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OVERLAND STORAGE, INC.

14
15 UNITED STATES DISTRICT COURT
16 SOUTHERN DISTRICT OF CALIFORNIA

17 OVERLAND STORAGE, INC.,
18 Plaintiff,
19
20 v.
21 PIVOTSTOR, LLC,
22 Defendant.

Case No. **'12CV1598 JAH MDD**

**PLAINTIFF OVERLAND STORAGE,
INC.'S COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

23
24 Plaintiff Overland Storage, Inc. ("Overland Storage"), by and through its undersigned
25 attorneys, complains and alleges against Defendant PivotStor, LLC ("PivotStor") as follows:

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1 **NATURE OF THE ACTION**

2 1. This is a civil action for infringement of United States Patent Nos. 6,328,766
3 and 6,353,581. This action arises under the laws of the United States relating to patents,
4 including 35 U.S.C. § 281.

5 **JURISDICTION AND VENUE**

6 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and
7 1338(a) and pursuant to the patent laws of the United States of America, 35 U.S.C. § 101, *et seq.*

8 3. Venue properly lies within the Southern District of California pursuant to the
9 provisions of 28 U.S.C. §§ 1391(b), (c), and (d) and 1400(b). On information and belief,
10 PivotStor conducts substantial business directly and/or through third parties or agents in this
11 judicial district by selling and/or offering to sell the infringing products, including media libraries,
12 systems and components, and/or by conducting other business in this judicial district.
13 Furthermore, Plaintiff Overland Storage is headquartered and has its principal place of business in
14 this district, sells competing media libraries and systems in this district, and has been harmed by
15 PivotStor's conduct, business transactions and sales in this district.

16 4. This Court has personal jurisdiction over PivotStor because, on information and
17 belief, PivotStor transacts continuous and systematic business within the State of California and
18 the Southern District of California. In addition, this Court has personal jurisdiction over
19 PivotStor because, on information and belief, this lawsuit arises out of PivotStor's infringing
20 activities, including without limitation PivotStor's making, using, selling and/or offering to sell
21 infringing products in the State of California and the Southern District of California. Finally, this
22 Court has personal jurisdiction over PivotStor because, on information and belief, PivotStor has
23 made, used, sold and/or offered for sale its infringing products and placed such infringing
24 products in the stream of interstate commerce with the expectation that such infringing products
25 would be made, used, sold and/or offered for sale within the State of California and the Southern
26 District of California.

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28 /////

THE PARTIES

5. Plaintiff Overland Storage is a California corporation with its headquarters and principal place of business at 9112 Spectrum Center Boulevard, San Diego, California 92123.

6. On information and belief, Defendant PivotStor is a Delaware limited liability company with its principal place of business at 7 Burroughs, Irvine, California 92618.

THE ASSERTED PATENTS

7. On December 11, 2001, United States Patent No. 6,328,766 (“the ’766 patent”), entitled “Media Element Library with Non-Overlapping Subset of Media Elements and Non-Overlapping Subset of Media Element Drives Accessible to First Host and Unaccessible to Second Host,” was duly and legally issued by the United States Patent and Trademark Office. The named inventor is Robert M. Long. Overland Storage is the assignee and owner of the entire right, title and interest in and to the ’766 patent and has the right to bring this suit for damages and other relief. A true and correct copy of the ’766 patent is attached as Exhibit A.

8. The ’766 patent teaches an innovative data storage system containing a plurality of media elements, in which each media element may be a member of one of a plurality of sets of media elements, and a controller configured so that a subset of media elements and media element drives are available for read/write access by one set of host computers, but are unavailable for read/write access by another set of host computers. The patent also discloses methods where host computers can store and retrieve data to and from separate portions of the media library without interfering with one another.

9. On March 5, 2002, United States Patent No. 6,353,581 (“the ’581 patent”), entitled “Media Access in a Media Library,” was duly and legally issued by the United States Patent and Trademark Office. The named inventors are Karl B. Offerman and Kevin T. Kersey. Overland Storage is the assignee and owner of the entire right, title and interest in and to the ’581 patent and has the right to bring this suit for damages and other relief. A true and correct copy of the ’581 patent is attached as Exhibit B.

