

Hillcrest Labs Issues Statement About Legal Action Against Nintendo and the Wii

August 20, 2008 – Rockville, MD – Hillcrest Labs issued an official statement about legal action that the company has taken today against Nintendo® for patent infringement. The statement is as follows:

Hillcrest Labs has filed a complaint for patent infringement with the U.S. International Trade Commission (ITC) in Washington, D.C., and a separate patent infringement suit in the U.S. District Court in Maryland against Nintendo® related to the Wii™ video game system.

Hillcrest's patents at issue are U.S. Patent Nos. 7,158,118, 7,262,760, and 7,414,611, which relate to a handheld three-dimensional pointing device, and U.S. Patent No. 7,139,983, which relates to a navigation interface display system that graphically organizes content for display on a television.

Since 2001, Hillcrest Labs has pioneered technology that allows consumers to interact with digital media on television using motion-control and pointing techniques. The company holds 29 patents in this area worldwide, and has filed for more than 100 related patents.

Leading consumer electronics companies, not all of whom have been disclosed publicly, have already licensed Hillcrest's technology for use in their products. While Hillcrest Labs has a great deal of respect for Nintendo and the Wii, Hillcrest Labs believes that Nintendo is in clear violation of its patents and has taken this action to protect its intellectual property rights.

Given the current status of the filings, the company will not disclose any additional details about the matter at this time.

Information about Hillcrest Labs and its products are available at www.hillcrestlabs.com.

About Hillcrest Labs

Hillcrest Laboratories (a.k.a. Hillcrest Labs) sells an application creation platform called HōME, which enables consumer electronics manufacturers and service providers to create unique interactive digital media products for TV and other digital media devices. Applications made with HōME are controlled by pointing and provide consumers an intuitive way to browse, discover, and interact with large volumes of digital media. Hillcrest Labs' pointing technology, called Freespace™, can be used in a wide range of consumer devices including remote controls, PC mice, and game controllers. HōME and Freespace have received numerous awards including the CES Innovations Award and Popular Mechanics' Editors Choice. Based in Rockville, Maryland, Hillcrest Labs was founded in 2001 by Dan Simpkins. The company is funded by NEA, AllianceBernstein, Columbia Capital and Grotech Ventures. For additional information, visit www.hillcrestlabs.com.

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Press Contact: Jeremy Pemble of JLM Partners for Hillcrest Labs, jeremy@jlmpartners.com, (206) 381-3600