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Attorneys for Plaintiff and Counter-Defendant
e.Digital Corporation

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

e.Digital Corporation,

Plaintiff,

v.

GoPro, Inc. (formerly known as
Woodman Labs Inc.)

Defendant.

Case No. 3:12-cv-02899-DMS(WVG)

**PLAINTIFF AND COUNTER-
DEFENDANT E.DIGITAL
CORPORATION'S
SECOND AMENDED COMPLAINT
FOR PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

**Assigned to the
Honorable Judge Dana M. Sabraw**

Ctrm: 13A (Annex)

Plaintiff e.Digital Corporation ("e.Digital" or "Plaintiff"), by and through its undersigned counsel, complains and alleges against GoPro Inc. ("GoPro" or "Defendant" hereafter) as follows:

NATURE OF THE ACTION

1. This is a civil action for infringement of a patent arising under the laws of the United States relating to patents, 35 U.S.C. § 101, *et seq.*, including,

1 without limitation, 35 U.S.C. §§ 271, 281. Plaintiff e.Digital seeks a preliminary
2 and permanent injunction and monetary damages for the infringement of its U.S.
3 Patent Nos. 5,742,737 and 5,839,108.

4 **JURISDICTION AND VENUE**

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

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

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

5. Upon information and belief, certain of the products manufactured by Defendant have been and/or are currently sold and/or offered for sale to consumers including, but not limited to, GoPro's website located at <http://shop.gopro.com> which is available to consumers located within the State of California.

PARTIES

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

7. Upon information and belief, Defendant GoPro is a company registered and lawfully existing under the laws of the State of Delaware, with an office and principal place of business located at 3000 Clearview Way, Building E, San Mateo, California 94402.

THE ASSERTED PATENTS

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

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

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

5 **COUNT ONE**

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

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

9 12. The accused products include but are not limited to Defendant's
 10 camera products including but not limited to the Hero, Hero2, Hero 3, and Hero 4
 11 series of camcorders.

12 13. Upon information and belief and thereupon alleged, the accused
 13 products contain internal NAND Flash Memory components, including, but not
 14 limited to, ChipSiP CT49 memory products, on their motherboards that, either
 15 alone or together with other components manufactured, supplied or procured by
 16 Defendant for use with the accused products, perform the method claimed in Claim
 17 1 of the '108.

18 14. Defendant has directly and indirectly infringed and is directly and
 19 indirectly infringing Claim 1 of the '108 patent in violation of 35 U.S.C. § 271, *et*
 20 *seq.*, by making, using, offering for sale, selling in the United States and/or
 21 importing into the United States without authority, the accused products identified
 22 above. Claim 1 of the '108 patent teaches a method of memory management for a
 23 non-volatile storage medium. The method comprises several steps, which generally
 24 involves, without limitation, writing electronic data segments from volatile,
 25 temporary memory to a non-volatile, long-term storage medium by linking data
 26 segments according to a number of specified steps.

27 15. Plaintiff alleges that at least as of the date of the filing of the
 28 originally filed complaint in this matter, if not sooner, Defendant knew or should

1 have known of the existence of Claim 1 of the '108 patent and the fact that the
2 accused products infringe said Claim 1.

3 16. Plaintiff alleges that Defendant sold, sells, offers to sell, ships, or
4 otherwise delivers the accused products to customers or end-users with all the
5 features required to infringe Claim 1 of the '108 patent. Upon information and
6 belief, Defendant knows that the accused products infringe Claim 1 of the '108
7 patent and intends to induce third parties to include its customers and end-users to
8 also infringe Claim 1 of the '108 patent.

9 17. Upon information and belief, the accused products, alone or in
10 combination with other products, directly or, alternatively, under the doctrine of
11 equivalents, practice each of the limitations of independent Claim 1 of the '108
12 patent when they are used for their normal and intended purpose of writing to and
13 storing electronic data on non-volatile memory. Thus, Defendant directly infringes
14 Claim 1 of the '108 patent in violation of 35 U.S.C. § 271(a) when it demonstrates,
15 tests or otherwise uses the accused products in the United States. For example,
16 upon information and belief, GoPro has an ongoing program whereby its
17 employees are encouraged or required to use and demonstrate the accused products
18 and then post their experiences as well as videos and/or photos demonstrating their
19 use of the accused products on GoPro's website, GoPro's Twitter account, GoPro's
20 Facebook page, and/or other public websites including, but not limited to, Vimeo.

