

Release

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ITC JUDGE ASSESSES LARGE PENALTIES AGAINST NINESTAR AND OTHER VIOLATORS OF ITC ORDERS THAT BAR IMPORTS AND SALES OF INK CARTRIDGES THAT INFRINGE EPSON'S PATENTS

Epson continues patent enforcement on many fronts including an additional U.S. District Court lawsuit and support of U.S. Customs seizures

LONG BEACH, Calif. – April 29, 2009 – On April 17, 2009, International Trade Commission (ITC) Judge Paul J. Luckern ruled that Ninestar Technology Ltd., Mipo International Ltd., Cana-Pacific Ribbons Inc. and their U.S. subsidiaries violated the U.S. ITC orders that bar imports and sales of infringing inkjet cartridges. Judge Luckern recommended the ITC impose penalties of \$20,504,974 against the Ninestar companies, \$9,700,000 against the Mipo companies and \$700,000 against the Cana-Pacific companies. The recommended Ninestar penalty would be the largest penalty ever ordered in an ITC enforcement proceeding.

Judge Luckern's rulings follow an enforcement complaint filed by Epson and a subsequent trial in January of 2009 during which Epson presented extensive evidence of repeated violations by these companies. The Judge found that Ninestar, Mipo, Cana-Pacific and their subsidiaries all violated the ITC Cease and Desist Orders through the repeated sales of new infringing cartridges similar to those found to be infringing in the first ITC trial. The Judge also found that Ninestar imported and sold infringing refilled cartridges in violation of the Cease and Desist Order. Judge Luckern's rulings and penalties are subject to confirmation by the ITC, which previously confirmed Judge Luckern's recommended Cease and Desist and Exclusion Orders. Ninestar's petition for reconsideration of the Cease and Desist and Exclusion Orders and its subsequent Appeal to the US Court of Appeals for the Federal Circuit were all denied.

All three companies have been prominent suppliers of aftermarket cartridges for Epson printers. Ninestar, based in Zhuhai, China, is one of the world's largest manufacturers of aftermarket printer supplies, including ink cartridges distributed in the U.S. under the G & G, OA100 brands. Ninestar recently reorganized after a strategic investment by Legends Capital, an affiliate of the Lenovo computer company. Mipo, based in Guangzhou, China, has been a prominent manufacturer and supplier of ink cartridges since 1999, including Mipo branded cartridges distributed in the U.S. on Amazon.com and eBay. Cana-Pacific was based in Ferndale, Wash. but relocated to Canada after the ITC Orders were issued. Cana-Pacific was founded as Ribbon Tree USA Inc., a U.S. affiliate of the Ribbon Tree Group of Macao, China that also supplied infringing cartridges through other well-known U.S. suppliers such as Tully International and Inkjetwarehouse.com.

Epson continues enforcement against patent infringements on many fronts. Recently, U.S. Customs seized shipments of infringing cartridges in Seattle, Wash. destined for delivery to 47 different importers. On April 28, 2009, Epson filed an additional lawsuit in the U.S. District Court in Portland, Ore. against R & L Imaging Group Inc. formerly known as IEM Consumables Inc., a California-based company that manufactures ink cartridges in Zhuhai, China. Also named are Abacus 24-7 LLC, Eforcity Corp., Global Business Support Systems Inc. dba printcountry.com, and XP Solutions Properties LLC dba clickinks.com, all internet retailers alleged to have distributed infringing cartridges supplied by Ninestar, IEM Consumables and other suppliers. The District Court lawsuit, Seizure Orders for the U.S. Customs seizures and recent ITC rulings are all posted on Epson's Web site at <http://www.itc.epson.com>.

These ITC actions and the District Court lawsuit were brought by Epson Portland Inc., Epson America Inc. and Seiko Epson Corp. as part of Epson's worldwide efforts to protect its intellectual property rights.

"We are encouraged by these ITC rulings and Customs seizures that deal severely with violators of the Exclusion Orders," said Alf Andersen, assistant general counsel, Epson America. "But we realize that some infringing products will escape the ITC and Custom's enforcement. Therefore, Epson will continue vigorous enforcement at every level necessary to prevent infringement and protect legitimate suppliers and resellers from unfair competition."

About Epson Portland Inc.

Epson Portland Inc. Is the U.S. manufacturing subsidiary of Seiko Epson Corporation. Historically a printer manufacturer, the company currently manufactures ink cartridges for ink jet printers 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 Inc. is the U.S. affiliate of Japan-based Seiko Epson Corporation and is a leading provider of digital imaging products that exceed the vision of its customers. The company's extensive range of printers, 3LCD projectors and small- and medium-sized LCDs are renowned for their superior quality, functionality, compactness, and energy efficiency. The Seiko Epson organization is proud of its ongoing contributions to the global environment and was recently added to the Dow Jones Sustainability World Index, an indicator for leading companies in economic, environmental and social criteria.

About Seiko Epson Corporation

Seiko Epson Corporation 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 Seiko Epson Corporation of Japan, 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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