

## **Statement on the ACS v. Leadscope Settlement**

On September 18, 2012, the Ohio Supreme Court handed down its decision in the long-running ACS v. Leadscope case, reversing in part and affirming in part the lower court's judgment against ACS. The decision reduced the lower court judgment against ACS by \$15 million (and associated interest), and ACS came within a single vote of having the judgment reversed on all issues before the Court. To conclude this dispute, all parties have now entered into a settlement agreement.

The ACS Board of Directors, comprised of the elected representatives of the Society's members, authorized the filing of this case more than a decade ago. In reaching its decision, the Board considered recommendations that ACS file suit from its Governing Board for Publishing, which oversees Chemical Abstracts and ACS Publications, and two law firms, one with nationally recognized patent expertise. Although ACS believed in the merits of its suit, the jury in Columbus, Ohio, that heard the case during the nearly eight-week trial in 2008 found against the ACS on its claims. In addition, the jury found in favor of Leadscope and its three founders on three counterclaims against ACS. By the time of the Ohio Supreme Court's decision, the value of the trial court's judgment, including the jury's verdict, interest, and fees, exceeded \$45 million.

In this settlement, the parties have agreed to resolve this dispute and to release each other from any further liabilities.

As a result of prudent financial stewardship, ACS is able to satisfy the full settlement amount with a portion of its cash and investments. Therefore, this payment will not impact the Society's member dues; extensive products, programs, and services advancing chemistry; staffing levels; or the ability of ACS to achieve its mission.

ACS appreciates and acknowledges the strong support it received in the Ohio Supreme Court through briefs submitted on its behalf by the State of Ohio, the Ohio Chamber of Commerce, the Ohio State Bar Association, the Ohio Manufacturers' Association, and the Ohio Council of Retail Merchants.

ACS remains committed more than ever to achieving its vision of "Improving people's lives through the transforming power of chemistry."

ACS wishes Leadscope and its three founders success in their endeavors.

A joint statement from the ACS, Leadscope, Inc., and its three founders follows:

"The American Chemical Society, Leadscope, Inc., and its three founders have reached a settlement of the litigation between them dating back to 2002. As a provision of the settlement, the parties have agreed that all right, title, interest, and ownership in the Leadscope software and products that were the subject of the litigation belong exclusively to Leadscope. ACS will make a payment of \$22,633,377.00 to settle and resolve all claims. Each party is pleased to put an end to this longstanding dispute."