

30 JUNE 2006

CONTACT PERSON:

Kathryn Holmes Johnson, Publicist

202-772-8878 (O) 301-908-8116 (C)

Fax: 202-371-2540

Email: kholmesj@skgf.com

**OSRAM SYLVANIA PREVAILS IN INEQUITABLE CONDUCT
CASE AGAINST OLE NILSSEN OF THE GEO FOUNDATION**

Washington, DC – In a major case that will have significant implications for the lighting industry, Sterne, Kessler, Goldstein & Fox P.L.L.C. and Kirkland & Ellis LLP scored a significant defense victory for Osram Sylvania, Inc. in a complex patent infringement matter. In a 41-page opinion issued on June 28, 2006, a Northern District of Illinois judge ruled that all 11 patents in the suit – relating to electronic ballasts and compact fluorescent lamps – were unenforceable due to inequitable conduct by the Plaintiff Ole K. Nilssen, a well-known and litigious inventor. Mr. Nilssen alleged that Osram infringed his patents and sought more than \$100 million in damages.

The suit, originally filed in August 2000, accused Osram and Osram Sylvania Products, Inc., of infringing 26 Nilssen patents. Osram denied all allegations and filed counterclaims asserting non-infringement, invalidity, and unenforceability due to inequitable conduct. Over the next few years, the parties engaged in fact and expert discovery during which Nilssen withdrew 15 of his patents from the case.

Kirkland convinced the Court to hold an early bench trial on the issue of inequitable conduct as to the remaining 11 patents. Kirkland explained to the Court that such a trial could resolve the dispute in its entirety and eliminate the need for a lengthy trial on infringement and validity.

On February 6, 2006, a Kirkland & Ellis team led by Brian D. Sieve, P.C. began a 10-day bench trial on inequitable conduct. At trial, Osram presented five theories of inequitable conduct: (1) Nilssen submitted false and misleading affidavits; (2) Nilssen intentionally misclaimed small entity status; (3) Nilssen improperly claimed priority; (4) Nilssen failed to disclose related litigation; and (5) Nilssen intentionally withheld material references. Sterne, Kessler, Goldstein & Fox of Washington, D.C. assisted the Kirkland team in developing these defenses. In May 2005, Osram engaged Sterne Kessler to undertake a comprehensive study of the Nilssen patent portfolio. The Sterne Kessler team was headed by David K.S. Cornwell who was assisted by Virgil Beaston, Linda Horner, Dr. Jonathan Tuminaro and Peter Socarras. The findings of that study led to the

development of the defenses put on at trial by Kirkland & Ellis. Sterne Kessler has also filed sixteen requests for reexamination of Nilssen patents, all of which have been granted, and some of which provided support for materiality findings. In his opinion, District Court Judge John W. Darrah found that Osram had presented clear and convincing evidence that “Nilssen intended to mislead the PTO (Patent and Trademark Office),” and characterized Mr. Nilssen’s testimony at the trial as “not credible.” The Court declared all 11 of the patents remaining in suit unenforceable on one or more grounds.

This case is the first of its kind in the lighting industry and perhaps in patent law. It represents the most significant and successful defense against Mr. Nilssen, who has filed more than 20 lawsuits relating to his patents to date. Nilssen was represented by Jenner & Block LLP.

Sterne, Kessler, Goldstein & Fox P.L.L.C. - Strategists and Advisors specializing in the protection, transfer and enforcement of Intellectual Property Rights. Founded in 1978 and based in Washington, DC, the firm has over 100 patent attorneys, agents and technical specialists representing a broad range of clients, including emerging and established companies, venture capital firms, universities and select individuals.

###