

June 3, 2014

## Align Technology Provides Update on Temporary Stay of ITC Cease and Desist Orders Against ClearCorrect

SAN JOSE, CA -- (Marketwired) -- 06/03/14 -- Align Technology, Inc. (NASDAQ: ALGN)

- Temporary stay of cease and desist orders issued on procedural grounds
- ITC reaffirms correctness of its Final Determination against ClearCorrect
- No change in ITC decision regarding validity of Align patents and that ClearCorrect infringes those patents

Align Technology, Inc. (NASDAQ: ALGN) today provided an update on the status of the final determination and cease and desist orders issued by the International Trade Commission (ITC) against the ClearCorrect entities (ClearCorrect Operating, LLC, based in Houston, Texas and ClearCorrect Pakistan (Private) Ltd., based in Lahore, Pakistan). The cease and desist orders, originally issued by the ITC with its April 3, 2014 opinion, prohibit the ClearCorrect entities from importing, selling, advertising, or distributing digital data and treatment plans that infringe five of the patents asserted by Align in the ITC investigation. ClearCorrect subsequently moved for a stay of the cease and desist orders pending their appeal to the Federal Circuit, noting the "potentially catastrophic consequences" of the orders, including the ruin of ClearCorrect Pakistan's business and the disruption of ClearCorrect Operating's manufacturing operations. On June 2, 2014, the Commission temporarily stayed enforcement of the cease and desist orders on procedural grounds pending a determination on ClearCorrect's appeal of the Commission's decisions to the Federal Circuit.

In its June 2 order, the Commission expressly reaffirmed that it continues to hold its Final Determination to be entirely correct. The Commission also noted that the decision to temporarily stay enforcement of the cease and desist orders was not recognition of ClearCorrect's likelihood of success on the merits of its case, in part because the Commission agreed with Align that the Federal Circuit is generally required to defer to the ITC's decisions regarding the scope of the ITC's jurisdiction. The Commission opinion also stated that the district court action in Houston provides a forum for Align to recover damages from ClearCorrect for infringement during the pendency of the Commission proceedings, including during the temporary stay.

"While we are disappointed with the Commission's decision to delay enforcement of its cease and desist orders, we understand that this is only a temporary procedural delay and the Commission's order in no way impacts its substantive rulings on the scope of the ITC's jurisdiction or the Commission's prior determination that all of Align's asserted patent claims are valid, and that ClearCorrect infringes 18 of those claims," said Roger E. George, Align Technology vice president and general counsel. "We are confident this ruling will only temporarily postpone our ability to hold ClearCorrect accountable for its infringement of Align's patented process through an arrangement dubbed a 'sham' by the ITC Administrative Law Judge. We are confident that the Federal Circuit will agree with Align and the host of other patent law experts, including the ITC Staff, the ITC Administrative Law Judge and the Commission itself, in finding that Align's patent claims are valid and infringed by ClearCorrect. We look forward to exercising our right recognized by the Commission to seek damages in the district court action in Houston from ClearCorrect for damages for past infringement, including those incurred during these proceedings as well as during this delay."

ClearCorrect also filed an appeal with the Federal Circuit today on the Commission's final determination that Align's patents are valid and infringed by ClearCorrect as well as the resulting cease and desist orders. In anticipation of ClearCorrect's appeal and in order to protect its interests, Align filed an appeal with the Federal Circuit yesterday on the few peripheral issues that the Commission decided adversely to Align.

Align initially filed an ITC complaint against ClearCorrect on March 1, 2012, asserting that ClearCorrect's aligners are made using digital data and treatment plans imported from Pakistan that infringe Align's patents. Align also has a patent infringement action pending against ClearCorrect in the United States District Court for the Southern District of Texas alleging infringement of nine Align patents, including four additional patents not included in the ITC litigation.

## About Align Technology, Inc.

Align Technology is the leader in modern clear aligner orthodontics that designs, manufactures and markets the Invisalign system, which provides dental professionals with a range of treatment options for adults and teenagers. The Company also offers the iTero 3D digital scanning system and services for orthodontic and restorative dentistry. Align Technology was founded in March 1997 and received FDA clearance to market Invisalign in 1998. Visit <u>www.aligntech.com</u> for more information.

For additional information about Invisalign or to find an Invisalign provider in your area, please visit <u>www.invisalign.com</u>. For additional information about iTero, please visit <u>www.itero.com</u>

Source: Align Technology

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