

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENIES WRIT OF MANDAMUS IN THE INTERFERENCE BETWEEN ADVANCED VOICE RECOGNITION SYSTEMS, INC AND ALLVOICE DEVELOPMENTS US LLC.

SCOTTSDALE, ARIZONA August 9, 2010 Advanced Voice Recognition Systems, Inc. (AVRS) OTCBB AVOI www.avrsys.com announced that, on August 2, 2010, a panel of the United States Court of Appeals for the Federal Circuit (“the Federal Circuit”) consisting of Chief Circuit Judge Rader and Circuit Judges Bryson and Moore summarily denied Allvoice’s petition for a “writ of mandamus”. On July 12, 2010, Allvoice petitioned the Federal Circuit asking that court to issue a writ of mandamus directing the United States Patent and Trademark Office’s Board of Patent Appeals and Interferences (“the BPAI”) to vacate its decision declaring an interference between Allvoice’s patent No. 5,799,273 (“the Mitchell patent”) and AVRS’s application S.N. 09/351,542 (“the Holt application”) and to remand the Holt application to the examiner for further prosecution or to issue an order requiring AVRS to show cause why judgment should not be entered against the Holt application. (A “writ of mandamus” is an order from a higher tribunal, in this case the Federal Circuit, to a lower tribunal, in this case the BPAI, to do or to refrain from doing something. It differs from an order issued by the higher tribunal after an ordinary appeal in that it is used to interrupt ongoing proceedings before the lower tribunal has concluded those proceedings.)

Charles Gholz and his team at Oblon Spivak were prepared to oppose Allvoice’s petition. However, the Federal Circuit did not even require AVRS to file an answer to Allvoice’s petition before denying it. Mr. Gholz commented that, as much as he would have enjoyed opposing Allvoice’s petition, he was gratified by the court’s swift action—which clearly saved AVRS a good deal of money. He also pointed out that the denial of Allvoice’s petition means that the interference will be moving swiftly forward toward a final hearing.

In May 2010, Allvoice asked a panel of the BPAI to reconsider and reverse Judge Medley’s order instituting the interference, making arguments very similar to those made in its petition for a writ of mandamus. However, on June 18, 2010, a three-judge panel of the BPAI denied Allvoice’s request for reconsideration.

The Mitchell patent is the subject of a patent infringement suit that Allvoice filed against Microsoft in August 2009 in the United States District Court for the Eastern District of Texas. The inventors and AVRS were subpoenaed by both Allvoice and Microsoft for depositions in the infringement action. In that action, Microsoft is relying on the prior invention of AVRS’s inventors in support of its argument that the claims of the Mitchell patent asserted against it are invalid. Mr. McCabe (also of Oblon Spivak) filed a motion for a protective order in the Texas court limiting the scope of the discovery of AVRS requested by Allvoice and Microsoft. AVRS continues to wait for the ruling on the protective order before scheduling the depositions.

President and CEO Walter Geldenhuys said, “The actions by the BPAI and the Federal Circuit validates AVRS, its commitment and accomplishments in the interference.

AVRS and the team at Oblon Spivak continue to work on a strict timetable to meet the demanding requirements of an interference proceeding. I am especially grateful to the shareholders who continue to support AVRS. Additionally, we continue to evaluate companies that we believe are infringing on our patented technology and the appropriate steps to protect our intellectual property.”

FORWARD-LOOKING STATEMENTS

Note: This news release and the Company’s web site referenced in this news release contains "forward looking statements" within the meaning of the federal securities laws regarding the future plans and expected performance of AVRS that are based on assumptions that AVRS considers reasonable. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including without limitation, the unpredictability of litigation and other contested actions, the availability of financing, general economic conditions and factors that are beyond the control of AVRS. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this release. AVRS undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date of this release or to reflect any change in the expectations of AVRS with respect to these forward-looking statements.

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