

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

ECOSMART US, LLC
a Florida Limited Liability Company,
Plaintiff/Counter-Defendant,

CASE NO: _____

HONORABLE: _____

vs.

AMERICAN HEAT MANUFACTURER, LLC,
a Florida Limited Liability Company,
Defendant/Counter-Plaintiff.

_____ /

AMERICAN HEAT MANUFACTURER, LLC.
A Florida Limited Liability Company
Defendant/Counter-Plaintiff

vs.

ECOSMART US, LLC
A Florida Limited Liability Company
Plaintiff/Counter -Defendant

_____ /

AMERICAN HEAT MANUFACTURER, LLC.
A Florida Limited Liability Company
Defendant/Third Party Plaintiff

vs.

CARLOS ANTONIO CABRERA
Third Party Defendant

_____ /

**COUNTERCLAIM AGAINST PLAINTIFF
ECOSMART, LLC AND THIRD PARTY
COMPLAINT AGAINST CARLOS ANTONIO CABRERA**

Defendant/Counterclaimant, AMERICAN HEAT MANUFACTURING, LLC,
("AMERICAN") by and through its undersigned attorneys, sues Plaintiff/Counter Defendants,
ECOSMART US, LLC , ("ECOSMART") a Florida Limited Liability Company and in support
thereof states as follows:

JURISDICTION AND VENUE

1. This is an action for damages in excess of the jurisdictional amount of seventy-five thousand dollars (\$75,000.00), exclusive of reasonable attorney's fees and costs.

2. This Court has subject matter jurisdiction over the claims in this action based on a federal question under 28 U.S.C. 1338 and 35 U.S.C. § 271 as they arise under the Patent Act, and 28 U.S.C. §2201, Declaratory Judgments.

3. This Court has personal jurisdiction over ECOSMART because of its substantial and continuous activities including: (a) at all relevant times ECOSMART, in connection with the allegations in this Counterclaim, have transacted business in the State of Florida; (b) ECOSMART has committed tortuous acts within the State of Florida; (c) ECOSMART has offices in the State of Florida and within this district; (d) ECOSMART has headquarters in the State of Florida and within this district and (e) ECOSMART has asserted a claim against AMERICAN in the State Court of this District prior to removal hereto.

4. This Court has jurisdiction over the subject matter of these Counterclaims under Title 35 of the United States Code, as well as under 28 U.S.C. §§ 1331, 1338, 2201 and 2202, on the grounds that AMERICAN seeks a declaration of its rights against accusations of patent infringement and implied threats of patent infringement litigation made by ECOSMART concerning products of AMERICAN.

5. Venue is proper in this district pursuant to 28 U.S.C. §1391 as ECOSMART'S acts, omissions and events giving rise to AMERICAN'S causes of action occurred within or were directed to this district; and ECOSMOART maintains headquarters in this district.

THE PARTIES

6. ECOSMART is a Florida Limited Liability Company which owns and operates a tankless water heater company headquartered in Miami-Dade County, Florida.

7. AMERICAN, is a Florida Limited Liability Company which owns and operates a tankless water heater company headquartered in Miami-Dade County, Florida.

8. Third Party Defendant Carlos Antonio Cabrera (“CABRERA”) is upon information and belief, a resident of Broward County Florida and an owner and/or controlling member of ECOSMART and/or at least one of the persons who has personally directed the actions of ECOSMART hereunder.

FACTS COMMON TO ALL ALLEGATIONS

9. AMERICAN was formed in December 2009 for the purpose of engaging in the manufacture and sale of tankless water heaters. Later in December 2009, AMERICAN purchased the assets of a company known as American Heat Industries, LLC. (“AHI.”) The assets purchased by AMERICAN included but was not limited to all intellectual property, including trade secrets of AHI. AMERICAN did not assume the liabilities from the predecessor entity, AHI. AMERICAN and AHI did not and do not share any principal owners.

10. A separate and independent entity known as American Heat Distributors, Inc. (“AHD”) acted as a distributor for AHI products.

