

2. e-Watch, Inc. is owner of all right, title, and interest in and to: United States Patent No. 7,365,871 (the “’871 Patent”), issued April 29, 2008, for “Apparatus for Capturing, Converting and Transmitting a Visual Image Signal Via a Digital Transmission System”; United States Patent No. 7,643,168 (the “’168 Patent”), issued January 5, 2010, for “Apparatus for Capturing, Converting and Transmitting a Visual Image Signal Via a Digital Transmission System” (collectively, the “Patents”).

3. e-Watch Corporation and e-Watch, Inc. are parties to Inter-Company License Agreement, under which e-Watch, Inc. grants to e-Watch Corporation an exclusive license to make, use, sell and support products and services in accordance with the Patents, subject to certain reservation and reservations of rights.

4. Upon information and belief, Defendants manufacture, provide, sell, offer for sale, import, and/or distribute infringing products and services related to those products.

5. Plaintiffs further seek monetary damages and prejudgment interest for Defendants' past infringement of the Patents.

II. THE PARTIES

6. Plaintiff e-Watch, Inc. is a corporation organized and existing under the laws of the State of Nevada, with its principal place of business located at 23011 IH-10 West, San Antonio, Texas 78257.

7. Plaintiff e-Watch Corporation is a corporation organized and existing under the laws of the State of Texas, with its principal place of business located at 23011 IH-10 West, San Antonio, Texas 78257.

8. Upon information and belief, Defendant ZTE Corporation is a corporation organized and existing under the laws of the People's Republic of China, having its principal place of business located at No. 55, Hi-tech Road South, ShenZhen, P.R. China 518057, where it can be served with process. Upon information and belief, Defendant ZTE Corporation is authorized to do business in Texas.

9. Upon information and belief, Defendant ZTE (USA), Inc. is a corporation organized and existing under the laws of the State of New Jersey, having its principal place of business located in Richardson, Texas. Upon information and belief, Defendant ZTE (USA),

Inc. is authorized to do business in Texas. ZTE (USA), Inc. may be served by serving its registered agent Jing Li, 2425 N. Central Expressway, Suite 323, Richardson, Texas 75080.

10. Upon information and belief, Defendant ZTE Solutions, Inc. is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business located at 2425 N. Central Expressway, Suite 600, Richardson, Texas 75080. Upon information and belief, Defendant ZTE Solutions, Inc. is authorized to do business in Texas. ZTE Solutions, Inc. may be served by serving its registered agent Incorp Services, Inc., 815 Brazos Street, Suite 500, Austin, Texas 78701.

III. JURISDICTION AND VENUE

11. This is an action for patent infringement which arises under the Patent Laws of the United States, in particular, 35 U.S.C. §§271, 281, 283, 284, and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1338(a).

12. This Court has personal jurisdiction over Defendants, and venue is proper in this Court pursuant to 28 U.S.C. §§1391(b), (c), and 1400.

IV. PATENTS-IN-SUIT

13. The Patents disclose an image capture, conversion, compression, storage and transmission system. The system provides a data signal representing the image in a format and protocol capable of being transmitted over transmission systems and received equipment receiving stations. In its most comprehensive form, the system is capable of capturing/receiving and sending audio, documentary and visual image data to and from remote stations.

14. Plaintiffs have obtained all substantial right and interest to the Patents, including all rights to recover for all past and future infringements thereof.

15. Plaintiffs have acted in conformity with 35 U.S.C. § 287.

V. DEFENDANTS' ACTS

16. Upon information and belief, Defendants manufacture, provide, sell, offer for sale, and/or distribute certain infringing camera phones that are capable of operating over cellular networks, including by way of example ZTE Nubia Z5 ("Camera Phones"). By doing so, Defendants have infringed the Patents.

17. Upon information and belief, Defendants' Camera Phones are infringing systems. Defendants encourage and instruct their customers to use these infringing systems in a manner that infringes the Patents.

18. Plaintiffs have been and will continue to suffer damages as a result of Defendants' infringing acts.

COUNT ONE

PATENT INFRINGEMENT—U.S. PATENT NO. 7,365,871

19. Plaintiffs reallege and incorporate herein paragraphs 1–16.

20. Upon information and belief, Defendants have directly infringed the '871 Patent.

21. The aforementioned acts of Defendant have caused damage to Plaintiffs and will continue to do so.

COUNT TWO

PATENT INFRINGEMENT—U.S. PATENT NO. 7,643,168

22. Plaintiffs reallege and incorporate herein paragraphs 1–19.

23. Upon information and belief, Defendants have directly infringed the '168 Patent.

24. Defendants' aforementioned acts have caused damage to Plaintiffs and will continue to do so.

VI. JURY DEMAND

25. Plaintiffs hereby demand a jury on all issues so triable.

VII. REQUEST FOR RELIEF

WHEREFORE, Plaintiffs e-Watch, Inc. and e-Watch Corporation respectfully request that the Court:

- A. Enter judgment that Defendants infringe one or more claims of the Patents asserted against them in the above Counts literally and/or under the doctrine of equivalents;
- B. Award Plaintiffs e-Watch, Inc. and e-Watch Corporation past and future damages together with prejudgment and post-judgment interest to compensate for the infringement by Defendants of the Patents asserted against them in the Counts above in accordance with 35 U.S.C. §284; and
- C. Award Plaintiffs e-Watch, Inc. and e-Watch Corporation their costs, disbursements, attorneys' fees, and such further and additional relief as is deemed appropriate by this Court.

Dated: December 13, 2013

Respectfully submitted,

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