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8 e.Digital Corporation

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

11 e.Digital Corporation,  
12 Plaintiff,  
13

14 v.

15 Pantech Wireless, Inc. aka Pantech  
North America; Pantech Co. Ltd.;  
16 AT&T Mobility, LLC; and Verizon  
Communications, Inc.,

17 Defendants.  
18  
19  
20  
21

Case No. 3:13-cv-00023-CAB-  
WVG

**E.DIGITAL CORPORATION'S  
FIRST AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT**

**DEMAND FOR JURY TRIAL**

**Judge: Hon. Cathy Ann  
Bencivengo  
Ct. 2 (Fourth Floor)**

22  
23 Plaintiff e.Digital Corporation (“e.Digital” or “Plaintiff”), by and through its  
24 undersigned counsel, complains and alleges against Pantech Wireless, Inc., aka  
25 Pantech North America, and Pantech Co. Ltd. (collectively “Pantech”); AT&T  
26 Mobility, LLC (“AT&T”); and Verizon Communications, Inc. (“Verizon”) as  
27 follows:

28 ///

1 **NATURE OF THE ACTION**

2 1. This is a civil action for infringement of a patent arising under the  
3 laws of the United States relating to patents, 35 U.S.C. § 101, *et seq.*, including,  
4 without limitation, § 281. Plaintiff e.Digital seeks a preliminary and permanent  
5 injunction and monetary damages for the infringement of its U.S. Patent Nos.  
6 5,839,108; 5,742,737; and 5,491,774.

7 **JURISDICTION AND VENUE**

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

11 3. Venue properly lies within the Southern District of California  
12 pursuant to the provisions of 28 U.S.C. §§ 1391(b), (c), and (d) and 1400(b). On  
13 information and belief, Defendant conducts substantial business directly and/or  
14 through third parties or agents in this judicial district by selling and/or offering to  
15 sell the infringing products and/or by conducting other business in this judicial  
16 district. Furthermore, Plaintiff e.Digital is headquartered and has its principal  
17 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 Defendant because, on  
20 information and belief, Defendant transacts continuous and systematic business  
21 within the State of California and the Southern District of California. In addition,  
22 this Court has personal jurisdiction over the Defendants because, on information  
23 and belief, this lawsuit arises out of Defendant's infringing activities, including,  
24 without limitation, the making, using, selling and/or offering to sell infringing  
25 products in the State of California and the Southern District of California. Finally,  
26 this Court has personal jurisdiction over Defendant because, on information and  
27 belief, Defendant has made, used, sold and/or offered for sale its infringing  
28 products and placed such infringing products in the stream of interstate commerce

1 with the expectation that such infringing products would be made, used, sold  
2 and/or offered for sale within the State of California and the Southern District of  
3 California.

4 **PARTIES**

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

8 6. Upon information and belief, Defendant Pantech Wireless, Inc. is a  
9 company organized and lawfully existing under the laws of the State of Georgia,  
10 with an office and principal place of business located at 5607 Glenridge Drive,  
11 Suite 500, Atlanta, Georgia 30342.

12 7. Upon information and belief, Defendant Pantech Co. Ltd. is a  
13 company registered and lawfully existing under the laws of the Republic of Korea,  
14 with an office and principal place of business located at Pantech R&D Center, I-2,  
15 DMC Sangam-dong Mapo-go, Seoul, Korea.

16 8. Upon information and belief, Defendant AT&T is a limited liability  
17 company organized and lawfully existing under the laws of the State of Delaware,  
18 with an office and principal place of business located at 1025 Lenox Park Blvd.  
19 NE, Atlanta, GA, 30319. Upon information and belief, certain of the products  
20 manufactured by Pantech have been and/or are currently sold and/or offered for  
21 sale at, among other places, AT&T retail stores in this jurisdiction and AT&T's  
22 website located at [www.att.com](http://www.att.com).

23 9. Upon information and belief, Defendant Verizon is a company  
24 organized and lawfully existing under the laws of the State of Delaware, with an  
25 office and principal place of business located at 1 Verizon Way, Basking Ridge,  
26 New Jersey 07920. Upon information and belief, certain of the products  
27 manufactured by Pantech have been and/or are currently sold and/or offered for  
28 sale at, among other places, Verizon retail stores in this jurisdiction and Verizon's

1 website located at www.verizonwireless.com.

