

PRESS RELEASE

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KOITO MANUFACTURING CO. LTD

KOITO Wins in International Patent Dispute

The United States District Court for the Southern District of California in San Diego, California on July 15, 2003 upheld a jury's verdict in favor of KOITO MANUFACTURING CO. LTD based in the Minato Ward of Tokyo and headed by President Takashi Ohtake.

The case involved the lawsuit of Koito and its U.S. subsidiary, North American Lighting, Inc of Illinois (NAL) against Turn-Key-Tech LLC of San Diego, a patent management company, and Jens O. Sorensen, an inventor.

On February 11, 2002, Koito asked the court to confirm that it did not infringe a U.S. Patent and also sought to show that the patent was invalid.

In recent years, many patent management companies have emerged in the U.S. to scoop huge profits by aggressive enforcement of their patent rights, capitalizing on the U.S. prevalent pro-patent policy of bolstering intellectual property rights.

Notorious for being a patent management company, Turn-Key-Tech in conjunction with Jens O. Sorensen, has a portfolio of about 70 patents covering a wide range of items and processes, but particularly related to plastics and injection molding.

Since the early 1990's Turn-Key-Tech has put its high-handed patent strategy into action against a large number of companies selling plastic products in the electric machinery and automobile fields.

Anxious to avoid going to court, Japanese companies most often choose compromise and pay large sums of conciliation money to these patent management companies for an amicable settlement.

Under these circumstances, Turn-Key-Tech's attack was aimed at the manufacturing method employed by Koito and NAL for the plastic lenses of automobile lamps. Warning letters from Turn-Key-Tech's lawyers were sent not only to Koito and NAL, but also to the Japanese automakers using the plastic lenses.

Although some companies settled the dispute by paying conciliation money, Koito and NAL carefully studied the claim lodged by Turn-Key-Tech and arrived at the conclusion that their production methods did not infringe the patent and that the patent was invalid.

After a lengthy series of private negotiations with Turn-Key-Tech, Koito and NAL decided to settle the dispute through a formal court procedure, which concluded in 18 months thanks to the expedient and intensive examination made by the court.

Koito and NAL came out the one-sided winner on July 15, 2003 when the U.S. District Court in San Diego upheld the jury's finding that Turn-Key-Tech's patent was invalid and that Koito's processes did not infringe the patent.