

ACACIA RESEARCH CORPORATION

BOARD OF DIRECTORS – CODE OF CONDUCT

Effective October 19, 2004

1. Purpose and Scope of Code of Conduct. The purpose of the Board of Directors Code of Conduct is to outline your ethical responsibilities as a director of Acacia Research Corporation (“Acacia”) that extend beyond those provided in the Code of Conduct. The Code of Conduct applies to each member of the Board of Directors of Acacia.

2. Honest and Ethical Conduct. You have a responsibility to ensure that your conduct as a director is honest and ethical. Your responsibilities with respect to two specific situations are as follows:

A. Conflicts of Interest. You must ethically handle any material conflicts of interest – either actual or apparent. A conflict of interest is a situation where your loyalties may be divided between Acacia and your personal interests, or those of any person or entity with whom you are affiliated. For example, a conflict of interest might exist in a transaction between Acacia and another company in which you have a financial interest. If you believe a situation may exist in which you have a material conflict of interest, one that would interfere with your ability to perform your responsibilities as a director of Acacia, you must promptly notify Acacia’s General Counsel, who will then notify the Board. The Board (with you abstaining) will determine whether the situation represents a material conflict of interest and, if so, the steps (if any) that should be taken to address the situation. These steps may include recusing you from consideration by Acacia of any transaction in which you have a personal or financial interest, and approval of the transaction by the Audit Committee or other disinterested body of the Board of Directors.

B. Corporate Business Opportunities. You must ethically handle your participation in any material business opportunities in which Acacia has already expressed an interest, or which is closely related to Acacia's current business or its anticipated future plans (an “Acacia Opportunity”). If you believe a situation may exist in which you or any person or entity with which you are affiliated may participate in an Acacia Opportunity, you must promptly contact Acacia's General Counsel to discuss the situation. The Board (with you abstaining) will determine (1) whether the situation represents an Acacia Opportunity, (2) whether you or any person or entity with which you are affiliated may participate in the Acacia Opportunity, and (3) the steps (if any) that should be taken to address the situation.

3. Acacia Public Communications. You have a responsibility to help promote full, fair, accurate, timely, and understandable disclosure in documents that Acacia submits or files with the SEC and in its other public communications. If you have concerns about these issues in any proposed disclosure that you review, please discuss your concerns with Acacia's General Counsel and/or its independent auditors.

4. Compliance With Applicable Government Laws, Rules and Regulations. You have a responsibility to help promote Acacia's compliance with applicable laws, rules and regulations. If you have concerns about any compliance issues that come to your attention, please discuss your concerns with Acacia's General Counsel.

5. Compliance with and Enforcement of this Code. You are fully accountable for your own compliance with this Code. Note that if you violate this Code, Acacia may be required, or may elect, to disclose the violation to shareholders and the investing public generally. It is the responsibility of each Board member to review this Code at least annually, to raise any questions you may have, and to ensure your compliance with this Code. If you become aware of a violation of this Code by yourself or any other Board member, you have a responsibility to promptly report the violation to Acacia's General Counsel,

6. Waivers. Acacia's Board of Directors must approve any waiver of responsibilities under this Code. The director who is requesting a waiver must abstain from voting with respect to the waiver. Any such waivers shall be publicly reported as required by SEC, NASDAQ or other applicable rules and regulations. Any activities that are conducted with Board approval shall be deemed to comply with this Code, and shall not be considered a waiver of this Code.

7. Relationship to Other Acacia Policies, Procedures and Guidelines. The responsibilities described in this Code are in addition to, and not instead of, any responsibilities described in any other Acacia policies, procedures or guidelines that apply to you, including the Code of Conduct.