

ClearOne Defeats Shure's Groundless Motion for a Temporary Restraining Order

May 5, 2020

SALT LAKE CITY, May 05, 2020 (GLOBE NEWSWIRE) -- ClearOne (NASDAQ: CLRO), a leading global provider of audio and visual communication solutions, today comments on the Report and Recommendation issued by the Honorable Christopher J. Burke of the U.S. District Court of Delaware recommending the denial of Shure Incorporated's ("Shure's") emergency motion for a temporary restraining order ("Motion") to stop the sale of ClearOne's innovative Huddle-compatible Ceiling Tile Beamforming Array ("BMA CTH") products.

In November 2019, ClearOne announced its <u>COLLABORATE® Versa Pro CT product offering</u>, which combines the BMA CTH with the CONVERGE® Huddle audio DSP to provide superior functionality and audio quality for small- to medium-sized rooms. ClearOne began selling this product offering in December 2019. Then, in February 2020, ClearOne announced the <u>COLLABORATE Versa Room CT</u> and <u>Versa Lite CT</u> product offerings, which also include the BMA CTH and require no external DSP. ClearOne anticipates sales of these product offerings to begin later this quarter.

On April 14, during a worldwide pandemic, Shure filed an emergency Motion to stop ongoing and future sales of ClearOne's BMA CTH products. Shure's Motion asserted baseless design patent infringement claims against ClearOne's innovative BMA CTH products and argued that Shure will be irreparably harmed by having to compete with those products. Judge Burke swiftly rejected Shure's Motion, holding that Shure had failed to show that it would suffer irreparable harm in the absence of injunctive relief and that ClearOne had raised a "substantial question" as to the validity of the patent Shure asserts against ClearOne, D865,723 (the "723 patent").

"Shure strategically filed this lawsuit in Delaware federal court as a reaction to the mounting defeats it has suffered in the legal proceedings Shure initiated against ClearOne in Illinois federal court and before the Patent Trial and Appeal Board ("PTAB"). It hasn't worked. The first patent Shure asserted against ClearOne in Delaware federal court is now the subject of *inter partes* review before the PTAB, and all proceedings regarding that patent in Delaware federal court have been stayed," said Zee Hakimoglu, CEO and Chair of ClearOne.

"Shure then asserted another patent, the '723 patent, against ClearOne and asked the Delaware federal court to grant a temporary restraining order prohibiting the continued sale of the BMA CTH included in the new Versa Lite and Versa Room products. That, too failed. We are pleased that the Court saw through Shure's attempt to prevent the entry of our innovative and disruptive new products and thereby block our growth. ClearOne will continue providing new and exciting solutions for its customers, while ensuring that competitors like Shure are held to account when they do not respect our intellectual property rights," Hakimoglu added.

In August 2019, Judge Edmond E. Chang of the U.S. District Court of the Northern District of Illinois granted ClearOne's request for a preliminarily injunction ("PI Order") preventing Shure from "manufacturing, marketing, and selling" the original MXA910 for use "in its drop-ceiling mounting configuration." Then, in February 2020, ClearOne filed a motion for contempt against Shure for selling its MXA910W-A, which infringes ClearOne's U.S. Patent No. 9,813,806 and violates the PI Order. Separately, the Federal Circuit in March 2020 confirmed the patentability of all claims of ClearOne's U.S. Patent No. 9,264,553 over Shure's appeal, and ClearOne's claim against Shure for infringement of that patent remains pending. Shure's motion for a preliminary injunction ("PI Motion") relating to the BMA CT and BMA CTH is still pending before the Court. Judge Burke's ruling, which Shure can file an objection to by May 8, only addressed Shure's request for a Temporary Restraining Order. However, ClearOne remains confident that the Court will reject Shure's PI Motion and that ClearOne will defeat Shure's claims in the Delaware action.

About ClearOne

ClearOne is a global company that designs, develops and sells conferencing, collaboration, and network streaming solutions for voice and visual communications. The performance and simplicity of its advanced, comprehensive solutions offer unprecedented levels of functionality, reliability, and scalability. Visit ClearOne at www.clearone.com.

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