

3. Defendant Panasonic Digital Communications & Security Company is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 1 Matsushita Way, Secaucus, New Jersey 07094, which is doing business and infringing E-Watch's patents in the Eastern District of Texas and elsewhere in the United States.
4. Defendant Panasonic Corporation of North American is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 1 Matsushita Way, Secaucus, New Jersey 07094, which is doing business and infringing E-Watch's patents in the Eastern District of Texas and elsewhere in the United States.

JURISDICTION AND VENUE

5. This is an action for patent infringement arising under the patent laws of the United States, Title 35, United States Code, including 35 U.S.C. §§ 271 and 281-285. Jurisdiction is conferred on the Court pursuant to 28 U.S.C. §§ 1331 and 1338(a). Venue is proper in this District under 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b).
6. The Matsushita Defendants have transacted business and committed acts of infringement within the State of Texas and, more particularly, within this District, and are subject to the personal jurisdiction of this Court.
7. The Matsushita Defendants have offered for sale, used, imported, and sold fixed and mobile IP compliant video surveillance systems in this District.
8. The Matsushita Defendants reside in this District for purposes of venue, insofar as they are subject to personal jurisdiction in this district, have committed acts of infringement in this District, have sales representatives that solicit business in this District, provide

services in or to this District, encourage others to participate infringing methods in this District, and conduct other business in this District.

9. The Court has personal jurisdiction over the Matsushita Defendants because Matsushita Defendants have established minimum contacts with the forum and the exercise of personal jurisdiction over the Matsushita Defendants would not offend traditional notions of fair play and substantial justice.

GENERAL ALLEGATIONS

10. E-Watch owns intellectual property relating to certain Internet Protocol (IP) compliant fixed and mobile video surveillance systems. E-Watch's intellectual property enables comprehensive IP compatible video and multimedia surveillance of mobile commercial transports and fixed locations with analog or IP cameras, conventional sensor appliances, networked storage or digital video recorders. E-Watch has expended considerable resources in inventing and developing its inventions and protecting its rights therein.
11. E-Watch holds all rights, title, and interest in and to United States Patent No. 6,392,692, entitled "Network Communication Techniques for Security Surveillance System" ("692 patent"), which was duly and properly issued by the United States Patent & Trademark Office ("USPTO") on May 21, 2002 in the name of David A. Monroe. A copy of the '692 patent is attached as Exhibit A. The '692 patent is in full force and effect. E-Watch is the legal owner of the '692 patent and possesses all rights of recovery under the patent.
12. E-Watch holds all right, title, and interest in and to United States Patent No. 6,970,183, entitled "Multimedia Surveillance and Monitoring System Including Network Configuration" ("183 patent"), which was duly and properly issued by the United States Patent & Trademark Office ("USPTO") on November 29, 2005, in the name of David A.

Monroe. A copy of the '183 patent is attached as Exhibit B. The '183 patent is in full force and effect. E-Watch is the legal owner of the '183 patent and possesses all rights of recovery under the patent.

COUNT 1

Infringement of U.S. Patent 6,392,692

13. E-Watch incorporates paragraphs 1-12 as though fully restated herein.
14. E-Watch owns intellectual property relating to certain Internet Protocol (IP) compliant fixed and mobile video surveillance systems covered by the '692 patent and teaches and encourages customers to use the methods covered by the '692 patent.
15. Matsushita Defendants are direct competitors of E-Watch.
16. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products ("Accused Products") and encourage others to practice infringing methods that compete in the marketplace with products and methods embodying the '692 patent.
17. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products without authority or license from E-Watch.
18. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products and encourage others to practice infringing methods in this District and elsewhere in the United States.
19. Matsushita Defendants' activities directly infringe one or more claims of the '692 patent.
20. Matsushita Defendants contributorily infringed and are continuing to contributorily infringe one or more claims of the '692 patent by offering to sell and selling in the United States, and / or by importing into the United States, without authorization, components of the '692 patented invention constituting a material part of the invention, knowing the

same to be especially made or adapted for use in an infringement of the '692 patent by others, and not a staple article or commodity of commerce suitable for substantial noninfringing use.

21. Upon information and belief, Matsushita Defendants knowingly induced infringement and are continuing to knowingly induce infringement of the '692 patent by specifically encouraging and inducing others to practice the '692 patented invention within the United States.
22. Upon information and belief, Matsushita Defendants' infringement of the '692 patent has been and continues to be willful.
23. E-Watch has been damaged as a result of Matsushita Defendants' infringement of the '692 patent and will continue to be damaged unless such infringement is enjoined by this Court pursuant to 35 U.S.C. § 283.
24. Pursuant to 35 U.S.C. § 284, E-Watch is entitled to damages adequate to compensate for the infringement in an amount not less than a reasonable royalty.
25. Matsushita Defendants have been on actual notice of E-Watch's claim for infringement, at the very latest, since the date Matsushita Defendants were served with E-Watch's original Complaint.
26. Despite having notice of the '692 patent, Matsushita Defendants intentionally continued its infringing acts without justification, and therefore, are infringing willfully.

