



ITC Ruling That BDT Customers Directly Infringe Claims of Overland Storage Partitioning Patent Was Not Changed; Ruling Strengthens Overland Storage Mail Slot Patent

October 26, 2012

Oct 26, 2012 (Marketwire via COMTEX) --Overland Storage (NASDAQ: OVRL), a trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that the U.S. International Trade Commission ("ITC") has released a Notice of Commission Decision in the infringement action filed by Overland Storage against IBM, Dell and BDT. Overland Storage previously reported that the ITC and District Court actions against IBM and Dell had been resolved by settlement.

The Notice of Commission Decision makes several key findings regarding Overland Storage's U.S. Patent No. 6,328,766, which relates to partitioning media elements in automated media devices, and Overland Storage's U.S. Patent No. 6,353,581, which relates to the "mail slot" feature in automated media devices.

Several key takeaways from the Notice of Commission Decision are:

- The Commission decided not to revisit the decision by Chief Administrative Law Judge ("ALJ") Charles Bullock that BDT's customers directly infringe every '766 patent claim asserted by Overland Storage. ALJ Bullock's infringement findings are therefore final in the ITC.
- The Commission remanded certain aspects of ALJ Bullock's validity findings on the '766 patent claims for further consideration, but all claims asserted by Overland Storage against BDT remain valid. The next decision by ALJ Bullock is expected by the end of the year.
- The Commission's ruling strengthens Overland Storage's claims related to the '581 patent by reaffirming the validity findings by ALJ Bullock and making additional findings related to infringement of that patent.

"We are pleased with the Commission's findings. We welcome the opportunity to continue to prove the validity of our claims on the '766 patent, and we are quite happy with the findings related to the '581 patent. Innovation is the driving force of technology companies, and the ability to create and protect their intellectual property is critical to companies as they develop new products and protect existing assets," said Mr. Eric Kelly, President and CEO of Overland Storage. "With an extensive portfolio of additional patents that have been granted, our IP portfolio will assist us in continuing to shape the future of the data management and data protection markets for years to come."

Overland Storage lead attorney Sean Cunningham, Partner at DLA Piper LLP commented, "This decision by the full Commission is another step in the process of proving that BDT and others in the data storage industry have been using Overland Storage's intellectual property without permission. Overland Storage will continue to enforce its intellectual property rights against those who choose to violate them."

Represented by DLA Piper LLP (US), Overland Storage previously reported that it filed additional lawsuits on June 28, 2012 claiming infringement of one or both of the Overland Storage patents involved in the ITC case against BDT. Those lawsuits name as defendants Quantum Corporation; Spectra Logic Corporation; PivotStor, Inc.; Qualstar Corporation; Tandberg Data GmbH; Tandberg Data Corp.; and Venture Corporation Limited. In addition to a royalty for its patented inventions, Overland seeks to prevent each of the defendants from using its patented technologies in the United States. Upon completion of the ITC case, Overland Storage plans to pursue monetary damages against BDT in district court.

About Overland Storage

Overland Storage is a 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®, SnapSAN™, NEO® and REO® 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 enforce our intellectual property rights; 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.

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