

BUSINESS

TODAY'S FOCUS BUYING | SELLING

A BIT OF PARIS: Perfumer diptyque is selling its luxury scents at South Coast Plaza. **Business 2**

Bill targets 'patent trolls'

Firms that hold rights, but use them only to sue, are focus of House measure.

By **ELIZABETH HELD**
ORANGE COUNTY REGISTER

WASHINGTON • Irvine-based Vizio, one of the nation's largest vendors of flat-panel TVs, will be watching with great interest today's House Judiciary committee hearing on a bill that would curb the power of firms that buy up patents, then sue or threaten to sue companies making products tied to the patent.



(The new bill provides really practical ways to restore fairness, balance and responsibility into this whole patent litigation process.)

JERRY HUANG



VIZIO VP FOR LEGAL AFFAIRS

ing the patents and collecting settlements or legal judgments. In extreme cases, threatening letters are sent to mere users of tech gear or software – the tech-world equivalent of suing a homemaker over a recipe for toast, which, by the way, is patented.

SEE TROLLS • PAGE 3

High-value crop persists in O.C. due to adaptive strategies of local growers.

By **MARNI USHEROFF**
ORANGE COUNTY REGISTER

In recent weeks, acres of chilled strawberry plants have been plucked by their roots up near the Oregon border and shipped to Orange County. Painstakingly planted by hand in the warmer Southern California fields, the naked plants are tricked into thinking it's spring, and they sprout leaves in a matter of days.

Some farmers start to see patches of red berries by Thanksgiving and are harvesting several 10-pound trays per acre of sweet strawberries come Christmas.

It's the start of the planting season for strawberries, a dwindling crop in an increasingly urbanized county.

Last year, slightly less than 900 acres of strawberries were planted in Orange County, producing a crop worth about \$30 million. That's down from 1,632 acres in 1969. But strawberries remain the second-largest crop by value here, behind decorative trees and other plants. And their decline hasn't been as sharp as that of other produce; oranges were grown on just 71 acres last year, down from 15,462 acres 43 years earlier.

The persistence of local strawberry fields is explained in part by simple economics: Consumers are willing to pay a higher price for a pound of berries than, say, a pound of oranges.

"When land and water and other input costs are high, then economic theory would tell you that you have to produce a

SEE STRAWBERRIES • PAGE 3

As farms dwindle, strawberries dig in



A.G. Kawamura, co-owner of Orange County Produce, checks out a strawberry field at the Great Park in Irvine, where he farms 100 acres in partnership with the urban park.

MARK RIGHTMIRE, ORANGE COUNTY REGISTER

MORE INSIDE

LEXUS, ACURA TOP-RANKED

Volvo and Audi are among the carmakers cracking Consumer Reports' list of the most reliable cars. The top-selling U.S. car the past 11 years, the Toyota Camry, isn't recommended.

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HIGHER-TECH SHOPPING

In the future, you may be ordering must-have items by clicking on your TV or a page in a magazine.

S&P ON RECORD TRACK

Rising corporate earnings have helped position the Standard & Poor's 500 Index for the best annual gain since 2003.

Page 5

Edwards' heart-valve sales disappoint

Edwards Lifesciences, a leading heart-valve manufacturer, beat income and revenue expectations in the third quarter, but a sharp increase in U.S. sales of its minimally invasive Sapien heart valve failed to match the market's even steeper expectations.



BERNARD WOLFSON
REGISTER WRITER

The Irvine-based company

said Monday that it posted net income of 68 cents a share in the third quarter, up 10 cents from a year earlier and 2 cents above the consensus forecast of analysts. Revenue jumped 11 percent year over year, to \$496 million, beating estimates by about \$5 million.

By far the biggest driver of those sales was Edwards' Sapien heart valve, which is meant for patients too ill to withstand open-heart surgery. In the U.S. market, Sapien sales rose 56 percent – from \$55 million to

about \$86 million – in the 12 months that ended Sept. 30.

But investors were looking for a bigger number, said Danielle Antalffy, an analyst at Leerink Swann. The figure "fell a bit shy of our estimate," which was \$88 million, she said, noting that high hopes for Sapien had been a "major driver" of the recent 13 percent rise in Edwards' stock price.

Edwards' stock price adjusted accordingly, dropping nearly 5 percent to close Monday at \$73.24. The drop was reminis-

cent on a smaller scale of Edwards' first-quarter financial report, when a double-digit rise in U.S. Sapien sales failed to save the market and the share price plummeted 22 percent.

