in the United States, by its intentional acts which have successfully, among other things, encouraged, instructed, enabled, and otherwise caused Defendant's customers to use the Accused Products and Services in an infringing manner. Despite knowledge of the '363 Patent as early as June 3, 2013, Defendant, upon information and belief, continues to encourage, instruct, enable, and otherwise cause its customers to use its systems, in a manner which infringes the '363 Patent. Upon information and belief, Defendant has specifically intended its customers to use its systems in such a way that infringes the '363 Patent by, at a minimum, providing and supporting the Accused Products and Services and instructing its customers on how to use them in an infringing manner, at least through information available on Defendant's website. Defendant knew that its actions, including, but not limited to any of the three aforementioned systems, would induce, have induced, and will continue to induce infringement by its customers.

23. Defendant's aforesaid activities have been without authority and/or license from Plaintiff.

24. Despite its knowledge of the '363 Patent, known of at least since June 3, 2013, and without a reasonable basis for continuing the infringing activities described in the preceding paragraphs, on information and belief, Defendant has willfully infringed the '363 Patent.

25. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of Defendant's wrongful acts in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

26. Defendant's infringement of Plaintiff's rights under the '363 Patent will continue to damage Plaintiff, causing irreparable harm for which there is no adequate remedy at law, unless enjoined by this Court.

JURY DEMAND

27. Plaintiff demands a trial by jury on all issues.

PRAYER FOR RELIEF

Plaintiff respectfully requests that Court find in its favor and against Defendant, and that the Court grant Plaintiff the following relief:

- A. An adjudication that one or more claims of the Patents-in-Suit have been infringed, either literally and/or under the doctrine of equivalents, by the Defendant and/or its customers;
- B. An adjudication that Defendant has induced infringement of one or more claims of the Patents-in-Suit;
- C. An award of damages to be paid by Defendant adequate to compensate Plaintiff for its past infringement, including interest, costs, and disbursements as justified under 35 U.S.C. § 284 and, if necessary to adequately compensate Plaintiff for

Defendant's infringement, an accounting of all infringing sales including, but not limited to, those sales not presented at trial;

- D. That, should Defendant's acts of infringement be found to be willful from the time that Defendant became aware of the infringing nature of its actions, that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;
- E. A grant of permanent injunction pursuant to 35 U.S.C. § 283, enjoining the Defendant from further acts of infringement with respect to the claims of the Patents-in-Suit;
- F. That this Court declare this to be an exceptional case and award Plaintiff its reasonable attorneys' fees and costs in accordance with 35 U.S.C. § 285; and,
- G. Any further relief that this Court deems just and proper.

Respectfully submitted this 13th day of August, 2014.

STAMOULIS & WEINBLATT LLC

s/ Stamatios Stamoulis

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