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

12
13 e.Digital Corporation,
14 Plaintiff,
15 v.
16 Apple Inc.,
17 Defendant.

Case No. '13CV0785 MMABLM

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

18 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its
19 undersigned counsel, complains and alleges against Defendant Apple Inc. (“Apple”
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
23 laws of the United States relating to patents, 35 U.S.C. § 101, *et seq.*, including,
24 without limitation, § 281. Plaintiff e.Digital seeks a preliminary and permanent
25 injunction and monetary damages for the infringement of its U.S. Patent Nos.
26 5,842,170; 5,742,737; and 5,491,774.

27 **JURISDICTION AND VENUE**

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

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

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

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

24 **PARTIES**

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

28 6. Upon information and belief, Defendant Apple Inc. is a corporation

1 registered and lawfully existing under the laws of the State of California, with an
2 office and principal place of business located at 1 Infinite Loop, Cupertino, CA
3 95014.

4 THE ASSERTED PATENTS

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

12 8. On April 21, 1998, United States Patent No. 5,742,737 (“the ’737
13 patent”) entitled “Method For Recording Voice Messages On Flash Memory In A
14 Hand Held Recorder,” was duly and legally issued by the United States Patent and
15 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
17 entire right, title and interest in and to the ’737 patent and has the right to bring this
18 suit for damages and other relief. A true and correct copy of the ’737 patent is
19 attached hereto as Exhibit B.

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

24 10. On February 13, 1996, United States Patent No. 5,491,774 (“the ’774
25 patent”) entitled “Handheld Record And Playback Device With Flash Memory,”
26 was duly and legally issued by the United States Patent and Trademark Office.
27 The named inventors are Elwood G. Norris, Norbert P. Daberko, and Steven T.
28 Brightbill. e.Digital is the assignee and owner of the entire right, title and interest

1 in and to the '774 patent and has the right to bring this suit for damages and other
2 relief. A true and correct copy of the '774 patent is attached hereto as Exhibit D.

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

6 **COUNT ONE**

7 **INFRINGEMENT OF THE '170 PATENT BY DEFENDANT**

8 12. Plaintiff re-alleges and incorporates by reference each of the
9 allegations set forth in paragraphs 1 through 11 above.

10 13. Upon information and belief, Defendant, without authority, (a) has
11 directly infringed and continues to directly infringe the '170 patent by making,
12 using, offering to sell, or selling within the United States, or importing into the
13 United States, products that practice one or more claims of the '170 patent in
14 violation of 35 U.S.C. § 271(a); (b) has induced and continues to induce
15 infringement of one or more claims of the '170 patent in violation of 35 U.S.C. §
16 271(b); and (c) has contributed and continue to contribute to the infringement of
17 one or more claims of the '170 patent in violation of 35 U.S.C. § 271(c).

18 14. The accused products for purposes of the '170 patent include but are
19 not limited to the Apple iPhone, iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, and
20 iPhone 5 mobile devices; the Apple iPad series of tablets (excluding the first
21 generation); the Apple iPad Mini series of tablets; the Apple iPod Touch series of
22 devices (excluding the first generation); the MacBook Pro series of computers; the
23 MacBook Air series of computers.

24 15. The accused products, alone or in combination with other products,
25 practice each of the limitations of independent claims 1 and 7 and dependent
26 claims 2 through 4, 8 through 9, and 11 through 12 of the '170 patent.

27 16. Upon information and belief, Defendant, without authority, has
28 actively induced infringement and continue to actively induce infringement of the

1 '170 patent in violation of 35 U.S.C. § 271(b) by causing others to directly infringe
2 the claims of the '170 patent and/or by intentionally instructing others how to use
3 the accused products in a manner that infringes the claims of the '170 patent. On
4 information and belief, Defendant has induced and continues to induce
5 infringement by instructing customers to operate the products in an infringing
6 manner and/or when Defendant test or otherwise operate the accused products in
7 the United States.

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

16 18. Based on information and belief, Plaintiff alleges that Defendant sells,
17 ships, or otherwise delivers the accused products with all the features required to
18 infringe the asserted claims of the '170 patent. On information and belief, these
19 products are designed to practice the infringing features.

