



FOR RELEASE

August 11, 2004

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## **U.S. Court of Appeals for the Federal Circuit Affirms District Court Ruling of Non-Infringement of Acacia's V-Chip Patent**

NEWPORT BEACH, Calif. – (BUSINESS WIRE) – August 11, 2004 – Acacia Research Corporation (Nasdaq: ACTG; CBMX) announced today that the United States Court of Appeals for the Federal Circuit has affirmed the U.S. District Court for the District of Connecticut ruling in September of 2002 that television manufacturers named in the Connecticut lawsuit do not infringe the Acacia Technologies group's V-chip patent.

As a result of the ruling, Acacia will recognize \$1.5 million of V-chip related deferred revenues and \$668,000 of V-chip related deferred costs in the third quarter of 2004. In addition, during the third quarter of 2004, Acacia will also record an impairment charge of \$1.6 million associated with the write-down of goodwill related to the V-chip.

The ruling has no impact on the revenues that Acacia has previously recognized from licensees of the V-chip patent.

### **ABOUT ACACIA RESEARCH CORPORATION**

Acacia Research Corporation comprises two operating groups, Acacia Technologies group and CombiMatrix group.

The Acacia Technologies Group develops, acquires, and licenses patented technologies. Acacia's DMT technology, which is supported by 5 U.S. and 31 foreign patents, relates to audio and audio/video transmission and receiving systems commonly known as audio-on-demand, video-on-demand, and audio/video streaming, and is used for distributing digital content via several means including Internet, cable, satellite and wireless systems.

The CombiMatrix group is developing a platform technology to rapidly produce customizable active biochips, which are semiconductor-based tools for use in identifying and determining the roles of genes, gene mutations and proteins. CombiMatrix's technology has a wide range of applications including DNA synthesis/diagnostics, drug discovery, and immunochemical detection. CombiMatrix's Express Track<sup>sm</sup> drug discovery program is a systems biology approach, using its technology, to target common viral diseases with siRNA compounds.

Acacia Research-Acacia Technologies (Nasdaq: ACTG) and Acacia Research-CombiMatrix (Nasdaq:CBMX) are both classes of common stock issued by Acacia Research Corporation and are intended to reflect the performance of the respective operating groups and are not issued by the operating groups.

Information about the Acacia Technologies group and the CombiMatrix group is available at [www.acaciaresearch.com](http://www.acaciaresearch.com).

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:**

*This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including the recent economic slowdown affecting technology companies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K and 8-K/A, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.*