



July 29, 2004

## **U.S. Patent and Trademark Office Affirms Key PCTEL Modem Patent**

### **Fundamental "Soft" Modem Patent Strengthened As Result Of Reexamination**

#### **First Patent Ever Filed By PCTEL**

#### **Judge Rejects Lucent and Agere's Motion**

CHICAGO, Jul 29, 2004 (BUSINESS WIRE) -- PCTEL, Inc. (NASDAQ:PCTI), a global leader in simplifying mobility, announced today that its patent covering the implementation of soft modems emerged from a lengthy reexamination by the U.S. Patent Office without any change in the scope. The company separately announced that a federal judge denied Lucent and Agere's motion to narrow the claims of PCTEL's patent infringement lawsuit.

PCTEL received a notice yesterday from the U.S. Patent Office reaffirming all claims of a key modem patent. The patent, United States Patent No. 5,787,305, is a fundamental invention that made software modems viable under modern operating systems such as Microsoft™ Windows. In July of 2001, the U.S. Patent Office received a request from one of PCTEL's then competitors to reexamine the basis for granting this patent. The Patent Office concluded that none of the approximately 45 references considered by the Patent Office during the reexamination could invalidate the patent. This was the first patent filed by PCTEL. Peter Chen, the company's founder and first CEO, is the inventor.

Earlier, on July 22, a federal judge denied Lucent and Agere's motion to narrow the claims of PCTEL's patent infringement lawsuit. In the lawsuit, PCTEL claims that both companies infringed PCTEL's patents related to modem technology.

"Our patent portfolio has emerged from this process stronger than ever. We've had a good week with respect to our IP initiatives," said Marty Singer, Chairman and CEO of PCTEL. "The patent that was strengthened through reexamination describes how modem designers can accomplish in software what used to require expensive hardware implementation. This invention is what permitted the industry to realize an order of magnitude reduction in the cost of modems. We believe that this patent enhances our position in our current litigation," added Singer.

The patent is currently the subject of patent infringement litigation against Agere Systems and Lucent Technologies. Over the past three years PCTEL received substantial consideration from other parties for its modem patent portfolio. This consideration has included over \$35 million in licensing and royalties and also included other consideration including valuable cross-licenses from Broadcom, Intel, Conexant, and others.

The law firm of Pillsbury Winthrop LLP, PCTEL's outside intellectual property counsel, successfully handled the patent reexamination and is representing PCTEL in the litigation, through its San Francisco and Silicon Valley offices.

The litigation on the '305 patent had been stayed pending the outcome of the reexamination process, and PCTEL will now ask the Court to lift that stay so that litigation on the '305 patent may resume.

#### **About PCTEL**

PCTEL (NASDAQ:PCTI), founded in March 1994, is a global leader in simplifying mobility. PCTEL's mobility solutions simplify installation, roaming, Internet access and billing. PCTEL's RF solutions portfolio of OEM receivers and receiver-based products, measure and monitor cellular networks. PCTEL's MAXRAD Product Group designs, distributes, and supports innovative antenna solutions that facilitate and simplify wireless communications. PCTEL protects its leadership position with a portfolio of more than 130 analog and broadband communications and wireless patents, issued or pending, including key and essential patents for modem technology. The company's products are sold or licensed to PC manufacturers, PC card and board manufacturers, wireless carriers, wireless ISPs, distributors, wireless test and measurement companies, and system integrators. PCTEL headquarters are located at 8725 West Higgins Road, Suite 400, Chicago, IL 60631. Telephone: 773-243-3000. For more information, please visit our web site at: <http://www.pctel.com>.

#### **About Pillsbury Winthrop**

Pillsbury Winthrop LLP is an international law firm with core practice areas in capital markets, real estate, financial services, litigation, intellectual property, global energy and technology. The firm has 16 offices worldwide. For further information please visit <http://www.pillsburywinthrop.com>.

#### About The Modem Patent

Patent Number: 5,787,305

Patent Title: Host signal processing modem using a software simulation of a UART

Author: Peter Chen

Date Filed: April 25, 1995

Date Granted: July 28, 1998

Date of Reexamination Notice: July 23, 2004

#### Safe Harbor Statement

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Specifically, the statements regarding the company's litigation proceedings and licensing activities; the strength of its patent portfolio; and its expectations regarding its future licensing initiatives, are forward looking statements within the meaning of the safe harbor. These statements are based on management's current expectations and actual results may differ materially from those projected as a result of certain risks and uncertainties, including the ability of the company to successfully license and obtain protection for its intellectual property; the risks inherent in litigation proceedings; and its ability to realize the benefits of past and future initiatives, including the licensing of technology. These and other risks and uncertainties are detailed in PCTEL's Securities and Exchange Commission filings. These forward-looking statements are made only as of the date hereof, and PCTEL disclaims any obligation to update or revise the information contained in any forward-looking statement, whether as a result of new information, future events or otherwise.

SOURCE: PCTEL, Inc.

PCTEL, Inc.

John Schoen, 773-243-3000

or

Jack Seller, 773-243-3016

[jack\\_seller@pctel.com](mailto:jack_seller@pctel.com)

Customize your Business Wire news & multimedia to match your needs.

Get breaking news from companies and organizations worldwide.

Logon for FREE today at [www.BusinessWire.com](http://www.BusinessWire.com).

Copyright © 2004 Business Wire. All rights reserved.

News Provided by COMTEX