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Contact: Caroline Zubieta Epson America, Inc. 562.290.4026 caroline_zubieta@ea.epson.com

> Cyndi Babasa Walt & Company 408.369.7200, ext. 1062 <u>cbabasa@walt.com</u>

U.S. COURT OF APPEALS AFFIRMS ITC GENERAL EXCLUSION ORDER THAT PROHIBITS IMPORTS OF INFRINGING INK CARTRIDGES

Epson Continues Enforcement of Its Ink Cartridge Patents

LONG BEACH, Calif. – Jan. 20, 2009 – On January 13, the U.S. Court of Appeals for the Federal Circuit in Washington D.C. affirmed the Final Determination and General Exclusion Order of the U.S. International Trade Commission ("ITC"). A General Exclusion Order that bars imports of infringing new and refilled cartridges was entered by the ITC in October 2007, after an ITC trial established widespread infringement of Epson's cartridge patents by many foreign manufacturers, importers and U.S. distributors. The unsuccessful Appeal was filed by Ninestar Technologies Co, Ltd. of China, Ninestar's U.S. subsidiaries and Dataproducts USA LLC (a division of Clover Technologies Group).

"Epson is gratified that the Court of Appeals so quickly and unequivocally affirmed the entire ITC Final Determination and its Orders that Ninestar and its counsel had widely mischaracterized as an abuse of legal precedent in various industry publications," said Alf Andersen, assistant general counsel, Epson America Inc.

Epson will vigorously proceed with enforcement of its patents now that the validity and enforceability of its patents have again been ratified. A second ITC trial was conducted on Jan.14-16, 2009 in Washington D.C. to determine any financial penalties that may be assessed against Ninestar, Mipo America, Ltd. and Cana-Pacific Ribbons Inc. and their affiliates for alleged violations of the General Exclusion Order. The ITC has not yet determined any violations, but has the authority to assess substantial penalties up to \$100,000 per day of violations or twice the commercial value of infringing imports.

In addition to the ITC actions, Epson filed U.S. District Court lawsuits in Portland, Ore., for patent infringement damages against the same 24 companies named in the ITC action and numerous additional distributors and retailers alleged to have continued infringements after the ITC Final Determination. The District Court cases were stayed pending the ITC Determination and Appeal, but will now proceed against those defendants that have not settled. Recently, Epson settled two of these lawsuits filed against major internet retailers: Media Street Inc. dba mediastreet.com and Comptree Inc. dba meritline.com.

Epson maintains a Web site (<u>http://www.itc.epson.com</u>) that provides U.S. importers, distributors and retailers with timely information about the ITC action and related U.S. District Court lawsuits. The U.S. Court of Appeals Judgment, ITC Exclusion Orders, ITC Seizure and Forfeiture Orders, 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.

These ITC actions and U.S. District Court lawsuits were all brought by Epson Portland Inc., Epson America Inc. and Seiko Epson Corp. as part of Epson's worldwide efforts to protect Epson's intellectual property rights and its substantial investments in R & D to produce high quality, innovative printers and ink cartridges. Although most U.S. importers and distributors have now undertaken commendable efforts to avoid infringing Epson's cartridge patents, Epson will continue taking the necessary actions to protect the company and legitimate competitors from ongoing infringements and unfair competition.

About Epson America Inc.

Epson offers an extensive array of award-winning image capture and image output products for the consumer, business, photography, and graphic arts markets. The company is also a leading supplier of value-added point-of-sale (POS) printers and transactions terminals for the retail market. Founded in 1975, Epson America, Inc. is the U.S. affiliate of Japan-based Seiko Epson Corporation, a global manufacturer and supplier of high-quality technology products that meet customer demands for increased functionality, compactness, systems integration and energy efficiency. Epson America, Inc. is headquartered in Long Beach, Calif.

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