

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

ECOBEE TECHNOLOGIES ULC D/B/A
ECOBEE

Plaintiff,

v.

ECOFACOR, INC.

Defendant.

Case No.

JURY TRIAL DEMANDED

COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff ecobee Technologies ULC d/b/a ecobee (“Plaintiff”), by its attorneys, files this Complaint against Defendant EcoFactor, Inc. (“Defendant” or “EcoFactor”) and alleges as follows:

NATURE OF THE ACTION

1. This is an action for declaratory judgment of non-infringement of U.S. Patent No. 8,131,497 (“497 Patent”); U.S. Patent; No. 8,423,322 (“322 Patent”); U.S. Patent No. 8,498,753 (“753 Patent”); and U.S. Patent No. 10,018,371 (“371 Patent”) (collectively, the “EcoFactor Patents” attached as Exhibits 1-4) against EcoFactor, pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201- 02, and the patent laws of the United States, 35 U.S.C. § 1 et seq., and for other relief the Court deems just and proper.

2. Plaintiff requests this relief because EcoFactor alleges that ecobee’s smart thermostat products infringe the EcoFactor Patents. *See* Exhibit 5 (*EcoFactor, Inc. v. Ecobee, Inc. et al.*, Case No. 1-19-cv-12325 (the “Initial DMA Action”), Dkt. 1 (D. Mass. Nov. 12, 2019) (the “Initial DMA Complaint”)); Exhibit 6 (Inv. No. 337-TA-1185 (the “1185 Investigation”), Compl. (October 23, 2019) (EDIS Doc ID 692046) (the “1185 Complaint”)); Exhibit 7 (*EcoFactor, Inc.*

v. ecobee, Inc., Case No. 6-22-cv-00033 (the “WDTX Action”), Dkt. 1 (W.D.Tex. Jan. 10, 2022) (the “WDTX Complaint”).¹

3. EcoFactor maintains its allegations of infringement against the ecobee Accused Products despite the fact that the issue of their infringement of the EcoFactor Patents has already been litigated in the International Trade Commission (“ITC”). As discussed in greater detail herein, the ITC found, *inter alia*, that (a) the ecobee3 lite and the ecobee SmartThermostat with Voice Control did not infringe the asserted claims of the ’497 Patent, (b) the asserted claims of the ’497 Patent were invalid under 35 U.S.C. § 112, ¶ 1, (c) certain claims of the ’322 Patent were anticipated or rendered obvious in view of the prior art, and (d) the asserted claims of the ’322 Patent were invalid under 35 U.S.C. § 112, ¶ 1. *See, e.g.*, Ex. 8 (*1185* Initial Determ. (May 14, 2021) (Pub. Version) (EDIS Doc ID 742487) (“*1185* ID”)) at 575-77.

4. An actual and justiciable controversy therefore exists under 28 U.S.C. §§ 2201-2202 between EcoFactor and Plaintiff as to whether Plaintiff is infringing or has infringed the EcoFactor Patents.

THE PARTIES

5. Plaintiff ecobee Technologies ULC d/b/a ecobee is a British Columbia Unlimited Liability Company with its principal place of business at 25 Dockside Drive, Suite 700, Toronto, ON, Canada, M5A 0B5. Plaintiff ecobee Technologies ULC d/b/a ecobee is referred to herein as “Plaintiff.” For the purposes of this Complaint, “ecobee” shall collectively refer to Plaintiff, ecobee Ltd., and/or ecobee, Inc.

¹ Plaintiff notes that the Initial DMA Complaint names ecobee Ltd. and ecobee, Inc. as defendants; the *1185* Complaint names ecobee Ltd. and ecobee, Inc. as respondents; and the WDTX Action names ecobee, Inc. as a defendant. ecobee, Inc. was recently acquired by Generac Holdings Inc. After the acquisition, ecobee, Inc. became ecobee Technologies ULC, which is now the entity that makes, uses, offers for sale and/or sells the ecobee Accused Products at issue herein.

