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ACACIA SUBSIDIARY ENTERS INTO SETTLEMENT AGREEMENT REGARDING CREDIT CARD FRAUD PROTECTION TECHNOLOGY WITH SHARPER IMAGE

Newport Beach, CA. – (BUSINESS WIRE) - December 3, 2007 – Acacia Research Corporation (Nasdaq: ACTG) announced today that its subsidiary Financial Systems Innovation LLC, has entered into a settlement agreement covering a patent that applies to credit card fraud protection technology with Sharper Image Corporation. This resolves a dispute that was pending before the United States District Court for the Northern District of Georgia.

The patented technology generally relates to a computerized system for protecting retailers and consumers engaged in credit card, check card, and debit transactions. The system includes an electronic card reader, and the generation and use of a transaction number, which specifically identifies each transaction processed within the system.

ABOUT ACACIA RESEARCH CORPORATION

Acacia Research's subsidiaries develop, acquire, and license patented technologies. Acacia Research's subsidiaries control 85 patent portfolios, which include 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, laptop docking station connectivity, microprocessor enhancement, multi-dimensional bar codes, resource scheduling, spreadsheet automation, and user activated Internet advertising.

Information about Acacia Research is available at www.acaciatechnologies.com and 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 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.