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e.Digital Corporation

8  
9 **UNITED STATES DISTRICT COURT**  
10 **SOUTHERN DISTRICT OF CALIFORNIA**

11 e.Digital Corporation,  
12  
13 Plaintiff,  
14 v.

15 KORG, Inc.; KORG U.S.A., Inc.; Guitar  
Center, Inc.; Sweetwater Sound Inc.; Kraft  
16 Music Ltd.; Sam Ash Music Corporation; and J  
& R Electronics Inc.

17 Defendants.  
18

Case No. **'12CV2580 JAH WVG**

**COMPLAINT FOR PATENT  
INFRINGEMENT**

**DEMAND FOR JURY TRIAL**

19  
20 Plaintiff e.Digital Corporation ("e.Digital" or "Plaintiff"), by and through its undersigned  
21 counsel, complains and alleges against KORG, Inc. and KORG U.S.A., Inc. (collectively,  
22 "KORG"); Guitar Center, Inc. ("Guitar Center"); Sweetwater Sound Inc. ("Sweetwater"); Kraft  
23 Music Ltd. ("Kraft Music"); Sam Ash Music Corporation ("Sam Ash"); and J & R Electronics  
24 Inc. (collectively, "Defendants") as follows:

25 **NATURE OF THE ACTION**

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

1 infringement of its U.S. Patent Nos. 5,839,108; 5,842,170; 5,742,737; and 5,491,774.

2 **JURISDICTION AND VENUE**

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

6 3. Venue properly lies within the Southern District of California pursuant to the  
7 provisions of 28 U.S.C. §§ 1391(b), (c), and (d) and 1400(b). On information and belief,  
8 Defendant conducts substantial business directly and/or through third parties or agents in this  
9 judicial district by selling and/or offering to sell the infringing products and/or by conducting  
10 other business in this judicial district. Furthermore, Plaintiff e.Digital is headquartered and has  
11 its principal 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 information and  
14 belief, Defendant transacts continuous and systematic business within the State of California and  
15 the Southern District of California. In addition, this Court has personal jurisdiction over the  
16 Defendants because, on information and belief, this lawsuit arises out of Defendant's infringing  
17 activities, including, without limitation, the making, using, selling and/or offering to sell  
18 infringing 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 belief,  
20 Defendant has made, used, sold and/or offered for sale its infringing products and placed such  
21 infringing products in the stream of interstate commerce with the expectation that such infringing  
22 products would be made, used, sold and/or offered for sale within the State of California and the  
23 Southern District of California.

24 **PARTIES**

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

27 6. Upon information and belief, Defendant KORG, Inc. is a company registered and  
28 lawfully existing under the laws of Japan, with an office and principal place of business located

1 at 4015-2, Yanokuchi, Inagi-shi, Tokyo, 206-0812, Japan.

2 7. Upon information and belief, Defendant KORG U.S.A., Inc. is a company  
3 registered and lawfully existing under the laws of the State of Delaware, with an office and  
4 principal place of business located at 316 South Service Road, Melville, NY 11747.

5 8. Upon information and belief, Defendant Guitar Center is a company registered  
6 and lawfully existing under the laws of the State of Delaware, with an office and principal place  
7 of business located at 5795 Lindero Canyon Road, Westlake Village, California 91362. Upon  
8 information and belief, certain of the products manufactured by KORG have been and/or are  
9 currently sold and/or offered for sale at, among other places, the Guitar Center located at 8825  
10 Murray Dr. La Mesa, CA 91942-3327.

11 9. Upon information and belief, Defendant Sweetwater is a corporation registered  
12 and lawfully existing under the laws of the State of Indiana, with an office and principal place of  
13 business located at 5501 U.S. Hwy 30 W Fort Wayne, IN 46818. Upon information and belief,  
14 certain of the products manufactured by KORG have been and/or are currently sold and/or  
15 offered for sale at, among other places, the Sweetwater website located at  
16 <http://www.sweetwater.com>.