21 18. Plaintiff also alleges on information and belief that Defendant uses,
22 makes, sells, offers to sell and/or imports the accused products knowing that they
23 will be used by its customers and end-users for writing and storing electronic data
24 to non-volatile memory utilizing the steps described in Claim 1 of the '108 patent
25 utilizing flash memory. Defendant's product literature, live chats, videos, blogs,
26 articles, instructional materials, and/or instructional videos advertise and encourage
27 customers to use the accused product(s) knowing that the accused products utilize
28 the methods of memory management taught by Claim 1 of the '108 patent and in a

1 manner it knows infringes upon Claim 1 of the '108 patent.

2 19. Defendant also provides operating manuals, live chats, installation
3 guides, support forums, how-to videos, user or guides, instructional, or other
4 instructional and/or informational material that instruct customers and end-users on
5 how to connect the accused products and use them as non-volatile storage devices
6 for electronic data. Among other things, Defendant's informational materials lay
7 out step-by-step instructions on how to write data into the memory of the accused
8 products – a process that utilizes the method disclosed in Claim 1 of the '108
9 patent and which Defendant knows (at the least as of the filing of the original
10 complaint if not sooner) infringes the method taught in Claim 1 of the '108 patent.
11 Plaintiff believes that Defendant directs consumers and end-users to consult and
12 utilize such instructional material.

13 20. By way of example, certain website(s) and/or the Defendant's own
14 website publish the Defendant's descriptions of the specifications, features and
15 functionality of the accused products which disclose the use of the accused
16 products. Examples can be found on the Internet¹ where, upon information and
17 belief, consumers and end-users are provided information concerning how to use
18 of the accused products in a way that infringes Claim 1. Such conduct evidences
19 Defendant's acts of indirect infringement of Claim 1 of the '108 patent.

20 21. Plaintiff believes and thereupon alleges that Defendant is aware that
21 its customers and end-users are using the accused products in an infringing manner
22 based on, among other things, the fact that Defendant encourages its customers and
23 end-users to use the accused products in an infringing manner as set forth in the
24 preceding Paragraphs.

25 _____
26 ¹See, e.g.:

27 1) <https://www.youtube.com/watch?v=OiD4iyIQKFI>

28 2) https://www.youtube.com/channel/UCIwg08ECyHnm_RzY1wnZC1A

1 22. As alleged above, incorporated herewith, and based upon information
2 and belief, Plaintiff alleges that Defendant, without authority, has induced and
3 continues to induce infringement of the '108 patent in violation of 35 U.S.C. §
4 271(b) inasmuch as:

- 5 a. The accused products infringe Claim 1 during the normal use of
6 the accused products by Defendant's customers and/or end-users;
- 7 b. Defendant has known and has been continuously aware of the
8 '108 patent since at least the filing of the original complaint in this
9 action, if not sooner;
- 10 c. Defendant has acted in a manner that encourages and continues to
11 encourage others to infringe Claim 1 of the '108 patent by, among
12 other things, intentionally instructing and/or encouraging
13 customers and end-users to use the accused products in a manner
14 that Defendant knows or should have known would cause them to
15 infringe the '108 patent;
- 16 d. Defendant sells, distributes, and supplies the accused products to
17 customers and end-users with the intent that the products be used
18 in an infringing manner;
- 19 e. Defendant provides operating manuals, guides, instructional
20 and/or informational videos, or other instructional and/or
21 informational material designed to instruct customers and end-
22 users to use the products in an infringing manner; and,
- 23 f. Defendant advertises, markets, and promotes the use of the
24 accused products in an infringing manner.

