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ZMC and ZMC-USA Seek \$100 Million Damage Award Against Kaneka

The Woodlands, TX – October 21, 2011 –

On September 23, 2011, Zhejiang Medicine Company, Ltd. and ZMC-USA, LLC (collectively “ZMC”), after the federal court in Houston granted their motion, filed an amended complaint against Kaneka Corporation to include, among other relief, a request for damages in excess of \$100 million. In their amended complaint, ZMC states that “Kaneka filed this lawsuit to intimidate Plaintiffs and to discourage customers and potential customers from buying CoQ10 from Plaintiffs.”

ZMC’s amended complaint alleges that despite knowing that it had no evidence that ZMC was infringing its patent, Kaneka, through its counsel The Adli Law Firm, sent hundreds of letters to ZMC customers and potential customers publicly asserting infringement of Kaneka’s patent. ZMC asserts that Kaneka had no information about the actual process being used by ZMC and that the letters were sent in bad faith with no support for Kaneka’s reckless accusations.

ZMC asserts in their amended complaint that as a result of Kaneka’s unfounded allegations and the letters sent to their customers and potential customers, ZMC has suffered severe damage including lost sales and business opportunities. Despite a federal judge’s order to do so, Kaneka has refused to retract the public assertions in its letters that ZMC’s process of making CoQ10 infringes the Kaneka patent.

ZMC’s amended complaint seeks awards of compensatory and punitive damages in excess of \$100 million against Kaneka, as well as a declaration that ZMC has not infringed any valid and enforceable claim of the Kaneka patent. “Through the use of baseless litigation, Kaneka has attempted to intimidate the marketplace with unfounded threats” said Scott Steinfeld, President, ZMC-USA. “The damages sought in this complaint are justified and hopefully will act as a deterrent to predatory litigation designed solely to interfere with normal and customary business conduct”.

ABOUT: Zhejiang Medicine Company (ZMC) is an active ingredient manufacturer of high quality pharmaceutical and nutraceutical ingredients improving the lives of the world’s consumers since 1954. ZMC is staffed with over 4,000 employees globally and is an important production base of pharmaceutical drugs, Biotin, Vitamin A, Astaxanthin, Natural and Synthetic Vitamin E, Patented Lutein, Phytosterol, B-Carotene, Zeaxanthin, Patented Lycopene, and Coenzyme Q10. ZMC operates in North America as ZMC-USA from its office in The Woodlands, Texas.

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