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8

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

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

15 FUJIFILM Corporation; FUJIFILM Holdings
Corporation; FUJIFILM Holdings America
16 Corporation; Best Buy Co., Inc.; Best Buy
Stores, L.P.; Best Buy.Com LLC; Sears
17 Holdings Corporation; Sears, Roebuck and Co.;
Kmart Corporation; Crutchfield Corporation;
18 Target Corporation; Wal-Mart Stores, Inc.; and,
Brookstone Company, Inc.
19

20 Defendants.
21

Case No. **'13CV0112 BTM BLM**

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

22
23 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its undersigned
24 counsel, complains and alleges against FUJIFILM Corporation, FUJIFILM Holdings
25 Corporation, and FUJIFILM Holdings America Corporation (collectively, “FUJIFILM”); Best
26 Buy Co., Inc., Best Buy Stores, L.P., and Best Buy.Com LLC (collectively, “Best Buy”); Sears
27 Holdings Corporation and Sears, Roebuck and Co. (collectively, “Sears”); Kmart Corporation
28 (“Kmart”); Crutchfield Corporation (“Crutchfield”); Target Corporation (“Target”); Wal-Mart

1 Stores, Inc. (“Wal-Mart”); and, Brookstone Company, Inc. (“Brookstone”) (collectively,
2 “Defendants”) as follows:

3 **NATURE OF THE ACTION**

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

8 **JURISDICTION AND VENUE**

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

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

19 4. This Court has personal jurisdiction over Defendants because, on information and
20 belief, Defendants transact continuous and systematic business within the State of California and
21 the Southern District of California. In addition, this Court has personal jurisdiction over the
22 Defendants because, on information and belief, this lawsuit arises out of Defendants’ infringing
23 activities, including, without limitation, the making, using, selling and/or offering to sell
24 infringing products in the State of California and the Southern District of California. Finally,
25 this Court has personal jurisdiction over Defendants because, on information and belief,
26 Defendants have made, used, sold and/or offered for sale its infringing products and placed such
27 infringing products in the stream of interstate commerce with the expectation that such infringing
28 products would be made, used, sold and/or offered for sale within the State of California and the

1 Southern District of California.

2 **PARTIES**

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

5 6. Upon information and belief, Defendant FUJIFILM Corporation is a company
6 registered and lawfully existing under the laws of Japan, with an office and principal place of
7 business located at Midtown West, 7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan.

8 7. Upon information and belief, Defendant FUJIFILM Holdings Corporation is a
9 company registered and lawfully existing under the laws of Japan, with an office and principal
10 place of business located at Midtown West, 7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052,
11 Japan.

12 8. Upon information and belief, FUJIFILM Holdings America Corporation is a
13 company registered and lawfully existing under the laws of the State of Delaware, with an office
14 and principal place of business located at 200 Summit Lake Drive, Valhalla, New York 10595.
15 Upon information and belief, certain of the products manufactured by FUJIFILM have been
16 and/or are currently sold and/or offered for sale to customers in this jurisdiction at, among other
17 places, FUJIFILM Holdings America Corporation website located at
18 <http://www.shopfujifilm.com>.

19 9. Upon information and belief, Defendant Best Buy Co., Inc. is a company
20 registered and lawfully existing under the laws of the State of Minnesota, with an office and
21 principal place of business located at 7601 Penn Avenue South, Richfield, Minnesota 55423.

22 10. Upon information and belief, Defendant Best Buy Stores L.P. is a limited
23 partnership registered and lawfully existing under the laws of the State of Virginia, with an office
24 and principal place of business located at 7601 Penn Avenue South, Richfield, Minnesota 55423.
25 Upon information and belief, certain of the products manufactured by FUJIFILM have been
26 and/or are currently sold and/or offered for sale to customers in this jurisdiction at, among other
27 places, the Best Buy store located at, among other places, 8657 Villa La Jolla Drive, La Jolla,
28 CA 92037.

1 11. Upon information and belief, Defendant Best Buy.Com LLC is a limited liability
2 company registered and lawfully existing under the laws of the State of Virginia, with an office
3 and principal place of business located at 7601 Penn Avenue South, Richfield, Minnesota 55423.
4 Upon information and belief, certain of the products manufactured by FUJIFILM have been
5 and/or are currently sold and/or offered for sale to customers in this jurisdiction at, among other
6 places, the Best Buy website located at www.bestbuy.com.

7 12. Upon information and belief, Defendant Sears Holdings Company is a company
8 registered and lawfully existing under the laws of the State of Delaware, with an office and
9 principal place of business located at 3333 Beverly Road, Hoffman Estates, Illinois 60179.
10 Upon information and belief, Sears Holdings Company is the parent company of Sears, Roebuck
11 & Co. and Kmart.