11. CARLOS CABRERA was employed by AHD from June 2008 through September 2008.

12. During his employment with AHD, CABRERA had unfettered access to AHD and AHI’s confidential accounting information, manufacturing information, shipping infrastructure, customer lists, and other corporate and financial documents. All of the foregoing

are and were considered confidential trade secrets of AHI and subsequently by AMERICAN by virtue of their purchase.

13. Both AMERICAN and its predecessor AHI engaged in significant efforts to keep the trade secrets confidential.

14. Since AMERICAN's formation and continuing to this day, ECOSMART and CABRERA began a course of action designed to sabotage and damage AMERICAN'S business, steal their customers and interfere with the advantageous business relationships between AMERICAN and its clients and manufacturers. ECOSMART and CABRERA's actions were unjustified and illegal. Their specific actions included but were not necessarily limited to the following.

15. In the spring of 2011 ECOSMART and CABRERA began to contact the clients of AMERICAN and falsely advise them that AMERICAN was going out of business, had no products to sell and had no parts to sell or service existing customers.

16. Prior to May 17, 2011 ECOSMART and CABRERA also directly contacted AMERICAN, its clients and manufacturer falsely indicating that AMERICAN, its clients and manufacturer were infringing on allegedly patented technology, when in fact no patent had been granted to ECOSMART or CABRERA for the technology they were complaining of. Such contact also demanded that AMERICAN, its clients and manufacturer cease all manufacturer, distribution, and/or sales of AMERICAN product or otherwise risk exposure for patent infringement.

17. U.S. Patent No. 7,945,146 (the '146 Patent) issued on May 17, 2011 from Application Serial No. 12/136,034 ("the '034 Application"). The '034 Application was filed on June 9, 2008 and claimed priority to Provisional Application No. 60/933,593 ("the '593

Application”) which was filed on June 7, 2007. A true and correct copy of the ‘146 Patent is attached hereto as **Exhibit A**. The ‘146 Patent purports to cover a tankless hot water heater.

18. According to the ‘146 Patent, ECOSMART is the owner by assignment of the ‘146 Patent.

19. This illegal disruption to AMERICAN’s manufacturing agreements and arrangements by ECOSMART and CABRERA harmed AMERICAN’s business and caused significant business loss.

20. ECOSMART and CABRERA’s actions have caused AMERICAN to obtain a new relationship with a manufacturer, to incur substantial costs in the creation of new molds, to incur substantial costs in obtaining new certifications for its products and loss of sales based on the above referenced delays.

21. Since this time, ECOSMART and CABRERA have continued to contact AMERICAN’s accounts scaring and harassing AMERICAN’s customers into not doing further business with AMERICAN.

22. By way of example and not limitation, ECOSMART and CABRERA contacted one of AMERICAN’s distributors in Canada and threatened them with litigation if they did not cease and desist their distributions for AMERICAN based on its U.S. Patent. That Patent, even if valid which it is not, does not restrict business activities within Canada and thus ECOSMART and CABRERA’s actions were blatantly illegal.

23. Likewise, ECOSMART and CABRERA have remained antagonistic towards AMERICAN and their actions constitute tortious interference with business and contractual relationships.

24. In May 2011, AMERICAN met with ECOSMART and Silvio Cardoso of ECOSMART concerning the allegations of infringement of the '146 Patent.

25. At that time AMERICAN agreed to investigate ECOSMART's patent claims concerning the '146 Patent with a patent attorney. AMERICAN already had plans to upgrade their design which they believed would be in place by November 2011. Though AMERICAN never believed its current products infringed any of the claims of the '146 Patent, AMERICAN'S new design would have been even further substantially different from the claims of the '146 Patent. Thus, even if ECOSMART's patent was valid, which was not agreed, the new design would clearly not infringe on the claims of the '146 patent and thus AMERICAN believed the matter was resolved.

26. AMERICAN did not (and subsequently has not) admitted to the infringement of the '146 Patent during this meeting. It merely reached this agreement in hopes ECOSMART and CABRERA would cease the constant harassment of AMERICAN's clients and to avoid frivolous and baseless threats by them.

