

ClearOne.

ClearOne Granted Expanded Preliminary Injunction Order in Federal Trade Secret Misappropriation Case, Prohibiting Use, Sale or Marketing, of Wideband Solutions, Inc.s' Infringing Products

SALT LAKE CITY, Feb. 5 /PRNewswire-FirstCall/ -- ClearOne (Nasdaq: CLRO). An order was issued by the federal court yesterday, in favor of ClearOne Communications, Inc. expanding the scope of a previously issued preliminary injunction order, and prohibiting WideBand Solutions, Inc., its principals, and others acting in concert with WideBand, from (among other things) the use, sale or marketing of ClearOne's trade secrets and WideBand's infringing products found to use these trade secrets.

This order comes in the case which was presented to a jury in October and November 2008. The case is pending in federal court in Utah (the "Intellectual Property Case") initiated by ClearOne against Biamp Systems Corporation ("Biamp") and a group of defendants sometimes termed the "WideBand Defendants," which group consists of WideBand Solutions, Inc. ("WideBand"); three of WideBand's principals - Dr. Jun Yang, who was a former ClearOne employee, Andrew Chiang, who was previously affiliated with an entity that sold certain assets to ClearOne, and Lonny Bowers; and Versatile DSP, Inc. On November 5, 2008, the jury returned a unanimous verdict in the Intellectual Property Case in favor of ClearOne and against all of the Defendants, awarding ClearOne approximately \$3.5 million in compensatory damages and \$7.0 million in punitive damages, and finding that all of the Defendants willfully and maliciously misappropriated ClearOne's trade secrets.

On February 4, 2009, pursuant to ClearOne's request, the Court issued an Order Expanding the Preliminary Injunction (the "Expanded Order"). The Expanded Order provided, among other things, the following:

- that it applies to all of the WideBand Defendants, as well as their agents, officers, employees, and those acting under their direction or control.
- that WideBand's "Infringing Products" "illegally utilize" ClearOne's trade secrets, listing as the Infringing Products the following:

(a) WideBand's Simphonix products, including the Si-40 and Si-400;

(b) WideBand's WC301A product, sometimes known as the "Tandberg(TM)

Phone Add;"

(C) WideBand's WC301 product;

(d) WideBand's FC101 product;

(e) the AEC2W code licensed to Biamp Systems Corporation; and

(f) the computer code licensed to Harman Music Group, Inc. that was

the subject of the October 30, 2007 Preliminary Injunction Order.

- that all WideBand Defendants are prohibited from disclosing or using in any way the computer code at issue in the case, the development documentation for that code, and WideBand's "Infringing Products," identified above.

The Expanded Order noted that "[t]here is also recent evidence that the WideBand Defendants are still marketing one or more products that contain the trade secret," and went on to preclude any "further marketing, selling, manufacturing, development, modification, duplication, or transport or delivery of technology containing [ClearOne's trade secrets]," including "without limitation, a restriction upon any further marketing, selling, delivery, and/or use of technology or products containing [ClearOne's trade secrets] to service any past or existing customers."

ClearOne intends to vigorously enforce the Expanded Order.

At trial and throughout the Intellectual Property Case, ClearOne was represented by the Utah law firm of Magleby & Greenwood, P.C.

About ClearOne

ClearOne is a communications solutions company that develops and sells audio conferencing systems and other related products for audio, video, and web conferencing applications. The reliability, flexibility, and performance of ClearOne's comprehensive solutions create a natural communications environment, which saves organizations time and money by enabling more effective and efficient communication. For more information, visit ClearOne's website at www.clearone.com.

<http://www.b2i.us/irpass.asp?BzID=509&to=ea&s=0>

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