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CyboEnergy, Inc.

10
11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

13
14 CYBOENERGY, INC., a Delaware
15 Corporation,

16 Plaintiff,

17 v.

18 NORTHERN ELECTRIC POWER
19 TECHNOLOGY, INC., a company existing
under the laws of England and Wales,

20 Defendant.
21

Case No.: 5:23-cv-06121

**PLAINTIFF’S ORIGINAL COMPLAINT
FOR BREACH OF SETTLEMENT
AGREEMENT AND PATENT
INFRINGEMENT**

(35 U.S.C. § 271)

JURY TRIAL DEMANDED

22
23 CyboEnergy, Inc. (“CyboEnergy”) files this Original Complaint and demand for jury trial
24 seeking relief from patent infringement of the claims of U.S. Patent Nos. 8,786,133 (“the ‘133
25 patent”) and U.S. Patent No. 9,331,488 (“the ‘488 patent”) (referred to as the “Patents-in-Suit”) and
26 breach of settlement agreement by Northern Electric Power Technology, Inc. (“NEP”).
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1 **I. THE PARTIES**

2 1. Plaintiff CyboEnergy is a Delaware Corporation with its principal place of business
3 located in Sacramento County, California.

4 2. On information and belief, NEP is a company existing under the laws of England and
5 Wales, with a regular and established place of business located at 2570 N First St, Suite 200 San
6 José, CA 95131. On information and belief, NEP sells and offers to sell products and services
7 throughout California, including in this judicial district, and introduces products and services that
8 perform infringing methods or processes into the stream of commerce knowing that they would be
9 sold in California and this judicial district. Defendant may be served through its registered agent,
10 Siu Kei Kwan, 2811 Castro Valley Blvd., Suite 206, Castro Valley, California 94546, at its place
11 of business, or wherever they may be found.
12

13 **II. JURISDICTION AND VENUE**

14 3. This Court has original subject-matter jurisdiction over the entire action pursuant to
15 28 U.S.C. §§ 1331 and 1338(a) because Plaintiff’s claim arises under an Act of Congress relating
16 to patents, namely, 35 U.S.C. § 271.
17

18 4. This Court has personal jurisdiction over Defendant because: (i) Defendant is present
19 within or has minimum contacts within the State of California and this judicial district; (ii)
20 Defendant has purposefully availed itself of the privileges of conducting business in the State of
21 California and in this judicial district; and (iii) Plaintiff’s cause of action arises directly from
22 Defendant’s business contacts and other activities in the State of California and in this judicial
23 district.
24

25 5. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and 1400(b). Defendant
26 has committed acts of infringement and has a regular and established place of business in this
27 District. Further, venue is proper because Defendant conducts substantial business in this forum,
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1 directly or through intermediaries, including: (i) at least a portion of the infringements alleged
2 herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct
3 and/or deriving substantial revenue from goods and services provided to individuals in California
4 and this District.

5 **III. DIVISIONAL ASSIGNMENT**

6
7 6. Because this action for patent infringement involves intellectual property rights, it is
8 excluded from the division-specific venue rule of Civil Local Rule 3-2(c). This case relates to an
9 earlier action, *Cyboenergy, Inc. v. Northern Electric Power Technology, Inc.*, Cause No. 3:21-cv-
10 08534 (“Prior Litigation”), previously pending in the Northern District of California, the Honorable
11 Susan Illston presiding.

12 **IV. PRIOR LITIGATION**

13
14 7. CyboEnergy and NEP previously entered into a settlement agreement dated October
15 19, 2022 to terminate the Prior Litigation. By the terms of the agreement, NEP was given until June
16 30, 2023 to sell all remaining inventory of NEP inverters that have AC wires and connectors to
17 support the daisy-chaining design, such as the BDM-600 power inverter.

18 **V. BREACH OF SETTLEMENT AGREEMENT**

19 8. Plaintiff incorporates, as if fully presented herein paragraphs 1-7.

20
21 9. CyboEnergy and NEP entered into a settlement agreement dates October 19, 2022,
22 the terms of which provided that NEP was given until June 30, 2023 to sell all remaining inventory
23 of NEP inverters that have the AC wires and connectors to support the daisy-chaining design, such
24 as the BDM-600 power inverter.

25 10. CyboEnergy dismissed its patent infringement action against NEP in reliance on the
26 NEP’s agreement to not sale NEP inverters that have AC wires and connectors to support the daisy-
27 chaining design, such as the BDM-600 power inverter after June 30, 2023. CyboEnergy greatly
28

1 reduced the amount of damages it was seeking from NEP in reliance on the settlement agreement.

