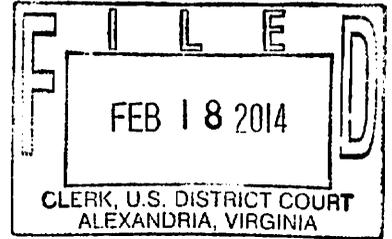


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA



TeleCommunication Systems, Inc.,)
)
 Plaintiff,)
)
 v.)
)
 Porto Technology, LLC,)
 Porto Technology, Co., Ltd, and)
 Ji-Soo Lee,)
)
 Defendants.)

Civil Action No. 3:14CV111 HEH

JURY TRIAL DEMANDED

COMPLAINT FOR DECLARATORY JUDGMENT

NATURE OF THE ACTION

1. This is a civil action under the Declaratory Judgment Act, 28 U.S.C. § 2201, et seq., for declaration of patent non-infringement and/or invalidity of U.S. Patent No.6,233,518 (“the ‘518 patent” or “the Patent-in-Suit”).

PARTIES

2. Plaintiff Telecommunication Systems, Inc. (“TCS”) is a Maryland corporation with a principal place of business at 275 West Street, Annapolis, MD 21401.

3. TCS is informed and believes, and thereupon alleges, that Defendant Porto Technology, LLC (“Porto USA”) is a Virginia Limited Liability Company having a principal place of business at 10387 Main Street, Fairfax, Virginia 22030, and is a wholly owned subsidiary of Porto Technology, Co., Ltd.

4. TCS is informed and believes, and thereupon alleges, that Defendant Porto Technology, Co., Ltd (“Porto Korea”) is a corporation formed under the laws of the Republic of Korea with its principal place of business at #102, 1302 Dukyoungdaero, Gwonsun-gu, Suwon-si, Gyunggido, Republic of Korea.

5. TCS is informed and believes, and thereupon alleges, that Defendant Ji-Soo Lee is an individual citizen of The Republic of Korea, residing at 120-1101 SamMaeul Hanyang APT 1121 Hogye-dong, Dongan-gu, Anyang-si, Gyungki-do, Republic of Korea.

JURISDICTION AND VENUE

6. This Court has personal jurisdiction over Defendants Porto Korea and Ji-Soo Lee by virtue of 35 U.S.C. § 293.

7. This Court also has personal jurisdiction over Defendants Porto Korea, Porto USA, and Ji-Soo Lee by virtue of their continuous, systematic contacts with the Commonwealth of Virginia and this Judicial District, and by virtue of its purposeful avilment of the resources of this Judicial District. See, e.g., *Porto Technology, Co. Ltd. et al. v. Cellco Partnership D/B/A Verizon Wireless*, Civ. A. No. 3:12cv 678-HEH (E.D.Va. September 9, 2012), and *Porto Technology, Co. Ltd. et al. v. Cellco Partnership D/B/A Verizon Wireless*, Civ. A. No. 3:13-cv-265-HEH (E.D. Va. April 26, 2013).

8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1332, 1338 and 2201.

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391 and 35 U.S.C. § 293.

FACTUAL BACKGROUND

10. TCS is a publicly traded company (NASDAQ:TSYS), and a leading provider of mission-critical wireless data solutions to carriers enterprise and government customers (including those residing in this Judicial District). TCS's wireless data offerings include location-based 9-1-1 services and messaging and location service infrastructure for wireless operators, and encrypted satellite communications for government customers.

11. TCS is heavily dependent on research and development, and the patenting of its innovations, for its success and continued growth. To date, TCS has been granted over three hundred (340) U.S. patents.

12. On September 20, 2012, Defendants Porto Korea and Porto USA filed a patent infringement complaint in this Judicial District against Cellco Partnership D/B/A Verizon Wireless ("Cellco"), Civ. A. No. 3:12cv 678, and assigned to the Richmond Division and Judge Henry Hudson.

13. The Complaint alleged that Cellco infringed the '518 patent, directly and indirectly, by offering for sale cellular telephones with "VZ Navigator Software," and by actively inducing others to infringe, and contributing to the infringement by others.