6. Upon information and belief, EcoFactor is a privately held company, having its principal place of business at 441 California Avenue, Number 2, Palo Alto, CA 94301.

JURISDICTION AND VENUE

7. Plaintiff files this Complaint against EcoFactor pursuant to the patent laws of the United States, Title 35 of the United States Code, with a specific remedy sought based upon the laws authorizing actions for declaratory judgment in the federal courts of the United States, 28 U.S.C. §§ 2201 and 2202, and under the patent laws of the United States, 35 U.S.C. §§ 1-390.

8. This Court has subject matter jurisdiction over this action, which arises under the United States' patent laws, pursuant to 28 U.S.C. §§ 1331, 1338(a), and 2201(a).

9. For the reasons set forth herein, an actual and justiciable controversy exists under 28 U.S.C. §§ 2201-2202 between Plaintiff and EcoFactor regarding the alleged infringement of the EcoFactor Patents.

10. This Court has personal jurisdiction over EcoFactor because EcoFactor has purposefully directed its activities at this District, and Plaintiff's claims against EcoFactor arise out of and/or relate to EcoFactor's activities. Specifically, EcoFactor filed a patent infringement action against ecobee in this Court on November 12, 2019, alleging that ecobee infringed the same EcoFactor Patents at issue herein by making, using, offering for sale, selling, and/or importing certain smart thermostat products, such as the ecobee3, ecobee3 lite, ecobee4, and Ecobee SmartThermostat. *See* Exhibit 5 (Initial DMA Complaint) at ¶¶ 11, 20, 29, 38. While the Initial DMA Action was stayed pursuant to 28 U.S.C. § 1659, in view of an ITC action that EcoFactor had filed against ecobee (among others) also alleging infringement of the EcoFactor Patents (*see* Exhibit 6 hereto (*1185* Complaint), Exhibit 13 hereto (Motion to Stay the Initial DMA Action), and Exhibit 10 hereto (Order of Administrative Stay of Initial DMA Action)), EcoFactor purported

to terminate the Initial DMA Action (*see* Exhibit 11 hereto) and commence another lawsuit, in the Western District of Texas, containing infringement allegations of the same EcoFactor Patents as previously alleged in the Initial DMA Action (*see* Exhibit 7 hereto (WDTX Complaint)). EcoFactor’s assertion of the same patents at issue here in this same forum against ecobee constitutes an enforcement activity that is “purposefully directed” at this forum, and Plaintiff’s claims clearly arise out of these activities because, *inter alia*, EcoFactor’s actions establish that there is an actual controversy between the Parties.

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

FACTUAL BACKGROUND

THE ECOFACTOR PATENTS

12. The ’497 Patent, titled “System and Method for Calculating the Thermal Mass of a Building,” and attached hereto as Exhibit 1, states on its cover that it was issued on March 6, 2012, to named inventors John Douglas Steinberg and Scott Douglas Hublou. On information and belief, the ’497 Patent is assigned to EcoFactor.

13. The ’322 Patent, titled “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 April 16, 2013, to named inventors John Douglas Steinberg and Scott Douglas Hublou. On information and belief, the ’322 Patent is assigned to EcoFactor.

14. The ’753 Patent, titled “System, Method and Apparatus for Just-In-Time Conditioning Using a Thermostat,” and attached hereto as Exhibit 3, states on its cover that it was issued on July 30, 2013, to named inventors John Douglas Steinberg, Scott Douglas Hublou, and Leo Cheung. On information and belief, the ’753 Patent is assigned to EcoFactor.

15. The ’371 Patent, titled “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 July 10, 2018, to named inventors John Douglas Steinberg, Scott Douglas Hublou, and Leo Cheung. On information and belief, the ’371 Patent is assigned to EcoFactor.

