



Overland Storage Files Patent Infringement Lawsuit on Tape Storage Technologies

August 20, 2010

SAN DIEGO, CA, Aug 20, 2010 (MARKETWIRE via COMTEX) --

Overland Storage (NASDAQ: OVRL), the trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that it has filed a patent infringement lawsuit in the United States District Court for the Southern District of California. The lawsuit, filed on August 13, 2010, names as defendants BDT AG and BDT-Solutions GmbH, both based in Germany, and BDT Products, Inc., based in Irvine, California. The case is Overland Storage, Inc. v. BDT AG, et al., No. 10-cv-1700.

The suit claims infringement of two of Overland Storage's United States patents, including:

1. US 6,328,766, which relates to an automated media library containing media elements, where each media element may be a member of one of several sets of media elements; and
2. US 6,353,581, which relates to an automated media library and retrieval system where a user can insert or remove storage media, such as magnetic tape cartridges, through a mail slot without removing a magazine from the media library and without disturbing other operations.

The complaint broadly claims infringement of BDT's products, and it specifically identifies BDT's FlexStor(R) II product line as infringing on Overland Storage's patents.

The two patents represented in Overland Storage's lawsuit represent fundamental improvements in virtual storage and media access in the tape storage market, which has reportedly topped \$9.1 billion in revenue over the last six years, according to the 2009 IDC report. In addition to a fair royalty for its patented inventions, Overland Storage's complaint seeks to stop BDT and its related companies from using Overland Storage's patented technologies in the United States in the future.

"We owe it to our shareholders and our customers to protect the technology investments we have made throughout the years," said Eric Kelly, President and CEO of Overland Storage. "We believe our technologies are one of the driving forces behind the demand for tape storage solutions today. Our patented technologies allow us and others to bring to market products and solutions that are more reliable, more secure and more efficient," said Mr. Kelly.

Overland Storage is represented in the lawsuit by several San Diego and Palo Alto-based lawyers from DLA Piper LLP (US), a large multi-national law firm. "Of significant interest to our shareholders, the arrangement with DLA Piper ensures that this legal action will not involve any cash outlay for Overland Storage, and therefore maximizes the return to our company and its investors," said Mr. Kelly.

About Overland Storage

Overland Storage is the trusted global provider of effortless data management and data protection solutions across the data lifecycle. By providing an integrated range of technologies and services for primary, nearline, offline, archival and cloud data storage, Overland makes it easy and cost effective to manage different tiers of information over time. Whether distributed data is across the hall or across the globe, Overland enables companies to focus on building their business instead of worrying about data growth. Overland SnapServer(R), NEO(R) and REO(R) solutions are available through a select network of value added resellers and system integrators. For more information, visit www.overlandstorage.com.

Overland Storage, NEO, SnapServer, REO and the Overland logo are trademarks of Overland Storage, Inc. that may be registered in some jurisdictions; all other trade names herein are recognized to be the property of their respective owners.

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