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15 Attorneys for Plaintiff
16 Soteria Encryption, LLC

17 **UNITED STATES DISTRICT COURT**
18 **CENTRAL DISTRICT OF CALIFORNIA**
19 **WESTERN DIVISION**

20 SOTERIA ENCRYPTION, LLC,

21 Plaintiff,

22 v.

23 SECUREDATA, INC.,

24 Defendant.

Case No. 2:19-cv-1994

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 For its Complaint against Defendant SecureData, Inc. (“SecureData” or
2 “Defendant”), Plaintiff Soteria Encryption, LLC (“Soteria” or “Plaintiff”) alleges as
3 follows:

4 **THE PARTIES**

5 1. Plaintiff Soteria Encryption, LLC (“Soteria”) is a California limited
6 liability company having a principal place of business at 1055 East Colorado
7 Boulevard, Suite 500, Pasadena, CA 91106.

8 2. On information and belief, SecureData, Inc. is a California corporation
9 with its principal place of business at 3255 Cahuenga Blvd. West, #111, Los
10 Angeles, CA 90068, and has appointed Walter Weiss, 1901 Avenue of the Stars,
11 Suite 390, Los Angeles, CA 90067, as its agent for service of process.

12 **JURISDICTION AND VENUE**

13 3. This is a civil action for patent infringement arising under the Patent
14 Act of the United States, 35 U.S.C. §§ 1 *et seq.* This court has subject matter
15 jurisdiction of such federal question claims pursuant to 28 U.S.C. §§ 1331 and
16 1338(a).

17 4. This Court has personal jurisdiction over Defendant in this action
18 because Defendant has its principal place of business in this district, has committed
19 acts within this district giving rise to this action and has established minimum
20 contacts with this forum such that the exercise of jurisdiction would not offend
21 traditional notions of fair play and substantial justice. Defendant, directly and
22 indirectly, has committed and continue to commit acts of infringement in this
23 district by, among other things, offering to sell and selling products and/or services
24 that infringe the asserted patent.

25 5. Venue is proper under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b) in
26 that the acts and transactions complained of herein were conceived, carried out,
27 made effective, and had effect within the State of California and within this district,
28 among other places. Defendant resides in this district by virtue of its principal place

1 of business and business activities in this district, including its regular and
2 established place of business, and acts of infringement and inducement of
3 infringement within this district.

4 **SOTERIA'S PATENT-IN-SUIT**

5 6. On June 27, 2006, the United States Patent & Trademark Office duly
6 and legally issued United States Letters Patent No. 7,069,447 ("the '447 Patent"),
7 entitled "Apparatus and Method for Secure Data Storage."

8 7. The '447 Patent claims, among other things, a secure mass data storage
9 device operable in conjunction with a host computer. This device allows for the
10 safe and secure storage of sensitive and confidential information in portable memory
11 storage devices.

12 8. The '447 Patent is owned by Soteria.

13 **FIRST CLAIM FOR RELIEF**

14 **(Against Defendant for direct and inducing INFRINGEMENT OF U.S.**
15 **PATENT NO. 7,069,447)**

16 9. Plaintiff incorporates herein by reference the allegations set forth in
17 paragraphs 1-8 of the Complaint as though fully set forth herein.

18 10. A true and correct copy of the '447 Patent is attached as Exhibit A and
19 incorporated herein by reference.

20 11. Defendant has been and now is infringing at least claim 1 of the '447
21 Patent in this district, and elsewhere in the United States by, among other things;
22 making, using, importing, offering for sale, and/or selling mass data storage devices
23 that contain mass storage media, a command/sector buffer, an encryption/decryption
24 unit, a user authentication unit, a media controller and a host computer interface.
25 Said mass data storage devices offer the benefits of encryption to Defendant's
26 customers without the need for software installation or the risk of infected machines
27 stealing login credentials by using the technology contained in the mass data storage
28 devices themselves to authenticate users without going through software or through

1 the host computer interface. Examples of such devices include, but are not limited
2 to, Defendant's SecureDrive KP, SecureDrive BT, Secure USB KP, and Secure
3 USB BT products.

4 12. The mass storage device of Claim 1 offers significant improvements for
5 data security over those that existed in the art. Traditional data security relies on
6 software solutions but offer little in the way of security measures to prevent physical
7 data theft or security in the event of a compromised host computer. While the
8 contents of a drive may be encrypted, any machine that already had the encryption
9 key could readily decode them, whether or not the use of that machine was allowed.
10 The invention of the '447 as embodied in Claim 1 for example, solves this problem
11 by moving the security from the host computer or computer network to the physical
12 mass storage device. By ensuring that the data is inaccessible and encrypted without
13 an authorized use of the mass storage device, it become significantly more difficult
14 for even well-positioned data thieves to access any of the data. By authenticating
15 the user on the mass storage device directly, the security of the data can be ensured
16 even if someone picks up and carries off the computer and mass storage device—
17 something traditional network or software security is ill-positioned to combat.

