

January 24, 2008



Oculus Innovative Sciences Awarded Damages by Federal Court in Intellectual Property Rights Litigation

Damages of \$6.6 Million 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 awarded damages in the amount of \$6.6 million to Oculus Innovative Sciences and entered judgment against defendant Nofil Corporation, finding Nofil liable for breach of contract and misappropriation of Oculus' intellectual property rights related to its Microcyn(R) Technology.

"The court's ruling and award of damages to Oculus is continued validation of our intellectual property rights," said Hoji Alimi, Oculus founder and CEO. "The message here is that Oculus' intellectual property rights are fully enforceable, and that when these are violated, we will move aggressively to protect and assert our rights worldwide."

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 15, 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. The court also ordered an accounting and disgorgement of profits to Oculus based on Nofil's wrongful conduct.

About Oculus

Oculus Innovative Sciences is a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to help prevent and treat infections in chronic and acute wounds. The Microcyn Technology platform is a biocompatible solution containing active oxychlorine compounds. The solutions derived from the Microcyn Technology platform have demonstrated, in a variety of research and investigational studies, the ability to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi

and spores. The technology has also demonstrated wound healing in chronic and acute wounds in clinical investigational studies. It has been commercialized outside of the United States for the treatment of infected wounds.

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 "awarded," "will move," "protect," "assert," and "allows," 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 service marks are the property of their respective owners.

Source: Oculus Innovative Sciences, Inc.