

Innovation First Winning Fight Against UK Knock-offs of HEXBUG[®] Nano[™] Toy

Lawsuits and Investigations Target UK Copycats Raising Total to Over 1,000 Successful Enforcement Actions Worldwide

Warrington, United Kingdom – May 5, 2011 - Innovation First International is pleased to report numerous victories in its fight against a global surge of knock-off and counterfeit products that imitate the company's highly successful HEXBUG[®] Nano[™] brand toys. The company continues to be successful in courtroom litigation, having resolved yet another lawsuit filed last year, this time against UK based company 50 Fifty Gifts (UK) Ltd, its principal Ali Mafi and affiliated entities. Since the launch of its aggressive campaign last year, the company reports over 1,000 successful enforcement actions to date worldwide. Across Europe, Spin Master Ltd., the European distribution partner for HEXBUG serves as a key ally in the fight against knock-off producers, leveraging its extensive network of investigators, enforcement agents and legal teams.

The case against 50 Fifty Gifts (UK) Ltd, its principal Ali Mafi and others, claimed trade dress infringement; injury to business reputation; and common law unfair competition; unjust enrichment and other wrongful conduct in offering knock-offs. Key terms of the settlement include the transfer of ownership of the "Kreep-Es" brand to Innovation First, and the transfer of all worldwide intellectual property rights owned by 50 Fifty Gifts in the "Kreep-Es" to Innovation First. Further, 50 Fifty Gifts agreed to cease the design, manufacture and sale of the "Kreep-Es" products and vibrating locomotion toys immediately. 50 Fifty Gifts must also deliver the molds, dies and tooling used for creating Kreep-Es to Innovation First in China.

"Our successful enforcement actions coupled with the 50 Fifty Gifts settlement are significant steps in our ongoing global campaign to protect our world-recognized HEXBUG[®] Nano[™] brand, said Tony Norman, president and chief executive officer of Innovation First International. "The toy industry is notorious for breeding copycats of hot products, and we know that retailers become a part of the problem when they place knock-off artists' products on store shelves. This practice stifles innovation, and we won't hesitate to file suit against retailers or anyone else in the supply chain who infringes our intellectual property."

In February of this year, Innovation First resolved a lawsuit filed last May against Urban Trend, LLC. The case, filed in United States District Court for the Northern District of Texas, claimed trade dress infringement, violations of the Lanham Act and other wrongful conduct in offering knock-offs. Key terms of the settlement included a cash payment to Innovation First, the transfer of ownership of the "i-insect" brand to Innovation First, and the transfer of all worldwide intellectual property rights owned by Urban Trend in the "i-insect" to Innovation First. Further, Urban Trend agreed to cease the design, manufacture and sale of the "i-insect" products and vibrating locomotion toys immediately. Urban Trend also delivered the molds, dies and tooling used for creating i-insect to Innovation First in China.

Notes to editors:

For more information please contact Sarah Jackson at Cohn & Wolfe on 020 7331 5448 or at sarah.jackson@cohnwolfe.com

About HEXBUG and Innovation First:

HEXBUG[®] is a product line developed by Innovation First Inc., and distributed and marketed internationally by Innovation First Trading, Inc., both wholly owned subsidiaries of privately held Innovation First International, Inc. The company was founded on the belief that innovation very early in the design process is necessary to produce simple and elegant product designs. Innovation First began developing electronics for unmanned mobile ground robots and is now an industry leader in research and development for the hobby, competition, education and toy markets. Innovation First International's three main subsidiaries, VEX Robotics, Inc., Innovation First Labs, Inc. (makers of HEXBUG[®] Micro Robotic Creatures), and RackSolutions, Inc. span the education, consumer and business-to-business markets. The VEX[®] Robotics Design System is the leading platform for middle school and high school education and competitive robotics. Leveraging the company's core competency in electrical and mechanical engineering, the RackSolutions[®] division works closely with all major computer OEMs to provide custom mounting solutions and industry-wide rack compatibility for data installations of all sizes.

In the 2009 the company added offices in Hong Kong, China and the United Kingdom to better serve the global marketplace. This network was expanded to Canada in 2010 with the addition of an office, warehouse and distribution center located in Toronto. With an advanced in-house metal fabrication plant, distribution center and corporate office located together in a 13-acre complex in Greenville, Texas, the company is poised to continue on a rapid growth path. Please visit www.innovationfirst.com for additional information.