**DISPUTE BETWEEN ECOBEE AND ECOFACTOR
CONCERNING THE ECOFACTOR PATENTS**

16. On October 23, 2019, EcoFactor filed a complaint in the ITC alleging that ecobee, among others, directly and indirectly infringed certain claims of the EcoFactor Patents, either literally or under the doctrine of equivalents. Exhibit 6 (*1185* Complaint) at ¶¶ 1-5, 71-75. In its ITC Complaint, EcoFactor identified “Ecobee’s smart thermostats (e.g., ecobee3, ecobee3 lite, ecobee4, Ecobee SmartThermostat)” as ecobee’s Accused Products. *Id.* at ¶ 71. However, the products that remained at issue during the trial were the ecobee3 lite and the ecobee SmartThermostat with Voice Control. *See, e.g.*, Exhibit 8 (*1185* ID) at 6.

17. On November 12, 2019, EcoFactor commenced the Initial DMA Action, alleging that ecobee was infringing the EcoFactor Patents. *See* Exhibit 5 hereto. The Initial DMA Action involved the EcoFactor Patents asserted in the ITC Complaint for the *1185* Investigation and thus also involved the EcoFactor Patents at issue herein. The products at issue in the Initial DMA Action substantially overlapped with the products accused in the *1185* Investigation.

18. On January 15, 2020, the Initial DMA Action was stayed pursuant to 28 U.S.C. § 1659 pending the outcome of the *1185* Investigation. *See* Exhibits 10, 13.

19. On November 27, 2020, the Administrative Law Judge (“ALJ”) in the *1185* Investigation granted EcoFactor’s motion to terminate the Investigation in part with respect to, *inter alia*, its infringement allegations regarding the ’753, ’322, and ’371 Patents against ecobee. *See* Exhibit 14 (the *1185* Investigation, Order No. 27 (Nov. 27, 2020) (EDIS Doc ID 726499)). As

such, only the '497 Patent remained at issue against ecobee at trial. *See* Exhibit 8 (1185 ID) at 6.

20. On April 20, 2021, the ALJ issued his Initial Determination for the 1185 Investigation. *See* Ex. 8 (1185 ID). In the Initial Determination, the ALJ found, *inter alia*, that (a) the ecobee3 lite and the ecobee SmartThermostat with Voice Control did not infringe the asserted claims of the '497 Patent, (b) the Respondents had shown, through clear and convincing evidence, that the asserted claims of the '497 Patent were invalid under 35 U.S.C. § 112, ¶ 1, (c) the Respondents had shown, through clear and convincing evidence, that certain claims of the '322 Patent were anticipated or rendered obvious in view of the prior art, and (d) the asserted claims of the '322 Patent were invalid under 35 U.S.C. § 112, ¶ 1. *See, e.g.*, Ex. 8 at 575-77.

21. On, July 20, 2021, the ITC determined not to review the findings set forth in Paragraph 20, above. *See* Exhibit 9 (Not. Comm'n Op., 86 Fed. Reg. 40,077-78 (July 26, 2021) (EDIS Doc ID 748029) (“1185 Notice”).

22. In September 2021, EcoFactor appealed the ITC's findings in the 1185 Investigation by filing a petition to review the 1185 ID in the Federal Circuit, which was docketed on September 22, 2021. *See EcoFactor, Inc. v. ITC*, Case No. 21-2339, Dkt. 1 (Fed. Cir. Sept. 22, 2021). However, on December 27, 2021, EcoFactor moved to voluntarily dismiss the appeal, which the court granted on December 28, 2021. *Id.* at Dkts. 22, 23.

23. On January 10, 2022, EcoFactor — without advising the Court in the Initial DMA Action or ecobee, and without seeking leave or a lifting of the stay in the Initial DMA Action — filed a Notice of Voluntary Dismissal to dismiss the Initial DMA Action. *See* Exhibit 11. EcoFactor then filed an action in the Western District of Texas on the same day it dismissed the Initial DMA Action, i.e., on January 10, 2022, in *EcoFactor, Inc. v. ecobee, Inc.*, Case No. 6-22-cv-00033 (the “WDTX Action”). *See* Exhibit 7 (WDTX Complaint). The WDTX Action alleges infringement of

the same EcoFactor Patents involved in the *1185* Investigation, the Initial DMA Action, and this Action, and it further involves the same Accused Products, i.e., “certain smart thermostat products . . . such as the ecobee3, ecobee3 lite, ecobee4, and ecobee SmartThermostat with Voice Control.” *Id.* at ¶¶ 17, 28, 39, 50. EcoFactor makes these allegations despite the clear findings of invalidity and non-infringement in the ITC involving two of the EcoFactor Patents, and despite the fact that the Initial DMA Action was already pending before this Court.

