



News Release

FOR IMMEDIATE RELEASE

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EPSON CONTINUES TO VIGOROUSLY ENFORCE ITS INK CARTRIDGE PATENTS

LONG BEACH, Calif. – May 6, 2008 – Epson America Inc. today announced that vigorous enforcement of its ink cartridge patents continues on many fronts following the Final Determination and Exclusion Orders by the U.S. International Trade Commission (“ITC”). The decision made in October 2007 bars imports of infringing ink cartridges for Epson printers.

“Epson strongly recommends that all importers and distributors of cartridges for Epson printers take appropriate precautions to avoid infringement and potential seizures and liability,” said Alf Andersen, assistant general counsel, Epson America Inc.

The U.S. Customs and Border Protection Service (U.S. Customs), which is responsible for enforcing the ITC General Exclusion Order, has been inspecting incoming cartridge shipments and seizing infringing cartridges. Recently, the ITC issued a Seizure and Forfeiture Order against Mipo America Inc. of Miami, Fla., after a U.S. Customs seizure. Last month, U.S. Customs issued a Certification that requires all importers of new and refilled ink cartridges to certify, under penalty of perjury, that importation of the cartridges does not violate the Orders.

Earlier this year, Epson filed three enforcement complaints with the ITC against three large foreign suppliers of ink cartridges and their U.S. subsidiaries alleging continuing imports and sales of new and refilled infringing cartridges in violation of the ITC orders. The three foreign suppliers are Ninestar Technology Co. Ltd. of Zhuhai, China (supplier of G &G and OA100 brand cartridges); Mipo International Ltd. of Hong Kong (supplier of Mipo brand cartridges); and Cana-Pacific Ribbons Inc. of Vancouver, Canada (supplier of Butterfly brand and generic cartridges). The ITC has the authority to

issue penalties up to the greater of \$100,000 for each day of importation and sales of infringing products or twice the commercial value of the infringing products. On May 1, 2008, The ITC instituted formal enforcement proceedings against the Ninestar and Mipo companies. The ITC has not yet acted on Epson's complaint against the Cana-Pacific companies.

In April 2008, Epson filed an additional patent infringement lawsuit in the U.S. District Court in Portland, Ore. against four prominent internet resellers of ink cartridges seeking permanent injunctions and compensation. The complaint alleges that the four companies continued to sell new or refilled ink cartridges that infringe 18 patents that collectively cover innovations in numerous on-carriage cartridges used in most Epson desktop inkjet printers, and off-carriage cartridges used in Epson large format inkjet printers. The defendants in the new lawsuit are Inkjetmadness.com, Inc., dba Inkgrabber.com of Simi Valley, Calif.; Acecom Inc-San Antonio, dba Inksell.com of San Antonio, Texas; Comptree Inc., dba Meritline.com of City of Industry, Calif.; and Media Street Inc., dba Mediastreet.com of Deer Park, N.Y.

Epson recently took possession of 58,000 infringing inkjet cartridges from the bankruptcy trustee for MMC America Inc., which was the U.S. affiliate of Zhuhai Gree Magneto-Electric Co. Ltd., a Chinese conglomerate that manufactures MMC brand cartridges. The bankruptcy trustee surrendered the cartridges for destruction because the ITC Orders prevented their resale. In addition to the MMC America bankruptcy, many other foreign manufacturers and exporters of ink cartridges for Epson printers have closed their U.S. operations, apparently to avoid liability.

“Since U.S.-based resellers can be independently liable for substantial damages for patent infringement, Epson urges resellers to be very careful regarding claims of non-infringement and offers of patent indemnification from suppliers that have only a minimal presence in the U.S.,” said Andersen.

Epson maintains a Web site at <http://www.itc.epson.com/> to provide U.S. importers and distributors with timely information about the ITC action and related U.S. District Court lawsuits. The U.S. Customs Certification, ITC Exclusion Orders, ITC Seizure and Forfeiture Order, ITC Enforcement Complaints and U.S. District Court complaints referenced in this press release are all posted on the Web site with other useful information, including a summary of the legal requirements for refilled cartridges.

Epson Portland Inc., Epson America Inc, and Seiko Epson Corporation jointly filed the ITC action and numerous U.S. District Court lawsuits as part of Epson's extensive worldwide effort to protect its intellectual property rights and investments in R&D to produce high quality, innovative printers and ink cartridges. Epson will continue to take whatever action is necessary to protect itself

from ongoing infringements and unfair competition at every level of product manufacture, distribution and sale.

About Epson Portland Inc.

Epson Portland Inc. Is the U.S.-based manufacturing subsidiary of Japan- 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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