



News Release

FOR IMMEDIATE RELEASE

U.S. INTERNATIONAL TRADE COMMISSION CONFIRMS THAT ALL ACCUSED INK CARTRIDGES INFRINGE EPSON PATENTS

Commission Issues Final Determination with General Exclusion Order, Cease and Desist Order, and Bond of \$13.60 per Cartridge Imported During Presidential Review Period

LONG BEACH, Calif. – October 22, 2007 – In a case filed by Epson against 24 aftermarket ink cartridge importers and resellers, the U.S. International Trade Commission issued a Final Determination on Oct. 19 that all the ink cartridges accused by Epson infringe one or more of the company's patents. As a result, the ITC issued a General Exclusion Order that directs U.S. Customs to bar all imports of infringing cartridges, a Cease and Desist Order that bars the named respondents from selling infringing cartridges, and a bond of \$13.60 per cartridge imported during the Presidential Review Period. Epson has established a website at <http://itc.epson.com> to provide importers and resellers with timely information about the ITC decisions and their consequences.

The ITC order results from a complaint filed with the ITC by Epson Portland Inc., Epson America Inc. and Seiko Epson Corp. in February 2006 that accused 24 U.S., German, Korean and Chinese companies of importation and sales of infringing cartridges. Most of the accused companies settled or defaulted in the ITC action prior to trial.

In January 2007, the Hon. Paul J. Luckern, administrative law judge, conducted a trial 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. The judge found that all 750 cartridges at issue infringed one or more of 11 Epson patents that cover innovations in cartridges for Epson desktop printers. The Cease and Desist Orders now prohibit all further sales of infringing cartridges by U.S. affiliates of these companies that defended the action and the companies that defaulted.

Following this Final Determination by the ITC is a 60-day review period during which the President of the United States can limit the remedies ordered by the ITC for policy reasons. A bond of \$13.60 per cartridge is required for imports of the accused cartridges during the review period. This bond will be forfeited for all cartridges not returned to U.S. Customs if the ITC orders are not changed by the President.

The Epson companies filed a parallel action in the U.S. District Court in Portland, Ore., against the same 24 companies asserting similar patent claims. In June 2007, the Epson companies filed another District Court lawsuit against a large distributor and three large internet resellers of cartridges alleging infringement of patents covering innovations in on-carriage cartridges of Epson desktop printers as well as innovations in off-carriage cartridges, such as those used in certain Epson large format printers. These District Court lawsuits seek both monetary damages and injunctive relief.

The ITC case and District Court cases are part of Epson's worldwide efforts to protect its intellectual property and its significant investments in R&D to produce high quality, innovative printers and cartridges. Epson will continue pursuing legal remedies against distributors and resellers for continuing infringements.

"We appreciate the ITC recognizing the validity and enforceability of our ink cartridge patents and more importantly for taking the necessary steps to prevent unfair competition," said Elizabeth Leung, director of Consumer Supplies, Epson America Inc. "We will be working closely with U.S. Customs to ensure the effective enforcement of the ITC orders and will take whatever steps necessary to prevent continuing infringements. Resellers should note that any damages for willful infringement following the ITC decisions could be substantial."

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.

###