

1 Anton N. Handal (Bar No. 113812)
2 anh@handal-law.com
3 Gabriel G. Hedrick (Bar No. 220649)
4 ghedrick@handal-law.com
5 Lauren G. Kane (Bar No. 286212)
6 lkane@handal-law.com
7 HANDAL & ASSOCIATES
8 750 B Street, Suite 2510
9 San Diego, CA 92101
10 Tel: (619) 544-6400
11 Fax: (619) 696-0323

12 Attorneys for Plaintiff
13 e.Digital Corporation

14 **UNITED STATES DISTRICT COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN FRANCISCO DIVISION**

17 e.Digital Corporation,
18 Plaintiff,
19 v.
20 IBABY Labs, Inc. (dba iBABY),
21 Defendant.

22 Case No. 3:15-cv-05790-JST
23 **SECOND AMENDED COMPLAINT**
24 **FOR PATENT INFRINGEMENT**
25 **DEMAND FOR JURY TRIAL**

26 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its undersigned
27 counsel, complains and alleges against Defendant IBABY Labs, Inc. (dba iBABY) (“iBaby” or
28 “Defendant”) as follows:

29 **NATURE OF THE ACTION**

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

JURISDICTION AND VENUE

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

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

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

21 5. Upon information and belief, certain of the products manufactured by or for
22 Defendant have been and/or are currently sold and/or offered for sale to consumers including, but
23 not limited to, consumers located within the State of California at, among other places, Defendant’s
24 website located at <https://ibabylabs.com>, Best Buy, including its website located at
25 <http://www.bestbuy.com>, Nordstrom, including its website located at <http://shop.nordstrom.com>,
26 Target, including their website at Target.com, and Amazon.com’s website located at
27 <http://www.amazon.com/gp/gw/ajax/s.html>.

28 ///

PARTIES

1
2 6. Plaintiff e.Digital is a Delaware corporation with its headquarters and principal place
3 of business at 16870 West Bernardo Drive, Suite 120, San Diego, California 92127.

4 7. Upon information and belief, Defendant IBABY Labs, Inc. (dba iBABY) is a
5 corporation registered and lawfully existing under the laws of the State of California, with an office
6 and principal place of business located at 780 Montague Expressway, Suite 601, San Jose, CA
7 95131.

8 8. Upon information and belief, Defendant does business under different names
9 including but not limited to the brand name iBABY.

10 **THE ACCUSED PRODUCTS**

11 9. The Defendant’s accused products for purposes of the Asserted Patents include but
12 are not limited to the Defendant’s sensor-based products and services, such as, without limitation,
13 iBABY baby monitors/wireless camera systems such as iBaby Monitor M6, iBaby Monitor M6T,
14 and iBaby Monitor M2, Defendant’s computer and mobile applications, and Defendant’s
15 server/cloud-based services for remote monitoring and communication, all of which, in conjunction
16 with each other, infringe the asserted claims of the Asserted Patents (the “Accused Products” or
17 “iBaby System”).

18 **THE ASSERTED PATENTS**

19 10. On November 13, 2012, the United States and Trademark office, duly and legally
20 issued United States Patent No. 8,311,522, entitled “System and Method for Managing Mobile
21 Communications” (“the ’522 patent”). The patent’s named inventor is Patrick Nunally and Plaintiff
22 e.Digital is assignee and owner of the entire right, title and interest in and to the ’522 patent and
23 vested with the right to bring this suit for damages and other relief. A true and correct copy of the
24 ’522 patent is attached hereto as Exhibit “A”.

25 11. On November 6, 2012, the United States and Trademark office, duly and legally
26 issued United States Patent No. 8,306,514, entitled “System and Method for Managing Mobile
27 Communications” (“the ’514 patent”). The patent’s named inventor is Patrick Nunally and Plaintiff
28 e.Digital is assignee and owner of the entire right, title and interest in and to the ’514 patent and

1 vested with the right to bring this suit for damages and other relief. A true and correct copy of the
2 '514 patent is attached hereto as Exhibit "B".

3 12. On November 13, 2012, the United States and Trademark office, duly and legally
4 issued United States Patent No. 8,311,524, entitled "System and Method for Managing Mobile
5 Communications" ("the '524 patent"). The patent's named inventor is Patrick Nunally and Plaintiff
6 e.Digital is assignee and owner of the entire right, title and interest in and to the '524 patent and
7 vested with the right to bring this suit for damages and other relief. A true and correct copy of the
8 '524 patent is attached hereto as Exhibit "C".

