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8

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

11 e.Digital Corporation,
12

13 Plaintiff,

14 v.

15 Philips Electronics North America Corporation,
16

17 Defendant.

Case No. **'12CV2701 BEN BGS**

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

18 Plaintiff e.Digital Corporation ("e.Digital" or "Plaintiff"), by and through its undersigned
19 counsel, complains and alleges against Philips Electronics North America Corporation ("Philips"
20 or "Defendant") as follows:

21 **NATURE OF THE ACTION**

22 1. This is a civil action for infringement of a patent arising under the laws of the
23 United States relating to patents, 35 U.S.C. § 101, *et seq.*, including, without limitation, § 281.
24 Plaintiff e.Digital seeks a preliminary and permanent injunction and monetary damages for the
25 infringement of its U.S. Patent Nos. 5,839,108; 5,842,170; 5,742,737; and 5,491,774.
26

27 **JURISDICTION AND VENUE**

28 2. This court has subject matter jurisdiction over this case for patent infringement

1 under 28 U.S.C. §§ 1331 and 1338(a) and pursuant to the patent laws of the United States of
2 America, 35 U.S.C. § 101, *et seq.*

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

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

21 PARTIES

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

24 6. Upon information and belief, Defendant Philips Electronics North America
25 Corporation is a company registered and lawfully existing under the laws of Delaware, with an
26 office and principal place of business located at 3000 Minuteman Road, Andover, MA 01810.

27 THE ASSERTED PATENTS

28 7. On November 17, 1998, United States Patent No. 5,839,108 ("the '108 patent")

1 entitled "Flash Memory File System In A Handheld Record And Playback Device," was duly
2 and legally issued by the United States Patent and Trademark Office. The named inventors are
3 Norbert P. Daberko and Richard K. Davis. e.Digital is the assignee and owner of the entire right,
4 title and interest in and to the '108 patent and has the right to bring this suit for damages and
5 other relief. A true and correct copy of the '108 patent is attached hereto as Exhibit A.

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

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

19 10. On October 17, 2012, the United States Patent and Trademark Office issued a
20 Reexamination Certificate for the '737 patent, canceling Claim 5 and adding new Claim 13,
21 which is substantially identical to former claim 5. A true and correct copy of the Reexamination
22 Certificate is attached hereto as Exhibit D.

23 11. On February 13, 1996, United States Patent No. 5,491,774 ("the '774 patent")
24 entitled "Handheld Record And Playback Device With Flash Memory," was duly and legally
25 issued by the United States Patent and Trademark Office. The named inventors are Elwood G.
26 Norris, Norbert P. Daberko, and Steven T. Brightbill. e.Digital is the assignee and owner of the
27 entire right, title and interest in and to the '774 patent and has the right to bring this suit for
28 damages and other relief. A true and correct copy of the '774 patent is attached hereto as Exhibit

1 E.

2 12. On August 14, 2012, the United States Patent and Trademark Office issued a
3 Reexamination Certificate for the '774 patent. A true and correct copy of the Reexamination
4 Certificate is attached hereto as Exhibit F.

5 **COUNT ONE**

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

7 13. Plaintiff re-alleges and incorporates by reference each of the allegations set forth
8 above.

9 14. Upon information and belief, Defendant, without authority, (a) has directly
10 infringed and continue to directly infringe the '108 patent by making, using, offering to sell, or
11 selling within the United States, or importing into the United States, products that practice claim
12 5 of the '108 patent in violation of 35 U.S.C. § 271(a); (b) has induced and continue to induce
13 infringement of claim 5 of the '108 patent in violation of 35 U.S.C. § 271(b); and (c) has
14 contributed and continue to contribute to the infringement of claim 5 of the '108 patent in
15 violation of 35 U.S.C. § 271(c).

16 15. The accused products for purposes of the '108 patent include but are not limited
17 to the LFH9375/27, DVT7000/00, DVT5500/00, DVT5000/00, DVT3500/00, DVT3000/00,
18 DVT3100/00, DVT1500/00, DVT1000/00, and LFH0955 dictation devices and voice recorders,
19 and the CAM200BL/00, CAM110SL/37, CAM150RD/37, CAM300WH/37, CAM295BL/00
20 camcorders.

