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14 **UNITED STATES DISTRICT COURT**
15 **SOUTHERN DISTRICT OF CALIFORNIA**

16 e.Digital Corporation,
17 Plaintiff,

18 v.

19 Toshiba America Information Systems,
20 Inc.
21 Defendant.

Case No. 3:13-cv-02909-H-BGS

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

**Assigned to the Honorable
Judge Marilyn L. Huff**

Courtroom 15A (Annex)

22 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its
23 undersigned counsel, complains and alleges against Defendant Toshiba America
24 Information Systems, Inc. (“Defendant” or “Toshiba”) as follows:

25 **NATURE OF THE ACTION**

26 1. This is a civil action for infringement of a patent arising under the
27 laws of the United States relating to patents, 35 U.S.C. § 101, *et seq.*, including,
28 without limitation, 35 U.S.C. §§ 271, 281. Plaintiff e.Digital seeks a preliminary
and permanent injunction and monetary damages for the infringement of its U.S.
Patent No. 5,839,108.

JURISDICTION AND VENUE

1
2 2. This court has subject matter jurisdiction over this case for patent
3 infringement under 28 U.S.C. §§ 1331 and 1338(a) and pursuant to the patent laws
4 of the United States of America, 35 U.S.C. § 101, *et seq.*

5 3. Venue properly lies within the Southern District of California
6 pursuant to the provisions of 28 U.S.C. §§ 1391(b), (c), and (d) and 1400(b). On
7 information and belief, Defendant conducts substantial business directly and/or
8 through third parties or agents in this judicial district by selling and/or offering to
9 sell the infringing products and/or by conducting other business in this judicial
10 district. Furthermore, Plaintiff e.Digital is headquartered and has its principal
11 place of business in this district, engages in business in this district, and has been
12 harmed by Defendant’s conduct, business transactions and sales in this district.

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

26 5. Upon information and belief, certain of these products manufactured
27 by Defendant have been and/or are currently sold and/or offered for sale online at
28 the Toshiba website at <http://www.toshiba.com/us/flash-storage> to consumers

1 including, but not limited to, consumers located within the State of California.

2 **PARTIES**

3 6. Plaintiff e.Digital is a Delaware corporation with its headquarters and
4 principal place of business at 16870 West Bernardo Drive, Suite 120, San Diego,
5 California 92127.

6 7. Upon information and belief, Defendant Toshiba America Information
7 Systems, Inc. is a corporation registered and lawfully existing under the laws of the
8 State of California, with an office and principal place of business located at 9740
9 Irvine Blvd, Irvine, CA 92618.

10 **THE ASSERTED PATENT**

11 8. On November 17, 1998, the United States Patent and Trademark
12 Office duly and legally issued United States Patent No. 5,839,108 (“the ’108
13 patent”) entitled “Flash Memory File System In A Handheld Record And Playback
14 Device,” to its named inventors Norbert P. Daberko and Richard K. Davis.
15 Plaintiff e.Digital is the assignee and owner of the entire right, title and interest in
16 and to the ’108 patent and has the right to bring this suit for damages and other
17 relief. A true and correct copy of the ’108 patent is attached hereto as Exhibit A.

18 **COUNT ONE**

19 **INFRINGEMENT OF THE ’108 PATENT BY DEFENDANT**

20 9. Plaintiff re-alleges and incorporates by reference each of the
21 allegations set forth in paragraphs 1 through 8 above.

22 10. The accused products include but are not limited to Toshiba’s Flash
23 Memory Storage products including but not limited to its USB, SSD, SD,
24 microSD, and/or Compact Flash products. The primary and substantial purpose of
25 the accused products is to write to and store data in electronic format in non-
26 volatile flash memory.

27 11. Toshiba has directly and indirectly infringed and is directly and
28 indirectly infringing Claim 1 of the ’108 patent in violation of 35 U.S.C. § 271, *et*

1 *seq.*, by making, using, offering for sale, selling in the United States and/or
2 importing into the United States without authority, the accused products identified
3 above. Claim 1 of the '108 patent teaches a method of memory management for a
4 non-volatile storage medium. The method comprises several steps, which generally
5 involves, without limitation, writing electronic data segments from volatile,
6 temporary memory to a non-volatile, long-term storage medium by linking data
7 segments according to a number of specified steps.

