



FEDERAL COURT OF APPEALS RECONSIDERS RECENT ORDER REGARDING FALLON'S INFRINGEMENT OF ILIGHT'S PATENTS

Chicago, IL – May 25, 2010 – The Federal Court of Appeals is reconsidering its decision regarding Fallon Luminous Products Corporation's patent infringement of iLight Technologies Inc.'s patents. On April 20, the Court of Appeals cited a single claim construction ruling by the trial court as the reason for setting aside a \$5 million patent infringement judgment against Fallon and sending the case back to the District Court for further proceedings. Because that single claim construction ruling did not involve all patent claims found by the jury to be infringed by Fallon, iLight submitted a Petition for Rehearing to reinstate the judgment. The Court of Appeals requested a response from Fallon, which Fallon filed last week, and will rule on iLight's Petition for Rehearing.

Court of Appeals April 20th Ruling Confirms the Validity of iLight's Patents

In its appeal effort, Fallon made numerous arguments including: iLight patents were invalid, Fallon did not infringe, and the case should be remanded for retrial for various technical reasons. The Court of Appeals rejected Fallon's invalidity arguments and cited a single claim construction issue as the reason for sending the case back to the trial court for further consideration of the issue of Fallon's infringement of iLight's patents.

Sean Callahan, President and CEO of iLight said, "We are very pleased the Court of Appeals confirmed the judgment of the jury that the claims of all three iLight patents, that were found by the jury to have been willfully infringed by Fallon, are valid." Callahan adds, "Based on the single claim construction issue raised by the Court of Appeals, should a retrial be needed, we are confident that a jury will again conclude that Fallon infringed our patents. While we certainly understand why other companies wish to use our technology, we are committed to protecting all of iLight's intellectual property."

Permanent Injunction Against Fallon Continues in Full Force

The District Court previously issued a permanent injunction that prohibits Fallon, and all acting in concert with Fallon, from manufacturing, importing, using, or selling Fallon's infringing LED products. Unless and until a "mandate" is issued from the Court of Appeals to the trial court stating differently and providing directions to the trial court for further proceedings against Fallon for infringement of the iLight patents, the permanent injunction against Fallon remains in full force.

Fallon's Press Release Is Quite Different From Fallon's Bankruptcy Filings

Fallon issued a press release on April 21 portraying the ruling as a victory and Fallon's CEO is quoted as saying, "We believe this ruling validates that our products do not violate iLight's patents." However, in a filing with the bankruptcy court overseeing Fallon's bankruptcy proceedings, Fallon, more candidly, stated, "The case was remanded to the District Court for further proceedings consistent with specific technical instructions."

Callahan comments, "iLight is not surprised by Fallon's misleading press release." The jury in the patent infringement case determined that Fallon's infringement of the iLight patents was "willful"; the judge declared the case "exceptional" and awarded iLight attorney's fees based on Fallon's conduct; and a different federal judge who presides over Fallon's bankruptcy proceedings decided to appoint a Chapter 11 Trustee, who is independent of Fallon, to oversee Fallon's business in bankruptcy.

Fallon is owned by the investment firm Lincolnshire Management and managing directors of Lincolnshire Management fill multiple management positions of Fallon, including CEO, President, and COO.

iLight Offers Innovative, Award-Winning Lighting Solutions

With over ninety patents covering various LED lighting products, Chicago-based iLight is a leader in innovative LED illumination solutions that transform, excite, and energize brand identities and architectural environments worldwide. Callahan states, "Customers love our products because we offer the best lighting solutions for their design goals. iLight has spent years perfecting our LED technologies and providing exceptional lighting products for a wide variety of applications." iLight's customers include leading designers and brands around the world and have been applied on numerous award-winning projects.

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