

# Court Rules in Favor of Network-1 Subsidiary in Mirror Worlds Patent Litigation

## Denies Motions to Dismiss by Apple and Microsoft

NEW YORK, July 8, 2015 /PRNewswire/ -- Network-1 Technologies, Inc. (NYSE: NTIP) today announced that the United States District Judge Robert Schroeder III of the Eastern District of Texas issued an order denying motions to dismiss the patent infringement suits filed by Mirror Worlds Technologies, Inc., a wholly owned subsidiary of Network-1, against Apple, Inc. and Microsoft, Inc. The cases against Apple and Microsoft were stayed pending Judge Schroeder's opinion.

In December 2014, Apple brought a motion for summary judgment based on the Kessler Doctrine arguing that Mirror Worlds was precluded from initiating patent litigation against Apple because of an earlier case brought by the previous owner of the Mirror Worlds patent portfolio against Apple. Judge Schroeder denied the motion and granted Mirror Worlds' motion that there was no preclusion based on the MW1 case holding that the Kessler Doctrine did not apply to the facts of the present Mirror Worlds case.

In early 2015, Apple and Microsoft each brought motions for a judgment on the pleadings that U.S. Patent No. 6,006,227, owned by Mirror Worlds, is invalid for covering subject matter not patentable under Section 101 of the U.S. Patent Act. This argument was based on a recent decision by the United States Supreme Court in *Alice vs. CLS Bank*, which has led to the invalidation of numerous U.S. patents in the months since the decision. In applying the reasoning of *Alice* decision, Judge Schroeder found that although the '227 Patent is directed to an abstract idea, the abstract idea "is necessarily directed to improving computer technology" and that "the Defendants have not provided any evidence that claimed computer functions (using persistent mainstreams and substreams) were well-understood, routine, conventional activities previously known to the industry at the time of filing" as would be required to be invalid under *Alice*.

Based on the Court's Order, the stay of cases against Apple and Microsoft has been lifted and the case against Microsoft and Apple will now proceed toward trial.

"We are obviously very pleased with today's Order," commented Corey M. Horowitz, Chairman and CEO of Network-1. "We feel strongly about the merits of our case, and our position on these motions in particular, and are gratified that the Court issued such a well-reasoned opinion."

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-four (24) 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.

*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, 2014 and its Quarterly Report on Form 10-Q for the quarterly period ended March 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 the Mirror Worlds Patent Portfolio and the 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 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.*

**Corey M. Horowitz, Chairman and  
CEO**

**Network-1 Technologies, Inc.**

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