Another negative for Edwards was the announcement by rival Boston Scientific on Monday that its Lotus Valve, a competitor to Sapien, has been approved for sale in Europe.

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MARKET RECAP	Dow Industrials Close: 15,568.93 Change: -1.35	Nasdaq Index Close: 3,940.13 Change: -3.23	S&P 500 Index Close: 1,762.11 Change: +2.34	10-year Treasury: Close: 2.52% Change: +0.01	Oil per barrel: Close: \$98.68 Change: +\$0.83	O.C. gas prices: Gallon: \$3.707 Change: -\$0.008	MORE ON PAGE 5
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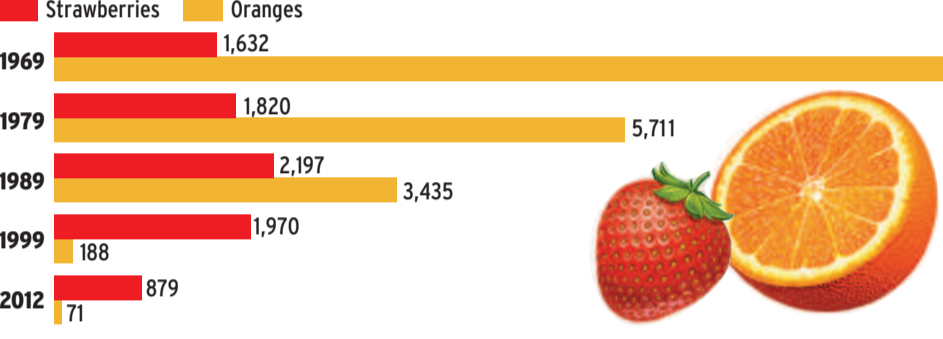
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ACERAGE



Strawberry fields - forever?

Orange County's strawberry crop has dropped sharply in recent years, though not as much as oranges.

Source: Orange County Agricultural Commissioner's Office The Register

high-value crop, and strawberries are one of the highest-value crops per acre," says Karen Klonsky, an agricultural economist at UC Davis.

But it also reflects the ability of remaining farmers to adapt - whether it's catering to local consumers, leasing land under power lines, providing berries to specialty markets at a premium or hosting farm tours for city dwellers and suburbanites who want to see where their food comes from.

"They've kind of gone to the regional food-shed model with agricultural tourism or certainly the roadside-stand, local-grown businesses," says A.G. Kawamura, 57, co-owner of Orange County Produce LLC, which has strawberries on nearly 80 acres in Irvine, San Juan Capistrano, Seal Beach and Los Alamitos.

Kawamura's family originally focused on vegetables, shipping them as far off as Chicago, New York and Boston. It got into the strawberry business by selling neighboring farmers' berries outside of the region, a deal motivated by an oversaturated Southern California strawberry market in the late 1950s.

The Kawamura family started growing its own berries around 1990 to pick up the slack left by some growers who didn't have any heirs.

"At the same time, we started to see that we were not able to make money with some of the vegetable

crops," Kawamura says. The family's cost of production here was higher than in Mexico or nearby Ventura County. Those areas, he says, "had cheaper rent, cheaper water, cheaper labor, cheaper regulatory" conditions.

"We found ourselves really good growers of vegetables but not able to differentiate our products enough to get the extra dollars we needed to offset our cost," Kawamura says.

In 2011, the average producer price for California strawberries - or what the farmer received - was 76 cents per pound, according to the California Department of Food and Agriculture. That compares with 20 cents for a pound of celery and 16 cents per pound for oranges. In all of California, strawberries are still a big business, worth more than \$2.3 billion in 2011.

Orange County Produce's core business now is strawberries and green beans. But it has partnered with the Great Park in Irvine to grow and test a variety of fruits and vegetables, including figs, walnuts and asparagus.

"We're trying to show that agricultural urbanism does have a place in a metropolitan park," Kawamura

says. In the process, Orange County Produce gets to benefit from a lease on roughly 100 acres of precious land within the park.

Orange County Produce demonstrates to the public the value and feasibility of urban farming by collaborating with the park's smaller Farm + Food Lab and Veteran's Agricultural Learning-Opportunities and Resources fields.

The Farm + Food Lab is akin to a large urban garden filled with fruits, vegetables and flowers, run by the UC Cooperative Extension Master Gardeners program.

On the VALOR fields, veterans learn how to farm a variety of fruits and vegetables. Much of the produce is donated to local food banks.

Kawamura can also use