2 11. NEP has continued to manufacture, market, offer for sale and sale NEP inverters that
3 have the AC wires and connectors to support the daisy-chaining design, such as the BDM-600 power
4 inverter after June 30, 2023 in violation of the October 19, 2022 settlement agreement.

5 12. CyboEnergy informed counsel for NEP of the breach on multiple occasions but was
6 told NEP viewed CyboEnergy's patents as invalid, the Patents-in-Suit. NEP's counsel did not
7 comment on the terms of the settlement agreement even when it was mentioned again during the
8 call.
9

10 13. CyboEnergy has been damaged by the breach of the settlement agreement at least in
11 the amount of:

- 12 a. The amount it would have received in damages from the Prior Litigation;
- 13 b. Attorneys' fees in preparing and filing this action;
- 14 c. Willful patent infringement by NEP;
- 15 d. Damages from sales after June 30, 2023;
- 16 e. Court costs;
- 17

18 14. NEP never intended to perform under the settlement agreement and only entered into
19 it in an effort to damage CyboEnergy.

20 **VI. INFRINGEMENT**

21 **A. Infringement of the '133 Patent**

22 15. Plaintiff incorporates, as if fully presented herein paragraphs 1-14.

23 16. On July 22, 2014, U.S. Patent No. 8,786,133 ("the '133 patent", attached as Exhibit
24 A) entitled "Smart and Scalable Power Inverters" was duly and legally issued by the U.S. Patent
25 and Trademark Office. CyboEnergy owns the '133 patent by assignment.
26

27 17. The '133 patent relates to novel and improved power inverters.
28

1 18. NEP maintains, operates, manufactures, offers for sale and sells power inverters that
2 infringe one or more claims of the '133 patent, including one or more of claims 1-24, literally or
3 under the doctrine of equivalents. Defendant put the inventions claimed by the '133 Patent into
4 service (i.e., used them); but for Defendant's actions, the claimed-inventions embodiments
5 involving Defendant's products and services would never have been put into service. Defendant's
6 acts complained of herein caused those claimed-invention embodiments as a whole to perform, and
7 Defendant's procurement of monetary and commercial benefit from it.

9 19. Support for the allegations of infringement may be found in Exhibit B. These
10 allegations of infringement are preliminary and are therefore subject to change.

11 20. NEP has and continues to induce infringement. NEP has actively encouraged or
12 instructed others (e.g., its customers and/or the customers of its related companies), and continues
13 to do so, on how to use and construct power inverters such as to cause infringement of one or more
14 of claims 1-24 of the '133 patent, literally or under the doctrine of equivalents. Moreover, NEP has
15 known of the '133 patent and the technology underlying it from at least the date of the lawsuit filing.¹

17 21. NEP has and continues to contributorily infringe. NEP has actively encouraged or
18 instructed others (e.g., its customers and/or the customers of its related companies), and continues
19 to do so, on how to use its products and services (e.g., power inverters) and related services that
20 provide power inverters such as to cause infringement of one or more of claims 1-24 of the '133
21 patent, literally or under the doctrine of equivalents. Moreover, NEP has known of the '133 patent
22 and the technology underlying it from at least the date of the lawsuit filing.²

24 22. All sales from at least June 30, 2023 are not licensed and are willful.

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27 ¹ Plaintiff reserves the right to amend to re-plead the claims for indirect infringement based on pre-
filing knowledge following fact discovery.

28 ² Plaintiff reserves the right to amend to re-plead the claims for indirect infringement based on pre-
filing knowledge following fact discovery.

1 23. NEP has caused and will continue to cause CyboEnergy damage by direct
2 infringement of the one or more of claims 1-24 of the '133 patent.

3 **B. Infringement of the '488 Patent**

4 24. Plaintiff incorporates, as if fully presented herein paragraphs 1-23.

5 25. On July 22, 2014, U.S. Patent No. 9,331,488 (“the ‘488 patent”, attached as Exhibit
6 C) entitled “Enclosure and Message System of Smart and Scalable Power Inverters” was duly and
7 legally issued by the U.S. Patent and Trademark Office. CyboEnergy owns the ‘488 patent by
8 assignment.

9 26. The ‘488 patent relates to novel and improved messaging system for power inverters.

10 27. NEP maintains, operates, manufactures, offers for sale and sells power inverters that
11 infringe one or more claims of the ‘488 patent, including one or more of claims 1-17, literally or
12 under the doctrine of equivalents. Defendant put the inventions claimed by the ‘488 Patent into
13 service (i.e., used them); but for Defendant’s actions, the claimed-inventions embodiments
14 involving Defendant’s products and services would never have been put into service. Defendant’s
15 acts complained of herein caused those claimed-invention embodiments as a whole to perform, and
16 Defendant’s procurement of monetary and commercial benefit from it.

