

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS**

MARSHALL DIVISION

**SPECIALIZED MONITORING
SOLUTIONS, LLC,**

Plaintiff,

v.

**DISTECH CONTROLS ENERGY
SERVICES, INC.,**

Defendant.

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Civil Action No. 2:16-CV-185

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT

Plaintiff Specialized Monitoring Solutions, LLC files this Complaint against Distech Controls Energy Services, Inc. for infringement of U.S. Patent No. 6,657,553 (the “553 Patent”).

I. NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 271, *et seq.*, to enjoin and obtain damages resulting from Defendant’s unauthorized use, sale, and offer to sell in the United States of products, methods, processes, services and/or systems that infringe Plaintiff Specialized Monitoring Solutions’ United States patent, as described herein.

II. PARTIES

2. Plaintiff Specialized Monitoring Solutions, LLC (“Plaintiff” or “SMS”) is a Texas limited liability company, with its principal place of business at 104 East Houston Street, Suite 165, Marshall, Texas 75670.

3. On information and belief, Defendant Distech Controls Energy Services, Inc. (“Defendant” or “Distech”) is a corporation organized under the laws of the State of Texas, having a principal place of business at 400 East Royal Lane, Building 3, Suite 290, Irving, TX 75039. Defendant’s registered agent for service of process is CT Corporation, 1999 Bryan St., Ste. 900, Dallas, TX 75201.

III. JURISDICTION AND VENUE

4. This is an action for patent infringement which arises under the Patent Laws of the United States, in particular, 35 U.S.C. §§ 271, 281, 283, 284 and 285.

5. This Court has exclusive jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

6. Venue is proper in this judicial District pursuant to 28 U.S.C. §§ 1391(c) and 1400(b). On information and belief, Defendant is deemed to reside in this judicial District, has committed acts of infringement in this judicial District, has purposely transacted business involving its accused products in this judicial District, and/or has regular and established places of business in this judicial District.

7. Defendant is subject to this Court’s specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this State and judicial District, including: (A) at least part of its infringing activities alleged herein; and (B) regularly doing or soliciting business and, accordingly, deriving substantial revenue from goods and services provided to Texas residents. Thus, Defendant has purposefully availed itself of the benefits of the State of Texas and the exercise of jurisdiction is proper.

