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U.S. DISTRICT COURT
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TX EASTERN-MARSHALL

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

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS
JUL 29 2005
DAVID J. MALAND, CLERK
BY DEPUTY *[Signature]*

Upaid Systems, Ltd.,)
)
Plaintiff,)
)
v.)
)
Qualcomm Incorporated, and)
Cellco Partnership d/b/a Verizon Wireless,)
)
Defendants.)

2-05CV-346
C.A. No. _____
JURY TRIAL DEMANDED *[Signature]*

COMPLAINT

Now comes Plaintiff Upaid Systems, Ltd. before this Court and alleges as its complaint and petition for relief:

PARTIES

1. Plaintiff Upaid Systems, Ltd. ("Upaid") is a British Virgin Islands company having offices at Trident Chambers, Wickhams Cay, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

2. Upon information and belief, Defendant Qualcomm Incorporated ("Qualcomm") is organized under the laws of Delaware, has offices located at 5775 Morehouse Drive, San Diego, California 92121, and is registered to do business in the State of Texas. Qualcomm's registered agent in Texas is Prentice Hall Corp System, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

3. Upon information and belief, Defendant Cellco Partnership (“Cellco”), d/b/a Verizon Wireless, is organized under the laws of the state of Delaware, and has offices located at 180 Washington Valley Road, Bedminster, New Jersey 07921.

JURISDICTION AND VENUE

4. These claims arise under the Patent Laws of the United States, 35 U.S.C. §101 *et seq.*, in that each is a claim for infringement of a United States patent. The jurisdiction of this Court is founded upon 28 U.S.C. § 1338(a).

5. This Court has personal jurisdiction over each Defendant. Upon information and belief, each Defendant has conducted and does conduct business within the State of Texas. Upon information and belief, each Defendant has committed the tort of patent infringement within the State of Texas and, more particularly, within the Eastern District of Texas.

6. Venue within this District is proper under 28 U.S.C. §§ 1391(b) and (c) and 1400(b).

COUNT 1: PATENT INFRINGEMENT

7. The allegations of paragraphs 1-6 are incorporated herein by reference.

8. Plaintiff Upaid is the sole owner by assignment of United States Patent No. 6,320,947 B1 (“the ‘947 patent”) issued on November 20, 2001 and entitled Telephony Platform and Method for Providing Enhanced Communication Services. A copy of the ‘947 patent is attached as Exhibit A.

9. The ‘947 patent discloses and claims a method of providing pre-paid communication services via a network or networks, a telephony platform providing pre-paid

telecommunication services, and a communication method using an enhanced services platform for providing pre-paid services and commercial transactions via a plurality of networks.

10. Upon information and belief, Defendants Qualcomm and Cellco have infringed, and if not enjoined will continue to infringe, one or more claims of the '947 patent by performing, without authority, one or more of the following acts: (a) making, using, offering for sale, or selling within the United States the invention of one or more claims of the '947 patent, in violation of 35 U.S.C. § 271(a); (b) importing into the United States the invention of one or more claims of the '947 patent, in violation of 35 U.S.C. § 271(a); (c) inducing infringement of one or more claims of the '947 patent, in violation of 35 U.S.C. § 271(b); and (d) contributing to infringement of one or more claims of the '947 patent, in violation of 35 U.S.C. § 271(c) (the "acts of infringement of the '947 patent").

11. Further upon information and belief, Defendants Qualcomm and Cellco's acts of infringement of the '947 patent were, in whole or in part, done willfully and with knowledge of the '947 patent.

12. Plaintiff Upaid provided notice of infringement of the '947 patent to Qualcomm in a letter from Upaid's counsel dated February 4, 2005 and to Cellco in a letter from Upaid's counsel dated May 3, 2005.

COUNT 2: PATENT INFRINGEMENT

13. The allegations of paragraphs 1-6 are incorporated herein by reference.

14. Plaintiff Upaid is the sole owner by assignment of United States Patent No. 6,714,632 B2 ("the '632 patent") issued on March 30, 2004 and entitled Enhanced

Communication Platform and Related Communication Method Using the Platform. A copy of the '632 patent is attached as Exhibit B.

15. The '632 patent discloses and claims a method of providing pre-authorized communication services and transactions using a plurality of external networks, a telephony platform providing communication services to users, and a platform providing communication services to users requested over external networks of different types.

16. Upon information and belief, Defendants Qualcomm and Cellco have infringed, and if not enjoined will continue to infringe, one or more claims of the '632 patent by performing, without authority, one or more of the following acts: (a) making, using, offering for sale, or selling within the United States the invention of one or more claims of the '632 patent, in violation of 35 U.S.C. § 271(a); (b) importing into the United States the invention of one or more claims of the '632 patent, in violation of 35 U.S.C. § 271(a); (c) inducing infringement of one or more claims of the '632 patent, in violation of 35 U.S.C. § 271(b); and (d) contributing to infringement of one or more claims of the '632 patent, in violation of 35 U.S.C. § 271(c) (the "acts of infringement of the '632 patent").

17. Further upon information and belief, Defendants Qualcomm and Cellco's acts of infringement of the '632 patent were, in whole or in part, done willfully and with knowledge of the '632 patent.

18. Plaintiff Upaid provided notice of infringement of the '632 patent to Qualcomm in a letter from Upaid's counsel dated February 4, 2005 and to Cellco in a letter from Upaid's counsel dated May 3, 2005.

JURY DEMAND

Plaintiff Upaid hereby demands a jury trial on all issues triable to a jury.

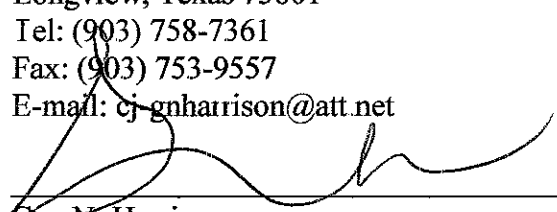
REQUEST FOR RELIEF

WHEREFORE, Plaintiff Upaid petitions this Court and requests that a judgment be entered and relief be granted as follows:

- A. Declaring that each of the Defendants Qualcomm and Cellco has infringed the '947 and '632 patents as alleged herein (directly, by inducement, and/or contributorily);
- B. Preliminarily and permanently enjoining, restraining, and prohibiting Defendants Qualcomm and Cellco and any party acting through, for, or in concert with Defendants Qualcomm and Cellco from further infringing (directly, by inducement, or contributorily) any claim of the '947 and '632 patents;
- C. Awarding to Plaintiff Upaid such monetary or compensatory damages as may be found or deemed adequate to fully compensate Plaintiff Upaid for any of Defendants Qualcomm and Cellco's acts of infringement of the '947 and '632 patents occurring prior to such judgment and/or any other injury suffered by Plaintiff Upaid due to Defendants Qualcomm and Cellco's acts of infringement of the '947 and '632 patents;
- D. Declaring Defendants Qualcomm and Cellco's conduct to have been be willful, and trebling such award of monetary or compensatory damages;
- E. Declaring this to be an exceptional case within the meaning of 35 U.S.C. § 285, and awarding Plaintiff Upaid its attorneys' fees;
- F. Awarding to Plaintiff Upaid its costs; and

G. Awarding to Plaintiff Unpaid such other, further, or general relief as this Court may deem proper.

Respectfully submitted,
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