



News Release

FOR IMMEDIATE RELEASE

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U.S. International Trade Commission Judge Rules That The Accused Ink Cartridges Infringe Epson's Patents

Administrative Law Judge Recommends a General Exclusion Order and Cease and Desist Orders

LONG BEACH, Calif. – April 4, 2007 -- The Honorable Paul J. Luckern issued an Initial Determination on March 30 that finds that the accused ink cartridges infringe Epson's patents. He recommends a General Exclusion Order barring the respondents and all others from importing infringing cartridges and Cease and Desist Orders barring the defending and defaulting respondents from selling infringing cartridges imported before the exclusion order becomes effective.

The judge's ruling arises from a complaint filed by Epson Portland Inc., Epson America Inc., and Seiko Epson Corp. in February 2006 with the U.S. International Trade Commission that accused 24 U.S., Korean, German and Chinese companies of importation and sales of infringing ink cartridges. The Epson companies filed parallel actions in the U.S. District Court in Portland, Ore., against the same 24 companies for compensatory damages and injunctive relief. Most of the accused companies settled with Epson or defaulted in the ITC action prior to trial.

Judge Luckern conducted a trial in January 2007 that was defended by Dataproducts USA LLC, a division of Clover Technologies Group LLC, Ninestar Technology Co. Ltd., Zhuhai Gree Magneto-Electric Co. Ltd., and their affiliated companies. Based on the extensive evidence presented at the trial, the judge found that more than 750 models of cartridges imported by the defending and defaulting respondents infringe one or more of 11 Epson patents that apply to cartridges for desktop inkjet printers. The judge's findings upheld the validity and enforceability of all 11 Epson patents at issue and found that all cartridges at issue infringed one or more of the patents. The judge's Initial Determination was submitted for review to the ITC for a Final Determination scheduled for July 30, 2007.

“We are gratified that Judge Luckern upheld the validity and enforceability of Epson’s ink cartridge patents,” said Elizabeth Leung, director of Consumer Supplies, Epson America. “Epson has invested continuously in R&D and manufacturing to produce high quality, innovative ink cartridges. These lawsuits were filed as part of Epson’s worldwide efforts to protect the company from unfair competition. We urge manufacturers, distributors and retailers of ink cartridges to recognize this further validation of Epson’s patent rights and act accordingly. Resellers should be mindful that, in addition to the import restrictions that can be ordered by the ITC, patent infringements can result in very substantial compensatory damages in District Court actions. We will continue taking whatever action is necessary to protect Epson’s invaluable intellectual property rights.”

About Epson Portland Inc.

Epson Portland Inc. is the U.S.-based manufacturing subsidiary of Japan-based Seiko Epson Corporation. Historically a printer manufacturer (from its opening day in July of 1986 until August of 2001 Epson Portland built over 15 million printers), the company currently manufactures ink cartridges for ink jet printers, refurbishes optical engines for LCD projectors and performs precision injection molding of proprietary plastic parts. Epson Portland manufactures over 35 million cartridges annually for sale in the United States and elsewhere.

About Epson America Inc.

Epson America is the U.S.-based marketing and service subsidiary of Seiko Epson Corp. Epson America offers an extensive array of award-winning image capture and image output products for the consumer, business, photography and graphic arts market throughout North, Central and South America. The company is also a leading supplier of value-added point-of-sale (POS) printers and transaction terminals for the retail market. Epson America Inc. is headquartered in Long Beach, Calif.

About Seiko Epson Corp.

Seiko Epson Corp. is a global leader in imaging products including printers, projectors and LCDs. With an innovative and creative culture, Epson is dedicated to exceeding the vision and expectations of customers worldwide with products known for their superior quality, functionality, compactness and energy efficiency. Led by the Japan-based Seiko Epson Corp., Epson is a network of 107 companies around the world, and is proud of its ongoing contributions to the global environment and to the communities in which it is located.

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