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8

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

12 e.Digital Corporation,

13 Plaintiff,

14 v.

15 Diasonic Technology Co., LTD and Sec Tech
16 Enterprises LLC,

17 Defendants.
18

Case No. **'12CV2543 CAB 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 Diasonic Technology Co., LTD (“Diasonic”) and Sec
22 Tech, LLC (“Sec Tech”) (collectively, “Defendants”) as follows:

23 **NATURE OF THE ACTION**

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

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1 **JURISDICTION AND VENUE**

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

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

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

23 **PARTIES**

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

26 6. Upon information and belief, Defendant Diasonic is a company registered and
27 lawfully existing under the laws of the Republic of Korea, with an office and principal place of
28 business located at 430-040, 321-43 Seoksu-dong Manan-Gu, Anyang-si, Gyeonggi-do, Korea.

1 7. Upon information and belief, Defendant Sec Tech is a limited liability company
2 registered and lawfully existing under the laws of the State of Florida, with an office and
3 principal place of business located at 18006 SW 12 CT, Pembroke Pines, Florida. Upon
4 information and belief, Defendant Sec Tech sells products, including but not limited to, the
5 accused products, on various websites that it owns, operates, and controls, including but not
6 limited to: 1) <http://www.sectechent.com>; 2) www.justrecorders.com; 3)
7 www.onlyrecorders.com; 4) www.digitalrecordingdevices.com; 5)
8 www.bestaudioandvideorecorders.com; 6) www.onlydigitalrecorders.com ; and, 7)
9 www.onlyaudioandvideorecorders.com.

10 **THE ASSERTED PATENTS**

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

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

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

1 hereto as Exhibit C.

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

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

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

16 **COUNT ONE**

17 **INFRINGEMENT OF THE '108 PATENT BY DEFENDANTS**

18 14. Plaintiff realleges and incorporates by reference each of the allegations set forth
19 above.

20 15. Upon information and belief, Defendants, without authority, (a) have directly
21 infringed and continue to directly infringe the '108 patent by making, using, offering to sell, or
22 selling within the United States, or importing into the United States, products that practice claim
23 5 of the '108 patent in violation of 35 U.S.C. § 271(a); (b) have induced and continue to induce
24 infringement of claim 5 of the '108 patent in violation of 35 U.S.C. § 271(b); and (c) have
25 contributed and continue to contribute to the infringement of claim 5 of the '108 patent in
26 violation of 35 U.S.C. § 271(c).

27 16. The accused products for purposes of the '108 patent include but are not limited
28 to the Diasonic DDR-4000, DDR-5000, DDR-6000 and DDR-7000 series of products, including,

1 but not limited to, the Disonic model numbers DDR-4100, 4300, 4500 and 4600, the DDR-5000
2 and 5300, the DDR-6000 and the DDR-7000.

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

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

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

19 20. On information and belief, Defendants sell, ship or otherwise deliver the accused
20 products with all the features required to infringe the asserted claims of the '108 patent. On
21 information and belief, these products are designed to practice the infringing features.

22 21. Defendants 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 Defendants' industry. On information and belief, Defendants
25 have continued to sell products that practice the '108 patent after acquiring knowledge of
26 infringement.

27 22. Upon information and belief, the infringement by Defendants has been and is
28 willful.

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

5 **COUNT TWO**

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

7 24. Plaintiff realleges and incorporates by reference each of the allegations set forth in
8 paragraphs 1 through 13 above.

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

16 26. The accused products for purposes of the '170 patent include but are not limited
17 to the Diasonic model numbers DDR-5300 and DDR-7000.

18 27. The accused products, alone or in combination with other products, practice each
19 of the limitations of independent claims 1 and 7 and dependent claims 2 through 6 and 8 through
20 13 of the '170 patent.

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

28 29. Upon information and belief, Defendants, without authority, have contributed and

1 continue to contribute to the infringement of the '170 patent in violation of 35 U.S.C. § 271(c) by
2 importing into the United States, selling and/or offering to sell within the United States accused
3 products that (1) embody and constitute a material part of the invention of the '170 patent, (2)
4 Defendants knows to be especially adapted for use in infringing the '170 patent, and (3) are not
5 staple articles of commerce suitable for substantial non-infringing use with respect to the '170
6 patent.

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

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

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

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

22 **COUNT THREE**

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

24 34. Plaintiff realleges and incorporates by reference each of the allegations set forth in
25 paragraphs 1 through 13 above.

26 35. Upon information and belief, Defendants, without authority, (a) have directly
27 infringed and continue to directly infringe the '737 patent by making, using, offering to sell, or
28 selling within the United States, or importing into the United States, products that practice one

1 ore more claims of the '737 patent in violation of 35 U.S.C. § 271(a); (b) have induced and
2 continue to induce infringement of one or more claims of the '737 patent in violation of 35
3 U.S.C. § 271(b); and (c) have contributed and continue to contribute to the infringement of one
4 ore more claims of the '737 patent in violation of 35 U.S.C. § 271(c).

5 36. The accused products for purposes of the '737 patent include but are not limited
6 to the Disonic DDR-3000, DMP-105/115, DDR4000, DDR-5000, DDR-6000, DDR-7000 and
7 PDVR-1000 series of products, including, but not limited to, Disonic model numbers DDR-
8 3022, 3064, and 3256, the DMP-105 and 115, the DDR-4000, 4100, 4300, 4500 and 4600, the
9 DDR-5000 and 5300, the DDR-6000, the DDR-7000 and the PDVR-1000.

