

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

EMERSON ELECTRIC CO.

Plaintiff,

v.

ECOFACOR, INC.

Defendant.

C.A. No. _____

DEMAND FOR JURY TRIAL

COMPLAINT FOR DECLARATORY JUDGMENT OF NON-INFRINGEMENT

Plaintiff Emerson Electric Co. (“Emerson”), by its attorneys, files this Complaint against Defendant EcoFactor, Inc. (“EcoFactor”) and alleges as follows:

NATURE OF THE ACTION

1. This is an action for a declaratory judgment of non-infringement arising under the patent laws of the United States, 35 U.S.C. § 1, *et seq.*, and the Declaratory Judgment Act, 28 U.S.C. § 2201. Emerson seeks a declaration of non-infringement of U.S. Patent Nos. 8,423,322, 8,019,567, 10,612,983, 8,896,550, and 8,886,488 (collectively, the “Challenged Patents”). Copies of the Challenged Patents are attached hereto as Exhibits 1-5.

PARTIES

2. Plaintiff Emerson Electric Co. is a corporation organized and existing under the laws of the State of Missouri, having its principal place of business at 8000 W. Florissant Ave., St. Louis, Missouri 63136.

3. On information and belief, EcoFactor, Inc. is a privately held company organized and existing under the laws of the state of Delaware, having its principal place of business at 441 California Avenue, Number 2, Palo Alto, California 94306.

JURISDICTION AND VENUE

4. This action arises under the patent laws of the United States, 35 U.S.C. § 1 et seq., and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. Subject matter jurisdiction is based upon 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over EcoFactor, which, on information and belief, is incorporated within this district.

6. A substantial controversy of sufficient immediacy and reality exists between the parties to warrant the issuance of a declaratory judgment. EcoFactor has filed a complaint in the International Trade Commission, alleging that Emerson directly and indirectly infringes claims of each of the Challenged Patents through Emerson's sale for importation, importation, and or sale within the United States after importation of its Sensi Touch Smart Thermostat and other products (collectively, the "Accused Products"). Exhibit 6 (Public Complaint in *Certain Smart Thermostat Systems, Smart HVAC Systems, Smart HVAC Control Systems, and Components Thereof*, 337-DN-3535 (I.T.C. Feb. 26, 2021) ("ITC Complaint")) ¶¶ 79, 112–19; Exhibits 7-11 (claim charts for Emerson accused products attached as Exhibits 26-30 to the ITC Complaint). Emerson denies infringement of the claims of the Challenged Patents.

7. Venue is proper in this judicial district based on 28 U.S.C. § 1391(b)–(c).

FACTUAL ALLEGATIONS

THE PATENTS-IN-SUIT

8. U.S. Patent No. 8,423,322 (the "'322 patent"), entitled "System and Method for Evaluating Changes in the Efficiency of an HVAC System" and attached hereto as Exhibit 1, states on its cover that it was issued on April 16, 2013 to named inventors John Steinberg of Millbrae, California and Scott Hublou of Redwood City, California. The '322 patent also states that the initial assignee was EcoFactor, Inc. of Millbrae, California. On information and belief, the '322 patent is currently assigned to EcoFactor.

9. U.S. Patent No. 8,019,567 (the "'567 patent"), entitled "System and Method for Evaluating Changes in the Efficiency of an HVAC System" and attached hereto as Exhibit 2, states on its cover that it was issued on September 13, 2011 to named inventors John Steinberg of

Millbrae, California and Scott Hublou of Redwood City, California. The '567 patent also states that the initial assignee was EcoFactor, Inc. of Millbrae, California. On information and belief, the '567 patent is currently assigned to EcoFactor.

10. U.S. Patent No. 10,612,983 (the "'983 patent"), entitled "System and Method for Evaluating Changes in the Efficiency of an HVAC System" and attached hereto as Exhibit 3, states on its face that it was issued on April 7, 2020 to named inventors John Steinberg of Millbrae, California and Scott Hublou of Redwood City, California. The '983 patent also states that the initial assignee was EcoFactor, Inc. of Redwood City, California. On information and belief, the '983 patent is currently assigned to EcoFactor.

11. U.S. Patent No. 8,596,550 (the "'550 patent"), entitled "System, Method and Apparatus for Identifying Manual Inputs to and Adaptive Programming of a Thermostat" and attached hereto as Exhibit 4, states on its cover that it was issued on December 3, 2013 to named inventors John Steinberg of Millbrae, California; Scott Hublou of Redwood City, California; and Leo Cheung of Sunnyvale, California. The '550 patent also states that the initial assignee was EcoFactor, Inc. of Millbrae, California. On information and belief, the '550 patent is currently assigned to EcoFactor.

