

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

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|------------------------------------|---|---------------------------------------|
| CLEAN ENERGY MANAGEMENT |) | |
| SOLUTIONS, LLC, |) | |
| |) | |
| Plaintiff, |) | |
| |) | C.A. No. 2:15-cv-01261 |
| v. |) | LEAD CASE |
| |) | JURY TRIAL DEMANDED |
| ADT LLC dba ADT SECURITY SERVICES, |) | |
| |) | |
| Defendant. |) | |
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| CLEAN ENERGY MANAGEMENT |) | |
| SOLUTIONS, LLC, |) | |
| |) | |
| Plaintiff, |) | |
| |) | Civil Action No. 2:15-cv-1262-RWS-RSP |
| v. |) | |
| |) | JURY TRIAL DEMANDED |
| HONEYWELL INTERNATIONAL INC., |) | |
| |) | |
| Defendant. |) | |
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FIRST AMENDED COMPLAINT

For its Complaint, Plaintiff Clean Energy Management Solutions, LLC ("Clean Energy"),
by and through the undersigned counsel, alleges as follows:

THE PARTIES

1. Clean Energy is a Texas limited liability company with a place of business
located at 1400 Preston Road, Suite 475, Plano, Texas 75093.

2. Defendant Honeywell International Inc. is a Delaware corporation with, upon
information and belief, a place of business located at 101 Columbia Road, Morristown, New
Jersey 07962.

3. Upon information and belief, Defendant has registered with the Texas Secretary of State to conduct business in Texas.

JURISDICTION AND VENUE

4. This action arises under the Patent Act, 35 U.S.C. § 1 *et seq.*

5. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338.

6. Upon information and belief, Defendant conducts substantial business in this forum, directly or through intermediaries, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct and/or deriving substantial revenue from goods and services provided to individuals in this district.

7. Venue is proper in this district pursuant to §§ 1391(b), (c) and 1400(b).

THE PATENT-IN-SUIT

8. On October 11, 2011, U.S. Patent No. 8,035,479 (the "'479 patent"), entitled "Mesh Network Door Lock" was duly and lawfully issued by the U.S. Patent and Trademark Office. A true and correct copy of the '479 patent is attached hereto as Exhibit A.

9. The claims of the '479 patent provide an inventive concept and do not claim an abstract idea and. The inventive concept of the '479 patent greatly enhances home or business automation and security. The use of a code from a mesh network key and a mesh network to prove access to a secured area upon authenticating the code is an improvement over the prior art in that it provides the effectiveness of the conventional mechanical door latch locks that had not previously been duplicated by the complicated, high power consuming or ineffective prior art electronic lock structures.

10. The claims of the '479 patent, moreover, do not merely recite the performance of a longstanding business practice on a computer; rather the claims describe a solution necessarily rooted in electromechanical technology to solve a problem specifically arising in the realm of automated security. The patent specification, for example, explains how prior art electronic lock structures were not "pick-proof" low power lock configurations that were compatible with the internal locking mechanisms of universally used conventional key-operated door latch locks. The '479 patent overcame this difficulty, among others, by using an algorithm and an electromechanical device to lock or unlock a secured area based on sending a code from a mesh network key and wirelessly communicating the code over a mesh network, receiving the code at a mesh network lock controller and providing access to a secured area upon authenticating the code.

11. Clean Energy is the assignee and owner of the right, title and interest in and to the '479 patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 8,035,479

12. Clean Energy repeats and realleges the allegations of paragraphs 1 through 11 as if fully set forth herein.

13. Without license or authorization and in violation of 35 U.S.C. § 271(a), Defendant has infringed and continues to infringe at least claim 15 of the '479 patent by making, using, importing, offering for sale, and/or selling, systems and methods that provide access to a secured area through use of a mesh network, including, but not limited to LYNX Touch Security Systems, such as, but not withstanding, LYNX Touch L5200 Series Security Systems and LYNX Touch L7000 Series Security Systems.

14. Upon information and belief, Defendant used the accused Lynx Touch Security Systems via its internal use and testing in the United States, directly infringing one or more claims of the '479 patent.

15. More specifically, the Lynx Touch Security System is integrated with locks using a mesh network. *See* Lynx Touch 5200 Data Sheet (available at <http://library.ademconet.com/MWT/fs2/L5200/LYNX-Touch-5200-Data-Sheet.PDF> (last accessed Feb. 4, 2016)); LYNX Touch 7000 Data Sheet (available at <http://library.ademconet.com/MWT/fs2/L7000/LYNX-Touch-7000-Data-Sheet.PDF> (last accessed Feb. 4, 2016)). The Lynx Touch Security System includes a Z-wave connectivity module, and Z-wave is a mesh network. Defendant provides "Installation Guidelines" that states "The following section contains important information essential to all applications concerning a Z-Wave installation. Honeywell recommends these guidelines are followed and understood before installing or servicing a Z-Wave installation." Honeywell, *Introductory Guide to Z-Wave Technology* at pp. 9-12 (available at <http://library.ademconet.com/MWT/fs2/L5200/Introductory-Guide-to-Z-Wave-Technology.PDF> (last accessed Feb. 4, 2016)). Upon information and belief, for Defendant to confirm the Lynx Touch Security System provides access to a secured area through use of a mesh network and to make this "recommendation," Defendant used and tested the Lynx Touch Security System in accordance with the systems and methods patented under the '479 patent, thus infringing the '479 patent.