27. Since that time ECOSMART and CABRERA continued to interfere with AMERICAN's customers and manufacturing relationships requiring them to spend significant time and effort dealing with these issues. As a direct and proximate result of ECOSMART and CABRERA's illegal actions, AMERICAN has not been able to complete their redesign of the referenced product.

28. On October 13, 2011 ECOSMART via counsel, contacted AMERICAN referencing AMERICAN's tankless hot water heating products and claiming that AMERICAN's products infringed the '146 Patent. This letter also demanded that AMERICAN cease and desist from all activities that infringe on the '146 Patent. See, **Exhibit B**

29. ECOSMART'S letter threatened AMERICAN with patent infringement liability.

30. On October 19, 2011, AMERICAN instructed ECOSMART that their warning was not only premature, but ignores the realities of their patent rights, or lack thereof.

31. AMERICAN has continued to sell its tankless water heaters since receipt of ECOSMARTS threatening October 13, 2011 letter, and has no intention of stopping its manufacturing and sale of the accused products due to the patent claim.

32. AMERICAN's products do not infringe any valid or enforceable claim contained in the '146 Patent.

33. ECOSMART has since filed their original Complaint as to this matter alleging AMERICAN has violated their trade secrets, which are all based on the '146 Patent.

34. Additionally, based on ECOSMART's October 13, 2011 letter, there is a real and immediate controversy between AMERICAN and ECOSMART, the resolution of which is necessary in order that AMERICAN may avoid wrongful injury to the reputation of its products in the marketplace and other direct injury suffered from ECOSMART's wrongful allegations.

35. In response, AMERICAN has retained the undersigned counsel and agreed to pay a reasonable fee for legal services in reference to ECOSMART and CABRERA.

36. All conditions precedent to this action have been performed prior to bringing this action.

COUNT I
DECLARATORY JUDGMENT OF NON-INFRINGEMENT

37. Defendant/Counter Plaintiff AMERICAN realleges paragraphs 1 through 38 as is fully set forth herein.

38. AMERICAN has not and is not now infringing, actively inducing infringement of others, or contributorily infringing any valid claim of the '146 Patent.

39. A justiciable controversy exists as to whether AMERICAN has been or is now infringing any valid claim of the '146 Patent.

40. AMERICAN seeks and is entitled to a declaration from this Court that American has not and is not now infringing, actively inducing infringement of, or contributorily infringing any valid claim of the '146 Patent.

41. Absent the request declaration by the Court, AMERICAN will suffer irreparable injury.

COUNT II
DECLARATORY JUDGMENT – PATENT INVALIDITY

42. Defendant/Counter Plaintiff AMERICAN realleges paragraphs 1 through 38 as is fully set forth herein.

43. A justiciable controversy has arisen and now exists between AMERICAN and ECOSMART concerning the validity of the '146 Patent.

44. AMERICAN seeks and is entitled to a declaration from this Court that the claims of the '146 Patent are invalid for failing to comply with one or more of the provisions of 35 U.S.C. § 102, 103, and/or 112.

45. Absent the requested declaration by the Court, AMERICAN will suffer irreparable injury.

46. In view of the invalidity of one or more claims of the '146 Patent, AMERICAN has also moved for reexamination of the '146 PATENT with the United States Patent and Trademark Office on November 17, 2011 (Application Number 95/001,823).

COUNT III
TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP

47. Defendant/Counter Plaintiff AMERICAN realleges paragraphs 1 through 38 as is fully set forth herein.

48. AMERICAN has and had significant advantageous business relationships with numerous clients and a manufacturer with which they have had legal rights.

49. ECOSMART and CABRERA, third parties to AMERICAN's business relationships, knew of these advantageous business relationships existing between AMERICAN and its manufacturer and clients.

50. ECOSMART and CABRERA intentionally, unjustifiably and tortiously interfered with those advantageous business relationships through their actions.

