



FOR RELEASE
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ACACIA LICENSES DMT TECHNOLOGY TO VIRGIN RADIO

NEWPORT BEACH, Calif. – (BUSINESS WIRE) – December 20, 2002 – Acacia Research Corporation announced today, that its Acacia Technologies Group (Nasdaq: ACTG) has licensed its Digital Media Transmission ("DMT") Technology to Radio Free Virgin, a leading digital broadcast company. Acacia's DMT Technology is a patented process for the transmission and receipt of digital audio and digital video content.

Radio Free Virgin is a privately held company funded by Richard Branson, which provides CD-quality streaming audio via the Internet through over 40 genre-based music channels. Listeners receive Radio Free Virgin's streaming audio content via the Internet by downloading a media player.

About Acacia Research Corporation

Acacia Research Corporation comprises two operating groups. The Acacia Technologies group consists of our media technology business that licenses its V-chip technology to television manufacturers, and owns pioneering Digital Media Transmission ("DMT") technology. DMT technology covers the transmission and receipt of digital audio and digital video content, commonly known as audio on-demand, video on-demand, and audio/video streaming, and is supported by 5 U.S. and 17 international patents.

The CombiMatrix group is developing a platform technology that has a wide range of applications, from DNA synthesis/diagnostics to immunochemical detection. The platform allows the company 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. The company is designing its products principally to be responsive to the needs of pharmaceutical, biotechnology, and academic researchers in analyzing raw genomic data in the discovery and development of pharmaceutical products. Information about the Acacia Technologies group and Acacia Research Corporation is available at www.acaciaresearch.com. Information about the CombiMatrix group is available at www.combimatrix.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.