9 13. On April 7, 2015, the United States Patent and Trademark office duly and legally
10 issued United States Patent No. 9,002,331, entitled "System and Method for Managing Mobile
11 Communications" ("the '331 patent"), which is a continuation of the '522 patent. Patrick Nunally
12 is the sole named inventor and Plaintiff e.Digital is assignee and owner of the entire right, title and
13 interest in and to the '331 patent and vested with the right to bring this suit for damages and other
14 relief. A true and correct copy of the '331 patent is attached hereto as Exhibit "D."

15 14. On November 3, 2015, the United States Patent and Trademark office duly and
16 legally issued United States Patent No. 9,178,983, also entitled "System and Method of Managing
17 Mobile Communications ("the '983 patent"). The '983 patent is a continuation of U.S. Patent No.
18 8,315,618, which is, in turn, a continuation of the '522 patent. Patrick Nunally is the sole named
19 inventor and Plaintiff e.Digital is assignee and owner of the entire right, title and interest in and to
20 the '983 patent and vested with the right to bring this suit for damages and other relief. A true and
21 correct copy of the '983 patent is attached hereto as Exhibit "E."

22 **COUNT ONE**

23 **INFRINGEMENT OF THE '522 PATENT BY DEFENDANT**

24 15. Plaintiff re-alleges and incorporates by reference each of the allegations set forth in
25 paragraphs 1 through 14 above.

26 16. Generally speaking, the accused iBaby System utilizes sensors, such as cameras and
27 microphones, for generating sensor data related to the environment of the sensor devices to provide
28 different alerts to users and others regarding activity around the sensor devices. The iBaby System

1 further stores in memory a plurality of templates containing light and audio parameters used in
2 classifying activities, such as, for example, motion detection. Sensor data is compiled by the iBaby
3 System's cloud servers or other processing devices and compared to the parameters of one or more
4 templates stored in memory. The iBaby System cloud servers/processors determine which template
5 in memory has the greatest correspondence to the sensor data and utilizes that template and a
6 hierarchy associated with the template, configured either for levels of what iBaby refers to as "user
7 access authority" and/or configured for performing varying operations, such as, among other things,
8 sending alerts or other information to users and others via "push" notifications to iOS mobile
9 devices through the iBaby mobile application or via email (using, e.g., a MSN "friends list") to
10 mobile or desktop devices or by uploading images to a FTP server. The Accused Products further
11 use a non-transitory cloud server, which stores processing instructions for carrying out the
12 limitations of the Accused Products. The primary and substantial purpose of the Accused Products
13 is to perform the aforementioned functions.

14 17. Defendant directly or, alternatively, under the doctrine of equivalents, infringes each
15 of the limitations of independent claim 17 and dependent claim 21 of the '522 patent (hereafter "the
16 asserted claims of the '522 patent") in violation of 35 U.S.C. § 271(a) when Defendant
17 demonstrates, tests or otherwise uses the Accused Products, alone or in combination with other
18 products, in the United States. Defendant's customers directly or, alternatively, under the doctrine
19 of equivalents, infringe each of the limitations of independent claim 17 and dependent claim 21 of
20 the '522 patent when they use the Accused Products, alone or in combination with other products,
21 in the United States.

22 18. Defendant has had knowledge of infringement of the '522 patent since at least the
23 filing of the original complaint and continues to sell the infringing Accused Products despite such
24 knowledge.

25 19. Plaintiff alleges on information and belief that Defendant has, in the United States,
26 without authority, actively induced and continues to actively induce infringement of the asserted
27 claims of the '522 patent in violation of 35 U.S.C. § 271(b) by among other things posting
28 information about and demonstration videos showing how to infringe the Asserted Patents as more

1 specifically set forth below.

2 20. Plaintiff similarly alleges upon information and belief that, without authority,
3 Defendant has contributed and continues to contribute to the infringement of the asserted claims of
4 the '522 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or
5 offering to sell within the United States Accused Products, that at a minimum include wireless
6 camera and/or other sensor products together with remote monitoring and communication systems
7 as described above, constituting material components of the Accused Products, that Defendant
8 knows were made and/or especially adapted for use in the Accused Products and/or are especially
9 adapted for use in infringing the asserted claims of the '522 patent, and which are not otherwise
10 staple articles of commerce suitable for substantial use in a manner that does not infringe the
11 asserted claims of the '522 patent.