51. As a direct and proximate result of ECOSMART and CABRERA's interference, AMERICAN has been damaged.

WHEREFORE, AMERICAN, respectfully request this Court enter judgment against Defendants, ECOSMART and CABRERA, and in favor of Plaintiff, AMERICAN, for the following:

- a. Declaring that AMERICAN has not and is not now infringing, actively inducing infringement of, or contributorily infringing any valid claim of the '146 Patent
- b. Declaration that the claims of the '146 Patent are invalid
- c. Precluding ECOSMART from commencing or maintaining any action against AMERICAN, its customers, distributors or end users of products of AMERICAN.

- d. Precluding ECOSMART from contacting customers, distributors or end users of products of AMERICAN,
- e. Finding this case to be exceptional and awarding AMERICAN its reasonable attorney's fees and costs
- f. Awarding AMERICAN compensatory damages for intentional interference and loss of business; and
- g. Granting any further relief this Court finds equitable and just.

**THIRD PARTY COMPLAINT
AGAINST CARLOS ANTONIO CABRERA**

Defendant/Counterclaimant, AMERICAN HEAT MANUFACTURING, LLC, ("AMERICAN") by and through its undersigned attorneys, sues Third Party Defendant Carlos Antonio Cabrera ("CABRERA and in support thereof states as follows:

JURISDICTION AND VENUE

1. This is an action for damages in excess of the jurisdictional amount of seventy-five thousand dollars (\$75,000.00), exclusive of reasonable attorney's fees and costs.
2. This Court has subject matter jurisdiction over the claims in this action based on a federal question under 28 U.S.C. 1338 and 35 U.S.C. § 271 as they arise under the Patent Act, and 28 U.S.C. §2201, Declaratory Judgments.
3. This Court has personal jurisdiction over CABRERA because of its substantial and continuous activities including: (a) at all relevant times CABRERA, in connection with the allegations in this Third Party claim, has transacted business in the State of Florida, (b)

CABRERA has committed tortuous acts within the State of Florida; and (c) CABRERA is a resident of Miami Dade County, Florida within this district.

4. Venue is proper in this district as CABRERA'S acts, omissions and events giving rise to AMERICAN'S cause of action occurred within or were directed to this district and CABRERA lives in this district.

THE PARTIES

5. AMERICAN, is a Florida Limited Liability Company which owns and operates a tankless water heater company headquartered in Miami Dade County, Florida.

6. Third Party Defendant Carlos Antonio Cabrera ("CABRERA") is upon information and belief, a resident of Broward County Florida and an owner and/or controlling member of ECOSMART and/or at least one of the persons who has personally directed the actions of ECOSMART hereunder.

FACTS COMMON TO ALL ALLEGATIONS

7. AMERICAN was formed in December 2009 for the purpose of engaging in the manufacture and sale of tankless water heaters. Later in December 2009, AMERICAN purchased the assets of a company known as American Heat Industries, LLC. ("AHI.") The assets purchased by AMERICAN included but was not limited to all intellectual property, including trade secrets of AHI. AMERICAN did not assume the liabilities from the predecessor entity, AHI. AMERICAN and AHI did not and do not share any principal owners.

8. A separate and independent entity known as American Heat Distributors, Inc. ("AHD") acted as a distributor for AHI products.

9. CARLOS CABRERA was employed by AHD from June 2008 through September 2008.

10. During his employment with AHD, CABRERA had unfettered access to AHD and AHI's confidential accounting information, manufacturing information, shipping infrastructure, customer lists, and other corporate and financial documents. All of the foregoing are and were considered confidential trade secrets of AHI and subsequently by AMERICAN by virtue of their purchase.

11. Both AMERICAN and its predecessor AHI engaged in significant efforts to keep the trade secrets confidential.

12. Since AMERICAN's formation and continuing to this day, ECOSMART and CABRERA began a course of action designed to sabotage and damage AMERICAN'S business, steal their customers and interfere with the advantageous business relationships between AMERICAN and its clients and manufacturers. ECOSMART and CABRERA's actions were unjustified and illegal. Their specific actions included but were not necessarily limited to the following.

13. In the spring of 2011 ECOSMART and CABRERA began to contact the clients of AMERICAN and advise them that AMERICAN was going out of business, had no products to sell and had no parts to sell or service existing customers.