## 2 THE ASSERTED PATENTS

3 10. On November 17, 1998, United States Patent No. 5,839,108 (“the  
4 ’108 patent”) entitled “Flash Memory File System In A Handheld Record And  
5 Playback Device,” was duly and legally issued by the United States Patent and  
6 Trademark Office. The named inventors are Norbert P. Daberko and Richard K.  
7 Davis. e.Digital is the assignee and owner of the entire right, title and interest in  
8 and to the ’108 patent and has the right to bring this suit for damages and other  
9 relief. A true and correct copy of the ’108 patent is attached hereto as Exhibit A.

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

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

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

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

4                                   **COUNT ONE**

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

6           15. Plaintiff realleges and incorporates by reference each of the  
7 allegations set forth above.

8           16. Upon information and belief, Defendants, without authority, (a) have  
9 directly infringed and continue to directly infringe the '108 patent by making,  
10 using, offering to sell, or selling within the United States, or importing into the  
11 United States, products that practice claims 2 and 3 of the '108 patent in violation  
12 of 35 U.S.C. § 271(a); (b) have induced and continue to induce infringement of  
13 claim 2 and 3 of the '108 patent in violation of 35 U.S.C. § 271(b); and (c) have  
14 contributed and continue to contribute to the infringement of claims 2 and 3 of the  
15 '108 patent in violation of 35 U.S.C. § 271(c).

16           17. The accused products for purposes of the '108 patent include but are  
17 not limited to the Pantech's Flex P8010, Burst P9070, Pocket P9060, Breakout  
18 ADR8995, and Ease P2020 mobile phones.

19           18. The accused products, alone or in combination with other products,  
20 practice each of the limitations of independent claims 2 and 5 and dependent claim  
21 3 of the '108 patent.

22           19. Upon information and belief, Defendants, without authority, have  
23 actively induced and continue to actively induce infringement of claims 2, 3 and 5  
24 of the '108 patent in violation of 35 U.S.C. § 271(b) by causing others to directly  
25 infringe the claims of the '108 patent and/or by intentionally instructing others how  
26 to use the accused products in a manner that infringes claims 2, 3 and 5 of the '108  
27 patent. Plaintiff also alleges that Defendants have induced and continue to induce  
28 infringement by instructing customers to operate the products in an infringing

1 manner and/or when Defendants test or otherwise operate the accused products in  
2 the United States.

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

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

15 22. Defendants had knowledge of infringement of the '108 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 Defendants' industry.  
18 Defendant Pantech had further knowledge of infringement of the '108 patent as of  
19 February 13, 2012, when Plaintiff notified Pantech by letter of its use of Plaintiff's  
20 Flash-R patents, including the '108 patent. On information and belief, Defendants  
21 have continued to sell products that practice the '108 patent after acquiring  
22 knowledge of infringement.

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

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

**COUNT TWO**

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

25. Plaintiff realleges and incorporates by reference each of the allegations set forth in Paragraphs 1 through 14 above.

26. Upon information and belief, Defendants, without authority, (a) have directly infringed and continue 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) have induced and continue to induce infringement of one or more claims of the '737 patent in violation of 35 U.S.C. § 271(b); and (c) have contributed and continue 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 Pantech's Verse, Flex P8010, Marauder ADR910LVW, Renue P6030, Swift P6020, Burst P9070, Pocket P9060, Link 2 P5000, Breakout ADR8995, Pursuit 2 P6010, Breeze 3 P2030, Crossover P8000, Laser P9050, Ease P2020, Pursuit P9020, Breeze 2 P2000, Impact P7000, Link P7040, Reveal C790, Crux CDM8999, Caper TXT 8035PP, CDM8635, Jest TXT8040, Jest 2 TXT8045 and Hotshot mobile phones and Element P4100 tablet.

28. The accused products, alone or in combination with other products, practice each of the limitations of independent claims 1, 4, 9, and 13 (former claim 5) and dependent claims 3 (Verse cell phone only) and 6 of the '737 patent.

29. Upon information and belief, Defendants, without authority, have 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, Defendants have induced and continue to induce



1 infringement by instructing customers to operate the products in an infringing  
2 manner and/or when Defendants test or otherwise operate the accused products in  
3 the United States.

4 30. Upon information and belief, Defendants, without authority, have  
5 contributed and continue to contribute to the infringement of the '737 patent in  
6 violation of 35 U.S.C. § 271(c) by importing into the United States, selling and/or  
7 offering to sell within the United States accused products that (1) embody and  
8 constitute a material part of the invention of the '737 patent, (2) Defendants knows  
9 to be especially adapted for use in infringing the '737 patent, and (3) are not staple  
10 articles of commerce suitable for substantial non-infringing use with respect to the  
11 '737 patent.

