

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 restrictions 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.

6. This is an exceptional case, and Plaintiffs are entitled to damages, enhanced damages, attorneys’ fees, costs, and expenses.

II. THE PARTIES

7. 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.

8. 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.

9. Upon information and belief, Defendant LG Electronics, Inc. is a corporation organized under the laws of Korea, with its principal place of business located at LG Twin Tower 128, Yeoui-daero, Yeongdeungpo-gu, Seoul, 150-721, Republic of Korea, where it can be served with process. Upon information and belief, Defendant LG Electronics, Inc. is authorized to do business in Texas.

10. Upon information and belief, Defendant LG Electronics U.S.A., Inc. is a wholly-owned subsidiary of LG Electronics and is a Delaware corporation with its principal place of business located at 920 Sylvan Avenue, Englewood Cliffs, New Jersey 07632. Upon information and belief, Defendant LG Electronics U.S.A., Inc. is authorized to do business in Texas where it can be served with process through its registered agent United States Corporation Co., 211 E. 7th Street, Suite 620, Austin, Texas 78701-3218

11. Upon information and belief, Defendant LG Electronics MobileComm U.S.A., Inc. is a California corporation with its principal place of business located at 10101 Old Grove Road, San Diego, California 92131. Upon information and belief, Defendant LG Electronics MobileComm U.S.A., Inc. is authorized to do business in Texas where it can be served with process through its registered agent National Registered Agents, Inc., 1999 Bryan Street, Ste. 900, Dallas, Texas 75201-3136.

III. JURISDICTION AND VENUE

12. 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).

13. 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

14. 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.

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

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

V. DEFENDANTS' ACTS

17. 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 LG Viper 4G LTE ("Camera Phones"). By doing so, Defendants have infringed the Patents.

18. 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.

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

VI. WILLFULNESS

20. Plaintiffs allege upon information and belief that Defendants have knowingly or with reckless disregard willfully infringed the Patents. Defendants have cited one or both of the Patents in connection with it obtaining their own patents. Defendants have acted with knowledge of the Patents and despite an objectively high likelihood that their actions constituted infringement of e-Watch's valid patent rights. This objectively-defined risk was either known or so obvious that it should have been known to Defendants. Plaintiffs seek enhanced damages pursuant to 35 U.S.C. § 284.

COUNT ONE

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

21. Plaintiffs reallege and incorporate herein paragraphs 1–16.
22. Upon information and belief, Defendants have directly infringed the '871 Patent.
23. The aforementioned acts of Defendants have caused damage to Plaintiffs and will continue to do so.

COUNT TWO

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

24. Plaintiffs reallege and incorporate herein paragraphs 1–19.
25. Upon information and belief, Defendants have directly infringed the '168 Patent.
26. Defendants' aforementioned acts have caused damage to Plaintiffs and will continue to do so.

VII. JURY DEMAND

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

VIII. REQUEST FOR RELIEF

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

- A. Enter judgment that Defendants infringed 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 increase such award by up to three times the amount found or assessed in accordance with 35 U.S.C. §284;

- C. Declare this case exceptional pursuant to 35 U.S.C. §285; and
- D. 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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