14. Prior to May 17, 2011 ECOSMART and CABRERA also directly contacted AMERICAN, its clients and manufacturer falsely indicating that AMERICAN, its clients and manufacturer were infringing on allegedly patented technology, when in fact no patent had been granted to ECOSMART or CABRERA for the technology they were complaining of. Such contact also demanded that AMERICAN, its clients and manufacturer cease all manufacturer, distribution, and/or sales of AMERICAN product or otherwise risk exposure for patent infringement.

15. U.S. Patent No. 7,945,146 (the '146 Patent) issued on May 17, 2011 from Application Serial No. 12/136,034 ("the '034 Application"). The '034 Application was filed on June 9, 2008 and claimed priority to Provisional Application No. 60/933,593 ("the '593 Application") which was filed on June 7, 2007. A true and correct copy of the '146 Patent is attached hereto as **Exhibit A**. The '146 Patent purports to cover a tankless hot water heater.

16. According to the '146 Patent, ECOSMART is the owner by assignment of the '146 Patent.

17. Additionally, AMERICAN was advised by the U.S. Consulate in China that it was investigating patent infringement allegations against AMERICAN made by CABRERA and/or ECOSMART and as a result would not release to AMERICAN all pending prepaid orders and cargo until they were provided with authorization from the alleged patent rights holder, ECOSMART, to release the cargo.

18. This illegal disruption to AMERICAN's manufacturing agreements and arrangements by ECOSMART and CABRERA harmed AMERICAN's business and caused significant business loss.

19. ECOSMART and CABRERA's actions have caused AMERICAN to obtain a new relationship with a manufacturer, to incur substantial costs in the creation of new molds, to incur substantial costs in obtaining new certifications for its products and loss of sales based on the above referenced delays.

20. Since this time, ECOSMART and CABRERA have continued to contact AMERICAN's accounts scaring and harassing AMERICAN's customers into not doing further business with AMERICAN.

21. By way of example and not limitation, ECOSMART and CABRERA contacted one of AMERICAN's distributors in Canada and threatened them with litigation if they did not cease and desist their distributions for AMERICAN based on its U.S. Patent. That Patent, even if valid which it is not, does not restrict business activities within Canada and thus ECOSMART and CABRERA's actions were blatantly illegal.

22. Likewise, ECOSMART and CABRERA have remained antagonistic towards AMERICAN and their actions constitute tortious interference with business and contractual relationships.

23. In May 2011, AMERICAN met with ECOSMART and Silvio Cardoso of ECOSMART concerning the allegations of infringement of the '146 Patent.

24. At that time AMERICAN agreed to investigate ECOSMART's patent claims concerning the '146 Patent with a patent attorney. AMERICAN already had plans to upgrade their design which they believed would be in place by November 2011. Though AMERICAN never believed its current products infringed any of the claims of the '146 Patent, AMERICAN'S new design would have been even further substantially different from the claims of the '146 Patent. Thus, even if ECOSMART's patent was valid, which was not agreed, the new design would clearly not infringe on the claims of the '146 patent and thus AMERICAN believed the matter was resolved.

25. AMERICAN did not (and subsequently has not) admitted to the infringement of the '146 Patent during this meeting. It merely reached this agreement in hopes ECOSMART and CABRERA would cease the constant harassment of AMERICAN's clients and to avoid frivolous and baseless threats by them.

26. Since that time ECOSMART and CABRERA continued to interfere with AMERICAN's customers and manufacturing relationships requiring them to spend significant time and effort dealing with these issues. As a direct and proximate result of ECOSMART and CABRERA's illegal actions, AMERICAN has not been able to complete their redesign of the referenced product.

27. On October 13, 2011 ECOSMART via counsel, contacted AMERICAN referencing AMERICAN's tankless hot water heating products and claiming that AMERICAN's products infringed the '146 Patent. This letter also demanded that AMERICAN cease and desist from all activities that infringe on the '146 Patent. See, **Exhibit B**

28. ECOSMART'S letter threatened AMERICAN with patent infringement liability.

29. On October 19, 2011, AMERICAN instructed ECOSMART that their warning was not only premature, but ignores the realities of their patent rights, or lack thereof.