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

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

20 39. Upon information and belief, Defendants, without authority, have contributed and
21 continue to contribute to the infringement of the '737 patent in violation of 35 U.S.C. § 271(c) by
22 importing into the United States, selling and/or offering to sell within the United States accused
23 products that (1) embody and constitute a material part of the invention of the '737 patent, (2)
24 Defendants knows to be especially adapted for use in infringing the '737 patent, and (3) are not
25 staple articles of commerce suitable for substantial non-infringing use with respect to the '737
26 patent.

27 40. Based on information and belief, Plaintiff alleges that Defendants sell, ship, or
28 otherwise deliver the accused products with all the features required to infringe the asserted

1 claims of the '737 patent. On information and belief, these products are designed to practice the
2 infringing features.

3 41. Defendants had knowledge of infringement of the '737 patent since at least the
4 filing of this complaint and perhaps as early as 2010 by virtue of the Plaintiff's filing of
5 complaints against others within Defendants' industry. On information and belief, Defendants
6 have continued to sell products that practice the '737 patent after acquiring knowledge of
7 infringement.

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

10 43. Plaintiff has been irreparably harmed by these acts of infringement and has no
11 adequate remedy at law. Upon information and belief, infringement of the '737 patent is
12 ongoing and will continue unless Defendants are enjoined from further infringement by the
13 court.

14 **COUNT FOUR**

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

16 44. Plaintiff realleges and incorporates by reference each of the allegations set forth in
17 paragraphs 1 through 13 above.

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

25 46. The accused products for purposes of the '774 patent include but are not limited
26 to the Disonic DD-800, DD-900, DDR-4000, DDR-5000, DDR-7000 and PDVR-1000 series of
27 products, including, but not limited to the Disonic model numbers DD-803, 804, 807 and 900,
28 the DDR-4000, 4100, 4300, 4500 and 4600, the DDR-5300, the DDR-7000 and the PDVR-1000.

1 47. The accused products, alone or in combination with other products, practice each
2 of the limitations of independent claims 33 and 34, and dependent claims 2 through 4, 6 through
3 8, 10 through 11, 15 through 18, 23 through 27 of the '774 patent.

4 48. Upon information and belief, Defendants, without authority, have actively
5 induced infringement and continue to actively induce infringement of the '774 patent in violation
6 of 35 U.S.C. § 271(b) by causing others to directly infringe the claims of the '774 patent and/or
7 by intentionally instructing others how to use the accused products in a manner that infringes the
8 claims of the '774 patent. On information and belief, Defendants have induced and continue to
9 induce infringement by instructing customers to operate the products in an infringing manner
10 and/or when Defendants test or otherwise operate the accused products in the United States.

11 49. Upon information and belief, Defendants, without authority, have contributed and
12 continue to contribute to the infringement of the '774 patent in violation of 35 U.S.C. § 271(c) by
13 importing into the United States, selling and/or offering to sell within the United States accused
14 products that (1) embody and constitute a material part of the invention of the '774 patent, (2)
15 Defendants knows to be especially adapted for use in infringing the '774 patent, and (3) are not
16 staple articles of commerce suitable for substantial non-infringing use with respect to the '774
17 patent.

18 50. Based on information and belief, Plaintiff alleges that Defendants sell, ship, or
19 otherwise deliver the accused products with all the features required to infringe the asserted
20 claims of the '774 patent. On information and belief, these products are designed to practice the
21 infringing features.

22 51. Defendants had knowledge of infringement of the '774 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 Defendants' industry. On information and belief, Defendants
25 have continued to sell products that practice the '774 patent after acquiring knowledge of
26 infringement.

27 52. Plaintiff alleges upon information and belief, that the infringement by Defendants
28 has been and is willful.

1 53. Plaintiff has been irreparably harmed by these acts of infringement and has no
2 adequate remedy at law. Upon information and belief, infringement of the '774 patent is
3 ongoing and will continue unless Defendants are enjoined from further infringement by the
4 court.

5 **PRAYER FOR RELIEF**

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

- 7 1. That Defendants be declared to have infringed the Patents-in-Suit;
- 8 2. That Defendants' infringement of the Patents-in-Suit has been deliberate and
9 willful;
- 10 3. Preliminarily and permanently enjoining the Defendants, their officers, agents,
11 servants, employees, and attorneys, and those persons in active concert or participation with
12 them, from infringement of the Patents-in-Suit, including but not limited to any making, using,
13 offering for sale, selling, or importing of unlicensed infringing products within and without the
14 United States;
- 15 4. Compensation for all damages caused by Defendants' infringement of the Patents-
16 in-Suit to be determined at trial;
- 17 5. Enhancing Plaintiff's damages up to three (3) times their amount pursuant to 35
18 U.S.C. § 284;
- 19 6. Granting Plaintiff pre- and post-judgment interest on its damages, together with
20 all costs and expenses; and
- 21 7. Awarding such other relief as this Court may deem just and proper.

22 **HANDAL & ASSOCIATES**

23
24 Dated: October 19, 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

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Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: October 19, 2012

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