24. Plaintiff denies that any of the products accused in each of the foregoing actions (collectively, the “ecobee Accused Products”) infringe any claim of any of the EcoFactor Patents. Plaintiff’s position is bolstered by the ITC’s findings in the *1185* Investigation.

25. Therefore, a substantial controversy exists between the Parties of sufficient immediacy and reality to warrant the issuance of a declaratory judgment. In particular, an actual and justiciable controversy exists between Plaintiff and EcoFactor concerning whether Plaintiff infringes one or more claims of any of the EcoFactor Patents. Plaintiff now seeks a declaratory judgment that Plaintiff does not infringe the claims of the EcoFactor Patents.

26. Absent a declaration of non-infringement of the EcoFactor Patents, EcoFactor’s continued baseless assertions of infringement related to the ecobee Accused Products will cause Plaintiff substantial harm to its business.

COUNT I

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '497 PATENT

27. Plaintiff hereby restates and incorporates by reference the allegations set forth in paragraphs 1 through 26 of this Complaint as if fully set forth herein.

28. EcoFactor claims to own all right, title, and interest in the '497 Patent.

29. EcoFactor alleges that the ecobee Accused Products infringe the '497 Patent. *See, e.g.,* Ex. 7 at ¶¶ 26-36.

30. However, the ecobee Accused Products do not infringe the '497 Patent. Among the reasons why the ecobee Accused Products do not infringe the '497 Patent are those described by the ALJ (and affirmed by the International Trade Commission) in the *1185* Investigation, which Plaintiff incorporates by reference as if fully set forth herein. *See* Exhibit 8 (*1185* ID) at 110-153, 192-195, 199-202. For example, Plaintiff and the ecobee Accused Products do not include, practice, induce others to practice, or contribute to others practicing at least the following limitations of the claims of the '497 Patent: “A system for calculating a value for the operational efficiency of a heating, ventilation, and air conditioning (HVAC) system comprising”; “one or more processors that receive outside temperature measurements from at least one source other than said HVAC system”; “wherein said one or more processors are configured to calculate one or more rates of change in temperature at said first location for periods during which the status of the HVAC system is ‘on’ and wherein said one or more processors are further configured to calculate one or more rates of change in temperature at said first location for periods during which the status of the HVAC system is ‘off’, and to relate said calculated rates of change to said outside temperature measurements.”

31. The ecobee Accused Products likewise do not infringe the '497 Patent for at least the reasons described in ecobee's non-infringement defenses set forth in its Response to EcoFactor's Complaint in the *1185* Investigation, which are incorporated by reference as if fully set forth herein. *See* Exhibit 12 (ecobee's Response) at ¶¶ 138-139.

32. An actual and justiciable controversy therefore exists between EcoFactor and Plaintiff regarding whether any of the ecobee Accused Products infringe any of the asserted claims of the '497 Patent.

33. Plaintiff is therefore entitled to a judgment declaring that it does not directly or indirectly infringe any asserted claims of the '497 Patent, either literally or under the doctrine of equivalents.

COUNT II

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '322 PATENT

34. Plaintiff hereby restates and incorporates by reference the allegations set forth in paragraphs 1 through 33 of this Complaint as if fully set forth herein.

35. EcoFactor claims to own all right, title, and interest in the '322 Patent.

36. EcoFactor alleges that the ecobee Accused Products infringe the '322 Patent. *See, e.g.,* Ex. 7 at ¶¶ 15-25.

37. Plaintiff and the ecobee Accused Products do not include, practice, induce others to practice, or contribute to others practicing at least the limitations of the claims of the '322 Patent described in ecobee's non-infringement defenses to EcoFactor's Complaint in the *1185* Investigation, which are incorporated by reference as if fully set forth herein. *See* Exhibit 12 (ecobee's Response) at ¶¶ 140-141.

