

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

ECOBEE, INC.,)
)
Plaintiff,) C.A. No. 21-323-MN
)
v.) **JURY TRIAL DEMANDED**
)
ECOFACOR, INC.,)
)
Defendant.)

ECOBEE, INC.'S OPPOSITION TO MOTION TO STAY

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NATURE AND STAGE OF PROCEEDINGS

This case is part of a large-scale patent assertion campaign, in which defendant/counterclaim plaintiff EcoFactor, Inc. (“EcoFactor”) is alleging that plaintiff/counterclaim defendant ecobee, Inc. (“ecobee”) infringes patents relating to certain smart thermostat technologies. The campaign includes: (1) International Trade Commission (“ITC”) Investigation No. 337-TA-1185 (the “First ITC Action”) against ecobee and other participants in the smart thermostat market, instituted in November 2019, which to date has resulted in an initial determination by the Administrative Law Judge that no violation of 19 U.S.C. § 1337 has occurred, that ecobee is not infringing the patents in issue in the First ITC Action (which are different from the patents in issue in the instant case), that claims asserted against ecobee are invalid, and that EcoFactor does not satisfy § 1337’s domestic industry requirement;¹ (2) a District Court action filed in the District of Massachusetts (*EcoFactor, Inc. v. ecobee, Inc.*, 19-cv-12325 (D. Mass.)); (3) a District Court action filed in the Western District of Texas (*EcoFactor, Inc. v. ecobee, Inc.*, 20-cv-00078 (W.D. Tex.)), (4) a second District Court action filed in the Western District of Texas (*EcoFactor, Inc. v. ecobee, Inc.*, 21-cv-00428 (W.D. Tex.)), which involves certain patents that are family members of patents in issue in this lawsuit, and (5) a second ITC action (ITC Investigation No. 337-TA-1258, complaint filed in February 2021, the “Second ITC Action”), which involves allegations that ecobee is infringing the same patents as those in issue in this case.

The instant case was commenced by ecobee on March 2, 2021. ecobee seeks declaratory judgments that it does not infringe four patents that EcoFactor contends to be infringed by

¹ The public version of the Administrative Law Judge’s Initial Determination is attached hereto as Exhibit 1.

ecobee: U.S. Patent Nos. 8,019,567; 10,612,983; 8,596,550; 8,886,488 (collectively, the “Patents in Suit”). *See* D.I. 1.

On May 5, 2021, EcoFactor filed an answer and counterclaims, in which it alleges that ecobee is infringing the Patents in Suit. *See* D.I. 9.

On May 26, 2021, ecobee filed an answer to EcoFactor’s counterclaims, which included, among other things, defenses that the Patents in Suit are invalid. *See* D.I. 10.

SUMMARY OF ARGUMENT

1. 28 U.S.C. § 1659 does not require that the instant case be stayed. The mandatory stay provisions of that statute only apply if the *respondent* in an ITC investigation (i.e., ecobee) asks the District Court to stay a litigation—which has not occurred.

2. The Court should not enter a discretionary stay because there is no simplification or efficiency to be gained by entering a stay. As EcoFactor itself notes, the ITC’s rulings are not binding on the District Court. While EcoFactor contends that a stay would allow this Court to receive the “benefits” of rulings and events in the Second ITC Action, that is true regardless of whether the Court enters a stay because under the parties’ stipulated schedule (D.I. 14) the most important events in this case will occur well after the corresponding events in the Second ITC Action. Moreover, the parties can work together to create efficiencies and avoid duplication in discovery and other matters.

3. A stay will only delay the proceedings and create prejudice. Waiting several years to adjudicate this case is unnecessary, and creates a risk that witnesses (including ecobee’s Canada-based employees) will become unavailable, memories will fade, and evidence will become more difficult to collect. In contrast, EcoFactor—which has been prolific in its litigation campaign, and has not sought to stay other actions concerning related patents—would suffer no prejudice if the Court denies the instant motion.

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