

U.S. Court of Appeals Upholds NCR, Lemelson License Agreement

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NCR Corporation (NYSE:NCR)

Court Rejects Lemelson Appeal, Protects NCR Retail Customers From

Present and Future Suits Brought by Lemelson With Respect to NCR

Point-of-Sale Bar Code Scanners

On April 23, 2002, the U.S. Court of Appeals for the Second Circuit issued an order upholding a previous court decision that rendered NCR Corporation's (NYSE:NCR) retail customers immune from legal action by the Lemelson Foundation (Lemelson) with regard to use of NCR bar code scanners.

The original suit, filed by NCR in 1999, challenged Lemelson's attempt to rescind an existing agreement licensing NCR to patents for bar code scanning technology. In addition to licensing NCR, the agreement covered NCR resellers and customers from infringement claims for using scanners purchased from NCR.

"Protecting our customers is our number-one priority," said Vice President, NCR RealScan, Pierre Abboud. "Because NCR carefully and proactively negotiated the terms of this agreement years ago, our past, present and future customers are safe from any future threats Lemelson may make. Other scanner manufacturers may not be able to provide this protection."

In fact, other scanner suppliers have filed a lawsuit against Lemelson to declare its patents void, which could take up to a year or more to conclude. Lemelson has sued more than 100 retailers for using bar code scanning at the point of sale (POS), and many others have received letters threatening litigation.

"The potential cost in time and money resulting from Lemelson suits poses a huge threat to the livelihood of retailers, who must operate in an increasingly competitive environment," said Abboud. "Beyond providing a superior product, NCR is pleased that our customers have one less concern to distract them from running a successful business."

Named the global leader in stationary bar code scanners by Venture Development Corporation, NCR installed the first bar code scanner in a supermarket in 1974. NCR's bi-optic scanners -- which also can read the new Reduced Space Symbology bar codes -- lead the industry in their ability to read bar codes on the first pass, improving checkout efficiency and customer satisfaction. NCR is a member of the technical committees of the Uniform Code Council, the organization responsible for defining the format of bar code data, and sits on the technology committee for MIT's Auto-ID Center, founded to explore the next paradigm for automatic identification and data capture in Retail POS technology.

About NCR Corporation

NCR Corporation (NYSE:NCR) is a leader in providing Relationship Technology(TM) solutions to customers worldwide in the retail, financial, communications, manufacturing, travel and transportation, and insurance markets. NCR's Relationship Technology solutions include privacy-enabled Teradata(R) warehouses and customer relationship management (CRM) applications, store automation and automated teller machines (ATMs). The company's business solutions are built on the foundation of its long-established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products, and leading edge hardware technology. NCR employs 30,300 in more than 100 countries, and is a component stock of the Standard & Poor's 500 Index. More information about NCR and its solutions may be found at www.ncr.com.

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