COMPLAINT FOR DECLARATORY JUDGMENT OF

NON-INFRINGEMENT AND INVALIDITY

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INTRODUCTION

Plaintiffs Zep Solar, Inc. ("Zep"), Trina Solar (U.S.), Inc. and Changzhou Trina Solar Energy Co., Ltd (Trina entities referred to collectively as "Trina") bring this action for a declaration of non-infringement and invalidity of U.S. Patent Number 7,987,641 (the "Patent-in-Suit"). Defendants Westinghouse Solar, Inc. ("Westinghouse," formerly known as Akeena Solar, Inc.) and Andalay Solar, Inc. ("Andalay") have made many assertions of infringement against Zep, Trina and other Zep licensees regarding the Patent-in-Suit. Indeed, there is ongoing litigation already underway in this District regarding a related patent against Zep and a distribution partner. See Case No. CV 09 5040 JSW (N.D. Cal.) ("Related Action").

In light of Defendants' campaign of threats and actual litigation, there exists a case or controversy regarding the Patent-in-Suit. Defendants' claims of infringement and threats regarding the Patent-In-Suit are tactics to gain leverage in the marketplace by hanging a black cloud over Zep in order to scare away licensees like Trina. There is no doubt that the parties have a very real controversy. Defendants Westinghouse and Andalay have already sued Zep once in the Related Action pending before Honorable Judge White, and have repeatedly threatened to do so again by asserting the Patent-in-Suit. This dispute is accordingly appropriate for adjudication.

COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiffs Zep and Trina assert the following claims against Defendants Westinghouse Solar, Inc. and Andalay Solar, Inc.:

NATURE OF THE ACTION

1. This is an action for a declaratory judgment of non-infringement and invalidity, arising under the Declaratory Judgment Act, 28 U.S.C. § 2201, et seq. and the Patent Laws of the United States, 35 U.S.C. § 1 et seq. Zep seeks a declaration of non-infringement and invalidity regarding U.S. Patent No. 7,987,641 (attached hereto as Exhibit A).

COMPLAINT FOR DECLARATORY JUDGMENT OF

THE PARTIES

- 2. Plaintiff Zep is a California corporation with its principal place of business in San Rafael, California.
- 3. Plaintiff Trina Solar (U.S.), Inc. is a Delaware corporation with its principal place of business in San Jose, California.
- 4. Plaintiff Changzhou Trina Solar Energy Co., Ltd is a People's Republic of China corporation with its principal place of business in Changzhou, Jiangsu, People's Republic of China.
- 5. Upon information and belief, Defendant Westinghouse is a Delaware corporation with its principal place of business in Campbell, California.
- 6. Upon information and belief, Defendant Andalay is a California corporation with its principal place of business in Campbell, California. Upon information and belief, Andalay is a wholly owned subsidiary of Westinghouse.

JURISDICTION (Civil L.R. 3-5(a)) AND VENUE

- 7. This action arises under the Federal Declaratory Judgments Act, 28 U.S.C. §§
 2201 and 2202 for a declaration that pursuant to the Patent Laws of the United States, 35 U.S.C. §
 1 et seq., that the claims of U.S Patent 7,987,641 are not infringed and are invalid.
- 8. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331, 1338(a) in that this is a civil action arising out of the patent laws of the United States of America. This Court also has subject matter jurisdiction under 28 U.S.C. §§ 2201 and 2202, because as shown below, under all the circumstances, there is a real, immediate, definite, concrete, and substantial controversy between Zep and Trina on one hand, and Westinghouse and Andalay on the other hand, which requires specific relief, and these parties have adverse legal interests regarding patent non-infringement and invalidity. On information and belief, together Defendant Westinghouse

and its wholly-owned subsidiary Andalay have sufficient rights to prosecute a suit for infringement of the Patent-In-Suit.

- 9. This Court has personal jurisdiction over Defendant Westinghouse because, on information and belief, Westinghouse has its corporate headquarters and principal place of business within this judicial district, and has engaged in substantial business within this forum amounting to sufficient minimum contacts, including, but not limited to advertising, marketing, and selling products to customers within or into California and this judicial district, as well as employing personnel and/or representatives within this judicial district. Defendant Westinghouse also has submitted to the personal jurisdiction of this Court by filing suit in and appearing in this Court under its former name, Akeena Solar, in Case No. CV 09 5040 JSW.
- 10. This Court has personal jurisdiction over Defendant Andalay because, on information and belief, Andalay has its corporate headquarters and principal place of business within this judicial district, and has engaged in substantial business within this forum amounting to sufficient minimum contacts, including, but not limited to advertising, marketing, and selling products to customers within or into California and this judicial district, as well as employing personnel and/or representatives within this judicial district. Defendant Andalay also has submitted to the personal jurisdiction of this Court by filing suit and appearing in this Court, in Case No. CV 09 5040 JSW.
- 11. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1400(b) because a substantial part of the events giving rise to Zep's and Trina's claims occurred in this district and because Defendants reside in this district pursuant to 28 U.S.C. § 1391(c).