12 21. Plaintiff is informed and believes that Defendant intentionally sells, ships or
13 otherwise delivers the Accused Products in the United States, with knowledge that are designed to
14 and do practice the infringing features of the asserted claims of the '522 patent.

15 22. Plaintiff alleges that Defendant encourages others to directly infringe the asserted
16 claims of the '522 patent in violation of 35 U.S.C. § 271(b) and (c) by, among other things,
17 providing operating manuals, guides, instructional and/or informational videos and other materials
18 designed to instruct others how to use the products in an infringing manner. In particular,
19 Defendant's product literature, materials and instructional videos advertise and encourage
20 customers to use the accused product(s) for remote monitoring, which utilizes the devices described
21 by the '522 patent in a manner Defendant knows infringes the patent.

22 23. Information about and demonstration videos showing how to infringe the asserted
23 claims of the '522 patent are posted by Defendant on its website(s) at <https://ibabylabs.com>, on its
24 Facebook page located at <https://www.facebook.com/ibabylabs>, its YouTube page located at
25 <https://www.youtube.com/channel/UCEDPw1NRugGgnW3bVuxtUZQ>,
26 <https://twitter.com/iBabyLabs>, and/or public websites.

27 24. Defendant also provides operating manuals, user guides, instructional/informational
28 videos on its website that instruct customers and end-users on how to purchase the Defendant's

1 baby monitor/wireless camera systems and set them up so as to implement and perform the
2 infringing features of the '522 patent. Among other things, the Defendant provides informational
3 materials that lay out step-by-step instructions on how to set up an apparatus or system that
4 infringes the asserted claims of the Asserted Patents on its website(s) such as on website located at
5 <https://ibabylabs.com>. For example, such materials include instructions for, among other things,
6 installing and setting up audio/video sensors, activating and modifying template parameters, and
7 setting up user authorization levels.

8 25. Plaintiff believes and thereupon alleges that Defendant is aware that its customers
9 and end-users are using the Accused Products in an infringing manner based on, among other
10 things: 1) the discussions, questions, answers, and/or comments posted on its website, and/other
11 other public websites where Defendant's authorized agents, customers and/or end-users discuss and
12 disclose the use of the Accused Products, a process which Defendant knows infringes upon patent;
13 and/or, 2) the fact that Defendant encourages its customers and end-users to use the Accused
14 Products in an infringing manner as set forth herein.

15 26. Plaintiff is without an adequate remedy at law and has thus been irreparably harmed
16 by these acts of infringement. Plaintiff asserts upon information and belief that infringement of the
17 asserted claims of the '522 patent is continuous and ongoing unless and until Defendant is enjoined
18 from further infringement by the court.

19 COUNT TWO

20 **INFRINGEMENT OF THE '514 PATENT BY DEFENDANT**

21 27. Plaintiff re-alleges and incorporates by reference each of the allegations set forth in
22 paragraphs 1 through 14 above.

23 28. Generally speaking, the accused iBaby System utilizes sensors, such as cameras and
24 microphones, for generating sensor data related to the environment of the sensor devices to provide
25 different alerts to users and others regarding activity around the sensor devices. The iBaby System
26 further stores in memory a plurality of templates containing light and audio parameters used in
27 classifying activities, such as, for example, motion detection. Sensor data is compiled by the iBaby
28 System's cloud servers or other processing devices and compared to the parameters of one or more

1 templates stored in memory. The iBaby System cloud servers/processors determine which template
2 in memory has the greatest correspondence to the sensor data and utilizes that template and a
3 hierarchy associated with the template, configured either for levels of what iBaby refers to as “user
4 access authority” and/or configured for performing varying operations, such as, among other things,
5 sending alerts or other information to users and others via “push” notifications to iOS mobile
6 devices through the iBaby mobile application or via email (using, e.g., a MSN “friends list”) to
7 mobile or desktop devices or by uploading images to a FTP server. The Accused Products further
8 use a non-transitory cloud server, which stores processing instructions for carrying out the
9 limitations of the Accused Products. The primary and substantial purpose of the Accused Products
10 is to perform the aforementioned functions.

11 29. Defendant directly or, alternatively, under the doctrine of equivalents, infringes each
12 of the limitations of independent claim 34 and dependent claim 35 of the ’514 patent (hereafter “the
13 asserted claims of the ’514 patent”) in violation of 35 U.S.C. § 271(a) when Defendant
14 demonstrates, tests or otherwise uses the Accused Products in the United States. Defendant’s
15 customers directly or, alternatively, under the doctrine of equivalents, infringe each of the
16 limitations of independent claim 34 and dependent claim 35 of the ’514 patent when they use the
17 Accused Products, alone or in combination with other products, in the United States.

