



ITC Issues Initial Determination That Overland Storage Patents Are Valid but Finds No Violation by BDT Under Section 337; Overland Will Look to ITC to Overrule ALJ's No Violation Finding

June 21, 2012

SAN DIEGO, CA, Jun 21, 2012 (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 received notice that the Administrative Law Judge ("ALJ") in the U.S. International Trade Commission ("ITC") action brought by Overland Storage against BDT has issued an initial determination affirming that both of Overland's asserted patents are valid, but finding that BDT has not committed a violation of section 337 of the Tariff Act of 1930. Overland had alleged that BDT committed section 337 violations based on BDT's activities relating to its allegedly infringing automated tape libraries.

"Overland is a proven technology leader and innovator within data management and protection and owns a strong patent portfolio of valuable intellectual property that it has developed over 30 years," said Eric Kelly, President and CEO of Overland Storage. "The judge's favorable ruling on our patents' validity reinforces our global leadership position in the data storage market, and the ALJ's decision of no violation under section 337 by BDT does not affect our position in this market. We will continue to protect our valuable assets as we deliver next generation enterprise technology and products to the growing mid-tier segment of the storage industry."

Despite finding both of Overland's patents valid, the ALJ found no violation of section 337 by reason of infringement and no domestic industry related to one of the two asserted patents. The full decision has not yet been released, which will be confidential and will explain the ALJ's findings. The full Commission may review and modify the ALJ's initial determination, which is not a final determination of the ITC action. The Commission's final determination in the investigation is expected by October 22, 2012.

On October 18, 2010, Overland filed a patent infringement lawsuit at the ITC against BDT, IBM and Dell claiming infringement of two of its patents, United States Patent Nos. 6,353,581 and 6,328,766. Overland's accompanying patent infringement action against the same companies, filed in the United States District Court, Southern District of California, was stayed on December 8, 2010, pending the outcome of the ITC action.

A seven-day hearing at the ITC was completed on September 7, 2011. On November 16, 2011, Overland reported that the ITC action and district court action against IBM and Dell had been resolved by settlement. Resolution of the ITC action will not resolve Overland's patent infringement district court action against BDT. Overland is represented by DLA Piper LLP.

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. Overland SnapServer(R), SnapSAN(TM), NEO(R) and REO(R) solutions are available through a select network of value added resellers and system integrators. For more information, visit <http://www.overlandstorage.com/>.

Safe Harbor Statement

Except for the factual statements made herein, the information contained in this news release consists of forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as "believes," "hopes," "intends," "estimates," "expects," "projects," "plans," "anticipates" and variations thereof, or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Such forward-looking statements are not guarantees of performance and our actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain and increase sales volumes of our products; our ability to continue to aggressively control costs and operating expenses; our ability to achieve the intended cost savings and maintain quality with our new manufacturing partner; our ability to generate cash from operations; the ability of our suppliers to provide an adequate supply of components for our products at prices consistent with historical prices; our ability to raise outside capital and to repay our debt as it comes due; our ability to introduce new competitive products and the degree of market acceptance of such new products; the timing and market acceptance of new products introduced by our competitors; our ability to maintain strong relationships with branded channel partners; our ability to maintain the listing of our common stock on the NASDAQ Capital Market; customers', suppliers' and creditors' perceptions of our continued viability; rescheduling or cancellation of customer orders; loss of a major customer; general competition and price measures in the market place; unexpected shortages of critical components; worldwide information technology spending levels; and general economic conditions. Reference is also made to other factors detailed from time to time in our periodic reports filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this release and we undertake no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.

Connect with Overland Storage: Read the Overland blog: <http://overlandstorage.com/blog> Follow Overland on Twitter: <http://www.twitter.com/OverlandStorage> Visit Overland on Facebook: <http://www.facebook.com/OverlandStorage>

Overland Storage, SnapSAN, SnapServer, NEO Series, REO Series and the Overland logo are trademarks Overland Storage, Inc., that may be registered in some jurisdictions. All other trademarks used are owned by their respective owners.

Investor Relations Contact:
Charles Messman or Todd Kehrli
MKR Group Inc.
323-468-2300

ovrl@mkr-group.com

Media Contact:

Elizabeth Zaborowska
Bhava Communications
overland@bhavacom.com
510-219-8127

SOURCE: Overland Storage

mailto:ovrl@mkr-group.com
mailto:overland@bhavacom.com