17 10. Upon information and belief, Defendant Kraft Music is a company registered and  
18 lawfully existing under the laws of the State of Wisconsin, with an office and principal place of  
19 business located at 4700 W. Ryan Road, Franklin, WI 53132. Upon information and belief,  
20 certain of the products manufactured by KORG have been and/or are currently sold and/or  
21 offered for sale at, among other places, the Kraft Music website located at [www.kraftmusic.com](http://www.kraftmusic.com).

22 11. Upon information and belief, Defendant Sam Ash is a company registered and  
23 lawfully existing under the laws of the State of New York, with an office and principal place of  
24 business located at PO Box 9047, Hicksville, New York 11802. Upon information and belief,  
25 certain of the products manufactured by KORG have been and/or are currently sold and/or  
26 offered for sale at, among other places, the Sam Ash website located at [www.samash.com](http://www.samash.com) and  
27 the Sam Ash store located at 7404 Sunset Blvd., West Hollywood, California 90046.

28 12. Upon information and belief, Defendant J & R Electronics Inc. is a corporation

1 registered and lawfully existing under the laws of the State of New York, with an office and  
2 principal place of business located at 23 Park Row, New York, New York, 10038. Upon  
3 information and belief, certain of the products manufactured by KORG have been and/or are  
4 currently sold and/or offered for sale at, among other places, the J & R Electronics Inc. website  
5 located at www.jr.com.

### 6 **THE ASSERTED PATENTS**

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

13 14. On November 24, 1998, United States Patent No. 5,842,170 (“the ’170 patent”)  
14 entitled “Method For Editing In Hand Held Recorder,” was duly and legally issued by the United  
15 States Patent and Trademark Office. The named inventors are Norbert P. Daberko, Richard K.  
16 Davis, and Richard D. Bridgewater. e.Digital is the assignee and owner of the entire right, title  
17 and interest in and to the ’170 patent and has the right to bring this suit for damages and other  
18 relief. A true and correct copy of the ’170 patent is attached hereto as Exhibit B.

19 15. On April 21, 1998, United States Patent No. 5,742,737 (“the ’737 patent”) entitled  
20 “Method For Recording Voice Messages On Flash Memory In A Hand Held Recorder,” was  
21 duly and legally issued by the United States Patent and Trademark Office. The named inventors  
22 are Norbert P. Daberko, Richard K. Davis, and Richard D. Bridgewater. e.Digital is the assignee  
23 and owner of the entire right, title and interest in and to the ’737 patent and has the right to bring  
24 this suit for damages and other relief. A true and correct copy of the ’737 patent is attached  
25 hereto as Exhibit C.

26 16. On October 17, 2012, the United States Patent and Trademark Office issued a  
27 Reexamination Certificate for the ’737 patent, canceling Claim 5 and adding new Claim 13,  
28 which is substantially identical to former claim 5. A true and correct copy of the Reexamination

1 Certificate is attached hereto as Exhibit D.

2 17. On February 13, 1996, United States Patent No. 5,491,774 (“the ‘774 patent”)  
3 entitled “Handheld Record And Playback Device With Flash Memory,” was duly and legally  
4 issued by the United States Patent and Trademark Office. The named inventors are Elwood G.  
5 Norris, Norbert P. Daberko, and Steven T. Brightbill. e.Digital is the assignee and owner of the  
6 entire right, title and interest in and to the ’774 patent and has the right to bring this suit for  
7 damages and other relief. A true and correct copy of the ’774 patent is attached hereto as Exhibit  
8 E.

9 18. On August 14, 2012, the United States Patent and Trademark Office issued a  
10 Reexamination Certificate for the ’774 patent. A true and correct copy of the Reexamination  
11 Certificate is attached hereto as Exhibit F.

12 **COUNT ONE**

13 **INFRINGEMENT OF THE ’108 PATENT BY DEFENDANTS**

14 19. Plaintiff re-alleges and incorporates by reference each of the allegations set forth  
15 above.

16 20. Upon information and belief, Defendants, without authority, (a) have directly  
17 infringed and continue to directly infringe the ’108 patent by making, using, offering to sell, or  
18 selling within the United States, or importing into the United States, products that practice claim  
19 5 of the ’108 patent in violation of 35 U.S.C. § 271(a); (b) have induced and continue to induce  
20 infringement of claim 5 of the ’108 patent in violation of 35 U.S.C. § 271(b); and (c) have  
21 contributed and continue to contribute to the infringement of claim 5 of the ’108 patent in  
22 violation of 35 U.S.C. § 271(c).