18 30. Defendant has knowledge of infringement of the ’514 patent since at least the filing
19 of the original complaint and continues to sell the infringing Accused Products despite such
20 knowledge.

21 31. Plaintiff alleges on information and belief that Defendant has, in the United States,
22 without authority, actively induced and continues to actively induce infringement of the asserted
23 claims of the ’514 patent in violation of 35 U.S.C. § 271(b) by, among other things, posting
24 information about and demonstration videos showing how to infringe the Asserted Patents as more
25 specifically set forth below.

26 32. Plaintiff similarly alleges upon information and belief that, without authority,
27 Defendant has contributed and continues to contribute to the infringement of the asserted claims of
28 the ’514 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or

1 offering to sell within the United States Accused Products, that at a minimum include wireless
2 camera and/or other sensor products together with remote monitoring and communication systems
3 as described above, constituting material components of the Accused Products, that Defendant
4 knows were made and/or especially adapted for use in the Accused Products and/or are especially
5 adapted for use in infringing the asserted claims of the '514 patent; and which are not otherwise
6 staple articles of commerce suitable for substantial use in a manner that does not infringe the
7 asserted claims of the '514 patent.

8 33. Plaintiff is informed and believes that Defendant intentionally sells, ships or
9 otherwise delivers the Accused Products in the United States, with knowledge that are designed to
10 and do practice the infringing features of the asserted claims of the '514 patent.

11 34. Plaintiff alleges that Defendant encourages others to directly infringe the asserted
12 claims of the '514 patent in violation of 35 U.S.C. § 271(b) and (c) by, among other things,
13 providing operating manuals, guides, instructional and/or informational videos and other materials
14 designed to instruct others how to use the products in an infringing manner. In particular,
15 Defendant's product literature, materials and instructional videos advertise and encourage
16 customers to use the accused product(s) for remote monitoring, which utilizes the devices described
17 by the '514 patent in a manner Defendant knows infringes the patent.

18 35. Information about and demonstration videos showing how to infringe the asserted
19 claims of the '514 patent are posted by Defendant on its website(s) at <https://ibabylabs.com>, on its
20 Facebook page located at <https://www.facebook.com/ibabylabs>, its YouTube page located at
21 <https://www.youtube.com/channel/UCEDPw1NRugGgnW3bVuxtUZQ>,
22 <https://twitter.com/iBabyLabs>, and/or public websites.

23 36. Defendant also provides operating manuals, user guides, instructional/informational
24 videos on its website that instruct customers and end-users on how to purchase the Defendant's
25 baby monitor/wireless camera systems and set them up so as to implement and perform the
26 infringing features of the '514 patent. Among other things, the Defendant provides informational
27 materials that lay out step-by-step instructions on how to set up an apparatus or system that
28 infringes the asserted claims of the Asserted Patents on its website(s) such as on website located at

1 <https://ibabylabs.com>. For example, such materials include instructions for, among other things,
2 installing and setting up audio/video sensors, activating and modifying template parameters, and
3 setting up user authorization levels.

4 37. Plaintiff believes and thereupon alleges that Defendant is aware that its customers
5 and end-users are using the Accused Products in an infringing manner based on, among other
6 things: 1) the discussions, questions, answers, and/or comments posted on its website, and/other
7 other public websites where Defendant's authorized agents, customers and/or end-users discuss and
8 disclose the use of the Accused Products, a process which Defendant knows infringes upon patent;
9 and/or, 2) the fact that Defendant encourages its customers and end-users to use the Accused
10 Products in an infringing manner as set forth herein.

11 38. Plaintiff is without an adequate remedy at law and has thus been irreparably harmed
12 by these acts of infringement. Plaintiff asserts upon information and belief that infringement of the
13 asserted claims of the '514 patent is continuous and ongoing unless and until Defendant is enjoined
14 from further infringement by the court.

15 **COUNT THREE**

16 **INFRINGEMENT OF THE '524 PATENT BY DEFENDANT**

17 39. Plaintiff re-alleges and incorporates by reference each of the allegations set forth in
18 paragraphs 1 through 14 above.