8 12. Plaintiff alleges that at least as of the date of the filing of the
9 originally filed complaint in this matter, if not sooner, Toshiba knew or should
10 have known of the existence of Claim 1 of the '108 patent and the fact that the
11 accused products infringe said Claim 1.

12 13. Plaintiff alleges that Toshiba sold, sells, offers to sell, ships, or
13 otherwise delivers the accused products to customers or end-users with all the
14 features required to infringe Claim 1 of the '108 patent. Upon information and
15 belief, Toshiba knows that the accused products infringe Claim 1 of the '108 patent
16 and intends to induce third parties to include its customers and end-users to also
17 infringe Claim 1 of the '108 patent.

18 14. Upon information and belief, the accused products, alone or in
19 combination with other products, directly or, alternatively, under the doctrine of
20 equivalents practice each of the limitations of independent Claim 1 of the '108
21 patent when they are used for their normal and intended purpose of writing to and
22 storing electronic data on non-volatile memory. Thus, Toshiba directly infringes
23 Claim 1 of the '108 patent in violation of 35 U.S.C. § 271(a) when it demonstrates,
24 tests or otherwise uses the accused products in the United States.

25 15. By way of example, Toshiba's demonstration and/or How-To videos,
26 posted by Toshiba on Toshiba's website(s) or other public websites, show Toshiba
27 and/or its authorized agents or employees migrating or transferring data from the
28 memory of one or more devices to one or more of the accused products. An

1 example can be found on Toshiba's website at
2 <http://support.toshiba.com/support/howToDetail?contentId=4002877> and/or on
3 Toshiba's YouTube channel at <http://www.youtube.com/watch?v=DIY85QVqJu8>
4 and/or at <http://www.youtube.com/watch?v=bBeEMOxZkMg>. Such conduct
5 evidences Toshiba's act of direct infringement of Claim 1 of the '108 patent.

6 16. Plaintiff alleges on information and belief that Toshiba uses, makes,
7 sells, offers to sell and/or imports the accused products knowing that they will be
8 used by its customers and end-users for writing and storing electronic data to non-
9 volatile memory utilizing the steps described in Claim 1 of the '108 patent.
10 Toshiba's product literature, videos and instructional materials and instructional
11 videos advertise and encourage customers to use the accused product(s) to store
12 electronic data in the accused products utilizing the methods of memory
13 management taught by Claim 1 of the '108 patent and in a manner it knows
14 infringes upon Claim 1 of the '108 patent.

15 17. Toshiba also provides operating manuals, user or installation guides,
16 instructional and "how-to" videos, answers to frequently asked questions on its
17 website, or other instructional material that instruct customers and end-users on
18 how to connect the accused products and use them as non-volatile storage devices
19 for electronic data. Among other things, Toshiba's informational materials lay out
20 step-by-step instructions on how to write data into the memory of the accused
21 products – a process that utilizes the method disclosed in Claim 1 of the '108
22 patent and which Toshiba knows (at the least as of the filing of the original
23 complaint if not sooner) infringes the method taught in Claim 1 of the '108 patent.
24 Plaintiff believes that Toshiba directs consumers and end-users to consult and
25 utilize such instructional videos and other informational material.

26 18. Plaintiff believes and thereupon alleges that Toshiba is aware that its
27 customers and end-users are using the accused products in an infringing manner
28 based on, among other things: 1) the discussions, questions, answers, and/or

1 comments posted on its “Toshiba Forum” website where Toshiba’s authorized
2 agents, customers and/or end-users discuss and disclose the use of the accused
3 products for non-volatile electronic data storage, a process which Toshiba knows
4 infringes upon Claim 1 of the ’108 patent; and/or 2) the fact that Toshiba
5 encourages its customers and end-users to use the accused products in an
6 infringing manner as set forth in the preceding Paragraphs.

