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COMBIMATRIX MOLECULAR DIAGNOSTICS EXPANDS MANAGEMENT TEAM AND PROVIDES OPERATIONAL UPDATE

Newport Beach, Calif. – (BUSINESS WIRE) – July 12, 2005 – Acacia Research Corporation (NASDAQ: CBMX:ACTG) announced today the expansion of the management team at CombiMatrix Molecular Diagnostics (CMD), a wholly-owned subsidiary of CombiMatrix and a cancer-based molecular diagnostics company based in Irvine, California. CMD announced the appointment of Dr. Mathew Moore, Director of Research and Development, Robert Embree, Director of Laboratory Operations, and John Besser, Chief Financial Officer. The three executives bring to CMD more than 40 years of combined industry experience and an impressive track record in building successful diagnostic companies.

Dr. Mathew Moore, most recently of US LABS, joined CMD in June, and will oversee all research and development for the company. Dr. Moore has over 12 years of industry experience and holds a Ph.D. from the University of New South Wales in Australia. Mr. Robert Embree brings over 15 years of clinical laboratory experience to CMD and will be responsible for CMD's laboratory operations. Prior to joining CMD, Mr. Embree served as Managing Director of Global Immunohistochemistry (IHC) and Virtual IMAGE Analysis for US LABS. Mr. John Besser brings to CMD over 14 years of clinical laboratory experience. Prior to joining CMD, Mr. Besser served as Controller for Quest Diagnostics (NYSE:DGX) Nichols Institute, one of the world's premier esoteric laboratories, and the nation's largest provider of molecular diagnostic testing. As a key member of the Nichols leadership team, Mr. Besser was instrumental in successfully implementing the Six Sigma program. Mr. Besser received his B.S. degree in Business Management from the University of Utah.

"CMD recently moved into a fully functional laboratory facility, which we have sub-leased from Laboratory Corporation of America (NYSE:LH) and have begun efforts to build our first cancer diagnostic products based on CombiMatrix's CustomArray™ technology," said Matthew Watson, CEO of CMD. "CMD has applied for all appropriate licenses, including our Clinical Laboratory Improvement Amendment (CLIA) certification. We have also begun strategic alliance discussions with potential distributors and customers. We are extremely excited about our business opportunities and look forward to providing additional updates in the future."

About Mathew Moore, Ph.D, Director Research and Development

Dr. Moore's scientific expertise spans a multitude of areas of molecular diagnostics including Micro-array analysis, Quantitative PCR, Single Nucleotide Polymorphism and high throughput sequencing. Prior to joining CMD, Dr Moore was as central member of the US LABS research

and development team and was responsible for the validation and implementation of the US LABS genetics, Fluorescent in situ hybridization and Gene expression microarray programs. Previously Dr Moore was Director of Product Development at Response Genetics; a California based Contract Research Organization, providing contract based clinical services to companies including Eli Lilly and Taiho Pharmaceuticals. Dr. Moore received his Ph.D from the University of New South Wales in Australia.

About Robert Embree, Director Laboratory Operations

Robert brings over 15 years of experience in the clinical laboratory industry. Prior to joining CombiMatrix Molecular Diagnostics, Inc., Robert served as Managing Director of Global IHC and Virtual IMAGE Analysis for US LABS. While at US LABS, he directed an elite team of laboratory professionals and launched a first ever state of the art automated IMAGE Analysis system for use in pathology laboratories worldwide. Prior to joining US LABS, Robert held various management positions in a number of Southern California laboratories, including United Vet Labs, Lakewood Pathology, and Central Medical Laboratories. Robert has been the recipient of several awards for leadership, innovation, productivity and implementation. Mr. Embree is a licensed Histotechnologist and holds a qualification in Immunohistochemistry from the American Society for Clinical Pathologists. Robert received his B.S. degree from The University of Redlands in Southern California.

About John Besser, Chief Financial Officer

John brings over 14 years of clinical laboratory experience to the company. Prior to joining CombiMatrix Molecular Diagnostics, Inc., John served as Controller for Quest Diagnostics (NYSE:DGX) Nichols Institute, one of the world's premier esoteric laboratories, and the nation's largest provider of molecular diagnostic testing. As a key member of the Nichols leadership team, John was instrumental in successfully implementing the Six Sigma program. Significant quality improvements and cost reductions were achieved and maintained through his leadership in the Six Sigma process. During his tenure, the Nichols Institute laboratory in San Juan Capistrano, CA became the first laboratory in North America to achieve ISO-9001 certification. Additionally, John played a key role in the integration of Quest Diagnostics' acquisition of the former SmithKline Laboratories. John received his B.S. degree in Business Management from The University of Utah in Salt Lake City.

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 arrays, which are semiconductor-based tools for use in identifying and determining the roles of genes, gene mutations and proteins. The CombiMatrix's group's technology has a wide range of potential applications in the areas of genomics, proteomics, biosensors, drug discovery, drug development, diagnostics, combinatorial chemistry, material sciences and nanotechnology.

The Acacia Technologies group develops, acquires, and licenses patented technologies. Acacia controls 30 patent portfolios, which include 128 U.S. patents, and certain foreign counterparts, covering technologies used in a wide variety of industries including audio/video enhancement &

synchronization, broadcast data retrieval, computer memory cache coherency, credit card fraud protection, database management, data encryption & product activation, digital media transmission (DMT[®]), digital video production, dynamic manufacturing modeling, enhanced Internet navigation, image resolution enhancement, interactive data sharing, interactive television, Internet access redirection, interstitial Internet advertising, laptop docking station connectivity, microprocessor enhancement, multi-dimensional bar codes, network data storage, resource scheduling, rotational video imaging and spreadsheet automation.

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 the Acacia Technologies Group and the CombiMatrix Group is available at www.acaciaresearch.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 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.