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

16 e.Digital Corporation,
17 Plaintiff,

18 v.

19 Micron Consumer Products Group, Inc.,
20 dba Lexar,
21 Defendant.

Case No. 3:13-cv-02907-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 Micron Consumer
24 Products Group, Inc., dba Lexar (“Lexar” or “Defendant”) as follows:

NATURE OF THE ACTION

25 1. This is a civil action for infringement of a patent arising under the
26 laws of the United States relating to patents, 35 U.S.C. § 101, *et seq.*, including,
27 without limitation, 35 U.S.C. §§ 271, 281. Plaintiff e.Digital seeks a preliminary
28 and permanent injunction and monetary damages for the infringement of its U.S.

1 Patent No. 5,839,108.

2 **JURISDICTION AND VENUE**

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

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

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

27 5. Upon information and belief, certain of the products manufactured by
28 Defendant Lexar have been and/or are currently sold and/or offered for sale at,

1 among other places, the Lexar online store website located at <http://store.lexar.com>
2 or via Lexar's toll free telephone number 1-800-789-9418 to consumers including,
3 but not limited to, consumers located within the State of California.

4 6. Upon information and belief, certain of the products manufactured by
5 Defendant Lexar have been and/or are currently sold and/or offered for sale at,
6 among other places, the Office Depot online store website located at
7 <http://www.officedepot.com> to consumers including, but not limited to, consumers
8 located within the State of California and/or at the Office Depot store located at
9 825 West "E" Street, San Diego, California 92101.

10 **PARTIES**

11 7. Plaintiff e.Digital is a Delaware corporation with its headquarters and
12 principal place of business at 16870 West Bernardo Drive, Suite 120, San Diego,
13 California 92127.

14 8. Upon information and belief, Defendant Micron Consumer Products
15 Group, Inc., dba Lexar is a corporation registered and lawfully existing under the
16 laws of the State of Delaware, with an office and principal place of business
17 located at 47300 Bayside Parkway, Fremont, CA 94538.

18 **THE ASSERTED PATENT**

19 9. On November 17, 1998, the United States Patent and Trademark
20 Office duly and legally issued United States Patent No. 5,839,108 ("the '108
21 patent") entitled "Flash Memory File System In A Handheld Record And Playback
22 Device," to its named inventors Norbert P. Daberko and Richard K. Davis.
23 Plaintiff e.Digital is the assignee and owner of the entire right, title and interest in
24 and to the '108 patent and has the right to bring this suit for damages and other
25 relief. A true and correct copy of the '108 patent is attached hereto as Exhibit A.

26 **COUNT ONE**

27 **INFRINGEMENT OF THE '108 PATENT BY DEFENDANT**

28 10. Plaintiff re-alleges and incorporates by reference each of the

1 allegations set forth in paragraphs 1 through 9 above.

2 11. The accused products include but are not limited to Lexar's Flash
3 Memory Storage products including but not limited to its USB, SSD, SD,
4 microSD, and/or Compact Flash products. The primary and substantial purpose of
5 the accused products is to write to and store data in electronic format in non-
6 volatile flash memory.

7 12. Lexar has directly and indirectly infringed and is directly and
8 indirectly infringing Claim 1 of the '108 patent in violation of 35 U.S.C. § 271, *et*
9 *seq.*, by making, using, offering for sale, selling in the United States and/or
10 importing into the United States without authority, the accused products identified
11 above. Claim 1 of the '108 patent teaches a method of memory management for a
12 non-volatile storage medium. The method comprises several steps, which generally
13 involves, without limitation, writing electronic data segments from volatile,
14 temporary memory to a non-volatile, long-term storage medium by linking data
15 segments according to a number of specified steps.

16 13. Plaintiff alleges that at least as of the date of the filing of the
17 originally filed complaint in this matter, if not sooner, Lexar knew or should have
18 known of the existence of Claim 1 of the '108 patent and the fact that the accused
19 products infringe said Claim 1.

20 14. Plaintiff alleges that Lexar sold, sells, offers to sell, ships, or
21 otherwise delivers the accused products to customers or end-users with all the
22 features required to infringe Claim 1 of the '108 patent. Upon information and
23 belief, Lexar knows that the accused products infringe Claim 1 of the '108 patent
24 and intends to induce third parties to include its customers and end-users to also
25 infringe Claim 1 of the '108 patent.

26 15. Upon information and belief, the accused products, alone or in
27 combination with other products, directly or, alternatively, under the doctrine of
28 equivalents practice each of the limitations of independent Claim 1 of the '108

1 patent when they are used for their normal and intended purpose of writing to and
2 storing electronic data on non-volatile memory. Thus, Lexar directly infringes
3 Claim 1 of the '108 patent in violation of 35 U.S.C. § 271(a) when it demonstrates,
4 tests or otherwise uses the accused products in the United States. An example of
5 Lexar's demonstration and testing of the accused products can be found at Lexar's
6 YouTube channel at <https://www.youtube.com/watch?v=R-3Jja82Tbg>.

7 16. By way of example, Lexar's demonstration and informational, posted
8 by Lexar on Lexar's website(s) or other public websites, show Lexar and/or its
9 authorized agents or employees migrating or transferring data from the memory of
10 one or more devices to one or more of the accused products. An example can be
11 found on Lexar's YouTube channel at
12 <https://www.youtube.com/watch?v=jB3qS4GRVCw> and/or
13 <https://www.youtube.com/watch?v=hrxtriQH3L8>. Such conduct evidences Lexar's
14 act of direct infringement of Claim 1 of the '108 patent.