18 13. The '447 patent has been cited by at least 50 issued United States
19 patents and published patent applications as relevant prior art.

20 14. By making, using, selling, and offering for sale such devices, and all
21 like products and related services that are covered by one or more claims of the '447
22 Patent, including at least claim 1, Defendant has infringed and continues to infringe
23 the '447 Patent, including infringement under 35 U.S.C. § 271.

24 15. On information and belief, Defendant has also indirectly infringed and
25 continues to indirectly infringe the '447 Patent by actively inducing direct
26 infringement by other persons, such as its customers and end users, who operate
27 methods and systems that embody or otherwise practice one or more of the claims of
28 the '447 Patent, when Defendant had knowledge (or willful blindness thereto) of the

1 '447 Patent and that the activities they were inducing would result in direct
2 infringement by others and intended that its actions would induce direct
3 infringement by others. SecureData intended and was aware that the normal and
4 customary use of the accused products would infringe the '447 patent.

5 16. SecureData intended to induce other persons, such as its customers and
6 end users, to directly infringe the '447 patent by (1) advising or directing them to
7 make, use, sell, or import the infringing products or perform the infringing method,
8 (2) advertising and promoting the use of the infringing products and performance of
9 the infringing method, and (3) distributing instructions for using the infringing
10 products and performing the infringing methods. On information and belief,
11 SecureData engaged in such inducement to promote the sales of the accused
12 products, e.g., through user manuals, product support, and marketing materials to
13 actively induce the users of the accused products to infringe the '447 patent.

14 17. On information and belief, Defendant has had knowledge of the '447
15 Patent since, at least, the receipt date of a cease and desist letter sent by Soteria on
16 or about January 31, 2019, wherein said letter included a detailed claim chart
17 showing infringement.

18 18. On information and belief, Defendant will continue to infringe the '447
19 Patent unless enjoined by this Court.

20 19. On information and belief, Defendant's infringement is willful.
21 Defendant has disregarded, and continues to disregard, an objectively high
22 likelihood that its actions infringe at least claim 1 of the '447 patent, where such
23 action constitutes egregious misconduct. For instance, counsel for Defendant sent a
24 response letter dated February 5, 2019, stating that it was "investigating the matter"
25 but has not substantively followed up since the filing date of this Complaint. Given
26 that Soteria has previously litigated this patent, including the issuance of a *Markman*
27 decision, upon information and belief, Defendant knew, or it was so obvious that
28

1 Defendant should have known, that its actions constituted infringement of a valid
2 and enforceable patent.

3 20. As a direct and proximate result of Defendant's infringement of the
4 '447 Patent, Soteria has been and continues to be, damaged in an amount yet to be
5 determined, but in no event less than a reasonable royalty for the use made of the
6 invention by Defendant, together with interest and costs as fixed by the Court.

7 21. Unless a preliminary and permanent injunction are issued enjoining
8 Defendant and its officers, agents, servants and employees, and all others acting on
9 its behalf or in concert with Defendant, from infringing the '447 Patent, Soteria, will
10 be greatly and irreparably harmed.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Soteria prays for judgment against Defendant as follows:

13 (1) For a judicial decree that Defendant has infringed, and continue to
14 infringe, the '447 patent;

15 (2) For a judicial decree that Defendant, its respective subsidiaries,
16 officers, agents, servants, employees, licensees, and all other persons or entities
17 acting or attempting to act in active concert or participation with it or acting on its
18 behalf, be preliminarily and permanently enjoined from further infringement of the
19 '447 Patent;

20 (3) For a judicial decree that orders Defendant to account for and pay to
21 Soteria all damages caused to Soteria by reason of Defendant's infringement
22 pursuant to 35 U.S.C. Section 284, including enhanced damages;

23 (4) For a judicial decree finding that this is an exceptional case within the
24 meaning of 35 U.S.C. § 285 and awarding to Plaintiff its reasonable attorneys' fees;

25 (5) For a judicial decree that Defendant pays an ongoing royalty in an
26 amount to be determined for continued infringement after the date of judgment;

27 (6) For a judicial decree awarding to Soteria pre-judgment and post-
28 judgment interest on the damages caused to it by Defendant's infringement; and

1 (7) For any such other and further relief as the Court may deem just and
2 proper under the circumstances.

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4 Dated: March 18, 2019

ONE LLP

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6 By: /s/ John E. Lord

7 John E. Lord

8 Joey K. Liu

9 Attorneys for Plaintiff
10 Soteria Encryption, LLC
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DEMAND FOR JURY TRIAL

Plaintiff Soteria hereby demands trial by jury in this action.

Dated: March 18, 2019

ONE LLP

By: /s/ John E. Lord

John E. Lord

Joey K. Liu

Attorneys for Plaintiff
Soteria Encryption, LLC