10. The ’581 patent teaches an innovative automated media library and retrieval system where a user can easily insert or remove storage media, such as magnetic tapes, through a

1 mail slot without having to remove the magazine of media elements, without requiring
2 complicated transport mechanisms, and without limiting system options for media access
3 security. The patent also discloses methods of moving a particular storage medium contained in
4 the media library from a readable location to a manually accessible location.

5 **BACKGROUND**

6 11. A company's data is one of its most critical assets. Businesses must retain data for
7 extended periods of time to comply with regulatory requirements, conduct internal audits and
8 ensure best practices. Keeping data stored, accessible, and secure has become increasingly
9 complex and expensive as companies are faced with massive data growth, increasingly stringent
10 regulatory requirements and distributed environments that can range from across the hall to across
11 the globe. As companies' data storage needs have increased from megabytes to gigabytes to
12 terabytes, automated media libraries have become vital. Automated media libraries allow users to
13 store digital data in a central location, then search for and retrieve that data from networked
14 computers when necessary. This data can be stored on a variety of storage media within the
15 library, including disks or magnetic tapes.

16 12. Compact, high capacity, low-cost data management systems are common today
17 among businesses, but it was not always that way. Prior data management solutions required
18 cabinet and even room-sized systems, and often could be connected to only a single host
19 computer at any given time. Also, prior data management solutions often imposed unacceptably
20 long periods of downtime in cases where individual files and directories needed to be quickly
21 restored. These cumbersome, expensive and inefficient systems were being outpaced by the high
22 performance data storage demands of businesses.

23 13. Overland Storage's patented data management and data protection solutions
24 addressed these challenges. These patented technologies encompass both the apparatus that
25 houses the media library and the methods of storing and retrieving that data from host computers.
26 Using Overland Storage's technologies, customers can create network-based, virtual media
27 libraries to maintain data for continuous local backup and remote disaster recovery, or to store
28 data for long-term archiving and compliance requirements. The result is that these cutting-edge

1 products provide a more cost-effective way of keeping customers' data stored, accessible and
2 secure.

3 14. Overland Storage has been granted a number of patents relating to its innovative
4 data management and protection systems. In the 1990s, Overland Storage marketed the first
5 scalable automated media library solution that eliminated the physical limitations of conventional
6 tape library designs. Overland Storage has continued to improve on its media library technology
7 and has marketed product line families including but not limited to its SnapServer, Ultimus
8 RAID, ARCvault, NEO Series Tape Libraries, and REO Series Virtual Tape Libraries.

9 15. Following Overland Storage's introduction of its patent-protected media libraries
10 into the market, PivotStor began making, offering for sale, and/or selling media libraries that use
11 Overland Storage's patented technology.

12 16. PivotStor manufactures and/or sells automated tape libraries in the United States,
13 including but not limited to the PivotStor AP Series TL2000 Tape Library, the PivotStor AP
14 Series TL4000 Tape Library and the PivotStor AP Series TL8000 Tape Library. PivotStor states
15 that its tape libraries "provide reliable, automated data protection for organizations that require
16 affordable unattended data protection." On information and belief, the PivotStor accused
17 products consist of automated media libraries with one or more tape drives and more than two
18 tape cartridges, which are integrated in a rack configuration or a free-standing floor unit. The
19 PivotStor accused products are able to move tape cartridges from one drive to another without
20 human intervention through actuators that reside inside the media library.

21 17. On information and belief, PivotStor has made, used, sold, offered for sale and/or
22 imported accused products that practice the claims of the '766 and '581 patents, as set forth more
23 fully below.

24 **COUNT ONE**

25 **Infringement of the '766 Patent by PivotStor**

26 18. Overland Storage incorporates by reference each of the allegations set forth above.

27 19. On information and belief, PivotStor, without authority, has directly infringed and
28 continues to directly infringe, under 35 U.S.C. § 271(a), the '766 patent by making, using,

1 offering to sell, or selling within the United States, or importing into the United States, the
2 accused products, including but not limited to the PivotStor AP Series TL2000 Tape Library, the
3 PivotStor AP Series TL4000 Tape Library and the PivotStor AP Series TL8000 Tape Library.
4 The accused products, alone or in combination with other products, practice each of
5 the limitations of independent claims 1, 2 and 10 and dependent claims 3, 4, 5, 7, 8 and 9 of the
6 '766 patent.