12 13. Upon information and belief, Sears, Roebuck & Co. is a company registered and
13 lawfully existing under the laws of the State of New York, with an office and principal place of
14 business located at 3333 Beverly Road, Hoffman Estates, Illinois 60179. Upon information and
15 belief, certain of the products manufactured by FUJIFILM have been and/or are currently sold
16 and/or offered for sale to customers in this jurisdiction at, among other places, the Sears' website
17 located at www.sears.com and at the Sears store located at 4575 La Jolla Village Drive, San
18 Diego, California 92122.

19 14. Upon information and belief, Kmart is a company registered and lawfully existing
20 under the laws of the State of Michigan, with an office and principal place of business located at
21 3333 Beverly Road, Hoffman Estates, Illinois 60179. Upon information and belief, certain of the
22 products manufactured by FUJIFILM have been and/or are currently sold and/or offered for sale
23 to customers in this jurisdiction at, among other places, the Kmart's website located at
24 www.kmart.com and at the Kmart store located at 8730 Rio San Diego Drive, San Diego,
25 California 92108.

26 15. Upon information and belief, Crutchfield is a company registered and lawfully
27 existing under the laws of the State of Virginia, with an office and principal place of business
28 located at 1 Crutchfield Park, Charlottesville, Virginia 22911-9097. Upon information and belief,

1 certain of the products manufactured by FUJIFILM have been and/or are currently sold and/or
2 offered for sale to customers in this jurisdiction at, among other places, the Crutchfield's website
3 located at <http://www.crutchfield.com>.

4 16. Upon information and belief, Defendant Target is a company registered and
5 lawfully existing under the laws of the State of Minnesota, with an office and principal place of
6 business located at 1000 Nicollet Mall, Minneapolis, Minnesota 55403. Upon information and
7 belief, certain of the products manufactured by FUJIFILM have been and/or are currently sold
8 and/or offered for sale to customers in this jurisdiction at, among other places, the Target website
9 located at www.target.com and at the Target store located at 1288 Camino Del Rio N, San
10 Diego, CA 92108.

11 17. Upon information and belief, Defendant Wal-Mart is a company registered and
12 lawfully existing under the laws of the State of Delaware, with an office and principal place of
13 business located at 702 SW 8th Street Bentonville, Arkansas 72716-8611. Upon information and
14 belief, certain of the products manufactured by FUJIFILM have been and/or are currently sold
15 and/or offered for sale to customers in this jurisdiction at, among other places, the Wal-Mart
16 website located at <http://www.walmart.com> and at the Wal-Mart store located at 3382 Murphy
17 Canyon Rd, San Diego, CA 92123.

18 18. Upon information and belief, Defendant Brookstone is a company registered and
19 lawfully existing under the laws of the State of New Hampshire, with an office and principal
20 place of business located at One Innovation Way, Merrimack, New Hampshire 03054. Upon
21 information and belief, certain of the products manufactured by FUJIFILM have been and/or are
22 currently sold and/or offered for sale to customers in this jurisdiction at, among other places, the
23 Brookstone website located at www.brookstone.com.

24 **THE ASSERTED PATENTS**

25 19. On November 24, 1998, United States Patent No. 5,842,170 ("the '170 patent")
26 entitled "Method For Editing In Hand Held Recorder," was duly and legally issued by the United
27 States Patent and Trademark Office. The named inventors are Norbert P. Daberko, Richard K.
28 Davis, and Richard D. Bridgewater. e.Digital is the assignee and owner of the entire right, title

1 and interest in and to the '170 patent and has the right to bring this suit for damages and other
2 relief. A true and correct copy of the '170 patent is attached hereto as Exhibit A.

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

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

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

21 23. On August 14, 2012, the United States Patent and Trademark Office issued a
22 Reexamination Certificate for the '774 patent. A true and correct copy of the Reexamination
23 Certificate is attached hereto as Exhibit E.

24 **COUNT ONE**

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

26 24. Plaintiff re-alleges and incorporates by reference each of the allegations set forth
27 in paragraphs 1 through 23 above.

28 25. Upon information and belief, Defendants, without authority, (a) have directly

1 infringed and continue to directly infringe the '170 patent by making, using, offering to sell, or
2 selling within the United States, or importing into the United States, products that practice one
3 ore more claims of the '170 patent in violation of 35 U.S.C. § 271(a); (b) have induced and
4 continue to induce infringement of one or more claims of the '170 patent in violation of 35
5 U.S.C. § 271(b); and (c) have contributed and continue to contribute to the infringement of one
6 ore more claims of the '170 patent in violation of 35 U.S.C. § 271(c).

7 26. The accused products for purposes of the '170 patent include but are not limited
8 to the FinePix series and Fujifilm X-S1, X10, and XF1 cameras.

9 27. The accused products, alone or in combination with other products, practice each
10 of the limitations of independent claims 1 and 7 and dependent claims 2 through 5 and 8 through
11 12 of the '170 patent.

