

1 ANTON HANDAL (Bar No. 113812)
anh@handal-law.com
2 PAMELA C. CHALK (Bar No. 216411)
pchalk@handal-law.com
3 GABRIEL HEDRICK (Bar No. 220649)
ghedrick@handal-law.com
4 HANDAL & ASSOCIATES
5 1200 Third Avenue, Suite 1321
San Diego, California 92101
6 Tel: 619.544.6400
7 Fax: 619.696.0323

8 Attorneys for Plaintiff
e.Digital Corporation

9
10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12
13 e.Digital Corporation,
14 Plaintiff,
15 v.
16 Wintec Industries, Inc.,
17 Defendant.

Case No. 3:13-cv-2942-H-BGS

**FIRST AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

**Assigned to the Honorable
Judge Marilyn L. Huff
Courtroom 15A (Annex)**

18
19 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its
20 undersigned counsel, complains and alleges against Defendant Wintec Industries,
21 Inc. (“Wintec” or “Defendant”) as follows:

22 **NATURE OF THE ACTION**

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

28 **JURISDICTION AND VENUE**

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

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

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

25 5. Upon information and belief, certain of the products manufactured by
26 Wintec have been and/or are currently sold and/or offered for sale at, among other
27 places, the Wal-Mart website located at <http://www.walmart.com> to consumers
28 including, but not limited to, consumers located within the State of California

1 and/or at the Wal-Mart store located at 3382 Murphy Canyon Rd, San Diego, CA
2 92123.

3 **PARTIES**

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

7 7. Upon information and belief, Defendant Wintec is a corporation
8 registered and lawfully existing under the laws of the State of California, with an
9 office and principal place of business located at 675 Sycamore Drive, Milpitas, CA
10 95035.

11 **THE ASSERTED PATENT**

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

19 **COUNT ONE**

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

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

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

28 11. Wintec has directly and indirectly infringed and is directly and

1 indirectly infringing Claim 1 of the '108 patent in violation of 35 U.S.C. § 271, *et*
2 *seq.*, by making, using, offering for sale, selling in the United States and/or
3 importing into the United States without authority, the accused products identified
4 above. Claim 1 of the '108 patent teaches a method of memory management for a
5 non-volatile storage medium. In general, the method comprises several steps,
6 which generally involves, without limitation, writing electronic data segments from
7 volatile, temporary memory to a non-volatile, long-term storage medium by
8 linking data segments according to a number of specified steps.

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

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

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

26 15. By way of example, Wintec's demonstration and How-To videos,
27 posted by Wintec on Wintec's website(s) or other public websites, show Wintec
28 and/or its authorized agents or employees migrating or transferring data from the

1 memory of one or more devices to one or more of the accused products. An
2 example can be found on Wintec's Facebook website page at
3 <https://www.facebook.com/WintecIndustries> and/or at
4 [https://www.facebook.com/media/set/?set=a.10151807974561425.1073741826.11](https://www.facebook.com/media/set/?set=a.10151807974561425.1073741826.117341306424&type=1)
5 [7341306424&type=1](https://www.facebook.com/media/set/?set=a.10151807974561425.1073741826.117341306424&type=1). Such conduct evidences Wintec's act of direct infringement
6 of Claim 1 of the '108 patent.

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

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

28 18. Plaintiff believes and thereupon alleges that Wintec is aware that its

1 customers and end-users are using the accused products in an infringing manner
2 based on, among other things: 1) the discussions, questions, answers, and/or
3 comments posted on Wintec's Facebook and/or Twitter website pages; 2) Wintec
4 provides website links on its website to the Wintec product page websites of its
5 authorized distributors and online retailers, such as www.walmart.com, wherein
6 Wintec's authorized agents, customers and/or end-users discuss and disclose the
7 use of the accused products for non-volatile electronic data storage, a process
8 which Wintec knows infringes upon Claim 1 of the '108 patent; and/or, 3) the fact
9 that Wintec encourages its customers and end-users to use the accused products in
10 an infringing manner as set forth in the preceding Paragraphs.

11 19. As alleged above, incorporated herewith, and based upon information
12 and belief, Plaintiff alleges that since at least from the date of the filing of the
13 original complaint, Wintec, has without authority induced and continues to induce
14 infringement of the '108 patent in violation of 35 U.S.C. § 271(b) inasmuch as:

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- e. Wintec provides operating manuals, installation and/or user guides, instructional videos, or other instructional and/or informational material designed to instruct customers and end-users to use the products in an infringing manner; and,
- f. Wintec advertises, markets, and promotes the use of the accused products in an infringing manner.

20. As alleged above, incorporated herewith, and based upon information and belief, Plaintiff alleges that since at least from the date of the filing of the original complaint, Wintec has contributed and continues to contribute to the infringement of Claim 1 of the '108 patent in violation of 35 U.S.C. § 271(c) inasmuch as:

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

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

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

8 **PRAYER FOR RELIEF**

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

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

23 **HANDAL & ASSOCIATES**

24 Dated: March 28, 2014

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

DEMAND FOR JURY TRIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: March 28, 2014

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 28th day of March, 2014 at San Diego, California.

HANDAL & ASSOCIATES

Dated: March 28, 2014

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