15 17. Plaintiff alleges on information and belief that Lexar uses, makes,
16 sells, offers to sell and/or imports the accused products knowing that they will be
17 used by its customers and end-users for writing and storing electronic data to non-
18 volatile memory utilizing the steps described in Claim 1 of the '108 patent.
19 Lexar's product literature, instructional materials, and instructional and/or
20 informational videos advertise and encourage customers to use the accused
21 product(s) to store electronic data in the accused products utilizing the methods of
22 memory management taught by Claim 1 of the '108 patent and in a manner it
23 knows infringes upon Claim 1 of the '108 patent.

24 18. Lexar also provides operating manuals, user or guides, instructional
25 and "how-to" videos, or other instructional and/or informational material that
26 instruct customers and end-users on how to connect the accused products and use
27 them as non-volatile storage devices for electronic data. Among other things,
28 Lexar's informational materials lay out step-by-step instructions on how to write

1 data into the memory of the accused products – a process that utilizes the method
2 disclosed in Claim 1 of the '108 patent and which Lexar knows (at the least as of
3 the filing of the original complaint if not sooner) infringes the method taught in
4 Claim 1 of the '108 patent. Plaintiff believes that Lexar directs consumers and end-
5 users to consult and utilize such instructional videos and other informational
6 material.

7 19. Plaintiff believes and thereupon alleges that Lexar is aware that its
8 customers and end-users are using the accused products in an infringing manner
9 based on, among other things: 1) the Tips and Tricks advice Lexar provides on its
10 website to customers and end-users; and/or 2) the fact that Lexar encourages its
11 customers and end-users to use the accused products in an infringing manner as set
12 forth in the preceding Paragraphs.

13 20. As alleged above, incorporated herewith, and based upon information
14 and belief, Plaintiff alleges that Lexar, without authority, has induced and
15 continues to induce infringement of the '108 patent in violation of 35 U.S.C. §
16 271(b) inasmuch as:

- 17 a. The accused products infringe Claim 1 during the normal use of
18 the accused products by Lexar's customers and/or end-users;
- 19 b. Lexar has known and has been continuously aware of the '108
20 patent since at least the filing of the original complaint in this
21 action, if not sooner;
- 22 c. Lexar has acted in a manner that encourages and continues to
23 encourage others to infringe Claim 1 of the '108 patent by, among
24 other things, intentionally instructing and/or encouraging
25 customers and end-users to use the accused products in a manner
26 that Lexar knows or should have known would cause them to
27 infringe the '108 patent;
- 28 d. Lexar sells, distributes, and supplies the accused products to

- 1 customers and end-users with the intent that the products be used
2 in an infringing manner;
- 3 e. Lexar provides operating manuals, guides, instructional and/or
4 informational videos, or other instructional and/or informational
5 material designed to instruct customers and end-users to use the
6 products in an infringing manner; and,
- 7 f. Lexar advertises, markets, and promotes the use of the accused
8 products in an infringing manner.

9 21. As alleged above, incorporated herewith, and based upon information
10 and belief, Plaintiff alleges that Lexar has contributed and continues to contribute
11 to the infringement of Claim 1 of the '108 patent in violation of 35 U.S.C. § 271(c)
12 inasmuch as:

- 13 a. The accused products infringe Claim 1 of the '108 patent during
14 the normal use of the accused products by Lexar's customers
15 and/or end-users;
- 16 b. Lexar has known and has been continuously aware of the '108
17 patent since at least the filing of the original complaint in this
18 action, if not sooner;
- 19 c. Lexar imports into the United States, sells and/or offers to sell
20 within the United States products that (a) practice the method of
21 memory management of Claim 1 of the '108 patent; and, (b)
22 Lexar knows that the same constitute material infringing
23 component(s) of the accused products, which were made and/or
24 especially adapted for use in the accused products;
- 25 d. The memory management component(s) and methods of the
26 accused products are not staple articles of commerce suitable for
27 substantial non-infringing use with respect to the '108 patent; and,
- 28 e. Lexar sells, has sold, and/or has supplied the accused products

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knowing of Plaintiff's '108 patent and knowing that the accused products incorporate Plaintiff's patented method and/or were specially adapted for use in a way which infringes the '108 patent.

22. As alleged above, Plaintiff alleges that Lexar had notice of the '108 patent and knowledge of infringement of Claim 1 of the '108 patent since at least the filing of the original complaint in this matter, if not sooner. Lexar has and continues to sell products that practice the '108 patent after acquiring knowledge of infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment as follows:

1. That Defendant be declared to have infringed the Patent-in-Suit;
2. That Defendant, Defendant's officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, be preliminarily and permanently enjoined from infringement of the Patent-in-Suit, including but not limited to any making, using, offering for sale, selling, or importing of unlicensed infringing products within and without the United States;
3. Compensation for all damages caused by Defendant's infringement of the Patent-in-Suit to be determined at trial;
4. A finding that this case is exceptional and an award of reasonable attorneys fees pursuant to 35 U.S.C. § 285;
5. Granting Plaintiff pre-and post-judgment interest on its damages, together with all costs and expenses; and,
6. Awarding such other relief as this Court may deem just and proper.

HANDAL & ASSOCIATES

Dated: March 21, 2014

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

DEMAND FOR JURY TRIAL

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Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: March 21, 2014

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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 21st day of March, 2014 at San Diego, California.

HANDAL & ASSOCIATES

Dated: March 21, 2014

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