

## Avid's Patent Infringement Claims Against Harmonic Inc. Set to Proceed to Trial

## Avid continues to pursue multimillion-dollar damages award for two patent infringements against Harmonic's MediaGrid storage system and Spectrum media server system

BURLINGTON, Mass., July 19, 2017 (GLOBE NEWSWIRE) -- Avid (Nasdaq:AVID), a leading global media technology provider for the creation, distribution and monetization of media assets for global media organizations, enterprise users and individual creative professionals, today addressed the status of patent infringement litigation which has been ongoing against Harmonic Inc. (Nasdaq:HLIT) since 2011. Although Avid has not considered this litigation material for purposes of its disclosures, Harmonic Inc. has previously included information about the litigation in its public filings. Following the latest rulings by the U.S. Court of Appeals for the Federal Circuit in Washington, D.C. and the United States Patent and Trademark Office, Avid will be planning to proceed to trial against Harmonic.

Since October 2011, Avid has brought two patent infringement lawsuits against Harmonic in the United States District Court for the District of Delaware—one involving Harmonic's MediaGrid storage system and Avid's U.S. Patent Nos. 6,760,808 (the "808 Patent") and 7,487,309 (the "309 Patent"), and the other involving Harmonic's Spectrum<sup>TM</sup> media server system and Avid's U.S. Patent No. 5,495,291 (the "291 Patent"). Harmonic has responded to these suits by seeking to have the United States Patent and Trademark Office (the "USPTO") review and nullify Avid's patents through procedures known as reexamination and inter partes review.

In 2014, the USPTO rejected Harmonic's challenges to claims 11-16 of Avid's 291 Patent, and Harmonic unsuccessfully appealed that decision to the U.S. Court of Appeals for the Federal Circuit in Washington, D.C., which upheld the claims in 2016. Avid's case of infringement against Harmonic's Spectrum™ products is scheduled for trial in November 2017.

Likewise, after that same court ordered a new trial in the MediaGrid case in 2016, Harmonic sought to have the USPTO cancel the patent claims in Avid's 808 and 309 Patents. On May 12, 2017, the USPTO upheld the claims of Avid's 309 Patent, but found the claims of the 808 Patent unpatentable.

Now that the claims of the 309 Patent have been confirmed as patentable, Avid's infringement case against Harmonic and its MediaGrid system is expected to proceed to the new trial ordered by the Federal Circuit. Based on expert testimony, Avid expects its claim against Harmonic could result in up to \$35 million in damages through 2013. Avid expects that this amount has increased materially since then. However, the outcome of litigation is inherently uncertain and Avid may not recover any or all of damages it seeks. Additionally, Avid currently plans to appeal the USPTO's decision with respect to the 808 Patent to the Federal Circuit.

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