23 21. The accused products for purposes of the ’108 patent include but are not limited  
24 to the KORG MR-2 and SOS portable recorders, and KP3 KAOSS Pad, KP2 KAOSS Pad,  
25 Kaossilator 2 and Kaossilator Pro recorders/samplers.

26 22. The accused products, alone or in combination with other products, practice each  
27 of the limitations of independent claim 5 of the ’108 patent.

28 23. Upon information and belief, Defendants, without authority, have actively

1 induced and continue to actively induce infringement of claim 5 of the '108 patent in violation of  
2 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '108 patent and/or by  
3 intentionally instructing others how to use the accused products in a manner that infringes claim  
4 5 of the '108 patent. Plaintiff also alleges that Defendants have induced and continue to induce  
5 infringement by instructing customers to operate the products in an infringing manner and/or  
6 when Defendants test or otherwise operate the accused products in the United States.

7 24. Upon information and belief, Defendants, without authority, have contributed and  
8 continue to contribute to the infringement of claim 5 of the '108 patent in violation of 35 U.S.C.  
9 § 271(c) by importing into the United States, selling and/or offering to sell within the United  
10 States accused products that (1) embody and constitute a material part of the invention of the  
11 '108 patent, (2) Defendants knows to be especially adapted for use in infringing the '108 patent,  
12 and (3) are not staple articles of commerce suitable for substantial non-infringing use with  
13 respect to the '108 patent.

14 25. Based on information and belief, Plaintiff alleges that Defendants sell, ship or  
15 otherwise deliver the accused products with all the features required to infringe the asserted  
16 claims of the '108 patent. On information and belief, these products are designed to implement  
17 the infringing features.

18 26. Defendants had knowledge of infringement of the '108 patent since at least the  
19 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of  
20 complaints against others within Defendants' industry. On information and belief, Defendants  
21 have continued to sell products that practice the '108 patent after acquiring knowledge of  
22 infringement.

23 27. Upon information and belief, the infringement by Defendants has been and is  
24 willful.

25 28. Plaintiff has been irreparably harmed by these acts of infringement and has no  
26 adequate remedy at law. Upon information and belief, infringement of the '108 patent is  
27 ongoing and will continue unless Defendants are enjoined from further infringement by the  
28 court.

1 COUNT TWO

2 **INFRINGEMENT OF THE '170 PATENT BY DEFENDANTS**

3 29. Plaintiff re-alleges and incorporates by reference each of the allegations set forth  
4 in paragraphs 1 through 18 above.

5 30. Upon information and belief, Defendants, without authority, (a) have directly  
6 infringed and continue to directly infringe the '170 patent by making, using, offering to sell, or  
7 selling within the United States, or importing into the United States, products that practice one  
8 ore more claims of the '170 patent in violation of 35 U.S.C. § 271(a); (b) have induced and  
9 continue to induce infringement of one or more claims of the '170 patent in violation of 35  
10 U.S.C. § 271(b); and (c) have contributed and continue to contribute to the infringement of one  
11 ore more claims of the '170 patent in violation of 35 U.S.C. § 271(c).

12 31. The accused products for purposes of the '170 patent include but are not limited  
13 to the KORG SOS portable recorder and KAOSILATOR 2 sampler/recorder.

14 32. The accused products, alone or in combination with other products, practice each  
15 of the limitations of independent claims 1 and 7, and dependent claims 2, 5 through 6, 8 and 13  
16 of the '170 patent.

17 33. Upon information and belief, Defendants, without authority, have actively  
18 induced infringement and continue to actively induce infringement of the '170 patent in violation  
19 of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '170 patent and/or  
20 by intentionally instructing others how to use the accused products in a manner that infringes the  
21 claims of the '170 patent. On information and belief, Defendants have induced and continue to  
22 induce infringement by instructing customers to operate the products in an infringing manner  
23 and/or when Defendants test or otherwise operate the accused products in the United States.