7 20. On information and belief, PivotStor, without authority, has actively induced and
8 continues to actively induce infringement by others, under 35 U.S.C. § 271(b), by intentionally
9 causing others to directly infringe the claims of the '766 patent and/or by intentionally instructing
10 others how to use the accused products in a manner that infringes the claims of the '766 patent.
11 On information and belief, PivotStor has induced and continues to induce infringement by
12 instructing customers to operate the products in an infringing manner and/or when PivotStor
13 performs quality assurance testing or otherwise operates the accused products in the United
14 States. For example, on information and belief, PivotStor instructs users of its tape libraries to
15 partition the accused products in a manner that infringes the '766 patent.

16 21. On information and belief, PivotStor, without authority, has contributorily
17 infringed and continues to contributorily infringe, under 35 U.S.C. § 271(c), by importing into the
18 United States, selling and/or offering to sell within the United States accused products that
19 (1) constitute a material part of the invention of the '766 patent, (2) PivotStor knows to be
20 especially adapted for use in infringing the '766 patent, and (3) are not staple articles of
21 commerce suitable for substantial noninfringing use with respect to the '766 patent. On
22 information and belief, PivotStor ships the accused products with all the features required to
23 infringe the asserted claims of the '766 patent. On information and belief, these products are
24 designed to implement the infringing features, and the default settings of the accused products, as
25 shipped, are set accordingly.

26 22. PivotStor had actual notice of its infringement of the '766 patent before the filing
27 of this complaint. In 2010, Overland Storage filed patent infringement actions in this Court and
28 in the International Trade Commission ("ITC") against several companies that manufacture

1 and/or sell tape libraries that infringe the '766 patent, including BDT AG, BDT Products, Inc.,
2 BDT-Solutions GmbH & Co. KG, BDT Automation Technology (Zhuhai FTZ) Co., Ltd., and
3 BDT de México, S. de R.L. de C.V. (collectively "BDT"). On information and belief, PivotStor
4 shares common ownership with BDT. On information and belief, PivotStor sells the same type of
5 tape libraries that were accused of infringing the '766 patent in the BDT litigation.

6 23. On information and belief, PivotStor has continued to sell tape libraries that
7 practice the '766 patent after Overland Storage filed that litigation. The filing of the complaint in
8 this action also constitutes notice to PivotStor of the '766 patent under 35 U.S.C. § 287.

9 24. As a result of the infringement of the '766 patent by PivotStor, Overland Storage
10 has suffered and will continue to suffer damages in an amount to be proven at trial.

11 25. On information and belief, PivotStor's infringement of the '766 patent has been
12 and is willful, and thus entitles Overland Storage to increased damages under 35 U.S.C. § 284 and
13 to attorneys' fees and costs incurred in litigating this action under 35 U.S.C. § 285.

14 26. Overland Storage has been irreparably harmed by these acts of infringement and
15 will continue to be harmed unless PivotStor's further acts of infringement are restrained and
16 enjoined by order of this Court. Overland Storage has no adequate remedy at law.

17 **COUNT TWO**

18 **Infringement of the '581 Patent by PivotStor**

19 27. Overland Storage incorporates by reference each of the allegations set forth above.

20 28. On information and belief, PivotStor, without authority, has directly infringed and
21 continues to directly infringe, under 35 U.S.C. § 271(a), the '581 patent by making, using,
22 offering to sell, or selling within the United States, or importing into the United States, the
23 accused products, including but not limited to the PivotStor AP Series TL2000 Tape Library, the
24 PivotStor AP Series TL4000 Tape Library and the PivotStor AP Series TL8000 Tape Library.
25 The accused products, alone and/or in combination with other products, practice each of
26 the limitations of independent claims 1, 10, 16, and 19 and dependent claims 2, 5, 6, 7, 9 and 12
27 of the '581 patent.

1 29. On information and belief, PivotStor, without authority, has actively induced and
2 continues to actively induce infringement by others, under 35 U.S.C. § 271(b), by intentionally
3 causing others to directly infringe the claims of the '581 patent and/or by intentionally instructing
4 others how to use the accused products in a manner that infringes the claims of the '581 patent.
5 On information and belief, PivotStor has induced and continues to induce infringement by
6 instructing customers to operate the products in an infringing manner and/or when PivotStor
7 performs quality assurance testing or otherwise operates the accused products in the United
8 States. For example, PivotStor provides the accused products in a default configuration that
9 implements the infringing features.