19 40. Generally speaking, the accused iBaby System utilizes sensors, such as cameras and
20 microphones, for generating sensor data related to the environment of the sensor devices to provide
21 different alerts to users and others regarding activity around the sensor devices. The iBaby System
22 further stores in memory a plurality of templates containing light and audio parameters used in
23 classifying activities, such as, for example, motion detection. Sensor data is compiled by the iBaby
24 System's cloud servers or other processing devices and compared to the parameters of one or more
25 templates stored in memory. The iBaby System cloud servers/processors determine which template
26 in memory has the greatest correspondence to the sensor data and utilizes that template and a
27 hierarchy associated with the template, configured either for levels of what iBaby refers to as "user
28 access authority" and/or configured for performing varying operations, such as, among other things,

1 sending alerts or other information to users and others via “push” notifications to iOS mobile
2 devices through the iBaby mobile application or via email (using, e.g., a MSN “friends list”) to
3 mobile or desktop devices or by uploading images to a FTP server. The Accused Products further
4 use a non-transitory cloud server, which stores processing instructions for carrying out the
5 limitations of the Accused Products. The primary and substantial purpose of the Accused Products
6 is to perform the aforementioned functions.

7 41. Defendant’s directly or, alternatively, under the doctrine of equivalents, infringe
8 each of the limitations of independent claim 1 and dependent claims 10 and 18 of the ’524 patent
9 (hereafter “the asserted claims of the ’524 patent”) in violation of 35 U.S.C. § 271(a) when
10 Defendant demonstrates, tests or otherwise uses the Accused Products, alone or in combination
11 with other products, in the United States. Defendant’s customers directly or, alternatively, under
12 the doctrine of equivalents, infringe each of the limitations of independent claim 1 and dependent
13 claims 10 and 18 of the ’524 patent when they use the Accused Products, alone or in combination
14 with other products, in the United States.

15 42. Defendant has had knowledge of infringement of the ’524 patent since at least the
16 filing of this complaint and continues to sell the infringing Accused Products despite such
17 knowledge.

18 43. Plaintiff alleges on information and belief that Defendant has, in the United States,
19 without authority, actively induced and continues to actively induce infringement of the asserted
20 claims of the ’524 patent in violation of 35 U.S.C. § 271(b) by among other things posting
21 information about and demonstration videos showing how to infringe the Asserted Patents as more
22 specifically set forth below.

23 44. Plaintiff similarly alleges upon information and belief that, without authority,
24 Defendant has contributed and continues to contribute to the infringement of the asserted claims of
25 the ’524 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or
26 offering to sell within the United States Accused Products, that at a minimum include wireless
27 camera and/or other sensor products together with remote monitoring and communication systems
28 as described above, constituting material components of the Accused Products, that Defendant

1 knows were made and/or especially adapted for use in the Accused Products and/or are especially
2 adapted for use in infringing the asserted claims of the '524 patent; and which are not otherwise
3 staple articles of commerce suitable for substantial use in a manner that does not infringe the
4 asserted claims of the '524 patent.

5 45. Plaintiff is informed and believes that Defendant intentionally sells, ships or
6 otherwise delivers the Accused Products in the United States, with knowledge that are designed to
7 and do practice the infringing features of the asserted claims of the '524 patent.

8 46. Plaintiff alleges that Defendant encourages others to directly infringe the asserted
9 claims of the '524 patent in violation of 35 U.S.C. § 271(b) and (c) by, among other things,
10 knowingly inducing and contributing to the infringement of the '524 patent by, amount other things,
11 providing operating manuals, guides, instructional and/or informational videos and other materials
12 designed to instruct others how to use the products in an infringing manner. In particular,
13 Defendant's product literature, materials and instructional videos advertise and encourage
14 customers to use the accused product(s) for remote monitoring, which utilizes the devices described
15 by the '524 patent in a manner Defendant knows infringes the patent.

16 47. Information about and demonstration videos showing how to infringe the asserted
17 claims of the '524 patent are posted by Defendant on its website(s) at <https://ibabylabs.com>, on its
18 Facebook page located at <https://www.facebook.com/ibabylabs>, its YouTube page located at
19 <https://www.youtube.com/channel/UCEDPw1NRugGgnW3bVuxtUZQ>,
20 <https://twitter.com/iBabyLabs>, and/or public websites.

21 48. Defendant also provides operating manuals, user guides, instructional/informational
22 videos on its website that instruct customers and end-users on how to purchase the Defendant's
23 baby monitor/wireless camera systems and set them up so as to implement and perform the
24 infringing features of the '524 patent. Among other things, the Defendant provides informational
25 materials that lay out step-by-step instructions on how to set up an apparatus or system that
26 infringes the asserted claims of the Asserted Patents on its website(s) such as on website located at
27 <https://ibabylabs.com>. For example, such materials include instructions for, among other things,
28 installing and setting up audio/video sensors, activating and modifying template parameters, and

1 setting up user authorization levels.