24 34. Upon information and belief, Defendants, without authority, have contributed to  
25 and continue to contribute to the infringement of the '170 patent in violation of 35 U.S.C. §  
26 271(c) by importing into the United States, selling and/or offering to sell within the United States  
27 accused products that (1) constitute a material part of the invention of the '170 patent, (2)  
28 Defendant knows to be especially adapted for use in infringing the '170 patent, and (3) are not

1 staple articles of commerce suitable for substantial noninfringing use with respect to the '170  
2 patent.

3 35. Based on information and belief, Plaintiff alleges that Defendants sell, ship or  
4 otherwise deliver the accused products with all the features required to infringe the asserted  
5 claims of the '170 patent. On information and belief, these products are designed to implement  
6 the infringing features.

7 36. Defendants had knowledge of infringement of the '170 patent since at least the  
8 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of  
9 complaints against others within Defendants' industry. On information and belief, Defendants  
10 have continued to sell products that practice the '170 patent after acquiring knowledge of  
11 infringement.

12 37. Upon information and belief, the infringement by Defendants has been and is  
13 willful.

14 38. Plaintiff has been irreparably harmed by these acts of infringement and has no  
15 adequate remedy at law. Upon information and belief, infringement of the '170 patent is  
16 ongoing and will continue unless Defendants are enjoined from further infringement by the  
17 court.

### 18 **COUNT THREE**

#### 19 **INFRINGEMENT OF THE '737 PATENT BY DEFENDANT**

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

22 40. Upon information and belief, Defendants, without authority, (a) have directly  
23 infringed and continue to directly infringe the '737 patent by making, using, offering to sell, or  
24 selling within the United States, or importing into the United States, products that practice one  
25 ore more claims of the '737 patent in violation of 35 U.S.C. § 271(a); (b) have induced and  
26 continue to induce infringement of one or more claims of the '737 patent in violation of 35  
27 U.S.C. § 271(b); and (c) have contributed and continue to contribute to the infringement of one  
28 ore more claims of the '737 patent in violation of 35 U.S.C. § 271(c).



1           41.     The accused products for purposes of the '737 patent include but are not limited  
2 to the KORG MR-2 and SOS portable recorders, and KP2 KAOSS Pad and Kaossilator 2  
3 recorders/samplers.

4           42.     The accused products, alone or in combination with other products, practice each  
5 of the limitations of independent claims 1, 4, 9, 11, and 13, and dependent claims 2 through 3, 6  
6 through 8, 10, and 12 of the '737 patent.

7           43.     Upon information and belief, Defendants, without authority, have actively  
8 induced infringement and continue to actively induce infringement of the '737 patent in violation  
9 of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '737 patent and/or  
10 by intentionally instructing others how to use the accused products in a manner that infringes the  
11 claims of the '737 patent. On information and belief, Defendants have induced and continue to  
12 induce infringement by instructing customers to operate the products in an infringing manner  
13 and/or when Defendants test or otherwise operate the accused products in the United States.

14           44.     Upon information and belief, Defendants, without authority, have contributed to  
15 and continue to contribute to the infringement of the '737 patent in violation of 35 U.S.C. §  
16 271(c) by importing into the United States, selling and/or offering to sell within the United States  
17 accused products that (1) constitute a material part of the invention of the '737 patent, (2)  
18 Defendant knows to be especially adapted for use in infringing the '737 patent, and (3) are not  
19 staple articles of commerce suitable for substantial noninfringing use with respect to the '737  
20 patent.

21           45.     Based on information and belief, Plaintiff alleges that Defendants sell, ship, or  
22 otherwise deliver the accused products with all the features required to infringe the asserted  
23 claims of the '737 patent. On information and belief, these products are designed to practice the  
24 infringing features.

25           46.     Defendants had knowledge of infringement of the '737 patent since at least the  
26 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of  
27 complaints against others within Defendants' industry. On information and belief, Defendants  
28 have continued to sell products that practice the '737 patent after acquiring knowledge of

1 infringement.

2 47. Upon information and belief, the infringement by Defendants has been and is  
3 willful.

