



Scantibodies Wins Jury Patent Verdict ----

San Diego, CA, June 29, 2005 - Following a month-long jury trial in U.S. District Court for the Southern District of California, a nine-member jury returned a verdict on June 27, 2005 in favor of the defendants, Scantibodies Clinical Laboratory, Inc. and Scantibodies Laboratory, Inc. in a patent infringement action brought against Scantibodies by Nichols Institute Diagnostics, Inc., a subsidiary of Quest Diagnostics, Inc. with revenues in excess of \$4 billion.

Both Scantibodies companies are family owned and privately-held corporations based in Santee, California, involved in the manufacture and sale of diagnostic assays and providing testing services to physicians who seek to measure the level of parathyroid hormone in patients' blood. The accurate measurement of parathyroid hormone levels is critical in the treatment of patients suffering from kidney disease. In early 2001, Scantibodies was the first company to begin providing its own in-house developed and patented third-generation parathyroid testing services to physicians that measure only the whole parathyroid hormone in patients.

Nichols Institute, based in San Juan Capistrano, California, manufactures assays to measure parathyroid hormone that are sold to large dialysis chain laboratories located across the United States. In late 2001, Nichols Institute obtained a license to U.S. Patent No. 6,030,790 owned by a German company, and then filed an action against Scantibodies in January 2002 in the Southern District of California Federal Court. In its lawsuit, Nichols Institute alleged that Scantibodies infringed the '790 patent based on Scantibodies' manufacture and use of Scantibodies patented third-generation parathyroid hormone assays.

After deliberating for five days, the jury returned the verdict on Monday for Scantibodies before U.S. District Judge Rudi M. Brewster. The jury found that the '790 patent asserted by Nichols was invalid on the three separate grounds of; failure to disclose the best mode, lack of written description and lack of enablement. The jury also found for Scantibodies on noninfringement of one of their two accused products. This verdict invalidates the '790 patent and prevents Nichols from attempting to enforce the patent on any other party.

Scantibodies was represented at trial by the San Diego Office of Morrison & Foerster LLP.