IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

LAMBETH MAGNETIC STRUCTURES, LLC,

Plaintiff,

v.

WESTERN DIGITAL CORPORATION, WESTERN DIGITAL TECHNOLOGIES, INC., WESTERN DIGITAL (FREMONT), INC., WESTERN DIGITAL (THAILAND) COMPANY LIMITED, WESTERN DIGITAL (MALAYSIA) SDN.BHD, and HGST, Inc.

CIVIL ACTION NO.

Defendants.

COMPLAINT AND DEMAND FOR TRIAL BY JURY

Plaintiff Lambeth Magnetic Structures, LLC. with a principal place of business at 1230 Squirrel Hill Avenue, Pittsburgh, PA 15217 ("LMS"), alleges the following for its complaint against defendants Western Digital Corporation, Western Digital Technologies, Inc., Western Digital (Fremont), Inc., Western Digital (Thailand) Company Ltd., and Western Digital (Malaysia) SDN.BHD (collectively "Western Digital"), and HGST, Inc. ("HGST").

NATURE OF THE ACTION

This is a civil action for infringement of United States Patent No. 7,128,988 (the "'988 Patent"). The action arises under the laws of the United States related to patents, including 35 U.S.C. § 281.

PARTIES

2. LMS is a limited liability company organized and existing under the laws of Pennsylvania, having its principal place of business at 1230 Squirrel Hill Avenue, Pittsburgh, PA 15217.

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3. Upon information and belief, Western Digital Corporation is a Delaware corporation with its principal place of business at 3355 Michelson Drive, Suite 100, Irvine, CA 92612.

4. Upon information and belief, Western Digital Technologies, Inc. is a Delaware corporation with its principal place of business at 3355 Michelson Drive, Suite 100, Irvine, CA 92612. Upon information and belief, Western Digital Technologies is a wholly owned subsidiary of Western Digital Corporation.

5. Upon information and belief, Western Digital (Fremont), Inc. is a Delaware corporation with its principal place of business at 44100 Osgood Rd, Fremont, CA 94539. Upon information and belief, Western Digital (Fremont), Inc. is a directly or indirectly wholly owned subsidiary of Western Digital Corporation, and it is involved in the research, development and fabrication of hard drive test systems, and heads for incorporation into hard drives.

6. Upon information and belief, Western Digital (Thailand) Company Ltd. is a company organized under the laws of Thailand with its principal place of business at 140 Khlong Chik Bang Pa-in District, Phra Nakhon Si Ayutthaya 13160, Thailand. Upon information and belief, Western Digital (Thailand) Company Ltd. is directly or indirectly wholly owned subsidiary of Western Digital Corporation, and it is an agent for Western Digital Corporation, and it is responsible for the manufacture of hard drives for Western Digital.

7. Upon information and belief, Western Digital (Malaysia) SDN.BHD is a company organized under the laws of Malaysia with its principal place of business at Lot 3Jalan SS 8/6, Sungei Way FIZ, Petaling Jaya, 47300, Petaling Jaya, Selangor, Malaysia. Upon information and belief, Western Digital (Malaysia) SDN.BHD is a directly or indirectly wholly owned subsidiary of Western Digital Corporation, and it is an agent for Western Digital Corporation, and is responsible for the manufacture of hard drives for Western Digital.

8. Upon information and belief, HGST is a Delaware corporation with its principal place of business at 3403 Yerba Buena Road, San Jose, CA 95135. HGST is a fully owned subsidiary of Western Digital Corporation.

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JURISDICTION AND VENUE

9. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a), because this action concerns infringement of a United States patent.

10. This Court has personal jurisdiction over Western Digital at least by virtue of Western Digital regularly transacting or soliciting business in this District, and having committed one or more acts of infringement in this District. For example, through its website, store.wdc.com, Western Digital sells infringing hard drives directly to consumers throughout the United States, and in this District.

11. This Court has personal jurisdiction over HGST at least by virtue of Western Digital regularly transacting or soliciting business in this District, and having committed one or more acts of infringement in this District. For example, through its website, HGST.com/how-to-buy, HGST directs consumers throughout the United States and in this District to online retailers who sell and ship its infringing products throughout the United States and in this District.

12. Venue is proper under 28 U.S.C. §§ 1391 and 1400.

BACKGROUND

13. LMS is an entity formed to license patents invented by Dr. David N. Lambeth, a retired Carnegie Mellon professor and recognized pioneer in the area of materials science, and magnetic devices, specifically magnetic structures and devices for computer memory devices, including electronic hard disk drives (also referred to herein as "magnetic disk drives" or "HDD").

