



Contacts: Bret L. Udem
Media Relations
Tel. (425) 493-2293
Fax. (425) 493-2010

FOR RELEASE
January 20, 2004

COMBIMATRIX AND WASHINGTON UNIVERSITY IN ST. LOUIS COLLABORATE ON NANOSCALE SYNTHESIS OF CHEMICAL LIBRARIES

Newport Beach, Calif. – (BUSINESS WIRE) – January 20, 2004 – Acacia Research Corporation (Nasdaq: CBMX:ACTG) announced today that its CombiMatrix Group and Washington University in St. Louis are collaborating to develop a system for the synthesis of libraries of diverse, non-nucleic acid molecules. These libraries will be synthesized using CombiMatrix’s semiconductor based microarrays and electrochemical synthetic methods. CombiMatrix NanoArrays™ will be used for the diverse chemical synthesis.

The research at Washington University in St. Louis is being funded by a grant from the National Science Foundation. Professor Kevin D. Moeller, Principle Scientist on the NSF grant, is exploring the capabilities of the CombiMatrix technology platform for building spatially addressed diverse molecular libraries on a chip.

CombiMatrix’s NanoArrays™ incorporate thousands of independently addressable micro-electrodes on a semiconductor chip. This array technology has been used for applications in genetic analysis, RNAi drug discovery, biodefense applications, chemical sensing, and nanomaterials discovery. This collaboration seeks to expand the applicability of this technology for the synthesis of diverse molecular libraries.

Professor Moeller commented, “While the technological advantages of CombiMatrix’s semiconductor based microarrays are obvious, this research will define the full range of synthetic chemistry that can be accomplished on an electrochemically addressable chip thereby allowing us to take full advantage of chip-based molecular screening methods in the future.”

“This is yet an additional application of our arrays in the nanotechnology field,” said Dr. Amit Kumar, President and Chief Executive Officer of CombiMatrix. “We have internally demonstrated synthesis of numerous nucleic acids, peptides and other non-biological chemicals on our arrays, and this collaboration will expand that work to include additional chemicals by adapting both well known and entirely new chemical reactions for use on CombiMatrix’s unique chip platform. The funding provided by the NSF provides validation for this work.”

ABOUT ACACIA RESEARCH CORPORATION

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

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, siRNA synthesis, drug discovery, and immunochemical detection. CombiMatrix provides DNA arrays to researchers under the CustomArray™ brand.

CombiMatrix's Express Tracksm drug discovery program is a systems biology approach, using its technology, to target common viral diseases with siRNA compounds. The initial focus of Express Tracksm includes the following viral diseases:

<u>Virus</u>	<u>Collaborator</u>
SARS	NIAID/USAMRIID
HIV type 1	irsiCaixa-Dr. Bonaventura Clotet
HIV type 2	To Be Announced
West Nile virus	To Be Announced
Human Papillomavirus type 16	To Be Announced
Human Herpes 8 (Kaposi's sarcoma)	To Be Announced
Smallpox (Variola)	To Be Announced
Influenza virus A	To Be Announced
Influenza virus B	To Be Announced
Hepatitis C	To Be Announced

CombiMatrix is also establishing applications of its arrays through other partnerships as follows:

<u>Project</u>	<u>Collaborator</u>
Cancer Diagnosis (Lymphoma)	University of Washington/Rational Diagnostics
RNA Drug Targets	Professor Gregory L. Verdine, Harvard University

<u>Parasite</u>	
Leishmania	Seattle Biomedical Research Institute
Trypasonoma	Seattle Biomedical Research Institute

The Acacia Technologies group licenses its Digital Media Transmission (DMT) technology to media and electronics companies. The 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 31 foreign patents.

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 Acacia Research Corporation and the Acacia Technologies group 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.