12 31. Based on information and belief, Plaintiff alleges that Defendants sell,  
13 ship, or otherwise deliver the accused products with all the features required to  
14 infringe the asserted claims of the '737 patent. On information and belief, these  
15 products are designed to practice the infringing features.

16 32. Defendants had knowledge of infringement of the '737 patent since at  
17 least the filing of this complaint and perhaps as early as 2010 by virtue of the  
18 Plaintiff's filing of complaints against others within Defendants' industry.  
19 Defendant Pantech had further knowledge of infringement of the '737 patent as of  
20 February 13, 2012, when Plaintiff notified Pantech by letter of its use of Plaintiff's  
21 Flash-R patents, including the '737 patent. On information and belief, Defendants  
22 have continued to sell products that practice the '737 patent after acquiring  
23 knowledge of infringement.

24 33. Plaintiff alleges upon information and belief, that the infringement by  
25 Defendants has been and is willful.

26 34. Plaintiff has been irreparably harmed by these acts of infringement  
27 and has no adequate remedy at law. Upon information and belief, infringement of  
28 the '737 patent is ongoing and will continue unless Defendants are enjoined from



1 further infringement by the court.

2 **COUNT THREE**

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

4 35. Plaintiff realleges and incorporates by reference each of the  
5 allegations set forth in Paragraphs 1 through 14 above.

6 36. Upon information and belief, Defendants, without authority, (a) have  
7 directly infringed and continue to directly infringe the '774 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 '774 patent in  
10 violation of 35 U.S.C. § 271(a); (b) have induced and continue to induce  
11 infringement of one or more claims of the '774 patent in violation of 35 U.S.C. §  
12 271(b); and (c) have contributed and continue to contribute to the infringement of  
13 one or more claims of the '774 patent in violation of 35 U.S.C. § 271(c).

14 37. The accused products for purposes of the '774 patent include but are  
15 not limited to Pantech's Verse, Flex P8010, Marauder ADR910LVW, Renue  
16 P6030, Swift P6020, Burst P9070, Pocket P9060, Link 2 P5000, Breakout  
17 ADR8995, Pursuit 2 P6010, Breeze 3 P2030, Crossover P8000, Laser P9050, Ease  
18 P2020, Pursuit P9020, Breeze 2 P2000, Impact P7000, Link P7040, Reveal C790,  
19 Crux CDM8999, Jest TXT8040, Jest 2 TXT8045 and Hotshot mobile phones and  
20 Element P4100 tablet.

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

25 39. Upon information and belief, Defendants, without authority, have  
26 actively induced infringement and continue to actively induce infringement of the  
27 '774 patent in violation of 35 U.S.C. § 271(b) by causing others to directly infringe  
28 the claims of the '774 patent and/or by intentionally instructing others how to use

1 the accused products in a manner that infringes the claims of the '774 patent. On  
2 information and belief, Defendants have induced and continue to induce  
3 infringement by instructing customers to operate the products in an infringing  
4 manner and/or when Defendants test or otherwise operate the accused products in  
5 the United States.

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

14 41. Based on information and belief, Plaintiff alleges that Defendants sell,  
15 ship, or otherwise deliver the accused products with all the features required to  
16 infringe the asserted claims of the '774 patent. On information and belief, these  
17 products are designed to practice the infringing features.

18 42. Defendants had knowledge of infringement of the '774 patent since at  
19 least the filing of this complaint and perhaps as early as 2010 by virtue of the  
20 Plaintiff's filing of complaints against others within Defendants' industry.  
21 Defendant Pantech had further knowledge of infringement of the '774 patent as of  
22 February 13, 2012, when Plaintiff notified Pantech by letter of its use of Plaintiff's  
23 Flash-R patents, including the '774 patent. On information and belief, Defendants  
24 have continued to sell products that practice the '774 patent after acquiring  
25 knowledge of infringement.

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

28 44. 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 '774 patent is ongoing and will continue unless Defendants are enjoined from  
3 further infringement by the court.

4 **PRAYER FOR RELIEF**

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

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

21 **HANDAL & ASSOCIATES**

22 Dated: February 4, 2013

23 By: /s/ Gabriel G. Hedrick  
24 Anton N. Handal  
25 Gabriel G. Hedrick  
26 Pamela C. Chalk  
27 Attorneys for Plaintiff  
28 e.Digital Corporation

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury on all claims.

**HANDAL & ASSOCIATES**

Dated: February 4, 2013

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

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**CERTIFICATE OF SERVICE**

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

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct. Executed this 4<sup>th</sup> day of February, 2013 at San Diego, California.

**HANDAL & ASSOCIATES**

Dated: February 4, 2013

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