

Update on the AndAppStore/AppsLib dispute

Maidstone, England - 4th November 2009, 09:30am GMT

Since issuing the initial press release in relation to the decision by Funky Android Ltd. to seek legal advice over the actions of Archos SA a response from Archos and a further letter from SCP Duclos, Thorne, Mollet-Viéville et Associés (who have been engaged by Archos to advise them) have been received.

The initial response from Archos indicated that they did not believe that they were in breach of the NDA and that they believed the information in question was based on work by Archos provided to Funky Android.

Funky Android responded by reminding Archos that the information was provided to them in response to a specific request from them for data formats used by AndAppStore and at no point did Funky Android agree to the information being used by, or redistributed to, a third party. Funky Android have also pointed out that the data representation methods in question were in use by the publicly available AndAppStore client before negotiations with Archos began, and therefore could not have been based on information supplied by Archos.

A couple of weeks later Funky Android received a letter from SCP Duclos, Thorne, Mollet-Viéville et Associés on behalf of Archos which included the following claims;

- 1) The cause of the end of the relationship was that Archos were unable to reach an agreement with Funky Android.
- 2) That Funky Android had refused to complete development of the customised client for Archos, and thus Archos had to engage the services of DiotaSoft.

Funky Android have responded by providing SCP Duclos, Thorne, Mollet-Viéville et Associés with copies of three pertinent emails;

The first, dated 13th of August 2009, in which Archos provided a contract based on a verbal agreement reached between the two companies which included a commitment from Archos to have the contract countersigned and returned as soon as it was received.

The second, dated 14th of August 2009, in which Archos confirmed receipt of a copy of the contract signed by Funky Android.

The third, dated 18th of August 2009, in which Funky Android delivered a customised version of the AndAppStore client using AndAppStore data instead of data from the Archos servers. This email also contained copies of earlier emails where Funky Android had made it clear that a version using Archos servers would be delivered once a countersigned contract had been returned, and an email from Archos making further commitment from Archos to provide a countersigned contract by “tomorrow at the latest”.

Funky Android are currently evaluating the financial reports and industry opinions on the future financial prospects of Archos as they have no interest in pursuing a case against a company which may cease trading before any legal action comes to completion. During this process Funky Android will be factoring in their estimates of the resulting effects of the issues affecting Archos' latest products, the Android based Archos 5 Internet Tablet and the Archos 9, and the prospects of Archos' next product, the phone tablet, when compared to alternatives which will be widely available before it is released such as the Motorola Droid/Milestone, the Acer Liquid, and possibly the Sony Xperia X10.

Funky Android expect to make a decision on their future course of action in the next few weeks.