



November 22, 2009

## **ClearOne Granted Amended Permanent Injunction Order in Federal Trade Secret Misappropriation Case; Contempt Order Issued Against DialHD, Inc., Wideband Solutions, Inc., and Others**

SALT LAKE CITY, Nov. 22 /PRNewswire-FirstCall/ -- (Nasdaq: CLRO) An Amended Permanent Injunction was issued by the federal court on November 19, 2009, in favor of ClearOne, expanding the scope of an earlier entered permanent injunction to apply to, among others, the products of DialHD, Inc., a Georgia corporation ("DialHD"), including the products identified as the AEC4, the Mix-4 or Automixer, the HD4551, and the Longoo ACON1001.

The Amended Permanent Injunction was issued by the Utah federal court which presided over a trial before a jury in October and November 2008, in the case related to the contempt of certain defendants in the action, and other interested parties. The case was originally initiated by ClearOne against Biamp Systems Corporation ("Biamp") and a group of defendants collectively termed as the "WideBand Defendants," consisting of WideBand Solutions, Inc. ("WideBand"), Versatile DSP, Inc., and 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. On November 5, 2008, the jury returned a verdict in favor of ClearOne.

In April 2009, the Court entered a final judgment against the defendants for approximately \$9.7 million, and issued a permanent injunction prohibiting WideBand, its principals, and others acting in concert with WideBand, from (among other things) the use, marketing, or sale of ClearOne's trade secrets and WideBand's infringing products found to use these trade secrets. After the permanent injunction was issued, ClearOne alleged that certain defendants, and other interested parties, were working in concert with Lonny Bowers' father, Donald Bowers, to circumvent the federal court's order, by establishing a new company named DialHD, and continuing to sell products containing ClearOne's trade secrets.

On November 19, 2009, in addition to expanding the scope of the Permanent Injunction Order, the federal court also issued a Memorandum Decision and Order of Contempt (the "Contempt Order"), finding that certain defendants in the action, and other interested parties, continue to possess and use the stolen ClearOne trade secrets, while steadfastly attempting to hide their repeated violations of the court's orders. Specifically, the federal court found Lonny Bowers, Dr. Jun Yang, WideBand, and third-party collaborator DialHD (collectively, the "Contemnors") in contempt of court for violating the court's April 2009 permanent injunction and August 2009 temporary restraining order. In the Contempt Order, the federal court placed certain requirements on the Contemnors, including (among other things) that DialHD, and those working in active concert or participation with DialHD, shall immediately halt all development, sale, and/or marketing of all DialHD products, including in China. The federal court also awarded ClearOne its reasonable attorneys' fees and costs incurred in pursuing the Amended Permanent Injunction and Contempt Order, to be charged against the Contemnors, jointly and severally.

The federal court has commanded the Contemnors to take certain remedial actions to purge their contempt, and has ordered them to appear at a hearing on January 8, 2010, at which time certain of the Contemnors may be incarcerated if the federal court is not satisfied that their contempt has been purged.

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.clearone.com).

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