21 16. Upon information and belief, certain of these products manufactured by
22 Defendant has been and/or are currently sold and/or offered for sale at, among other places, the
23 Walmart store located at 3382 Murphy Canyon Road, San Diego, CA 92123 and/or sold online
24 at the Walmart website at www.walmart.com to consumers including, but not limited to,
25 consumers located within the State of California.

26 17. Upon information and belief, certain of these products manufactured by
27 Defendant have been and/or are currently sold and/or offered for sale at, among other places the
28 Defendant's website located at <http://www.philips-store.com> to consumers including, but not

1 limited to, consumers located within the State of California.

2 18. The accused products, alone or in combination with other products, practice each
3 of the limitations of independent claim 5 of the '108 patent.

4 19. Upon information and belief, Defendant, without authority, has actively induced
5 and continues to actively induce infringement of claim 5 of the '108 patent in violation of 35
6 U.S.C. § 271(b) by causing others to directly infringe the claims of the '108 patent and/or by
7 intentionally instructing others how to use the accused products in a manner that infringes claim
8 5 of the '108 patent. Plaintiff also alleges that Defendant has induced and continues to induce
9 infringement by instructing customers to operate the products in an infringing manner and/or
10 when Defendant tests or otherwise operates the accused products in the United States.

11 20. Upon information and belief, Defendant, without authority, has contributed and
12 continues to contribute to the infringement of claim 5 of the '108 patent in violation of 35 U.S.C.
13 § 271(c) by importing into the United States, selling and/or offering to sell within the United
14 States accused products that (1) embody and constitute a material part of the invention of the
15 '108 patent, (2) Defendant knows to be especially adapted for use in infringing the '108 patent,
16 and (3) are not staple articles of commerce suitable for substantial non-infringing use with
17 respect to the '108 patent.

18 21. Based on information and belief, Plaintiff alleges that Defendant sells, ships or
19 otherwise delivers the accused products with all the features required to infringe the asserted
20 claims of the '108 patent. On information and belief, these products are designed to implement
21 the infringing features.

22 22. Defendant had knowledge of infringement of the '108 patent since at least the
23 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of
24 complaints against others within Defendant's industry. On information and belief, Defendant
25 has continued to sell products that practice the '108 patent after acquiring knowledge of
26 infringement.

27 23. Upon information and belief, the infringement by Defendant has been and is
28 willful.

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

COUNT TWO

INFRINGEMENT OF THE '170 PATENT BY DEFENDANT

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

26. Upon information and belief, Defendant, without authority, (a) has directly infringed and continue to directly infringe the '170 patent by making, using, offering to sell, or selling within the United States, or importing into the United States, products that practice one or more claims of the '170 patent in violation of 35 U.S.C. § 271(a); (b) has induced and continue to induce infringement of one or more claims of the '170 patent in violation of 35 U.S.C. § 271(b); and (c) has contributed and continue to contribute to the infringement of one or more claims of the '170 patent in violation of 35 U.S.C. § 271(c).

27. The accused products for purposes of the '170 patent include but are not limited to the LFH9380/27, LFH9375/27, LFH0898/27, LFH0884/27, LFH0865/27, DVT7000/00, DVT5500/00, DVT5000/00, DVT3500/00, DVT3000/00, DVT3100/00, DVT1500/00, DVT1000/00, LFH9600, LFH9620, LFH9500, LFH9520, LFH9380/27, LFH9380/01, LFH9375/00, LFH9375/27, LFH9399, LFH0955, LFH0898, LFH0884, LFH0865 dictation devices and voice recorders, and the CAM200BL/00, CAM100GY/37, CAM150RD/37, CAM300WH/37, CAM295BL/00 camcorders.

28. Upon information and belief, certain of these products manufactured by Defendant have been and/or are currently sold and/or offered for sale at, among other places, the Walmart store located at 3382 Murphy Canyon Road, San Diego, CA 92123 and/or sold online at the Walmart website at www.walmart.com to consumers including, but not limited to, consumers located within the State of California.

29. Upon information and belief, certain of these products manufactured by Defendant have been and/or are currently sold and/or offered for sale at, among other places the

1 Defendant's website located at <http://www.philips-store.com> to consumers including, but not
2 limited to, consumers located within the State of California.

3 30. As set forth in Exhibit G, the accused products, alone or in combination with
4 other products, practice each of the limitations of independent claims 1 and 7, and dependent
5 claims 2 through 5, 8 and 12 of the '170 patent.