INTRADISTRICT ASSIGNMENT (Civil L.R. 3-5(b))

12. Because this action is an intellectual Property Action as specified in Civil L.R. 3-2(c), it is to be assigned on a district-wide basis.

GENERAL ALLEGATIONS

- 13. Zep develops and markets the "Zep System," a photovoltaic ("PV") module-integrated system for installation hardware. The Zep System simplifies the installation of solar panels on the roofs of homes and other buildings, thereby reducing training, labor and material costs associated with the deployment of PV technology. Zep's C.T.O., Jack West, has been developing solar module installation systems for about twenty years and filed his first patent application relating to the technology of the Zep System in February 2004, prior to the earliest possible priority date for the Patent-in-Suit.
- 14. Trina is an internationally recognized manufacturer of mono and multicrystalline PV modules and has a long history as a solar PV pioneer since it was founded in 1997. Trina's high-quality PV modules provide clean and reliable solar electric power to on-grid and off-grid residential, commercial, industrial and utility scale applications around the world.
- 15. Over the past several years, Defendants have engaged in litigation against Zep and some of its customers and made litigation threats to Zep and additional licensees, including Trina, based on patents and patent applications that Defendants claim to own. This campaign of threats of legal action and intimidation has involved numerous demand letters and allegations that Zep, Trina and other licensees infringe Defendants' patents and pending applications.
- 16. These threats expressly included reference to U.S. Patent Application No 11/851,914 (Publication No. 2007/0295393), which on August 2, 2011 issued as the Patent-in-Suit. For example, in one letter, outside attorneys for both Westinghouse and Andalay wrote to

Jack West, the C.T.O. of Zep Solar, alleging that Zep's product, described as the "Zep System for solar module racking," "is covered by Andalay's patents and numerous pending patent applications." That letter specifically cited the already issued U.S. Patent Number 7,406,800 (asserted in the Related Action), as well as U.S. Patent Application Number 2007/0295393, which has issued as the Patent-In-Suit. Defendants asserted that then-pending application "cover[s] the specific aspects of the solar module mounting and grounding system contained in the Zep System product." That letter demanded that Zep "must immediately stop the sale or offer of sale of the Zep System product," threatened that Zep may be liable for royalties dating back to 2004 and that Zep may be subject to a preliminary injunction. That letter stated that Defendants had analyzed Zep's product and referred any inquiries to Westinghouse's inside general counsel. Soon thereafter, Defendants' outside attorneys sent a similar letter to Jeffrey Wolfe, the CEO of one of Zep's business associates Global Resource Options, Inc. ("groSolar"), forwarding Defendants' earlier letter and accusing groSolar of also infringing Defendants' "intellectual property."

- 17. In October 2009, following through on its various threats, Defendants proved their willingness to file suit against Zep and any of its licensees by initiating an action against Zep and groSolar alleging infringement of U.S. Patent Number 7,406,800, which is closely related to the Patent-in-Suit. *See* Related Action (Northern District of California Case No. CV 09 5040 JSW.) That case is presently stayed pending completion of a reexamination in the U.S.P.T.O. *See* Order Granting Defendants' Motion To Stay, Docket No. 54; Order Denying Plaintiff's Motion To Lift Stay, Docket No. 75.
- 18. Defendants' threats against Zep and its licensees have persisted since they initiated the Related Action. Recently, outside counsel for Defendants again wrote to counsel for Zep and referenced, "[a]s a reminder," patent application number 2007/0295393, the specific patent application that issued as the Patent-In-Suit, and alleged that the now-patent covers "specific

aspects of the solar module mounting and grounding system." That letter stated "We hope that your client's infringement of Andalay's intellectual property will stop immediately."