17 28. Support for the allegations of infringement may be found in Exhibit D. These
18 allegations of infringement are preliminary and are therefore subject to change.

19 29. NEP has and continues to induce infringement. NEP has actively encouraged or
20 instructed others (e.g., its customers and/or the customers of its related companies), and continues
21 to do so, on how to use and construct messaging systems power inverters such as to cause
22 infringement of one or more of claims 1–17 of the ‘488 patent, literally or under the doctrine of
23 equivalents. Moreover, NEP has known of the ‘488 patent and the technology underlying it from at
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1 least the date of the lawsuit filing.³

2 30. NEP has and continues to contributorily infringe. NEP has actively encouraged or
3 instructed others (e.g., its customers and/or the customers of its related companies), and continues
4 to do so, on how to use its products and services (e.g., messaging system for power inverters) and
5 related services that provide power inverters such as to cause infringement of one or more of claims
6 1–17 of the '488 patent, literally or under the doctrine of equivalents. Moreover, NEP has known of
7 the '488 patent and the technology underlying it from at least the date of the lawsuit filing.⁴

9 31. NEP has caused and will continue to cause CyboEnergy damage by direct
10 infringement of the one or more of claims 1-17 of the '488 patent.

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12 [1] NEP BDM-600 Datasheet.

13 <https://northernep.com/downloads/technical-sheet/BDM-600-Microinverter.pdf>

14
15 [2] NEP BDM-800 Datasheet.

16 <https://northernep.com/downloads/technical-sheet/BDM-800-datasheet.pdf>

17 [3] NEP Installation and Operations Manual of BDM-800 and BDM-600

18 <https://northernep.com/downloads/manuals/BDM-800-microinverter-manual.pdf>

19
20 [4] Parts of a Typical 240V Single-Phase Installation User BDM-600

21 <https://northernep.com/downloads/PARTS-OF-A-TYPICAL-2-PHASE.pdf>

22 [5] NEP BDM-600-LV Datasheet.

23 <https://northernep.com/downloads/technical-sheet/BDM-600-LV.pdf>

24 These allegations of infringement are preliminary and are therefore subject to change.

25
26 _____
27 ³ Plaintiff reserves the right to amend to re-plead the claims for indirect infringement based on pre-
filing knowledge following fact discovery.

28 ⁴ Plaintiff reserves the right to amend to re-plead the claims for indirect infringement based on pre-
filing knowledge following fact discovery.

1 **VII. CONDITIONS PRECEDENT**

2 32. Plaintiff has pled all statutory requirements to obtain pre-suit damages. Further, all
3 conditions precedent to recovery are met. Plaintiff is an operating company and marks its products
4 in conformity with Title 35 Section 287.

5 **VIII. PRAYER FOR RELIEF**

6 WHEREFORE, CyboEnergy prays for relief as follows:
7

- 8 a. enter judgment that Defendant has infringed the claims of the Patents-in-Suit;
- 9 b. award Plaintiff damages in an amount sufficient to compensate it for Defendant’s
10 infringement of the claims of the Patents-in-Suit in an amount no less than a reasonable
11 royalty or lost profits, together with pre-judgment and post-judgment interest and costs under
12 35 U.S.C. § 284;
- 13 c. award Plaintiff an accounting for acts of infringement not presented at trial and an award by
14 the Court of additional damage for any such acts of infringement;
- 15 d. declare this case to be “exceptional” under 35 U.S.C. § 285 and award Plaintiff its attorneys’
16 fees, expenses, and costs incurred in this action;
- 17 e. declare Defendant’s infringement to be willful and treble the damages, including attorneys’
18 fees, expenses, and costs incurred in this action and an increase in the damage award
19 pursuant to 35 U.S.C. § 284;
- 20 f. a decree addressing future infringement that either (i) awards a permanent injunction
21 enjoining Defendant and its agents, servants, employees, affiliates, divisions, and
22 subsidiaries, and those in association with Defendant from infringing the claims of the
23 Patents-in-Suit, or (ii) awards damages for future infringement in lieu of an injunction in an
24 amount consistent with the fact that for future infringement the Defendant will be an
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1 adjudicated infringer of a valid patent, and trebles that amount in view of the fact that the
2 future infringement will be willful as a matter of law; and

3 g. award Plaintiff such other and further relief as this Court deems just and proper.
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5 Respectfully submitted,
6

7 Ramey LLP

8 /s/ Susan S.Q. Kalra

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