2 49. Plaintiff believes and thereupon alleges that Defendant is aware that its customers
3 and end-users are using the Accused Products in an infringing manner based on, among other
4 things: 1) the discussions, questions, answers, and/or comments posted on its website, and/other
5 other public websites where Defendant's authorized agents, customers and/or end-users discuss and
6 disclose the use of the Accused Products, a process which Defendant knows infringes upon patent;
7 and/or, 2) the fact that Defendant encourages its customers and end-users to use the Accused
8 Products in an infringing manner as set forth herein.

9 50. Plaintiff is without an adequate remedy at law and has thus been irreparably harmed
10 by these acts of infringement. Plaintiff asserts upon information and belief that infringement of the
11 asserted claims of the '524 patent is continuous and ongoing unless and until Defendant is enjoined
12 from further infringement by the court.

13 **COUNT FOUR**

14 **INFRINGEMENT OF THE '331 PATENT BY DEFENDANT**

15 51. Plaintiff re-alleges and incorporates by reference each of the allegations set forth in
16 paragraphs 1 through 14 above.

17 52. Generally speaking, the accused iBaby System utilizes sensors, such as cameras and
18 microphones, for generating sensor data related to the environment of the sensor devices to provide
19 different alerts to users and others regarding activity around the sensor devices. The iBaby System
20 further stores in memory a plurality of templates containing light and audio parameters used in
21 classifying activities, such as, for example, motion detection. Sensor data is compiled by the iBaby
22 System's cloud servers or other processing devices and compared to the parameters of one or more
23 templates stored in memory. The iBaby System cloud servers/processors determine which template
24 in memory has the greatest correspondence to the sensor data and utilizes that template and a
25 hierarchy associated with the template, configured either for levels of what iBaby refers to as "user
26 access authority" and/or configured for performing varying operations, such as, among other things,
27 sending alerts or other information to users and others via "push" notifications to iOS mobile
28 devices through the iBaby mobile application or via email (using, e.g., a MSN "friends list") to

1 mobile or desktop devices or by uploading images to a FTP server. The Accused Products further
2 use a non-transitory cloud server, which stores processing instructions for carrying out the
3 limitations of the Accused Products. The primary and substantial purpose of the Accused Products
4 is to perform the aforementioned functions.

5 53. Defendant directly or, alternatively, under the doctrine of equivalents, infringes each
6 of the limitations of independent claim 1 and dependent claims 2, 3 and 11 of the '331 patent
7 (hereafter "the asserted claims of the '331 patent") in violation of 35 U.S.C. § 271(a) when
8 Defendant demonstrates, tests or otherwise uses the Accused Products, alone or in combination
9 with other products, in the United States. Defendant's customers directly or, alternatively, under
10 the doctrine of equivalents, infringe each of the limitations of independent claim 1 and dependent
11 claims 2, 3, and 11 of the '331 patent when they use the Accused Products, alone or in combination
12 with other products, in the United States.

13 54. Defendant has had knowledge of infringement of the '331 patent since at least the
14 filing of the original complaint and continues to sell the infringing Accused Products despite such
15 knowledge.

16 55. Plaintiff alleges on information and belief that Defendant has, in the United States,
17 without authority, actively induced and continues to actively induce infringement of the asserted
18 claims of the '331 patent in violation of 35 U.S.C. § 271(b) by among other things posting
19 information about and demonstration videos showing how to infringe the Asserted Patents as more
20 specifically set forth below.

21 56. Plaintiff similarly alleges upon information and belief that, without authority,
22 Defendant has contributed and continues to contribute to the infringement of the asserted claims of
23 the '331 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or
24 offering to sell within the United States Accused Products, that at a minimum include wireless
25 camera and/or other sensor products together with remote monitoring and communication systems
26 as described above, constituting material components of the Accused Products, that Defendant
27 knows were made and/or especially adapted for use in the Accused Products and/or are especially
28 adapted for use in infringing the asserted claims of the '331 patent, and which are not otherwise

1 staple articles of commerce suitable for substantial use in a manner that does not infringe the
2 asserted claims of the '331 patent.

3 57. Plaintiff is informed and believes that Defendant intentionally sells, ships or
4 otherwise delivers the Accused Products in the United States, with knowledge that are designed to
5 and do practice the infringing features of the asserted claims of the '331 patent.