7 19. As alleged above, incorporated herewith, and based upon information
8 and belief, Plaintiff alleges that Toshiba, without authority, has induced and
9 continues to induce infringement of the ’108 patent in violation of 35 U.S.C. §
10 271(b) inasmuch as:

- 11 a. The accused products infringe Claim 1 during the normal use of
12 the accused products by Toshiba’s customers and/or end-users;
- 13 b. Toshiba has known and has been continuously aware of the ’108
14 patent since at least the filing of the original complaint in this
15 action, if not sooner;
- 16 c. Toshiba has acted in a manner that encourages and continues to
17 encourage others to infringe Claim 1 of the ’108 patent by, among
18 other things, intentionally instructing and/or encouraging
19 customers and end-users to use the accused products in a manner
20 that Toshiba knows or should have known would cause them to
21 infringe the ’108 patent;
- 22 d. Toshiba sells, distributes, and supplies the accused products to
23 customers and end-users with the intent that the products be used
24 in an infringing manner;
- 25 e. Toshiba provides operating manuals, installation guides,
26 instructional videos, webcasts, and/or or other instructional
27 material designed to instruct customers and end-users to use the
28 products in an infringing manner; and,

1 f. Toshiba advertises, markets, and promotes the use of the accused
2 products in an infringing manner.

3 20. As alleged above, incorporated herewith, and based upon information
4 and belief, Plaintiff alleges that Toshiba has contributed and continues to
5 contribute to the infringement of Claim 1 of the '108 patent in violation of 35
6 U.S.C. § 271(c) inasmuch as:

7 a. The accused products infringe Claim 1 of the '108 patent during
8 the normal use of the accused products by Toshiba's customers
9 and/or end-users;

10 b. Toshiba has known and has been continuously aware of the '108
11 patent since at least the filing of the original complaint in this
12 action, if not sooner;

13 c. Toshiba imports into the United States, sells and/or offers to sell
14 within the United States products that (a) practice the method of
15 memory management of Claim 1 of the '108 patent; and, (b)
16 Toshiba knows that the same constitute material infringing
17 component(s) of the accused products, which were made and/or
18 especially adapted for use in the accused products;

19 d. The memory management component(s) and methods of the
20 accused products are not staple articles of commerce suitable for
21 substantial non-infringing use with respect to the '108 patent; and,

22 e. Toshiba sells, has sold, and/or has supplied the accused products
23 knowing of Plaintiff's '108 patent and knowing that the accused
24 products incorporate Plaintiff's patented method and/or were
25 specially adapted for use in a way which infringes the '108 patent.

26 21. As alleged above, Plaintiff alleges that Toshiba had notice of the '108
27 patent and knowledge of infringement of Claim 1 of the '108 patent since at least
28 the filing of the original complaint in this matter, if not sooner. Toshiba has and

1 continues to sell products that practice the '108 patent after acquiring knowledge
2 of infringement.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiff prays for relief and judgment as follows:

5 1. That Defendant be declared to have infringed the Patent-in-Suit;

6 2. That Defendant, Defendant's officers, agents, servants, employees,
7 and attorneys, and those persons in active concert or participation with them, be
8 preliminarily and permanently enjoined from infringement of the Patent-in-Suit,
9 including but not limited to any making, using, offering for sale, selling, or
10 importing of unlicensed infringing products within and without the United States;

11 3. Compensation for all damages caused by Defendant's infringement of
12 the Patent-in-Suit to be determined at trial;

13 4. A finding that this case is exceptional and an award of reasonable
14 attorneys fees pursuant to 35 U.S.C. § 285;

15 5. Granting Plaintiff pre-and post-judgment interest on its damages,
16 together with all costs and expenses; and,

17 6. Awarding such other relief as this Court may deem just and proper.

18 **HANDAL & ASSOCIATES**

19 Dated: March 19, 2014

20 By: /s/Pamela C. Chalk
21 Anton N. Handal
22 Pamela C. Chalk
23 Gabriel G. Hedrick
24 Attorneys for Plaintiff
25 e.Digital Corporation
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DEMAND FOR JURY TRIAL

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Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: March 19, 2014

By: /s/Pamela C. Chalk
Anton N. Handal
Pamela C. Chalk
Gabriel G. Hedrick
Attorneys for Plaintiff
e.Digital Corporation

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document has been served on this date to all counsel of record, if any to date, who are deemed to have consented to electronic service via the Court’s CM/ECF system per CivLR 5.4(d). Any other counsel of record will be served by electronic mail, facsimile and/or overnight delivery upon their appearance in this matter.

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct. Executed this 19th day of March, 2014 at San Diego, California.

HANDAL & ASSOCIATES

Dated: March 19, 2014

By: /s/Pamela C. Chalk
Anton N. Handal
Pamela C. Chalk
Gabriel G. Hedrick
Attorneys for Plaintiff
e.Digital Corporation