12. U.S. Patent No. 8,886,488 (the "'488 patent"), entitled "System and Method for Calculating the Thermal Mass of a Building" and attached hereto as Exhibit 5, states on its face that it was issued on November 11, 2014 to named inventors John Steinberg of Millbrae, California and Scott Hublou of Redwood City, California. The '488 patent also states that the initial assignee was EcoFactor, Inc. of Millbrae, California. On information and belief, the '488 patent is currently assigned to EcoFactor.

DISPUTE BETWEEN EMERSON AND ECOFACTOR
CONCERNING THE PATENTS-IN-SUIT

13. On February 26, 2021, EcoFactor filed the ITC Complaint alleging that Emerson, among others, purportedly infringes certain claims of the Challenged Patents. Exhibit 6 (ITC Complaint) ¶¶ 79, 112-19; Exhibits 7-11. In the ITC Complaint, EcoFactor identifies as Emerson Accused Products "Emerson's smart thermostat systems (e.g., Sensi Smart Thermostat and Sensi

Touch Smart Thermostat) and Sensi Predict, including device-side and cloud-based features thereof, and related accessories.” Exhibit 6 (ITC Complaint) ¶ 112. EcoFactor’s ITC Complaint further alleges that Emerson purportedly infringes “either literally or pursuant to the doctrine of equivalents, and either directly or indirectly under a theory of inducement or contributory infringement.” *Id.* ¶ 114.

14. Accordingly, an actual and justiciable controversy exists between Emerson and EcoFactor concerning whether Emerson infringes one or more claims of any of the Challenged Patents. Emerson now seeks a declaratory judgment that Emerson does not infringe the claims of the Challenged Patents.

FIRST CLAIM FOR RELIEF
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF
U.S. PATENT NO. 8,423,322

15. This is a claim for declaratory judgment of non-infringement of the ’322 patent. The allegations of Paragraphs 1 through 14 are repeated as though fully set forth herein.

16. Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the ’322 patent.

17. For example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 1:
“compar[ing] said temperature measurements . . . wherein said one or more processors compares the inside temperature of said first structure and the outside temperature over time,”
“compar[ing] an inside temperature recorded inside the first structure with an inside temperature of said first structure recorded at a different time to determine whether the operational efficiency of the HVAC system has decreased over time.”

18. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitation of claim 8:
“one or more processors that receive measurements of outside temperatures from at least one source other than said first and second HVAC systems and compare said temperature measurements from said first HVAC system and said second HVAC system and said outside

temperature measurements over time to determine the efficiency of the first HVAC system and the second HVAC system.”

19. Emerson is entitled to a judicial declaration and order that it does not infringe and has not infringed any claim of the '322 patent.

SECOND CLAIM FOR RELIEF
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF
U.S. PATENT NO. 8,019,567

20. This is a claim for declaratory judgment of non-infringement of the '567 patent. The allegations of Paragraphs 1 through 19 are repeated as though fully set forth herein.

21. Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the '567 patent.

22. For example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 1: “one or more processors that receive measurements of outside temperatures from at least one source other than said HVAC system and compare said temperature measurements from said first structure,” “wherein said one or more processors compares the inside temperature of said first structure and the outside temperature over time to derive an estimation for the rate of change in inside temperature of said first structure when said HVAC system is in a first state of repair,” “wherein said one or more processors compares an inside temperature recorded inside the first structure with said estimation for the rate of change in inside temperature of said first structure to determine whether the operational efficiency of the HVAC system has decreased over time,” “if said operational efficiency has decreased, said one or more processors analyzes the changes in the operational efficiency over time to suggest a cause of degradation.”

23. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 8: “compare said temperature measurements from said first HVAC system and said second HVAC system and said outside temperature measurements over time to determine the relative efficiency of the first HVAC system and the second HVAC system,” “one or more processors compares the relative efficiency of the first HVAC system and the second HVAC system to determine whether

the operational efficiency of the first HVAC system has decreased over time,” “one or more processors analyzes the changes in the operational efficiency over time to suggest a cause of degradation.”

24. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 15: “comparing with one or more processors said temperature measurements from said first structure with outside temperature measurements over time to derive expected temperature measurements of a rate of change in inside temperature of said first structure when the HVAC system is in a first state of repair wherein the expected temperature measurements are based at least in part upon past temperature measurements and based at least in part on outside temperature measurements,” “said one or more processors compares an inside temperature recorded inside the first structure with said expected temperature measurements to determine whether the operational efficiency of the HVAC system has decreased.”

25. Emerson is entitled to a judicial declaration and order that it does not infringe and has not infringed any claim of the '567 patent.

THIRD CLAIM FOR RELIEF
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF
U.S. PATENT NO. 10,612,983

26. This is a claim for declaratory judgment of non-infringement of the '983 patent. The allegations of Paragraphs 1 through 25 are repeated as though fully set forth herein.

27. Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the '983 patent.

28. For example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 1: “the one or more processors further configured to predict, based at least on the first data from the sensor, the second data from the network connection, and the first temperature setpoint, the time necessary for the HVAC system to operate in order to reach the temperature value by the time value.”

29. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 24: “the processor configured to predict, based at least on analyzing the first data, the second data, and the first setpoint, the time necessary for a HVAC system at the user's building to operate in order to reach the temperature value by the time value.”

30. Emerson is entitled to a judicial declaration and order that it does not infringe and has not infringed any claim of the '983 patent.

FOURTH CLAIM FOR RELIEF
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF
U.S. PATENT NO. 8,596,550

31. This is a claim for declaratory judgment of non-infringement of the '550 patent. The allegations of Paragraphs 1 through 30 are repeated as though fully set forth herein.

32. Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the '550 patent.

33. For example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 1: “using the stored data to predict a rate of change of temperatures inside the structure in response to at least changes in outside temperatures,” “calculating . . . scheduled programming of the thermostatic controller for one or more times based on the predicted rate of change, the scheduled programming comprising at least a first automated setpoint at a first time.”

34. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 9: “using the stored data to predict a rate of change of temperatures inside the structure in response to at least changes in outside temperatures,” “calculating scheduled programming of setpoints in the thermostatic controller based on the predicted rate of change, the scheduled programming comprising at least a first automated setpoint at a first time and a second automated setpoint at a second time.”

35. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of apparatus

claim 17: “at least a database comprising a plurality of internal temperature measurements taken within a structure and a plurality of outside temperature measurements relating to temperatures outside the structure,” “computer hardware . . . configured to use the stored data to predict a rate of change of temperatures inside the structure in response to changes in outside temperatures,” “the one or more computer processors configured to calculate scheduled setpoint programming . . . based on the predicted rate of change.”

36. Emerson is entitled to a judicial declaration and order that it does not infringe and has not infringed any claim of the ’550 patent.

FIFTH CLAIM FOR RELIEF
DECLARATORY JUDGMENT OF NONINFRINGEMENT OF
U.S. PATENT NO. 8,886,488

37. This is a claim for declaratory judgment of non-infringement of the ’488 patent. The allegations of Paragraphs 1 through 36 are repeated as though fully set forth herein.

38. Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the ’488 patent.

39. For example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 1: “said one or more processors are configured to calculate one or more predicted rates of change in said inside temperature measurements at said first location based on the status of the HVAC system and to relate said one or more predicted rates of change to said outside temperature measurements,” “said one or more processors further configured to compare at least one predicted temperature based on the one or more predicted rates of change, with an actual inside temperature measurement.”

40. As another example, Emerson and its Accused Products do not practice, induce others to practice, or contribute to others practicing at least the following limitations of claim 9: “calculating . . . one or more predicted rates of change in said inside temperatures at said first location based on the status of the HVAC system, where said predicted rates of change are related to said outside temperature measurements,” “comparing . . . at least one predicted

temperature based on the one or more predicted rates of change, with at least one actual inside temperature measurement.”

41. Emerson is entitled to a judicial declaration and order that it does not infringe and has not infringed any claim of the '488 patent.

PRAYER FOR RELIEF

Emerson respectfully requests this Court grant relief as follows:

A. Judgment that Emerson is not infringing and has not infringed, directly or indirectly, literally or under the doctrine of equivalents, willfully or otherwise, any claim of the Challenged Patents;

B. Judgment that EcoFactor and/or any of its successors and attorneys, and all persons in active concert or participation with any of them, are enjoined from directly or indirectly asserting or instituting any further action for infringement of the Challenged Patents against Emerson, or any of Emerson’s customers, potential customers, end-users, agents, suppliers, contractors, consultants, successors, and assigns;

C. Order that this case is “exceptional” pursuant to 35 U.S.C. § 285 entitling Emerson to an award of its reasonable and necessary attorneys’ fees, expenses, and costs, and pre-judgment interest thereon;

D. Order awarding Emerson its costs of suit incurred in this action; and

E. Granting to Emerson such other and further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Emerson demands trial by jury on all issues so triable in this action.

Dated: March 1, 2021

Of Counsel:

James R. Batchelder
James L. Davis, Jr.
Daniel W. Richards
ROPES & GRAY LLP
1900 University Avenue, 6th Floor

YOUNG CONAWAY STARGATT
& TAYLOR, LLP

/s/ Adam W. Poff

Adam W. Poff (No. 3990)
Robert M. Vrana (No. 5666)
Beth A. Swadley (No. 6331)
Rodney Square
1000 North King Street

East Palo Alto, CA 94303-2284
(650) 617-4000
james.batchelder@ropesgray.com
james.l.davis@ropesgray.com
daniel.richards@ropesgray.com

Evan Mann
ROPES & GRAY LLP
Three Embarcadero Center
San Francisco, CA 94111-4006
(415) 315-6300
evan.mann@ropesgray.com

Wilmington, DE 19801
(302) 571-6600
apoff@ycst.com
rvrana@ycst.com
bswadley@ycst.com

*Attorneys for Plaintiff,
Emerson Electric Co.*