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IN REPLY REFER TO:

November 14, 2011

VIA FEDERAL EXPRESS

Peter Chou, CEO
HTC America
13920 SE Eastgate Way
Suite 400
Bellevue, Washington 98005

Re: Infringement of Vivid Entertainment, LLC Intellectual Property

Dear Mr. Chou:

This letter is written on behalf of our client Vivid Entertainment, LLC (hereinafter "Vivid Entertainment"). Vivid Entertainment is the owner of the trademark "Vivid" and various other marks which include the term Vivid (the "Vivid Marks") for use in connection with a wide variety of goods and services, from on-line websites featuring adult entertainment subject matter to adult entertainment delivered via wireless devices, including mobile phones, smartphones, wireless phones and cellular phones. The Vivid Marks are subject to a variety of U.S. Trademark Registrations, including Registration Nos 3069383, 2415035 and 2677774. In addition, Vivid Entertainment or its predecessors have been using the Vivid Marks since at least as early as 1984. The above-noted registrations constitute constructive notice to others of Vivid Entertainment's ownership of the Vivid Marks. Through its long-term use, Vivid Entertainment has built up substantial goodwill in the Vivid Marks.

It has come to our attention that your company has been making use of the Vivid Marks in association with the marketing and sale of a wireless device that your company advertises can surf online websites and is "built to entertain, with movies and shows" on a 4.5-inch screen. Such use of the Vivid Marks (i) creates the false impression that your company and your company's products are affiliated, connected, or associated with and/or sanctioned by Vivid Entertainment and (ii) is likely to cause confusion among consumers. We believe it is possible that your company is not unaware of this conflict, and we believe it is in our mutual interests to bring this matter to your attention.

Registration of the Vivid Marks provides Vivid Entertainment with certain proprietary rights such as the right to restrict the use of the trademark, or a confusingly similar trademark, in association with confusingly similar products or services. Your company's actions may constitute, among other things, trademark infringement, trademark dilution, and false