6 31. Upon information and belief, Defendant, without authority, has actively induced
7 infringement and continue to actively induce infringement of the '170 patent in violation of 35
8 U.S.C. § 271(b) by causing others to directly infringe the claims of the '170 patent and/or by
9 intentionally instructing others how to use the accused products in a manner that infringes the
10 claims of the '170 patent. On information and belief, Defendant has induced and continues to
11 induce infringement by instructing customers to operate the products in an infringing manner
12 and/or when Defendant tests or otherwise operates the accused products in the United States.

13 32. Upon information and belief, Defendant, without authority, has contributed to and
14 continues to contribute to the infringement of the '170 patent in violation of 35 U.S.C. § 271(c)
15 by importing into the United States, selling and/or offering to sell within the United States
16 accused products that (1) constitute a material part of the invention of the '170 patent, (2)
17 Defendant knows to be especially adapted for use in infringing the '170 patent, and (3) are not
18 staple articles of commerce suitable for substantial noninfringing use with respect to the '170
19 patent.

20 33. Based on information and belief, Plaintiff alleges that Defendant sells, ships or
21 otherwise delivers the accused products with all the features required to infringe the asserted
22 claims of the '170 patent. On information and belief, these products are designed to implement
23 the infringing features.

24 34. Defendant had knowledge of infringement of the '170 patent since at least the
25 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of
26 complaints against others within Defendant's industry. On information and belief, Defendant
27 has continued to sell products that practice the '170 patent after acquiring knowledge of
28 infringement.

SA2600 series, SA2900 series, SA3000 series, SA3100 series, SA3200 series, SA3300 series, SA4000 series, SA4100 series, SA4300 series, SA4400 series, SA5200BT series, SA6000 series, and SA6100 series MP4/MP3 devices, and the CAM200BL/00, CAM110SL/37, CAM100GY/37, CAM150RD/37, CAM300WH/37, and CAM295BL/00 camcorders.

40. Upon information and belief, certain of these products manufactured by Defendant have been and/or are currently sold and/or offered for sale at, among other places, the Walmart store located at 3382 Murphy Canyon Road, San Diego, CA 92123 and/or sold online at the Walmart website at www.walmart.com to consumers including, but not limited to, consumers located within the State of California.

41. Upon information and belief, certain of these products manufactured by Defendant have been and/or are currently sold and/or offered for sale at, among other places the Defendant's website located at <http://www.philips-store.com> to consumers including, but not limited to, consumers located within the State of California.

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

43. Upon information and belief, Defendant, without authority, has actively induced infringement and continue to actively induce infringement of the '737 patent in violation of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '737 patent and/or by intentionally instructing others how to use the accused products in a manner that infringes the claims of the '737 patent. On information and belief, Defendant has induced and continues to induce infringement by instructing customers to operate the products in an infringing manner and/or when Defendant tests or otherwise operates the accused products in the United States.

44. Upon information and belief, Defendant, without authority, has contributed to and continues to contribute to the infringement of the '737 patent in violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or offering to sell within the United States accused products that (1) constitute a material part of the invention of the '737 patent, (2) Defendant knows to be especially adapted for use in infringing the '737 patent, and (3) are not

1 staple articles of commerce suitable for substantial noninfringing use with respect to the '737
2 patent.

3 45. Based on information and belief, Plaintiff alleges that Defendant sells, ships, or
4 otherwise delivers the accused products with all the features required to infringe the asserted
5 claims of the '737 patent. On information and belief, these products are designed to practice the
6 infringing features.

7 46. Defendant had knowledge of infringement of the '737 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 Defendant's industry. On information and belief, Defendant
10 has continued to sell products that practice the '737 patent after acquiring knowledge of
11 infringement.

12 47. Upon information and belief, the infringement by Defendant has been and is
13 willful.

14 48. 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 '737 patent is
16 ongoing and will continue unless Defendant is enjoined from further infringement by the court.

17 **COUNT FOUR**

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

19 49. Plaintiff re-alleges and incorporates by reference each of the allegations set forth
20 in paragraphs 1 through 12 above.

21 50. Upon information and belief, Defendant, without authority, (a) has directly
22 infringed and continue to directly infringe the '774 patent by making, using, offering to sell, or
23 selling within the United States, or importing into the United States, products that practice one
24 ore more claims of the '774 patent in violation of 35 U.S.C. § 271(a); (b) has induced and
25 continue to induce infringement of one or more claims of the '774 patent in violation of 35
26 U.S.C. § 271(b); and (c) has contributed and continue to contribute to the infringement of one
27 ore more claims of the '774 patent in violation of 35 U.S.C. § 271(c).