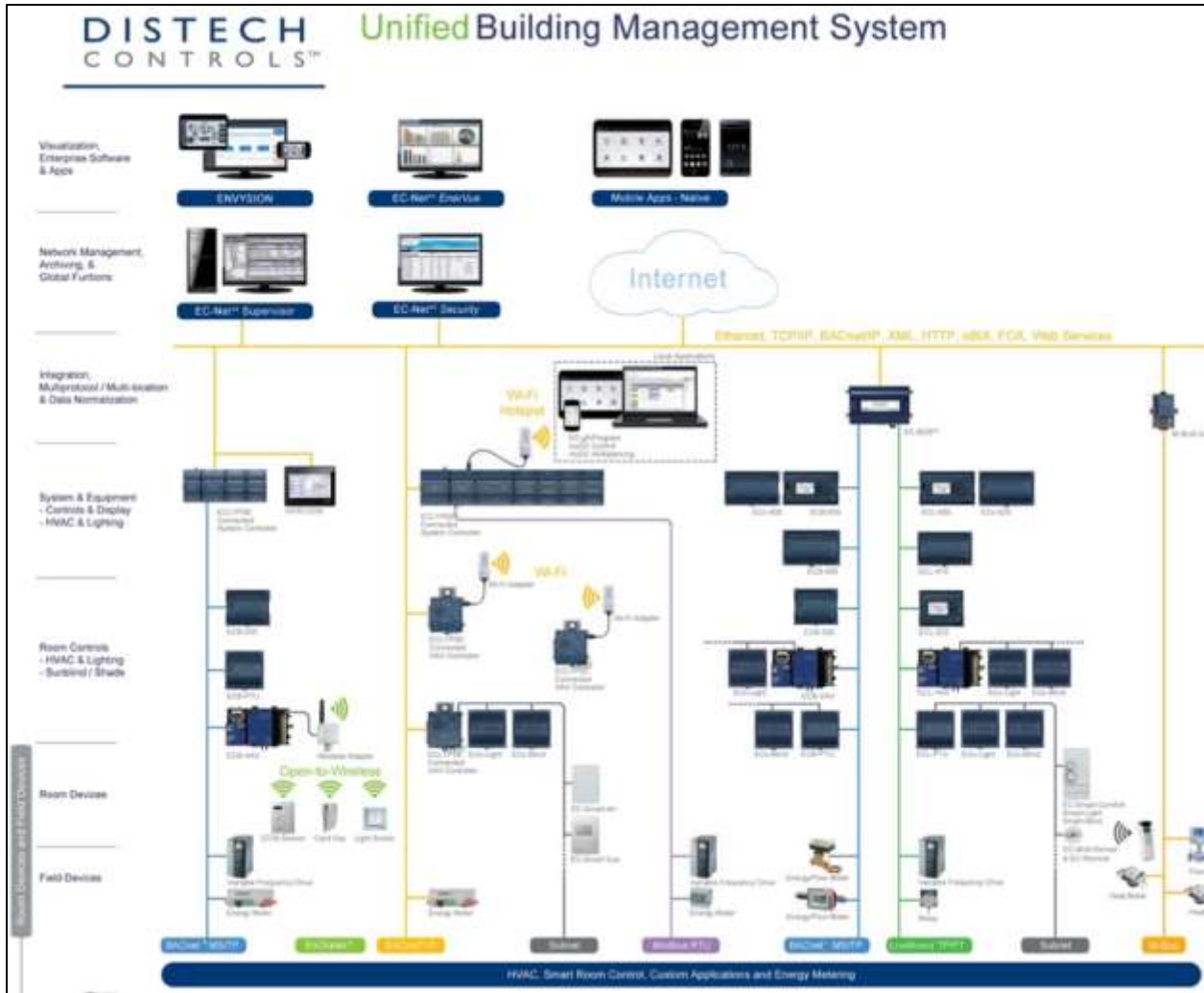
IV. PLAINTIFF'S PATENT

8. The '553 Patent, entitled "Method of Monitoring a Protected Space," issued on December 2, 2003. At a high level, the claimed methods and apparatuses of the '553 Patent detect signal events occurring at a protected space, code the signal events into a packetized message, and transfer these coded packet messages to a database. The coded packet messages are stored in reserved areas and subareas of the database in accordance with the type of signal event and the respective protected space. Additionally, the coded message packets are accessible via the internet. A true and correct copy of the '553 Patent is attached as **Exhibit A**.

9. SMS is the current assignee of the '553 Patent, and has all rights to sue for infringement and collect past and future damages for the infringement thereof.

V. DEFENDANT'S ACTS

10. Defendant provides hardware, software, and services that form building monitoring, management, or automation systems. For example, Defendant makes, uses, sells, and deploys the EC-Net^{AX} building automation and energy management platform. The EC-Net^{AX} product collects and disseminates information related to the environmental and electrical conditions in a building(s). The information collected from the building is stored in a database and made available to building managers, or other personnel, via the Internet. The high-level architecture of EC-Net^{AX} is illustrated in this diagram:



Distech Controls' EC-Net^{AX} Brochure, available at: <http://www.distech-controls.com/~media/Files/Brochures/INC/Brochure Meet New Standard Sustainable Buildings.ashx>

11. On information and belief, Defendant also implements contractual protections in the form of license agreements with its customers to preclude the unauthorized reproduction, distribution and modification of its software. Moreover, on information and belief, Defendant implements technical precautions to attempt to thwart customers who would circumvent the intended operation of Defendant's products.

12. Moreover, Defendant provides its customers with the accused products and software and instructs its customers to use the products and software in an infringing manner, including through its website at <http://www.distech-controls.com/en/us/resources/building-owners-and-facility-managers/>.

13. In addition, Defendant knowingly, actively induced and continues to knowingly, actively induce (or is willfully blind to the) infringement of the '553 Patent within this District by making, using, offering for sale, and selling infringing products, as well as by contracting with others to use, market, sell, and offer to sell infringing products, all with knowledge of the '553 Patent, and its claims, with knowledge that its customers will use, market, sell, and offer to sell infringing products in this District and elsewhere in the United States, and with the knowledge and specific intent to encourage and facilitate infringing sales and use of the products by others within this District and the United States by creating and disseminating promotional and marketing materials, instructional materials, product manuals, and technical materials related to the infringing products.

14. Moreover, Defendant knowingly contributed to the infringement of the '553 Patent by others in this District, and continues to contribute to the infringement of '553 Patent by others in this District by selling or offering to sell components of infringing products in this District, which components constitute a material part of the inventions of the '553 Patent, knowing of the '553 Patent and its claims, knowing those components to be especially made or especially adapted for use to infringe the '553 Patent, and knowing that those components are not staple articles or commodities of commerce suitable for substantial non-infringing use. Defendant has not implemented a design around or otherwise taken any remedial action with

respect to the '553 Patent. SMS will rely on a reasonable opportunity for discovery of evidentiary information regarding additional infringing products.

15. On information and belief, Defendant maintains its United States headquarters in Irving, Texas.

VI. COUNT ONE

INFRINGEMENT OF U.S. PATENT NO. 6,657,553

16. Plaintiff SMS realleges and incorporates herein paragraphs 1–15.

17. SMS is the assignee and owner of all right, title and interest to the '553 Patent. SMS has the legal right to enforce the patent, sue for infringement, and seek equitable relief and damages.

18. The '553 Patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. § 271(a))

19. Defendant has directly infringed, and continues to directly infringe, one or more claims of the '553 Patent in this judicial District and elsewhere in Texas and the United States.

20. Defendant has directly infringed, and continues to directly infringe the '553 Patent, including but not limited to at least one or more of Claim 1 and claims dependent therefrom, by, among other things, making, using, offering for sale, selling, and/or importing, building monitoring, management, and automation products that collect and disseminate information regarding a protected space and provide access to that information through an internet connection. Such devices include, but are not limited to, EC-Net^{AX} and all reasonably similar products of Defendant.