COUNT 2

Infringement of U.S. Patent 6,970,183

27. E-Watch incorporates paragraphs 1-26 as though fully restated herein.

28. E-Watch owns intellectual property relating to certain Internet Protocol (IP) compliant fixed and mobile video surveillance systems covered by the '183 patent and teaches and encourages customers to use the methods covered by the '183 patent.
29. Matsushita Defendants are a direct competitor of E-Watch.
30. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products and encourage others to practice infringing methods that compete in the marketplace with products and methods embodying the '183 patent.
31. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products without authority or license from E-Watch.
32. Matsushita Defendants import, distribute, make, use, offer to sell and / or sell infringing products and encourage others to practice infringing methods in this District and elsewhere in the United States.
33. Matsushita Defendants' activities directly infringed one or more claims of the '183 patent.
34. Matsushita Defendants contributorily infringed and are continuing to contributorily infringe one or more claims of the '183 patent by offering to sell and selling in the United States, and / or by importing into the United States, without authorization, components of the '183 patented invention constituting a material part of the invention, knowing the same to be especially made or adapted for use in an infringement of the '183 patent by others, and not a staple article or commodity of commerce suitable for substantial noninfringing use.
35. Upon information and belief, Matsushita Defendants knowingly induced infringement and are continuing to knowingly induce infringement of the '183 patent by specifically

encouraging and inducing others to practice the '183 patented invention within the United States.

36. Upon information and belief, Matsushita Defendants' infringement of the '183 patent has been and continues to be willful.
37. E-Watch has been damaged as a result of Matsushita Defendants' infringement of the '183 patent and will continue to be damaged unless such infringement is enjoined by this Court pursuant to 35 U.S.C. § 283.
38. Pursuant to 35 U.S.C. § 284, E-Watch is entitled to damages adequate to compensate for the infringement in an amount not less than a reasonable royalty.
39. Matsushita Defendants have been on actual notice of E-Watch's claim for infringement, at the very latest, since the date Matsushita Defendants were served with E-Watch's original Complaint.
40. Despite having notice of the '183 patent, Matsushita Defendants intentionally continued infringing acts without justification, and therefore, are infringing willfully.

JURY DEMAND

41. Plaintiffs demand a trial by jury pursuant to Federal Rule of Civil Procedure 38.

PRAYER FOR RELIEF

42. WHEREFORE, E-Watch respectfully requests that the Court enter a judgment against the Matsushita Defendants as follows:
 - a. Adjudicating that Matsushita Defendants infringed and continue to infringe the '183 and '692 patents;
 - b. That the Matsushita Defendants and its parents, affiliates, subsidiaries, officers, agents, servants, employees, attorneys, successors, assigns, and all those persons

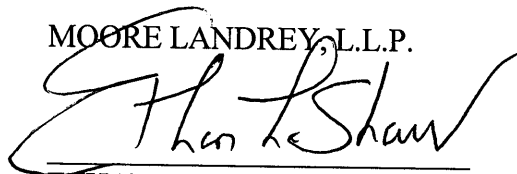
in active concert or participation with them, or any of them, be preliminary and permanently enjoined and restrained from making, importing, using, offering for sale, selling, or causing to be sold, any product falling within, or designed to conduct a method falling within, the scope of any claim of the '183 and '692 patents, or otherwise infringing or contributing to or inducing infringement of any claim of the '183 and '692 patents, because if injunctive relief is not granted E-Watch will suffer irreparable harm;

- c. That the Matsushita Defendants and its parents, affiliates, subsidiaries, officers, agents, servants, employees, attorneys, successors, assigns, and all those persons in active concert or participation with them, or any of them, be ordered to destroy or offer up to E-Watch for destruction any and all products within the scope of any claim of the '183 and '692 patents that are within Matsushita Defendants' possession, custody, or control;
- d. That E-Watch be awarded damages, in an amount not less than a reasonable royalty, to be assessed by or under the Court's discretion, adequate to compensate E-Watch for the Matsushita Defendants' infringement of the '183 and '692 patents, together with prejudgment and post-judgment interest;
- e. That the Court declares this to be an exceptional case pursuant to 35 U.S.C. § 285 and award E-Watch its attorneys' fees;
- f. That E-Watch recover from the Matsushita Defendants increased damages in the amount of three times the amount of E-Watch's actual damages pursuant to 35 U.S.C. § 284 due to the willful and wanton nature of Matsushita Defendants' infringement of the '183 and '692 patents;

- g. That the Matsushita Defendants be required to produce an accounting for sales and profits as a result of the infringement of the '183 and '692 patents.
- h. That E-Watch recover from the Matsushita Defendants all costs incurred by E-Watch in preparing for and pursuing this action; and
- i. That E-Watch be awarded all such other and further relief as the Court deems just and proper.

Respectfully submitted,

MOORE LANDREY, L.L.P.



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