14. The '988 Patent, entitled "Magnetic Material Structures, Devices and Methods," was issued on October 31, 2006. (A copy of the '988 Patent is attached hereto as Exhibit A)

15. By assignment, LMS is the current owner of '988 Patent, which has the right to sue and recover damages for infringement thereof.

16. The accurate storage and retrieval of data are critical to our information age. Every year, the amount of data that needs to be stored grows exponentially, requiring more and more capacity for individuals and companies alike. Much of the data are stored on hard disk

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drives, both those that are internal to computers, and stand-alone external drives. Hence, hard disk drive capacity continually needs to be increased.

17. The shrinking of the physical size of the datum unit on the storage medium is essential to accommodate the growing need for data storage without increasing the physical size of the hard drives themselves. If data density were to not have increased over the years, it would have taken hard disk drives the size of a house to store a small music library. In order for this density to be continually increased the HDD magnetic medium must be sufficiently resistant to spontaneous changes of magnetic state. These materials are sometimes referred to as being magnetically hard, or having a high coercivity (resistance to change).

18. The magnetic head (transducer) used to record the data in HDD is composed of various materials and structures, which play a vital role in determining the hard disk drive storage capacity. It is important that the structures be as small as possible and the materials be sufficiently potent to perform the required function of changing the states of the very small areas of the hard magnetic material on the platter, *i.e.*, magnetic media or disk, when energized. At the same time, these transducer materials must be sufficiently magnetically soft such that they relax to a non-magnetized state and do not cause erasure of the data when the transducer is not energized. This changing of the magnetized state on the magnetic disk, platter, is equivalent to modifying or writing the 0's and 1's representing data stored on the platter.

19. For ease of reference, but without limitation, as used herein, the reference to "Hard Disk Drive Devices" shall include computers, electronic equipment, and hard disk drives with magnetic heads and perpendicular magnetic recording media, including but not limited to: hard disk drives, including hard disk drives for inclusion in computers; stand-alone drives and portable drives; laptop and desktop computers with hard disk drives; media players and sound or video recording devices with hard disk drives; gaming systems with hard disk drives; servers and enterprise storage computers; hard disk drive storage devices in automotive vehicles and machinery; and other devices with hard disk drives, including the components such as recording heads and media for such drives.

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20. In connection with the '988 Patent, Dr. Lambeth invented a new magnetic material structure for Hard Disk Drive Devices including the following elements:

(1) a substrate;
(2) at least one bcc-d layer which is magnetic, forming a uniaxial symmetry broken structure; and
(3) at least one layer providing a (111) textured hexagonal atomic template disposed between said substrate and said bcc-d layer.

21. Independent claim 1 of the '988 Patent claims the new magnetic material structure set forth above while independent claim 27 claims a magnetic device incorporating the new structure.

22. This new magnetic structure allowed Hard Disk Drive Devices with greater capacity than before, but without an increase in their physical size. Thus, this structure was and continues to be instrumental to the ever-increasing miniaturization of computers and the concomitant increase of data storage capacity.

FIRST CALIM FOR RELIEF

Patent Infringement of United States Patent No. 7,128,988 By Western Digital

23. The allegations stated in paragraphs 1-22 are incorporated by reference as though fully set forth herein.

24. Western Digital designs and manufactures recording heads for high performance hard disk drives, which infringe the '988 Patent. The following are just a few infringing Western Digital models: 1TB HDD Model No.: WD10JPVX, which is representative of other Western Digital HDDs and solid state hybrid drives ("SSHD"), including, inter alia, internal PC/Mac desktop HDDs Model Nos. WD60EZRZ, WD50EZRZ, WD40EZRZ, WD30EZRZ, WD20EZRZ, WD10EZRZ, WD10EZEX, WD7500AZEX, WD5000AZLX, WD5000AAKX, WD3200AAKX, and WD2500AAKX; WD6001FZWX, WD5001FZWX, WD4003FZEX, WD3003FZEX, WD2003FZEX, WD1003FZEX, WD5003AZEX, WD4001FAEX, WD3001FAEX, WD2002FAEX, WD1002FAEX; internal PC/Mac SSHD Model Nos. WD40E31X, WD10J31X; internal mobile HDD Model Nos. WD10SPCX, WD7500LPCX, WD5000LPCX, WD3200LPCX, WD2500LPCX, WD30NPVZ, WD20NPVZ, WD15NPVZ, WD7500BPKX,

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