14. VZ Navigator Software is made and sold to Cellco by TCS.

15. Civil Action No. 3:12cv678 was dismissed for lack of standing on April 22, 2013 by order of Judge Hudson, after it came to light that that Plaintiffs Porto Korea and Porto USA did not have all necessary rights to enforce the '518 patent.

16. Civil Action No. 3:13cv265 was filed on April 26, 2013 as an attempt to cure the lack of standing problem, by including the purported owner of the '518 patent, Ji-Soo Lee.

17. According to a First Amended Complaint in Civ. A. No. 3:13cv265, Ji-Soo Lee is the owner, by assignment, of the entire right, title and interest in the '518 patent.

18. The First Amended Complaint contained the same allegations against the "VZ Navigator Software" as was stated in the prior Civ. A. No. 3:12cv678.

19. Recently, Civ. A. No. 3:13cv265 was dismissed with prejudice as to Cellco. However, TCS was requested to participate in court ordered mediation that led to an agreed-to dismissal, and TCS was subpoenaed to give discovery documents and testimony.

20. Through the two previous law suits against Cellco, and in the course of mediation talks, it became apparent that Porto Korea, Porto USA and/or Ji-Soo Lee, regard TCS as an infringer of the '518 patent.

21. In pleadings filed in both prior litigations against Cellco, it has become apparent to TCS that Porto USA and Porto Korea, and by association, Ji-Soo Lee, view TCS's VZ Navigator product to be an infringement of the '518 patent, either directly or indirectly.

22. As a result of the pleadings filed in the Cellco complaints, an actual controversy exists between Porto USA, Porto Korea and Ji-Soo Lee regarding the invalidity of the '518 patent, and/or non-infringement of TCS's VZ Navigator and/or similar software products and methods.

23. Defendants, in the aforementioned suits against Cellco, have asserted that Ji-Soo Lee is the owner of the '518 patent, entitled "Method and System for Providing An Image Vector-Based Traffic Information." A copy of the '518 patent is attached hereto as Exhibit 1.

CLAIM FOR RELIEF – DECLARATION OF NON-INFRINGEMENT

AND/OR INVALIDITY OF THE ‘518 PATENT

24. TCS incorporates by reference and realleges each of the allegations set forth in Paragraphs 1-24 above.

25. TCS has not and does not directly infringe, indirectly infringe, contribute to, or induce infringement of any valid and enforceable claim of the ‘518 patent.

26. One or more claims of the ‘518 patent, including at least claim 1, is invalid for violation of one or more provisions of 35 U.S.C. §§ 102, 103, 112 and/or 282.

27. TCS is entitled to offer its products and services, including the VZ Navigator and similar or related offerings under different brand names, without interference by Porto USA, Porto Korea and/or Ji-Soo Lee.

DEMAND FOR JURY TRIAL

28. TCS demands a trial by jury on all issues so triable.

REQUESTED RELIEF

WHEREFORE, TCS requests that:

a. This Court enter a judgment declaring that one or more claims of the ‘518 patent is invalid;

b. This Court enter a judgment declaring that TCS has not directly infringed, contributorily infringed, or induced others to infringe any valid and enforceable claim of the ‘518 patent;

c. This Court enter a judgment declaring that it is the right of TCS to continue to make, use and sell its products and services, including the VZ Navigator software as well as other software products and related hardware that provide similar functionality as the VZ Navigator to other customers of TCS;

d. That Defendants and its agents, representatives, attorneys, and those persons in active concert or participation with them, including Heung-Soo Lee, who receive actual notice thereof, be preliminarily and permanently enjoined from threatening or initiating infringement litigation against TCS or any of its customers, distributors, or suppliers, or any prospective or present customers, distributors or suppliers of TCS, or charging any of them either orally or in writing with infringement of the '518 patent.

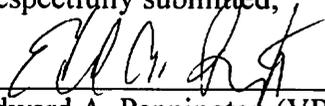
e. That the Court declare this case exceptional and award TCS its attorney's fees and expenses incurred in this action;

f. TCS be awarded costs pursuant to 28 U.S.C. § 1920;

g. TCS be awarded relief under 28 U.S.C. § 2202;

h. TCS be awarded such other and further relief as this Court deems proper.

Respectfully submitted,


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