38. An actual and justiciable controversy therefore exists between EcoFactor and Plaintiff regarding whether any of the ecobee Accused Products infringe any of the asserted claims of the '322 Patent.

39. Plaintiff is therefore entitled to a judgment declaring that it does not directly or indirectly infringe any asserted claims of the '322 Patent, either literally or under the doctrine of equivalents.

COUNT III

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '753 PATENT

40. Plaintiff hereby restates and incorporates by reference the allegations set forth in paragraphs 1 through 39 of this Complaint as if fully set forth herein.

41. EcoFactor claims to own all right, title, and interest in the '753 Patent.

42. EcoFactor alleges that the ecobee Accused Products infringe the '753 Patent. *See, e.g.,* Ex. 7 at ¶¶ 37-47.

43. Plaintiff and the ecobee Accused Products do not include, practice, induce others to practice, or contribute to others practicing at least the limitations of the claims of the '753 Patent described in ecobee's non-infringement defenses to EcoFactor's Complaint in the 1185 Investigation, which are incorporated by reference as if fully set forth herein. *See* Exhibit 12 (ecobee's Response) at ¶¶ 142-143.

44. An actual and justiciable controversy therefore exists between EcoFactor and Plaintiff regarding whether any of the ecobee Accused Products infringe any of the asserted claims of the '753 Patent.

45. Plaintiff is therefore entitled to a judgment declaring that it does not directly or indirectly infringe any asserted claims of the '753 Patent, either literally or under the doctrine of equivalents.

COUNT IV

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '371 PATENT

46. Plaintiff hereby restates and incorporates by reference the allegations set forth in paragraphs 1 through 45 of this Complaint as if fully set forth herein.

47. EcoFactor claims to own all right, title, and interest in the '371 Patent.

48. EcoFactor alleges that the ecobee Accused Products infringe the '371 Patent. *See, e.g.,* Ex. 7 at ¶¶ 48-58.

49. Plaintiff and the ecobee Accused Products do not include, practice, induce others to practice, or contribute to others practicing at least the limitations of the claims of the '371 Patent described in ecobee's non-infringement defenses to EcoFactor's Complaint in the 1185 Investigation, which are incorporated by reference as if fully set forth herein. *See* Exhibit 12 (ecobee's Response) at ¶¶ 144-145.

50. An actual and justiciable controversy therefore exists between EcoFactor and Plaintiff regarding whether any of the ecobee Accused Products infringe any of the asserted claims of the '371 Patent.

51. Plaintiff is therefore entitled to a judgment declaring that it does not directly or indirectly infringe any asserted claims of the '371 Patent, either literally or under the doctrine of equivalents.

PLAINTIFF'S PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests this Court grant relief as follows:

A. Declaring that Plaintiff does not directly or indirectly infringe any claim of the '497 Patent, either literally or under the doctrine of equivalents;

B. Declaring that Plaintiff does not directly or indirectly infringe any claim of the '322 Patent, either literally or under the doctrine of equivalents;

C. Declaring that Plaintiff does not directly or indirectly infringe any claim of the '753 Patent, either literally or under the doctrine of equivalents;

D. Declaring that Plaintiff does not directly or indirectly infringe any claim of the '371 Patent, either literally or under the doctrine of equivalents;

E. Declaring that judgment be entered in favor of Plaintiff and against EcoFactor on all of Plaintiff's claims;

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

G. Order awarding Plaintiff its costs of suit incurred in this action; and

H. Granting to Plaintiff such other and further relief as this Court deems just and proper.

DEMAND FOR A JURY TRIAL

In accordance with Federal Rule of Civil Procedure 38, Plaintiff hereby respectfully demands a trial by jury of all issues and claims so triable.

Dated: January 13, 2022

Respectfully submitted,

By: /s/ Jennifer B. Furey

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