6 58. Plaintiff alleges that Defendant encourages others to directly infringe the asserted
7 claims of the '331 patent in violation of 35 U.S.C. § 271(b) and (c) by, among other things,
8 providing operating manuals, guides, instructional and/or informational videos and other materials
9 designed to instruct others how to use the products in an infringing manner. In particular,
10 Defendant's product literature, materials and instructional videos advertise and encourage
11 customers to use the accused product(s) for remote monitoring, which utilizes the devices described
12 by the '331 patent in a manner Defendant knows infringes the patent.

13 59. Information about and demonstration videos showing how to infringe the asserted
14 claims of the '331 patent are posted by Defendant on its website(s) at <https://ibabylabs.com>, on its
15 Facebook page located at <https://www.facebook.com/ibabylabs>, its YouTube page located at
16 <https://www.youtube.com/channel/UCEDPw1NRugGgnW3bVuxtUZQ>,
17 <https://twitter.com/iBabyLabs>, and/or public websites.

18 60. Defendant also provides operating manuals, user guides, instructional/informational
19 videos on its website that instruct customers and end-users on how to purchase the Defendant's
20 baby monitor/wireless camera systems and set them up so as to implement and perform the
21 infringing features of the '331 patent. Among other things, the Defendant provides informational
22 materials that lay out step-by-step instructions on how to set up an apparatus or system that
23 infringes the asserted claims of the Asserted Patents on its website(s) such as on website located at
24 <https://ibabylabs.com>. For example, such materials include instructions for, among other things,
25 installing and setting up audio/video sensors, activating and modifying template parameters, and
26 setting up user authorization levels.

27 61. Plaintiff believes and thereupon alleges that Defendant is aware that its customers
28 and end-users are using the Accused Products in an infringing manner based on, among other

1 things: 1) the discussions, questions, answers, and/or comments posted on its website, and/other
2 other public websites where Defendant's authorized agents, customers and/or end-users discuss and
3 disclose the use of the Accused Products, a process which Defendant knows infringes upon patent;
4 and/or, 2) the fact that Defendant encourages its customers and end-users to use the Accused
5 Products in an infringing manner as set forth herein.

6 62. Plaintiff is without an adequate remedy at law and has thus been irreparably harmed
7 by these acts of infringement. Plaintiff asserts upon information and belief that infringement of the
8 asserted claims of the '331 patent is continuous and ongoing unless and until Defendant is enjoined
9 from further infringement by the court.

10 **COUNT FIVE**

11 **INFRINGEMENT OF THE '983 PATENT BY DEFENDANT**

12 63. Plaintiff re-alleges and incorporates by reference each of the allegations set forth in
13 paragraphs 1 through 14 above.

14 64. Generally speaking, the accused iBaby System utilizes sensors, such as cameras and
15 microphones, for generating sensor data related to the environment of the sensor devices to provide
16 different alerts to users and others regarding activity around the sensor devices. The iBaby System
17 further stores in memory a plurality of templates containing light and audio parameters used in
18 classifying activities, such as, for example, motion detection. Sensor data is compiled by the iBaby
19 System's cloud servers or other processing devices and compared to the parameters of one or more
20 templates stored in memory. The iBaby System cloud servers/processors determine which template
21 in memory has the greatest correspondence to the sensor data and utilizes that template and a
22 hierarchy associated with the template, configured either for levels of what iBaby refers to as "user
23 access authority" and/or configured for performing varying operations, such as, among other things,
24 sending alerts or other information to users and others via "push" notifications to iOS mobile
25 devices through the iBaby mobile application or via email (using, e.g., a MSN "friends list") to
26 mobile or desktop devices or by uploading images to a FTP server. The Accused Products further
27 use a non-transitory cloud server, which stores processing instructions for carrying out the
28 limitations of the Accused Products. The primary and substantial purpose of the Accused Products

1 is to perform the aforementioned functions.

2 65. Defendant directly or, alternatively, under the doctrine of equivalents, infringes each
3 of the limitations of independent claims 1 and 20 and dependent claims 13, 14, 16, and 19 of the
4 '983 patent (hereafter "the asserted claims of the '983 patent") in violation of 35 U.S.C. § 271(a)
5 when Defendant sells, offers to sell, demonstrates, tests or otherwise uses the Accused Products,
6 alone or in combination with other products, in the United States. Defendant's customers directly
7 or, alternatively, under the doctrine of equivalents, infringe each of the limitations of independent
8 claims 1 and 20 and dependent claims 13, 14, 16, 19 of the '983 patent when they use the Accused
9 Products, alone or in combination with other products, in the United States.