28 51. The accused products for purposes of the '774 patent include but are not limited

1 to the LFH9380/27, LFH9375/27, DVT7000/00, DVT5500/00, DVT5000/00, DVT3500/00,
2 DVT3000/00, DVT3100/00, DVT1500/00, DVT1000/00, LFH9600, LFH9620, LFH9500,
3 LFH9520, LFH9380/27, LFH9380/01, LFH9375/00, LFH9375/27, LFH9399, and LFH0955,
4 dictation devices and voice recorders, the SA2CAM04/08/16, SA2MUS08/16/32, and
5 SA3MUS08/16/32 MP4/MP3 devices, and the CAM200BL/00, CAM110SL/37,
6 CAM100GY/37, CAM150RD/37, CAM300WH/37, and CAM295BL/00 camcorders.

7 52. Upon information and belief, certain of these products manufactured by
8 Defendant have been and/or are currently sold and/or offered for sale at, among other places, the
9 Walmart store located at 3382 Murphy Canyon Road, San Diego, CA 92123 and/or sold online
10 at the Walmart website at www.walmart.com to consumers including but not limited to
11 consumers located within the State of California.

12 53. Upon information and belief, certain of these products manufactured by
13 Defendant have been and/or are currently sold and/or offered for sale at, among other places the
14 Defendant's website located at <http://www.philips-store.com> to consumers including but not
15 limited to consumers located within the State of California.

16 54. As set forth in Exhibit G, the accused products, alone or in combination with
17 other products, practice each of the limitations of independent claims 33 and 34, and dependent
18 claims 2, 6 through 8, 10 through 11, 15 through 16, 18, 23 through 32 of the '774 patent.

19 55. Upon information and belief, Defendant, without authority, has actively induced
20 infringement and continues to actively induce infringement of the '774 patent in violation of 35
21 U.S.C. § 271(b) by causing others to directly infringe the claims of the '774 patent and/or by
22 intentionally instructing others how to use the accused products in a manner that infringes the
23 claims of the '774 patent. On information and belief, Defendant has induced and continues to
24 induce infringement by instructing customers to operate the products in an infringing manner
25 and/or when Defendant tests or otherwise operates the accused products in the United States.

26 56. Upon information and belief, Defendant, without authority, has contributed to and
27 continues to contribute to the infringement of the '774 patent in violation of 35 U.S.C. § 271(c)
28 by importing into the United States, selling and/or offering to sell within the United States

1 accused products that (1) constitute a material part of the invention of the '774 patent, (2)
2 Defendant knows to be especially adapted for use in infringing the '774 patent, and (3) are not
3 staple articles of commerce suitable for substantial noninfringing use with respect to the '774
4 patent.

5 57. Based on information and belief, Plaintiff alleges that Defendant sells, ships, or
6 otherwise delivers the accused products with all the features required to infringe the asserted
7 claims of the '774 patent. On information and belief, these products are designed to practice the
8 infringing features.

9 58. Defendant had knowledge of infringement of the '774 patent since at least the
10 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of
11 complaints against others within Defendant's industry. On information and belief, Defendant
12 has continued to sell products that practice the '774 patent after acquiring knowledge of
13 infringement.

14 59. Upon information and belief, the infringement by Defendant has been and is
15 willful.

16 60. Plaintiff has been irreparably harmed by these acts of infringement and has no
17 adequate remedy at law. Upon information and belief, infringement of the '774 patent is
18 ongoing and will continue unless Defendant is enjoined from further infringement by the court.

19 **PRAYER FOR RELIEF**

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

- 21 1. That Defendant be declared to have infringed the Patents-in-Suit;
- 22 2. That Defendant's infringement of the Patents-in-Suit has been deliberate and
23 willful;
- 24 3. Preliminarily and permanently enjoining the Defendant's officers, agents,
25 servants, employees, and attorneys, and those persons in active concert or participation with
26 them, from infringement of the Patents-in-Suit, including but not limited to any making, using,
27 offering for sale, selling, or importing of unlicensed infringing products within and without the
28 United States;

4. Compensation for all damages caused by Defendant's 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: November 6, 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: November 6, 2012

By: /s/ Gabriel G. Hedrick

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