

# Network-1 Receives Markman Ruling in Patent Litigation Against Major Data Networking Equipment Manufacturers

NEW YORK, Nov. 4, 2016 /PRNewswire/ -- Network-1 Technologies, Inc. (NYSE: NTIP) today announced that the United States District Court for the Eastern District of Texas, Tyler Division, issued a Report and Recommendation addressing the parties' claim construction issues ("*Markman Ruling*") and defendants' Motion for Summary Judgment regarding improper claim broadening in Network-1's pending patent infringement litigation against Hewlett Packard Company, Avaya Inc., Juniper Networks, Inc. and Axis Communications Inc. involving its Remote Power Patent.

In a *Markman Ruling*, the Court hearing a patent infringement case interprets and rules on the scope and meaning of disputed patent claim language regarding the patent at issue. In the *Markman Ruling*, the Court adopted a number of constructions proposed by Network-1, while also adopting constructions proposed by defendants. As part of the *Markman Ruling*, the Court also considered defendants' motion for Summary Judgment that all claims of the Remote Power Patent are invalid for improper claim broadening. The Court found that all of the original asserted claims of the Remote Power Patent survived the challenge, and only one claim (Claim 23, obtained during a Reexamination of the Remote Power Patent at the USPTO in 2014) was invalid due to improper claim broadening.

"We are very pleased with the Markman Ruling and remain confident in our position that the defendants infringe our patent rights", said Corey M. Horowitz, Chairman and Chief Executive Officer of Network-1. "A Markman Ruling that does not entirely adopt either the plaintiff's or defendants' proposed constructions is very common in patent litigation. While the outcome of this and any legal matter is unpredictable, we believe the Court's Markman Ruling is another significant step towards the successful resolution of this litigation and further validates Network-1's ongoing commitment to the enforcement of its intellectual property rights."

In September 2011, the Company initiated patent litigation against sixteen data networking equipment manufacturers in the United States District Court for the Eastern District of Texas, Tyler Division, for infringement of its Remote Power Patent. Network-1 previously reached settlement and license agreements with twelve of the original defendants. The remaining four defendants in the lawsuit are Hewlett-Packard Company, Avaya Inc., Juniper Networks, Inc., and AXIS Communications Inc. Network-1 seeks monetary damages based upon reasonable royalties.

The Remote Power Patent relates to, among other things, delivering power over Ethernet cables to remotely power network connected devices including, among others, wireless access points, VoIP telephones and network cameras. In June 2003, the IEEE approved the 802.3af PoE Standard. The IEEE also approved the 802.3at Power over Ethernet Plus

(PoE Plus) Standard, which increased the maximum power delivered to network devices to 40-60 watts from the current 15 watts under the 802.3af Standard.

Network-1 currently has twenty-five license agreements with respect to its Remote Power Patent, which include, among others, license agreements with Cisco Systems, Inc., Extreme Networks, Inc., Netgear Inc., Dell, Inc., Alcatel-Lucent USA, Sony Corporation, ShoreTel Inc., Microsemi Corporation, Motorola Solutions, Inc., NEC Corporation, Samsung Electronics Co., Ltd., and several other data networking vendors.

#### ABOUT NETWORK-1 TECHNOLOGIES, INC.

Network-1 Technologies, Inc. is engaged in the development, licensing and protection of its intellectual property and proprietary technologies. Network-1 works with inventors and patent owners to assist in the development and monetization of their patented technologies. Network-1 currently owns twenty-eight (28) patents covering various telecommunications and data networking technologies as well as technologies relating to document stream operating systems and the identification of media content. Network-1's current strategy includes continuing to pursue licensing opportunities for its Remote Power Patent and its efforts to monetize two patent portfolios (the Cox and Mirror Worlds patent portfolios) acquired by Network-1 in 2013. Network-1's acquisition strategy is to focus on acquiring high quality patents which management believes have the potential to generate significant licensing opportunities as Network-1 has achieved with respect to its Remote Power Patent. Network-1's Remote Power Patent has generated licensing revenue in excess of \$90 million from May 2007 through June 30, 2016. Since Network-1's acquisition of the Mirror Worlds Patent Portfolio in May 2013, Network-1 has achieved licensing and other revenue of \$47 million related to its Mirror Worlds Patent Portfolio.

*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, 2015 filed with the Securities and Exchange Commission, including, among others, the continued validity of Network-1's Remote Power Patent, the ability of Network-1 to successfully execute its strategy to acquire high quality patents with significant licensing opportunities, Network-1's ability to achieve revenue and profits from its Cox Patent Portfolio as well as intellectual property it may acquire in the future, the ability of Network-1 to enter into additional license agreements, the ability of Network-1 to continue to receive material royalties from its existing license agreements for its Remote Power Patent, the uncertainty of patent litigation and proceedings at the United States Patent and Trademark Office, the difficulty in Network-1 verifying royalty amounts owed to it by its licensees, Network-1's ability to enter into strategic relationships with third parties to license or otherwise monetize their intellectual property, the risk in the future of Network-1 being classified as a Personal Holding Company, 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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