INDIRECT INFRINGEMENT (INDUCEMENT - 35 U.S.C. § 271(b))

21. Based on the information presently available to SMS, SMS contends that Defendant has indirectly infringed, and continues to indirectly infringe, one or more claims of the '553 Patent by inducing direct infringement by third parties, including without limitation manufacturers, resellers, and/or end users of the products accused of infringing the '553 Patent, in this District and elsewhere in the United States.

22. On information and belief, despite having knowledge of the '553 Patent, Defendant has specifically intended for persons who acquire and use the accused products, including without limitation end-users of the accused products, to acquire and use such devices in such a way that infringes the '553 Patent, including but not limited to at least one or more of Claims 1 and one or more dependent claims, and Defendant knew or should have known that their actions were inducing infringement.

23. Defendant has had knowledge of the '553 Patent and the infringing nature of their activities at least as early as the date when SMS effected service of this Complaint.

24. Direct infringement is the result of activities performed by third parties in relation to the accused products, including without limitation by end users enabled and encouraged by Defendant to use the accused products in their normal, customary way to infringe the '553 Patent.

25. With knowledge of the '553 Patent, Defendant directs and aids third parties, including without limitation end-users of the accused products, to infringe the '553 Patent by, among other things, (i) enabling a user of the accused products to use the products to support collection and dissemination of information regarding a protected space and provide access to that information through an internet connection, as claimed in the '553 Patent; (ii) providing

instructions (including, by way of example, demos, videos, and other training located at <http://www.distech-controls.com/en/us/resources/building-owners-and-facility-managers/>) to end-users of the accused products for using the products in their customary way; (iii) advertising the accused products' support of collection and dissemination of information regarding a protected space and provision of access to that information through an internet connection; and (iv) providing to third parties the products, software, and related equipment that may be required for or associated with infringement of the '553 Patent, all with knowledge that the induced acts constitute patent infringement. Defendant possesses specific intent to encourage infringement by third parties, including without limitation end-users of the accused products.

INDIRECT INFRINGEMENT (CONTRIBUTION - 35 U.S.C. §§ 271(c) and/or (f))

26. Based on the information presently available to SMS, SMS contends that Defendant has indirectly infringed, and continues to indirectly infringe the '553 Patent, including but not limited to at least one or more of Claim 1 and one or more dependent claims, by contributing to the infringement of the '553 Patent under 35 U.S.C. § 271(c) and/or 271(f), either literally and/or under the doctrine of equivalents, by selling, offering for sale, and/or importing into the United States, the accused products.

27. The accused products are capable of collecting and disseminating information regarding a protected space and providing access to that information through an internet connection. Defendant knows that the accused products (i) constitute a material part of the inventions claimed in the '553 Patent; (ii) are especially made or adapted to infringe the '553 Patent; (iii) are not staple articles or commodities of commerce suitable for non-infringing use;

and (iv) are components used for or in systems that are capable of collecting and disseminating information regarding a protected space and providing access to that information through an internet connection as claimed in the '553 Patent.

28. SMS is informed and believes that Defendant intends to and will continue to directly and indirectly infringe the '553 Patent. SMS has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is thus liable to SMS in an amount that adequately compensates SMS for its infringement, 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.

VII. JURY DEMAND

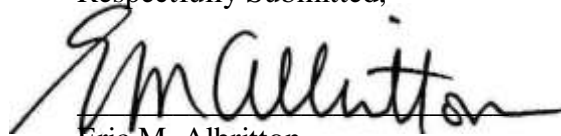
29. Plaintiff SMS demands a trial by jury of all matters to which it is entitled to trial by jury, pursuant to FED. R. CIV. P. 38.

VIII. PRAYER FOR RELIEF

WHEREFORE, SMS prays for judgment and seeks relief against Defendant as follows:

- A. That the Court determine that one or more claims of the '553 Patent is infringed by Defendant, either literally or under the doctrine of equivalents;
- B. That the Court award damages adequate to compensate SMS for the patent infringement that has occurred, together with prejudgment and post-judgment interest and costs, and an ongoing royalty for continued infringement;
- C. That the Court award such other relief to SMS as the Court deems just and proper.

Respectfully Submitted,



Eric M. Albritton

Texas State Bar No. 00790215

ema@emafirm.com

Shawn A. Latchford

Texas State Bar No. 24066603

sal@emafirm.com

ALBRITTON LAW FIRM

P.O. Box 2649

Longview, Texas 75606

Telephone: (903) 757-8449

Facsimile: (903) 758-7397

Jay D. Ellwanger

Texas State Bar No. 24036522

jellwanger@dpelaw.com

Daniel L. Schmid

Texas State Bar No. 24093118

dschmid@dpelaw.com

DiNovo Price Ellwanger & Hardy LLP

7000 North MoPac Expressway, Suite 350

Austin, Texas 78731

Telephone: (512) 539-2626

Facsimile: (512) 539-2627

Counsel for Plaintiff

Specialized Monitoring Solutions, LLC