

March 4, 2013



Network-1 Announces Acquisition Of Patent Portfolio Related To The Identification Of Media Content

NEW YORK, March 4, 2013 /PRNewswire/ -- Network-1 Security Solutions, Inc. (OTC BB: NSSI), a company engaged in the acquisition, development, licensing and monetization of intellectual property, today announced the acquisition of a patent portfolio from Dr. Ingemar Cox, a recognized technology leader in digital watermarking, content identification, digital rights management, and related technologies, covering advanced technologies relating to the identification and monetization of media content.

The newly acquired patent portfolio includes four issued United States patents relating to enabling technology for identifying media content, such as music and videos, and taking further action to be performed based on such identification, including among others, the insertion of advertising and the facilitation of the purchase of goods and services relating to the uploaded content. The patents (U.S. Patent No. 7,058,223, No. 8,010,988, No. 8,020,187 and No. 8,205,237) are based on a patent application filed in 2000 and have patent terms extending into 2023. The portfolio also includes a pending United States patent application. Network-1 anticipates continuing to prosecute the pending patent application and plans on filing several new patent applications with the United States Patent and Trademark Office based on the inventions contemplated by Dr. Cox's original patent filings.

"The acquisition of this patent portfolio is part of our continuing strategy to acquire intellectual property that we believe has significant licensing opportunities," said Corey M. Horowitz, Chairman and Chief Executive Officer of Network-1. Mr. Horowitz further stated "there has been tremendous growth in the uploading of media content to the Internet over the past decade. The ability to identify content being uploaded to protect against copyright infringement, combined with the ability to facilitate e-commerce transactions based on the identification and tagging of such content is at the core of Dr. Cox's inventions. We plan on further developing these pioneering inventions with Professor Cox and pursuing licensing opportunities for these technologies."

Dr. Cox is currently Professor and Director of Research at University College London and Head of its Future Media Group. In connection with the acquisition of the portfolio, Dr. Cox has agreed to provide consulting services to Network-1 with respect to the acquired patents and the related pending and future patent applications and will assist in Network-1's efforts to develop and monetize the patent portfolio.

The purchase price for the patent portfolio consisted of \$1,000,000 in cash and 403,226 shares of Network-1 common stock. In addition, Professor Cox is entitled to 12.5% of the net proceeds realized from the monetization of the patent portfolio.

Dr. Cox was formerly a member of the Technical Staff at AT&T Bell Labs and a Fellow at NEC Research Institute. He is a Fellow of the IEEE, the IET (formerly IEE), and the British Computer Society and is a member of the UK Computing Research Committee. He was founding co-editor in chief of the IEE Proc. On Information Security and was an associate editor of the IEEE Trans. on Information Forensics and Security. He is co-author of a book entitled "Digital Watermarking" and its second edition "Digital Watermarking and Steganography". He is an inventor on 35 United States Patents, and an author of many highly cited peer reviewed papers.

Dr. Cox stated, "I am pleased that Network-1 recognized the importance of my work with respect to media delivery systems. I look forward to working with Network-1 as a business partner to continue to fully develop the portfolio and to take advantage of the numerous licensing opportunities for the technologies outlined therein," he added. "Without this kind of support, it is difficult for an individual inventor like myself to obtain adequate resources to pursue my intellectual property development."

ABOUT NETWORK-1 SECURITY SOLUTIONS, INC.

Network-1 Security Solutions, Inc. is engaged in the acquisition, development, licensing and protection of its intellectual property and proprietary technologies. It currently owns ten patents covering various telecommunications and data networking technologies and technologies relating to the identification of media content. Network-1 currently has 16 license agreements with respect to its Remote Power Patent, which include, among others, license agreements with Cisco Systems, Inc., Cisco Linksys, Inc., Extreme Networks, Inc., Netgear Inc., Motorola Solutions, Inc., Allied Telesis, Inc., NEC Corporation and several other data networking vendors. The Remote Power Patent covers the remote delivery of power over Ethernet networks. The Remote Power Patent was granted by the U.S. Office of Patents and Trademarks on April 21, 2001 and expires on March 11, 2020. In addition, Network-1 seeks to acquire additional intellectual property assets and enter into strategic relationships with third parties to monetize their intellectual property assets.

This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements address future events and conditions concerning Network-1's business plans. Such statements are subject to a number of risk factors and uncertainties as disclosed in the Network-1's Annual Report on Form 10-K for the year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the period ended September 30, 2012 including, among others, the ability of Network-1 to enter into additional license agreements, the uncertainty of patent litigation, risks related to the reexamination of Network-1's Remote Power Patent by the United States Patent and Trademark Office, Network-1's ability to achieve revenue and profits from its intellectual property or the intellectual property of its strategic partners, Network-1's ability to execute its strategy to acquire additional patents or enter into strategic relationships with third parties to license or otherwise monetize their intellectual property, the continued viability of the PoE market, future economic conditions and technology changes, and legislative, regulatory and competitive developments. Except as otherwise required to be disclosed in periodic reports, Network-1 expressly disclaims any future obligation or undertaking to update or revise any forward-looking statement contained herein.

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