10 66. Defendant has had knowledge of infringement of the '983 patent since at least the
11 filing of the original complaint and continues to sell the infringing Accused Products despite such
12 knowledge.

13 67. Plaintiff alleges on information and belief that Defendant has, in the United States,
14 without authority, actively induced and continues to actively induce infringement of the asserted
15 claims of the '983 patent in violation of 35 U.S.C. § 271(b) by among other things posting
16 information about and demonstration videos showing how to infringe the Asserted Patents as more
17 specifically set forth below.

18 68. Plaintiff similarly alleges upon information and belief that, without authority,
19 Defendant has contributed and continues to contribute to the infringement of the asserted claims of
20 the '983 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or
21 offering to sell within the United States Accused Products, that at a minimum include wireless
22 camera and/or other sensor products together with remote monitoring and communication systems
23 as described above, constituting material components of the Accused Products, that Defendant
24 knows were made and/or especially adapted for use in the Accused Products and/or are especially
25 adapted for use in infringing the asserted claims of the '983 patent, and which are not otherwise
26 staple articles of commerce suitable for substantial use in a manner that does not infringe the
27 asserted claims of the '983 patent.

28 69. Plaintiff is informed and believes that Defendant intentionally sells, ships or

1 otherwise delivers the Accused Products in the United States, with knowledge that are designed to
2 and do practice the infringing features of the asserted claims of the '983 patent.

3 70. Plaintiff alleges that Defendant encourages others to directly infringe the asserted
4 claims of the '983 patent in violation of 35 U.S.C. § 271(b) and (c) by, among other things,
5 providing operating manuals, guides, instructional and/or informational videos and other materials
6 designed to instruct others how to use the products in an infringing manner. In particular,
7 Defendant's product literature, materials and instructional videos advertise and encourage
8 customers to use the accused product(s) for remote monitoring, which utilizes the devices described
9 by the '983 patent in a manner Defendant knows infringes the patent.

10 71. Information about and demonstration videos showing how to infringe the asserted
11 claims of the '983 patent are posted by Defendant on its website(s) at <https://ibabylabs.com>, on its
12 Facebook page located at <https://www.facebook.com/ibabylabs>, its YouTube page located at
13 <https://www.youtube.com/channel/UCEDPw1NRugGgnW3bVuxtUZQ>,
14 <https://twitter.com/iBabyLabs>, and/or public websites.

15 72. Defendant also provides operating manuals, user guides, instructional/informational
16 videos on its website that instruct customers and end-users on how to purchase the Defendant's
17 baby monitor/wireless camera systems and set them up so as to implement and perform the
18 infringing features of the '983 patent. Among other things, the Defendant provides informational
19 materials that lay out step-by-step instructions on how to set up an apparatus or system that
20 infringes the asserted claims of the Asserted Patents on its website(s) such as on website located at
21 <https://ibabylabs.com>. For example, such materials include instructions for, among other things,
22 installing and setting up audio/video sensors, activating and modifying template parameters, and
23 setting up user authorization levels.

24 73. Plaintiff believes and thereupon alleges that Defendant is aware that its customers
25 and end-users are using the Accused Products in an infringing manner based on, among other
26 things: 1) the discussions, questions, answers, and/or comments posted on its website, and/other
27 other public websites where Defendant's authorized agents, customers and/or end-users discuss and
28 disclose the use of the Accused Products, a process which Defendant knows infringes upon patent;

1 and/or, 2) the fact that Defendant encourages its customers and end-users to use the Accused
2 Products in an infringing manner as set forth herein.

3 74. Plaintiff is without an adequate remedy at law and has thus been irreparably harmed
4 by these acts of infringement. Plaintiff asserts upon information and belief that infringement of the
5 asserted claims of the '983 patent is continuous and ongoing unless and until Defendant is enjoined
6 from further infringement by the court.

7 **PRAYER FOR RELIEF**

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

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

22 HANDAL & ASSOCIATES

23 Dated: September 16, 2016

24 By: /s/ Gabriel G. Hedrick
25 Gabriel G. Hedrick
26 Lauren G. Kane
27 Anton N. Handal
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

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: September 16, 2016

By: /s/ Gabriel G. Hedrick
Gabriel G. Hedrick
Lauren G. Kane
Anton N. Handal
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. 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 16th day of September 2016 at San Diego, California.

/s/ Gabriel G. Hedrick _____

Gabriel G. Hedrick