16. Clean Energy's initial complaint was filed on July 10, 2015.

17. Defendant was served the initial complaint on July 20, 2015.

18. Thus, Defendant has been on notice of the '479 patent since, at the latest, the date it was served the Complaint.

19. Upon information and belief, Defendant has not altered its infringing conduct after receiving the initial complaint.

20. Upon information and belief, Defendant's continued infringement despite its knowledge of the '479 patent and the accusations of infringement has been objectively reckless and willful.

21. In particular, Defendant's customers' and end-users' use of Defendant's products and services which provide access to a secured area through use of a mesh network, such as LYNX Touch Security Systems, is facilitated by the use of the systems and methods patented under the '479 patent. Thus, Defendant's customers and end-users are able to send a code from a mesh network key and wirelessly communicate the code with one or more network appliances over a mesh network, have the code received over the mesh network by a mesh network lock controller and be provided access to the secured area upon authentication of the code.

22. On information and belief, in order to generate profits and revenues, Defendant markets and promotes, e.g., through its website and sales personnel, the use of its products and services that infringe the '479 patent when used as intended by Defendant's customers and end-users. Defendant's customers and end-users use such products and services. Google further instructs its customers and end-users how to use such products and services in a manner that infringes the '479 patent (e.g., through on-line technical documentation, instructions, and technical support).

23. In particular, Defendant instructs its customers and end-users through at least on-line support instructions and documentation over the Internet how to provide access to a secured area through use of a mesh network. Defendant provides installation manuals, user guides and programming guides which instruct its customers and end-users how to set up, configure and use the accused systems and methods to provide access to a secured area through use of a mesh network.

24. Defendant still further makes such products and services accessible to its customers and end-users via authorized dealers, thus enabling and encouraging its customers and end-users to use such products and services, to infringe the '479 patent.

25. On information and belief, even though Defendant has been aware of the '479 patent and that its customers and end-users infringe the '479 patent since as of July 10, 2015 Defendant has neither made any changes to the functionality, operations, marketing, sales, technical support, etc. of such products and services to avoid infringing the '479 patent nor informed its customers or end-users how to avoid infringing the '479 patent. To date, Defendant has not identified a single action that it has taken to avoid infringement (e.g., by designing around or notifying its customers or end-users how to avoid infringement) by itself or its customers or end-users since it became aware of the '479 patent.

26. On information and belief, Defendant itself is unaware of any legal or factual basis that its actions solely, or in combination with the actions of its customers and end-users, do not constitute direct or indirect infringement of the '479 patent. To date, Defendant has not produced any opinion of counsel, request for opinion of counsel, evaluation, analysis, or investigation relating to the validity, scope, interpretation, construction, enforceability,

unenforceability, or the infringement or potential infringement of any claim of the '479 patent.

27. As such, on information and belief, despite the information Defendant obtained from the original complaint in this action, Defendant continues to specifically intend for and encourage its customers and end-users to use its products and/or services in a manner that infringe the claims of the '479 patent. In addition, since at least the filing of the original complaint in this action, Defendant has deliberately avoided taking any actions (e.g., designing around, or providing notice to its customers) to avoid confirming that its actions continue to specifically encourage its customers and end-users to use its products and/or services in a manner that infringe the claims of the '479 patent.

28. Defendant's actions of, *inter alia*, making, importing, using, offering for sale, and/or selling such products and/or services constitute an objectively high likelihood of infringement of the '479 patent, which was duly issued by the United States Patent and Trademark Office and is presumed valid. Since at least the filing of the original complaint, Defendant is aware that there is an objectively high likelihood that its actions constituted, and continue to constitute, infringement of the '479 patent and that the '479 patent is valid. Despite Defendant's knowledge of that risk, on information and belief, Defendant has not made any changes to the relevant operation of its products and/or services and has not provided its users and/or customers with instructions on how to avoid infringement of the '479 patent. Instead, Defendant has continued to, and still is continuing to, among other things, make, use, offer for sale, and/or sell products and/or services patented under the '479 patent. As such, Defendant willfully, wantonly and deliberately infringed and is infringing the '479 patent in disregard of Clean Energy's rights under the '479 patent.

29. Clean Energy is entitled to recover from Defendant the damages sustained by Clean Energy as a result of Defendant's infringement of the '479 patent 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.

JURY DEMAND

Clean Energy hereby demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Clean Energy requests that this Court enter judgment against Defendant as follows:

- A. An adjudication that Defendant has infringed the '479 patent;
- B. A judgment that Defendant has induced infringement of the '479 patent;
- C. An award of damages to be paid by Defendant adequate to compensate Clean Energy for Defendant's past infringement of the '479 patent and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;
- D. A declaration that this case is exceptional under 35 U.S.C. § 285, and an award of Clean Energy's reasonable attorneys' fees; and
- E. An award of enhanced damages pursuant to 35 U.S.C. § 284 for Defendant's willful infringement of the '479 patent subsequent to the date of its notice of the '479 patent; and
- F. An award to Clean Energy of such further relief at law or in equity as the Court deems just and proper.

Dated: February 23, 2016

/s/Andrew W. Spangler

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CERTIFICATE OF CONFERENCE

I hereby certify that counsel of record who are deemed to have consented to electronic service are being served this 23rd day of February, 2016, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/Andrew W. Spangler
Andrew W. Spangler