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FOR RELEASE  
August 12, 2005

## COMBIMATRIX AND THE BIODESIGN INSTITUTE AT ARIZONA STATE UNIVERSITY COLLABORATE ON PEPTIDE ARRAY SYNTHESIZER

Newport Beach, Calif. – (BUSINESS WIRE) –August 12, 2005 – Acacia Research Corporation (Nasdaq: CBMX:ACTG) announced today that its CombiMatrix group and the Biodesign Institute at Arizona State University are collaborating toward the development of a peptide array synthesizer utilizing CombiMatrix’s proprietary virtual-flask technology. Under the terms of the agreement, the Biodesign Institute’s Center for BioOptical Nanotechnology is purchasing CombiMatrix equipment and funding development of the synthesizer. CombiMatrix is granting technology rights and contributing expertise related to CombiMatrix technology, and CombiMatrix and the Institute will share revenue from commercialization of the peptide array synthesizer, peptide array products, and intellectual property that are developed.

The collaboration is aimed at developing a peptide synthesizer that will build arrays of polypeptides on CombiMatrix CustomArrays™. Such polypeptide arrays are useful in a variety of areas including immunology research, drug discovery, and diagnostics.

“This agreement with CombiMatrix is an important catalyst in our quest for proteomic-based innovations. Our goal is the development of personalized medicines to fight disease and better sensors for environmental monitoring or biodefense,” said George Poste, Director of the Biodesign Institute at ASU.

“The CombiMatrix technology will literally put us years ahead of where we would have been pursuing this work ourselves,” stated Mr. Neal Woodbury, Director of the Center for BioOptical Nanotechnology Center in the Biodesign Institute. “The concept of joining CombiMatrix’s ultra-high-throughput synthesis with the principles of rational design and molecular evolution holds tremendous promise for the development of catalysts, sensors, and smart drugs. Here one has a platform where it is possible to make tens of thousands of peptides of known structure and test them directly for functionalities that go well beyond simple ligand binding interactions that are the traditional realm of molecular evolution techniques.”

The transaction was facilitated by Arizona Technology Enterprises (AzTE), the technology commercialization company for ASU and the Biodesign Institute. Through AzTE and CombiMatrix, the center will pursue rapid commercialization of these technologies.

“CombiMatrix is a serious player in the bioanalytical marketplace,” noted Andrew Wooten, V.P. of Health Science Ventures at AzTE. “The deal will leverage CombiMatrix’s market position to get a new technology platform into the marketplace.” According to Peter Slate, CEO of AzTE, “The platform developed under this agreement will serve as the basis for a

number of new product opportunities and potentially a new venture to commercialize catalysts, sensors, and other valuable compounds created on the platform.”

“We are impressed by the Center for BioOptical Nanotechnology’s team at the Biodesign Institute. They have great insight into industrial uses of polypeptides, expertise in peptide synthesis, and valuable screening technologies,” said Dr. Amit Kumar, President and CEO of CombiMatrix. “Combining that with CombiMatrix technology is powerful. This is an area of great commercial potential, and it fits well with our strategy of partnering to expand use of CombiMatrix technology into multiple market segments.”

## **ABOUT THE BIODESIGN INSTITUTE AT ASU**

The Biodesign Institute at ASU integrates diverse fields of science to cure and prevent disease, overcome the limitations of injury, renew the environment, and improve national security. By fusing research in biology, engineering, medicine, physics, information technology, and cognitive science, the institute accelerates discoveries into uses that can be adopted rapidly by the private sector. For information, visit [www.biodesign.asu.edu](http://www.biodesign.asu.edu) or call (480) 727-8322. The BioOptical Nanotechnology Center in Arizona State University’s Biodesign Institute seeks to integrate biomolecular sciences (biology at the molecular level) with materials engineering and solid-state electronics. The goal is to develop the next generation of biosensors, implants, pharmaceuticals, novel biomaterials and nanoscale power sources. Applications for the biosensors include medicine, environmental monitoring/remediation and agriculture.

## **ABOUT ARIZONA TECHNOLOGY ENTERPRISES**

Arizona Technology Enterprises at Arizona State University works with university inventors and industry to transform scientific innovations into products, services, and other technology-based ventures. Arizona Technology Enterprises mines university research, negotiates transactions, and markets inventions based on university research. Information about Arizona Technology Enterprises is available at: [www.azte.com](http://www.azte.com).

## **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 31 patent portfolios, which include over 120 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](http://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.*