30. AMERICAN has continued to sell its tankless water heaters since receipt of ECOSMARTS threatening October 13, 2011 letter, and has no intention of stopping its manufacturing and sale of the accused products due to the patent claim.

31. AMERICAN's products do not infringe any valid or enforceable claim contained in the '146 Patent.

32. ECOSMART has since filed their original Complaint as to this matter alleging AMERICAN has violated their trade secrets, which are all based on the '146 Patent.

33. Additionally, based on ECOSMART's October 13, 2011 letter, there is a real and immediate controversy between AMERICAN and ECOSMART, the resolution of which is necessary in order that AMERICAN may avoid wrongful injury to the reputation of its products in the marketplace and other direct injury suffered from ECOSMART's wrongful allegations.

34. In response, AMERICAN has retained the undersigned counsel and agreed to pay a reasonable fee for legal services in reference to ECOSMART and CABRERA.

35. All conditions precedent to this action have been performed prior to bringing this action.

COUNT I
TORTIOUS INTERFERENCE WITH A BUSINESS RELATIONSHIP

36. Defendant/Counter Plaintiff AMERICAN realleges paragraphs 1 through 38 as is fully set forth herein.

37. AMERICAN has and had significant advantageous business relationships with numerous clients and a manufacturer with which they have had legal rights.

38. ECOSMART and CABRERA, third parties to AMERICAN's business relationships, knew of these advantageous business relationships existing between AMERICAN and its manufacturer and clients.

39. ECOSMART and CABRERA intentionally, unjustifiably and tortiously interfered with those advantageous business relationships through their actions.

40. As a direct and proximate result of ECOSMART and CABRERA's interference, AMERICAN has been damaged.

WHEREFORE, AMERICAN, respectfully request this Court enter judgment against Defendants, ECOSMART and CABRERA, and in favor of Plaintiff, AMERICAN, for damages and any further relief this Court finds equitable and just.

Respectfully Submitted,

BRADLEY LEGAL GROUP, P.A.
Attorneys for Defendant/Counterclaimant
AMERICAN Heat Manufacturer, LLC

By: /s/ _____

John F. Bradley, Esq.
Florida Bar #0779910
Louis Smoller, Esq.
Florida Bar #86253
15 Northeast 13th Avenue
Fort Lauderdale, FL 33301
Telephone No. (954) 523-6160
Fax No. (954) 523-6190
Email: jb@bradlegal.com

Daniel S. Polley, P.A.
7251 W. Palmetto Park Road
Suite 202
Boca Raton, FL 33433
Tel: (561) 347-5955
Fax: (561) 807-5987
Daniel S. Polley, Esq.
FL Bar # 847331
Email: dan@danpolley.com

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by via ECM/CF , U.S. Mail, Facsimile and email this 20thday of January, 2012 to: Richard Sarafan, Esq., Catherine A. Van Horn, Esq., GENOVESE JOBLove & BATTISTA, P.A., attorneys for Plaintiff, (Facsimile: 305-349-2310, email rsarafan@gjb-law.com and cvanhorn@gjb-law.com), 4400 Miami Tower, 100 Southeast Second Street, Miami, FL 33131.

BRADLEY LEGAL GROUP, P.A.
Attorneys for Defendant/Counterclaimant
AMERICAN Heat Manufacturer, LLC

By: /s/ _____

John F. Bradley, Esq.
Florida Bar #0779910
Louis Smoller, Esq.
Florida Bar #86253
15 Northeast 13th Avenue
Fort Lauderdale, FL 33301
Telephone No. (954) 523-6160
Fax No. (954) 523-6190
Email: jb@bradlegal.com

Daniel S. Polley, P.A.
7251 W. Palmetto Park Road
Suite 202
Boca Raton, FL 33433
Tel: (561) 347-5955
Fax: (561) 807-5987
Daniel S. Polley, Esq.
FL Bar # 847331
Email: dan@danpolley.com