

November 19, 2007



Oculus Innovative Sciences Wins Federal Court Ruling in Intellectual Property Rights Litigation

Permanent Injunction Issued Against Nofil Corporation

PETALUMA, Calif.--(BUSINESS WIRE)--

Oculus Innovative Sciences, Inc. (NASDAQ:OCLS) today announced that the U.S. District Court for the Northern District of California has issued a ruling in favor of Oculus Innovative Sciences, affirming that the company's intellectual property rights for the Microcyn(R) Technology are enforceable.

Oculus Chairman and CEO Hoji Alimi said, "We are most pleased with the court's decision. We were confident that we could defend our intellectual property rights and this is confirmed by the ruling. We now have positive legal precedent in the United States, Japan, Mexico, and elsewhere throughout the world where the Microcyn Technology platform has been introduced, that our intellectual property rights are fully enforceable."

As disclosed in the company's various filings with the SEC throughout the year, Oculus filed suit on March 14, 2006, in the U.S. District Court for the Northern District of California against Nofil Corporation and its chief executive officer, Naoshi Kono, for breach of contract, misappropriation of trade secrets and trademark infringement. On February 13, 2007, Nofil filed an answer and cross-complaint, and subsequently filed two amendments to the cross-complaint.

In an order issued November 14, 2007, the court granted Oculus' motion to dismiss Nofil's cross-complaint with prejudice. The court also ruled in the company's favor on its claims for breach of contract, misappropriation of trade secrets and unfair competition and issued a permanent injunction barring Nofil from using Oculus' intellectual property and from manufacturing product using the Microcyn Technology for anyone other than Oculus. The court also ordered an accounting and disgorgement of profits to Oculus based on Nofil's wrongful conduct. The court will hold an evidentiary hearing in January, at which time Oculus will present evidence in support of its damage claim against Nofil.

About Oculus

Oculus Innovative Sciences is a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn Technology platform, which is intended to help prevent and treat infections in chronic and acute wounds. The Microcyn Technology platform is a controlled slow-release solution containing active chlorine and other gases resulting in a biocompatible technology to treat a wide range of pathogens,

including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi and spores. The technology has demonstrated significant wound healing in chronic and acute wounds. It has been commercialized outside of the U.S. for the treatment of infected wounds. It is currently under evaluation in a Phase II trial for the treatment of mildly infected diabetic ulcers in the U.S.

Oculus' principal operations are in Petaluma, California, and it conducts operations in Europe, Latin America and Japan through its wholly owned subsidiaries, Oculus Innovative Sciences Netherlands B.V., Oculus Technologies of Mexico, S.A. de C.V. and Oculus Japan K.K. Oculus' website is www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, some matters set forth in this press release are forward-looking within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements about our ability to replicate the results of the test in clinical trials, if at all, or for such trials or other tests to establish the conclusions suggested by the results of the test. These forward-looking statements are identified by the use of words such as "enforceable," "will hold," "will present," "anticipated," "intended," and "will be announced," among others. These forward-looking statements are based on Oculus Innovative Sciences, Inc.'s current expectations. Investors are cautioned that such forward-looking statements in this press release are subject to certain risks and uncertainties inherent in the Company's business including risks inherent in the development and commercialization of potential products, the risk that scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, risks that revenues will not reach expected levels, the Company's future capital needs, and its ability to obtain additional funding and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including the quarterly report on Form 10-Q for the quarter ended September 30, 2007 and Form 10-K for the fiscal year ended March 31, 2007. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

Oculus and Microcyn are trademarks or registered trademarks of Oculus Innovative Sciences, Inc. All other trademarks and services marks are the property of their respective owners.

Source: Oculus Innovative Sciences, Inc.