10 30. On information and belief, PivotStor, without authority, has contributorily
11 infringed and continues to contributorily infringe, under 35 U.S.C. § 271(c), by importing into the
12 United States, selling and/or offering to sell within the United States accused products that
13 (1) constitute a material part of the invention of the '581 patent, (2) PivotStor knows to be
14 especially adapted for use in infringing the '581 patent, and (3) are not staple articles of
15 commerce suitable for substantial noninfringing use with respect to the '581 patent. On
16 information and belief, PivotStor ships the accused products with all the features required to
17 infringe the asserted claims of the '581 patent. On information and belief, these products are
18 designed to implement the infringing features, and the default settings of the accused products, as
19 shipped, are set accordingly.

20 31. PivotStor had actual notice of its infringement of the '581 patent before the filing
21 of this complaint. In 2010, Overland Storage filed patent infringement actions in this Court and
22 in the ITC against several companies that manufacture and/or sell tape libraries that infringe the
23 '581 patent, including BDT AG, BDT Products, Inc., BDT-Solutions GmbH & Co. KG, BDT
24 Automation Technology (Zhuhai FTZ) Co., Ltd., and BDT de México, S. de R.L. de C.V.
25 (collectively "BDT"). On information and belief, PivotStor shares common ownership with
26 BDT. On information and belief, PivotStor sells the same type of tape libraries that were accused
27 of infringing the '581 patent in the BDT litigation.

1 32. On information and belief, PivotStor has continued to sell tape libraries that
2 practice the '581 patent after Overland Storage filed that litigation. The filing of the complaint in
3 this action also constitutes notice to PivotStor of the '581 patent under 35 U.S.C. § 287.

4 33. As a result of the infringement of the '581 patent by PivotStor, Overland Storage
5 has suffered and will continue to suffer damages in an amount to be proven at trial.

6 34. On information and belief, PivotStor's infringement of the '581 patent has been
7 and is willful, and thus entitles Overland Storage to increased damages under 35 U.S.C. § 284 and
8 to attorneys' fees and costs incurred in litigating this action under 35 U.S.C. § 285.

9 35. Overland Storage has been irreparably harmed by these acts of infringement and
10 will continue to be harmed unless PivotStor's further acts of infringement are restrained and
11 enjoined by order of this Court. Overland Storage has no adequate remedy at law.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Overland Storage prays for judgment:

14 1. That Overland Storage be adjudged the owner of the '766 and '581 patents and
15 entitled to all rights of recovery thereunder, and that the '766 and '581 patents are valid and
16 enforceable;

17 2. That PivotStor be adjudged to have directly infringed, induced infringement and
18 contributed to infringement of the '766 and '581 patents;

19 3. That PivotStor and its officers, principals, agents, attorneys, servants, employees
20 and all others in active concert or participation with them, and its successors and assigns, be
21 enjoined by preliminary and permanent injunction from infringement, inducement of
22 infringement, and contributory infringement of the '766 and '581 patents, including but not
23 limited to making, using, importing, offering to sell and selling the accused products;

24 4. That Overland Storage be awarded damages, including treble damages, under 35
25 U.S.C. § 284 from PivotStor, adequate to compensate Overland Storage for infringement of the
26 '766 and '581 patents in an amount to be proven at trial, together with interest and costs as fixed
27 by the Court;

1 5. That this case be declared an exceptional case within the meaning of 35 U.S.C.
2 § 285 and that Overland Storage be awarded the attorneys' fees, costs, and expenses that it incurs
3 prosecuting this action;

4 6. That Overland Storage be awarded prejudgment interest; and

5 7. For such other and further equitable relief as the Court deems proper.

6 **DEMAND FOR JURY TRIAL**

7 Overland Storage demands a trial by jury for all issues so triable pursuant to Federal Rule
8 of Civil Procedure 38(b).

9 Dated: June 28, 2012

DLA PIPER LLP (US)

10
11 By /s/ Sean C. Cunningham

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