25 23. As alleged above, incorporated herewith, and based upon information
26 and belief, Plaintiff alleges that Defendant has contributed and continues to
27 contribute to the infringement of Claim 1 of the '108 patent in violation of 35
28 U.S.C. § 271(c) inasmuch as:

- a. The accused products infringe Claim 1 of the '108 patent during the normal use of the accused products by Defendant's customers and/or end-users;
- b. Defendant has known and has been continuously aware of the '108 patent since at least the filing of the original complaint in this action, if not sooner;
- c. Defendant imports into the United States, sells and/or offers to sell within the United States products that (a) practice the method of memory management of Claim 1 of the '108 patent; and, (b) Defendant knows that the same constitute material infringing component(s) of the accused products, which were made and/or especially adapted for use in the accused products;
- d. The memory management component(s) and methods of the accused products are not staple articles of commerce suitable for substantial non-infringing use with respect to the '108 patent; and,
- e. Defendant sells, has sold, and/or has supplied the accused products knowing of Plaintiff's '108 patent and knowing that the accused products incorporate Plaintiff's patented method and/or were specially adapted for use in a way which infringes the '108 patent.

24. As alleged above, Plaintiff alleges that Defendant had notice of the '108 patent and knowledge of infringement of Claim 1 of the '108 patent since at least the filing of the original complaint in this matter, if not sooner. Defendant has and continues to sell products that practice the '108 patent after acquiring knowledge of infringement.

COUNT TWO

INFRINGEMENT OF THE '737 PATENT BY DEFENDANT

25. Plaintiff re-alleges and incorporates by reference each of the

allegations set forth in paragraphs 1 through 24 above.

26. Upon information and belief, Defendant, without authority, (a) has directly infringed and continues to directly infringe the '737 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 '737 patent in violation of 35 U.S.C. § 271(a); (b) has induced and continues to induce infringement of one or more claims of the '737 patent in violation of 35 U.S.C. § 271(b); and (c) has contributed and continues to contribute to the infringement of one or more claims of the '737 patent in violation of 35 U.S.C. § 271(c).

27. The accused products for purposes of the '737 patent include but are not limited to the Hero, Hero2, Hero 3, and Hero 4 series camcorders.

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

29. 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.

30. 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

1 especially adapted for use in infringing the '737 patent, and (3) are not staple
2 articles of commerce suitable for substantial noninfringing use with respect to the
3 '737 patent.

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

8 32. Defendant had knowledge of infringement of the '737 patent since at
9 least the filing of this complaint and perhaps as early as 2010 by virtue of the
10 Plaintiff's filing of complaints against others within Defendants' industry. On
11 information and belief, Defendant has continued to sell products that practice the
12 '737 patent after acquiring knowledge of infringement.

13 33. Upon information and belief, the infringement by Defendant has been
14 and is willful.

15 34. Plaintiff has been irreparably harmed by these acts of infringement
16 and has no adequate remedy at law. Upon information and belief, infringement of
17 the '737 patent is ongoing and will continue unless Defendant is enjoined from
18 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 Patent-in-Suit;
- 22 2. That Defendant, Defendant's officers, agents, servants, employees,
23 and attorneys, and those persons in active concert or participation with them, be
24 preliminarily and permanently enjoined from infringement of the Patent-in-Suit,
25 including but not limited to any making, using, offering for sale, selling, or
26 importing of unlicensed infringing products within and without the United States;
- 27 3. Compensation for all damages caused by Defendant's infringement of
28 the Patent-in-Suit to be determined at trial;

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all claims.

HANDAL & ASSOCIATES

Dated: March 27, 2015

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

1 **CERTIFICATE OF SERVICE**

2 The undersigned hereby certifies that a true and correct copy of the
3 foregoing document has been served on this date to all counsel of record, if any to
4 date, who are deemed to have consented to electronic service via the Court's
5 CM/ECF system per CivLR 5.4(d). Any other counsel of record will be served by
6 electronic mail, facsimile and/or overnight delivery upon their appearance in this
7 matter.

8 I declare under penalty of perjury of the laws of the United States that the
9 foregoing is true and correct. Executed this 27th day of March, 2015 at San
10 Diego, California.

11 **HANDAL & ASSOCIATES**

12
13 Dated: March 27, 2015

By: /s/Anton N. Handal
Anton N. Handal
Pamela C. Chalk
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