

From: The Nu Flow Companies
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ACE DuraFlo Surrenders Right to Sue in Patent Dispute with Nu Flow

SAN DIEGO, CA – August 28, 2007 – ACE DuraFlo Systems gave up its right to sue the Nu Flow Companies for patent infringement in response to a U.S. District Court case filed by Nu Flow and others in June, 2007. The Complaint filed against ACE DuraFlo requested invalidation of ACE DuraFlo's 'process' patent for the epoxy pipe lining process, as well as a finding of non-infringement by Nu Flow for any claims arising from the patent.

The District Court validated the ACE patent concession in its ruling on August 22nd based upon a declaration filed by Larry Gillanders, Chief Technology Officer and Managing Director of ACE. The Gillanders declaration provides Nu Flow and its licensees and customers with a "covenant not to sue now or in the future...for infringement of any claim of the '574 patent...", thus validating Nu Flow's long-held position that it has at all times acted properly and fairly.

"We feel vindicated," said Nu Flow Vice President, Steve Howe. "Nu Flow's reputation is very important to us, and we have always been content to compete in the marketplace instead of the courts." The suit contended ACE patented a process which has been in use by other lining companies around the world for decades longer than ACE has been in existence.

"We merely sought to enforce the law that industry rivals may not falsely claim ownership of common technology," Mr. Howe said. "I am reassured that challenging the validity of the '574 patent was the only responsible act we could take to protect Nu Flow's right to line pipe in North America. It would simply never occur to Nu Flow to claim ownership of an industry process practiced for decades."

About Nu Flow America

With corporate offices in San Diego, Seattle, Sarasota, and Toronto, the Nu Flow companies have the highest job success rate of any lining company in the industry, with the largest base of installers worldwide. Epoxy and lining applications include domestic water piping, HVAC and drain systems, underground utilities, and lead service piping for clients ranging from hospitals and universities, to municipalities, multi-unit structures and government facilities, as well as individual homeowners. Nu Flow is the only company in the industry which manufactures and installs lining products for both sewers and drains, and hot and cold water pipes, as well as provides whole-structure bio-filtration.

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