4 48. Plaintiff has been irreparably harmed by these acts of infringement and has no  
5 adequate remedy at law. Upon information and belief, infringement of the '737 patent is  
6 ongoing and will continue unless Defendants are enjoined from further infringement by the  
7 court.

8 **COUNT FOUR**

9 **INFRINGEMENT OF THE '774 PATENT BY DEFENDANT**

10 49. Plaintiff re-alleges and incorporates by reference each of the allegations set forth  
11 in paragraphs 1 through 18 above.

12 50. Upon information and belief, Defendants, without authority, (a) have directly  
13 infringed and continue to directly infringe the '774 patent by making, using, offering to sell, or  
14 selling within the United States, or importing into the United States, products that practice one  
15 ore more claims of the '774 patent in violation of 35 U.S.C. § 271(a); (b) have induced and  
16 continue to induce infringement of one or more claims of the '774 patent in violation of 35  
17 U.S.C. § 271(b); and (c) have contributed and continue to contribute to the infringement of one  
18 ore more claims of the '774 patent in violation of 35 U.S.C. § 271(c).

19 51. The accused products for purposes of the '774 patent include but are not limited  
20 to the KORG MR-2 and SOS portable recorders, and KP3 KAOSS Pad, KP2 KAOSS Pad,  
21 Kaossilator 2 and Kaosillator Pro recorders/samplers.

22 52. The accused products, alone or in combination with other products, practice each  
23 of the limitations of independent claims 33 and 34, and dependent claims 2 through 4, 6 through  
24 8, 10, 15 through 18, 23 through 27, and 28 through 32 of the '774 patent.

25 53. Upon information and belief, Defendants, without authority, have actively  
26 induced infringement and continue to actively induce infringement of the '774 patent in violation  
27 of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '774 patent and/or  
28 by intentionally instructing others how to use the accused products in a manner that infringes the

1 claims of the '774 patent. On information and belief, Defendants have induced and continue to  
2 induce infringement by instructing customers to operate the products in an infringing manner  
3 and/or when Defendants test or otherwise operate the accused products in the United States.

4 54. Upon information and belief, Defendants, without authority, have contributed to  
5 and continue to contribute to the infringement of the '774 patent in violation of 35 U.S.C. §  
6 271(c) by importing into the United States, selling and/or offering to sell within the United States  
7 accused products that (1) constitute a material part of the invention of the '774 patent, (2)  
8 Defendant knows to be especially adapted for use in infringing the '774 patent, and (3) are not  
9 staple articles of commerce suitable for substantial noninfringing use with respect to the '774  
10 patent.

11 55. Based on information and belief, Plaintiff alleges that Defendants sell, ship, or  
12 otherwise deliver the accused products with all the features required to infringe the asserted  
13 claims of the '774 patent. On information and belief, these products are designed to practice the  
14 infringing features.

15 56. Defendants had knowledge of infringement of the '774 patent since at least the  
16 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of  
17 complaints against others within Defendants' industry. On information and belief, Defendants  
18 have continued to sell products that practice the '774 patent after acquiring knowledge of  
19 infringement.

20 57. Upon information and belief, the infringement by Defendants has been and is  
21 willful.

22 58. Plaintiff has been irreparably harmed by these acts of infringement and has no  
23 adequate remedy at law. Upon information and belief, infringement of the '774 patent is  
24 ongoing and will continue unless Defendants are enjoined from further infringement by the  
25 court.

26 **PRAYER FOR RELIEF**

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

- 28 1. That Defendants be declared to have infringed the Patents-in-Suit;

2. That Defendants' infringement of the Patents-in-Suit has been deliberate and willful;

3. Preliminarily and permanently enjoining the Defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, from infringement of the Patents-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;

4. Compensation for all damages caused by Defendants' infringement of the Patents-in-Suit to be determined at trial;

5. Enhancing Plaintiff's damages up to three (3) times their amount pursuant to 35 U.S.C. § 284;

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

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

# HANDAL & ASSOCIATES

Dated: October 22, 2012

By: /s/ Gabriel G. Hedrick

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

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury on all claims.

**HANDAL & ASSOCIATES**

Dated: October 22, 2012

By: /s/ Gabriel G. Hedrick

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