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

19 29. Upon information and belief, Defendants, without authority, have contributed and
20 continue to contribute to the infringement of the '170 patent in violation of 35 U.S.C. § 271(c) by
21 importing into the United States, selling and/or offering to sell within the United States accused
22 products that (1) embody and constitute a material part of the invention of the '170 patent, (2)
23 Defendants knows to be especially adapted for use in infringing the '170 patent, and (3) are not
24 staple articles of commerce suitable for substantial non-infringing use with respect to the '170
25 patent.

26 30. Based on information and belief, Plaintiff alleges that Defendants sell, ship, or
27 otherwise deliver the accused products with all the features required to infringe the asserted
28 claims of the '170 patent. On information and belief, these products are designed to practice the

1 infringing features.

2 31. Defendants had knowledge of infringement of the '170 patent since at least the
3 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of
4 complaints against others within Defendants' industry. On information and belief, Defendants
5 have continued to sell products that practice the '170 patent after acquiring knowledge of
6 infringement.

7 32. Plaintiff alleges upon information and belief, that the infringement by Defendants
8 has been and is willful.

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

12 **COUNT TWO**

13 **INFRINGEMENT OF THE '737 PATENT BY DEFENDANTS**

14 33. Plaintiff re-alleges and incorporates by reference each of the allegations set forth
15 in paragraphs 1 through 23 above.

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

23 35. The accused products for purposes of the '737 patent include but are not limited
24 to the FinePix series; Fujifilm X-S1, X10, and XF1; X-E1 and XPro1 cameras.

25 36. The accused products, alone or in combination with other products, practice each
26 of the limitations of independent claims 1, 4, 9, and 13, and dependent claims 2, 3, and 6 of the
27 '737 patent.

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

1 induced infringement and continue to actively induce infringement of the '737 patent in violation
2 of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '737 patent and/or
3 by intentionally instructing others how to use the accused products in a manner that infringes the
4 claims of the '737 patent. On information and belief, Defendants have induced and continue to
5 induce infringement by instructing customers to operate the products in an infringing manner
6 and/or when Defendants test or otherwise operate the accused products in the United States.

7 38. Upon information and belief, Defendants, without authority, have contributed to
8 and continue to contribute to the infringement of the '737 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 States
10 accused products that (1) constitute a material part of the invention of the '737 patent, (2)
11 Defendants know to be especially adapted for use in infringing the '737 patent, and (3) are not
12 staple articles of commerce suitable for substantial noninfringing use with respect to the '737
13 patent.

14 39. 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 '737 patent. On information and belief, these products are designed to practice the
17 infringing features.

18 40. Defendants had knowledge of infringement of the '737 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 '737 patent after acquiring knowledge of
22 infringement.

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

25 42. 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 '737 patent is
27 ongoing and will continue unless Defendant is enjoined from further infringement by the court.

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1 **COUNT THREE**

2 **INFRINGEMENT OF THE '774 PATENT BY DEFENDANTS**

3 43. Plaintiff re-alleges and incorporates by reference each of the allegations set forth
4 in paragraphs 1 through 23 above.

5 44. Upon information and belief, Defendants, without authority, (a) have directly
6 infringed and continue to directly infringe the '774 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 '774 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 '774 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 '774 patent in violation of 35 U.S.C. § 271(c).

12 45. The accused products for purposes of the '774 patent include but are not limited
13 to the FinePix series; Fujifilm X-S1, X10, and XF1; X-E1 and XPro1 cameras.

14 46. The accused products, alone or in combination with other products, practice each
15 of the limitations of independent claims 33 and 34, and dependent claims 2, 6 through 8, 10, 15
16 through 16, 18, 23 through 26, and 28 through 31 of the '774 patent.

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

25 48. Upon information and belief, Defendants, without authority, have contributed to
26 and continue to contribute to the infringement of the '774 patent in violation of 35 U.S.C. §
27 271(c) by importing into the United States, selling and/or offering to sell within the United States
28 accused products that (1) constitute a material part of the invention of the '774 patent, (2)

1 Defendants know to be especially adapted for use in infringing the '774 patent, and (3) are not
2 staple articles of commerce suitable for substantial noninfringing use with respect to the '774
3 patent.

4 49. Based on information and belief, Plaintiff alleges that Defendants sell, ship, or
5 otherwise deliver the accused products with all the features required to infringe the asserted
6 claims of the '774 patent. On information and belief, these products are designed to practice the
7 infringing features.

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

13 51. Upon information and belief, the infringement by Defendants has been and is
14 willful.

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

18 **PRAYER FOR RELIEF**

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

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

1 in-Suit to be determined at trial;

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

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

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

7 **HANDAL & ASSOCIATES**

8
9 Dated: January 15, 2013

By: /s/ Gabriel G. Hedrick

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

DEMAND FOR JURY TRIAL

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Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: January 15, 2013

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