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

25 20. Plaintiff alleges upon information and belief, that the infringement by
26 Defendant has been and is willful. Plaintiff has been irreparably harmed by these
27 acts of infringement and has no adequate remedy at law. Upon information and
28 belief, infringement of the '170 patent is ongoing and will continue unless

1 Defendant is enjoined from further infringement by the court.

2 **COUNT TWO**

3 **INFRINGEMENT OF THE '737 PATENT BY DEFENDANT**

4 21. Plaintiff re-alleges and incorporates by reference each of the
5 allegations set forth in paragraphs 1 through 11 above.

6 22. Upon information and belief, Defendant, without authority, (a) has
7 directly infringed and continues to directly infringe the '737 patent by making,
8 using, offering to sell, or selling within the United States, or importing into the
9 United States, products that practice one or more claims of the '737 patent in
10 violation of 35 U.S.C. § 271(a); (b) has induced and continues to induce
11 infringement of one or more claims of the '737 patent in violation of 35 U.S.C. §
12 271(b); and (c) has contributed and continues to contribute to the infringement of
13 one or more claims of the '737 patent in violation of 35 U.S.C. § 271(c).

14 23. The accused products for purposes of the '737 patent include but are
15 not limited to the Apple iPhone, iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, and
16 iPhone 5 mobile devices; the Apple iPad series of tablets (excluding the first
17 generation); the Apple iPad Mini series of tablets; the Apple iPod Nano series of
18 devices (excluding the first generation); the Apple iPod Touch series of devices
19 (excluding the first generation); the MacBook Pro series of computers; and the
20 MacBook Air series of computers.

21 24. The accused products, alone or in combination with other products,
22 practice each of the limitations of independent claim 1 and dependent claim 3 of
23 the '737 patent; and independent claim 4 of the '737 patent.

24 25. The MacBook accused products, with a slot for a flash memory
25 module, alone or in combination with other product also infringe each and every
26 element of independent claims 9 and 13 and dependent claims 6 and 7 of the '737
27 patent.

28 26. Upon information and belief, Defendant, without authority, has

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

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

17 28. Based on information and belief, Plaintiff alleges that Defendant sells,
18 ships, or otherwise delivers the accused products with all the features required to
19 infringe the asserted claims of the '737 patent. On information and belief, these
20 products are designed to practice the infringing features.

21 29. Defendant had knowledge of infringement of the '737 patent since at
22 least the filing of this complaint and perhaps as early as 2010 by virtue of the
23 Plaintiff's filing of complaints against others within Defendant's industry. On
24 information and belief, Defendant has continued to sell products that practice the
25 '737 patent after acquiring knowledge of infringement.

26 30. Upon information and belief, the infringement by Defendant has been
27 and is willful.

28 31. Plaintiff has been irreparably harmed by these acts of infringement

1 and has no adequate remedy at law. Upon information and belief, infringement of
2 the '737 patent is ongoing and will continue unless Defendant is enjoined from
3 further infringement by the court.

4 **COUNT THREE**

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

6 32. Plaintiff re-alleges and incorporates by reference each of the
7 allegations set forth in paragraphs 1 through 11 above.

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

16 34. The accused products for purposes of the '774 patent include but are
17 not limited to certain MacBook Pro series, and the MacBook Air series computers
18 that are capable of use with removable flash memory device.

19 35. The accused products, alone or in combination with other products,
20 practice each of the limitations of independent claims 33 and 34, and dependent
21 claims 2, 6,10, 15 through 17, 23 through 26, and 28 through 31 of the '774 patent.

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

1 manner and/or when Defendant tests or otherwise operates the accused products in
2 the United States.

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

11 38. Based on information and belief, Plaintiff alleges that Defendant sells,
12 ships, or otherwise delivers the accused products with all the features required to
13 infringe the asserted claims of the '774 patent. On information and belief, these
14 products are designed to practice the infringing features.

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

20 40. Upon information and belief, the infringement by Defendant has been
21 and is willful.

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

26 **PRAYER FOR RELIEF**

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

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

1 2. That Defendant’s infringement of the Patents-in-Suit has been
2 deliberate and willful;

3 3. Preliminarily and permanently enjoining the Defendant’s officers,
4 agents, servants, employees, and attorneys, and those persons in active concert or
5 participation with them, from infringement of the Patents-in-Suit, including but not
6 limited to any making, using, offering for sale, selling, or importing of unlicensed
7 infringing products within and without the United States;

8 4. Compensation for all damages caused by Defendant’s infringement of
9 the Patents-in-Suit to be determined at trial;

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

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

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

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HANDAL & ASSOCIATES

Dated: April 1, 2013

By: /s/ Pamela C. Chalk
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: April 1, 2013

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