IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

BLUEBONNET TELECOMMUNICATIONS L.L.C.,

Plaintiff,

CIVIL ACTION NO.

v.

ZTE (USA), INC.,

JURY TRIAL DEMANDED

Defendant.

ORGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Bluebonnet Telecommunications, L.L.C. ("Bluebonnet") files this original complaint against the above-named ZTE (USA) INC. ("ZTE"), alleging, based on its own knowledge as to itself and its own actions and based on information and belief as to all other matters, as follows:

PARTIES

- 1. Bluebonnet is a corporation formed under the laws of the State of Texas, with a principal place of business in Longview, Texas.
 - 2. Defendant ZTE is a corporation organized under the laws of the State of

New Jersey with its headquarters at 33 Wood Avenue South, 7th Floor, Iselin, NJ 08830 and a principal place of business at 2425 North Central Expressway, Suite 600, Richardson, Texas 75080. ZTE can be served with process by serving its registered agent: Jing Li, at 2425 North Central Expressway, Suite 600, Richardson, Texas 75080.

JURISDICTION AND VENUE

3. This is an action for infringement of a United States patent arising under 35 U.S.C. §§ 271, 281, and 284–85, among others. This Court has subject matter jurisdiction of the action under 28 U.S.C. §1331 and §1338(a).

4. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400(b).Upon information and belief, ZTE has transacted business in this district and hascommitted, by itself or in concert with others, acts of patent infringement in this district.

5. ZTE is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to ZTE's substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and/or (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this district.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 5,485,511

6. On January 16, 1996, United States Patent No. 5,485,511 ("the 511 patent") was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Method and Apparatus for Determining the Telephony Features Assigned to a Telephone."

7. Bluebonnet is the owner of the 511 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 511 patent against infringers, and to collect damages for all relevant times.

8. ZTE, directly or through its customers and/or intermediaries, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or systems (including for example, the Altair, Render, Adamant, Memo, Chorus, Aspect, Z331, Z221, and Z222) that infringed one or more claims of the 511 patent. Specifically, ZTE's accused products and/or systems have features that allow a user to determine whether certain telephony features (*e.g.*, call forwarding and call barring) are activated.

9. ZTE has and is directly infringing the 511 patent.

COUNT II

INFRINGEMENT OF U.S. PATENT NO. 6,560,274

10. On May 6, 2003, United States Patent No. 6,560,274 ("the 274 patent") was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Transceiver."

11. Bluebonnet is the owner of the 274 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 274 patent against infringers, and to collect damages for all relevant times.

12. ZTE, directly or through its customers and/or intermediaries, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or systems (including for example, the Altair, Render, Adamant, Memo, Chorus, Aspect, Z331, Z221, and Z222) that infringed one or more claims of the 274 patent. Specifically, ZTE's accused products and/or systems have an airplane mode feature.

13. ZTE has and is directly infringing the 274 patent.

COUNT III

INFRINGEMENT OF U.S. PATENT NO. 6,400,814

14. On June 4, 2002, United States Patent No. 6,400,814 ("the 814 patent") was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Telephone with Ringer Silencer Screening Feature."

15. Bluebonnet is the owner of the 814 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 814 patent against infringers, and to collect damages for all relevant times.

16. ZTE, directly or through its customers and/or intermediaries, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or systems (including for example, the Altair, Render, Adamant, Memo, Chorus, Aspect, Z331, Z221, and Z222) that infringed one or more claims of the 814 patent. Specifically, ZTE's accused products and/or systems have a ringer silencer screening feature.

17. ZTE has and is directly infringing the 814 patent.

ADDITIONAL ALLEGATIONS REGARDING INDIRECT INFRINGEMENT

18. ZTE has and is indirectly infringing the 511, 274, and 814 patents, both as an inducer of infringement and as a contributory infringer.

19. The direct infringement underlying ZTE's indirect infringement consists of the use of the accused smartphones by end-user customers.

20. ZTE induces end-user customers to use the accused smartphones, and specifically to use them in a manner that infringes the 511, 274, and 814 patents. They do so by (1) providing instructions to their customers that explain how to use the features of

the accused devices that are accused of infringement (specifically those features that allow a user to determine whether certain telephony features (*e.g.*, call forwarding and call barring) are activated, the airplane mode feature, and the ringer silencer screening feature); and (2) by touting the accused features of the smartphones.

21. ZTE has contributed to the infringement of the 511, 274, and 814 patents by end-user customers by making and selling the accused smartphones. The accused features of the accused smartphones have no substantial use other than infringing the 511, 274, and 814 patents. In particular, the accused features that allow a user to determine whether certain telephony features (*e.g.*, call forwarding and call barring) are activated, the airplane mode feature, and the feature that allows a user to silence a call without interrupting the on-hook state have no practical use other than uses that infringe the 511, 274, and 814 patents, respectively. The use of these features of the accused smartphones for their intended purpose necessarily results in infringement of the 511, 274, and 814 patents.

22. ZTE has or will have knowledge of the 511, 274, and 814 patents, as well as the fact that its customers' use of its smartphones infringes the 511, 274, and 814 patents, since at least as early as the filing of this lawsuit. Additionally, when it launched its smartphones, ZTE took inadequate steps to determine whether it would be infringing the intellectual property rights of others, such as Bluebonnet, and thus was willfully blind to the existence of the 511, 274, and 814 patents. ZTE thus induces/induced and contributes/contributed to acts of direct infringement with the specific intent that others would infringe the 511, 274, and 814 patents.

23. For the same reasons, ZTE's infringement has been or will be willful.

PRAYER FOR RELIEF

Bluebonnet requests that the Court find in its favor and against ZTE and that the Court grant Bluebonnet the following relief:

a. Judgment that one or more claims of the 511, 274, and 814 patents have been infringed, either literally and/or under the doctrine of equivalents, ZTE and/or all others acting in concert therewith;

b. A permanent injunction enjoining ZTE and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in concert therewith from infringement of the 511, 274, and 814 patents;

c. Judgment that ZTE accounts for and pays to Bluebonnet all damages to and costs incurred by Bluebonnet because of ZTE's infringing activities and other conduct complained of herein;

d. That Bluebonnet be granted pre-judgment and post-judgment interest on the damages caused by ZTE infringing activities and other conduct complained of herein;

e. That this Court declare this an exceptional case and award Bluebonnet its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and

f. That Bluebonnet be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: January 7, 2014

Respectfully submitted,

/s/ Elizabeth L. DeRieux

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