



July 1, 2008

ClearOne Granted Temporary Restraining Order

SALT LAKE CITY--(BUSINESS WIRE)--On June 26, 2008, the United States District Court entered an order granting ClearOne's request for a temporary restraining order ("TRO") against any sale or transfer of ownership of certain assets of WideBand Solutions, Inc., a Massachusetts Corporation to WideBand Solutions, Inc., a Georgia Corporation. The TRO is related to ClearOne's lawsuit styled, ClearOne Communications, Inc. v. Andrew Chiang, et. al. Civil No. 2:07-co-37 TC in which ClearOne alleges, among other things, theft of intellectual property and copyright infringement.

The TRO provides that "ClearOne has met the elements necessary for issuance of a TRO to preserve the status quo," and imposes certain prohibitions against any sale or transfer of ownership of certain of the Defendants' assets, consisting of certain computer code and algorithms related thereto. The TRO also states that none of the Defendants' profits from the Disputed Code shall be transferred or conveyed to the Georgia entity.

The TRO is in addition to the preliminary injunction order granted by the Chief Judge of the United States District Court, the Honorable Tena Campbell on October 30, 2007, which precluded WideBand from further work on or delivery of certain computer code found to have been developed using ClearOne's intellectual property, to a company doing business with WideBand. Specifically, the order states that "Dr. Yang, as well as his agents, servants, officers, employees, entities and those acting under his direction and control, are hereby enjoined from working on or delivering any computer code – either source code or object code" to the other company. In reaching its decision, the Court found that Dr. Yang was subject to a valid and enforceable Confidentiality, Non-Competition, and Invention Assignment Agreement (the "NDA"), and that ClearOne had demonstrated "a substantial likelihood that ClearOne will succeed on its claims that Dr. Yang violated the NDA" and derived the code that WideBand was attempting to license from code belonging to ClearOne.

On June 19, 2008, ClearOne filed a separate action in the United States District Court, District of Utah, Central Division, against WideBand Solutions, Inc., a Georgia corporation ("WideBand Georgia") and Donald Bowers and brings claims, among others, for declaratory judgment, fraudulent transfer under Utah Code Ann. § 25-6-1, et. seq., and misappropriation of trade secrets.

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