- 19. Trina is a licensee of Zep's "Zep System," which Defendants have claimed is covered by its patents and applications, including specifically the patent application that issued as the Patent-In-Suit. Defendants' CEO Barry Cinnamon approached Trina's U.S. Vice President of Sales in April of this year and discussed with him the possibility of various negative consequences of Trina's cooperation with Zep. Mr. Cinnamon was also observed during the recent Intersolar trade conference, which was held in San Francisco, California, from July 12-14, 2011, taking a number of pictures of the Zep/Trina offering in the Trina booth. Based on Defendants' assertions and insinuations that the Zep System infringes, Trina is now faced with the decision of ceasing what it considers to be lawful activity, or facing a lawsuit.
- 20. Defendants have made similar assertions to other of Zep's business associates and licensees claiming that they are infringing Defendants' purported intellectual property. On April 13, 2010, Westinghouse and Andalay proved their willingness to bring infringement claims against Zep licensees by attempting to add as a defendant in the Related Action Canadian Solar, Inc. ("CSI"), a Zep licensee. *See* Motion For Leave to File First Amended Complaint; Docket No. 52. In a December 2010 letter Defendants claimed that CSI infringed another patent, and also specifically referenced the then-pending application that has now issued as the Patent-In-Suit, claiming that it covers "specific aspects of the solar module mounting and grounding system." On the same day Defendants sent a similar letter to another one of Zep's business associates, Upsolar America, Inc., alleging that Upsolar infringes "Andalay's patents" by virtue of the sale of products containing "a Zep solar frame," and alleged that the application that issued as the Patent-In-Suit "cover[s] specific aspects of the solar module mounting and grounding

ontgomery Street, 17th Flo in Francisco, CA 94104 (415) 954-1400 system." That letter requested that Upsolar's alleged "infringement of Andalay's intellectual property" "stop immediately."

21. Accordingly, a substantial controversy of sufficient immediacy and reality exists between Zep and Trina on one hand, and Defendants on the other, as to whether the Zep System infringes any valid and enforceable claims of the Patent-In-Suit to warrant the issuance of a declaratory judgment.

COUNT I

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE PATENT-IN-SUIT

- 22. The allegations of paragraphs 1-21 of this Complaint are incorporated by reference as though set forth in full herein.
- 23. The charges of infringement against Zep and Trina of the Patent-In-Suit and the threats of suit have created an actual and justiciable controversy between Plaintiffs Zep and Trina on one hand, and Defendants on the other, concerning whether Plaintiffs infringe any claim of the Patent-in-Suit.
 - 24. Plaintiffs Zep and Trina do not infringe and have not infringed the Patent-in-Suit.
- 25. Accordingly, Plaintiffs Zep and Trina are entitled to and request a declaratory judgment ruling that they do not infringe the Patent-in-Suit and granting Zep and Trina all other declaratory relief to which they may be entitled.

COUNT II

DECLARATORY JUDGMENT OF INVALIDITY OF THE PATENT-IN-SUIT

26. The allegations of paragraphs 1-25 of this Complaint are incorporated by reference as though set forth in full herein.

- 27. The charges of infringement against Zep and Trina and the threats of suit by Defendants have created an actual controversy as to the validity of the Patent-In-Suit.
- 28. One or more claims of the Patent-in-Suit are invalid because they fail to meet the patentability requirements of Title 35, including but not limited to 35 U.S.C. §§ 101, 102, 103 and/or 112.
- 29. Accordingly, Plaintiffs Zep and Trina are entitled to a declaratory judgment ruling that the claims of the Patent-in-Suit are invalid and granting Zep and Trina all other declaratory relief to which they may be entitled.
- 30. Now that the Patent-in-Suit has issued on August 2, 2011, Plaintiff Zep shall promptly file a reexamination of the Patent-in-Suit in light of prior art that it contends raises a substantial new question of patentability under 35 U.S.C. §§ 102 and 103. In view of this reexamination and overlapping issues with the Related Action, which is already stayed pending completion of another reexamination, Plaintiffs will seek to have the two cases related and expect that this action will also be stayed pending reexamination.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs Zep and Trina pray that this Court:

- A. Declare that no claim of the Patent-in-Suit has been infringed by Zep or Trina;
- B. Declare that all claims of the Patent-in-Suit are invalid;
- C. Declare that this case is exceptional under 35 U.S.C. § 285 and that Zep and Trina be awarded their costs, expenses and attorneys' fees incurred herein; and
- D. Award Zep and Trina such other and further relief to which they are entitled, in law or equity, as this Court deems just and proper.

DATED: August 2, 2011

FARELLA BRAUN + MARTEL LLP

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JURY DEMAND

Plaintiffs Zep Solar, Inc., Trina Solar (U.S.), Inc. and Changzhou Trina Solar Energy Co., Ltd demand a trial by jury on all issues presented herein.

Respectfully submitted,

DATED: August 2, 2011

FARELLA BRAUN + MARTEL LLP

By: Jeffrey M. Fisher

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