

JUDGMENT

District Court The Hague

Trade Team

Seated in The Hague

Case number / docket number: C/09/504274 / KG ZA 16-100

Judgment in preliminary relief proceedings of May 4, 2016

In the matter of

The legal entity under foreign law

BASIC HOLDINGS ULC,

Established in Dublin (Ireland),

Plaintiff;

Attorney: *Mr.* N.W. Mulder of Amsterdam

versus

1. The private limited liability company

RUBY DECOR B.V.,

Established in Broek op Langedijk (municipality Langedijk);

2. The private limited liability company

APARTO B.V.,

Established in Broek op Langedijk (municipality Langedijk);

Respondents,

Attorney: *Dr. Mr.* Th.C.J.A. van Engelen of Utrecht

Plaintiff hereafter shall be referred to as Basic Holdings. Respondents hereafter shall also be referred to as Ruby Decor and Aparto, and jointly as Ruby Decor *cum suis* (feminine singular).

For Basic Holdings the case has been handled by its attorneys *mr.* A. Tsoutsanis and *mr.* M.R.A. Schonewille, both attorneys at law of Amsterdam, with the assistance of *Ir.* J.A.M. Grootsholten,

patent attorney. For Ruby Decor *cum suis* the case has been handled by its attorney, assisted by *Ir.* A.H.K. Tan, patent attorney.

1. The proceedings

1.1 The course of the proceedings is evident from:

- the writ of summons of February 19, 2016, with exhibits 1 through 21;
- the statement pertaining to introduction of exhibits from the side of Ruby Decor *cum suis*, with exhibits 1 through 38, which was received on March 14, 2016;
- the letter from Basic Holdings to Ruby Decor *cum suis* dated March 21, 2016, requesting clarification of the exhibits of Ruby Decor *cum suis*;
- the statement pertaining to introduction of additional exhibits from the side of Basic Holdings, with exhibits 22 through 29, which was received on March 22, 2016;
- the statement pertaining to introduction of additional exhibits from the side of Ruby Decor *cum suis*, with exhibits 39 through 41, which was received on March 29, 2016;
- following a request to that effect of the judge hearing preliminary relief proceedings, the schedule of and clarification to the exhibits of Ruby Decor *cum suis*, received on April 1, 2016;
- the additional schedule of costs of Basic Holdings (EP 21a), also received on April 1, 2016;
- the additional schedule of costs of Ruby Decor *cum suis* (GP 42), also received on April 1, 2016;
- the oral hearing on April 4, 2016;
- the two sets of pleading notes submitted by Basic Holdings, whereby the non-read paragraphs 75, first sentence, 76 through 80 and 92 through 96 have been deleted in the first set of pleading notes;
- the pleading notes of Ruby Decor *cum suis*.

1.2 In his second term, the attorney of Basic Holdings asked that the paragraphs of Ruby Decor *cum suis*' pleading notes, which according to him had not been read out aloud by it during its first term, be stricken. In its second term, the attorney of Ruby Decor *cum suis* as yet read out aloud all of the parts of its pleading notes which he had not read out aloud during his first term, as well as the parts of which no longer could be determined whether or not these had been read out aloud in full. Hereupon the judge hearing preliminary relief proceedings ruled that the entire pleading notes of Ruby Decor *cum suis* form part of the procedural file, be that with the exception of the footnotes in those pleading notes. The judge hearing interim relief proceedings advised the parties that he will take into account that Basic Holding has not been able to respond to the initially non-read out parts of the pleading notes because these were only argued by Ruby Decor *cum suis* in its second term.

1.3 Finally, judgment was set for today.

2. The facts

2.1 Basic Holdings forms part of the Glen Dimplex Group which operates worldwide and engages in the development and manufacture of artificial fireplaces.

- 2.2 Basic Holdings is right holder to European patent EP 2 029 941 B1 (hereafter: EP 941 or the patent) for an ‘*Artificial Fireplace*’. EP 941, amongst others, is valid in the Netherlands, Germany, France, the United Kingdom and Ireland. EP 941 was granted on October 3, 2012, following an application for such on March 13, 2007, which invoked priority on the basis of patent applications GB 0605001 of March 13, 2006 and GB 0623434 of November 24, 2006.
- 2.3 EP 941 has 17 claims, of which the first claim is independent. The subsequent claims all are dependent upon claim 1. The original English text of claim 1 of EP 941 runs as follows:

1. *A simulated fire effect apparatus (10) (450) (322) comprising:*

An aperture bed (12) (232);

A container (30) (452) (452') (652) (752) adapted to contain a body of liquid (32), the container providing a head space (496) (6528) above the liquid;

An ultrasonic transducer (34) (34') (462) (458) device having a transducing surface operatively in liquid contacting relation with the body of liquid (32) and operable to produce a vapour in said head space (496) (652B); and

means for providing a current of air directed upwardly from the aperture bed (12) (232)

Characterized in that *the container (30) (452) (452') (652) (752) includes a vapour outlet port (482) ((482')), and in that*

the apparatus (10) (450) (322) further comprises means (26) for providing a flow of air along a path extending into the head space (496) (652B) and out of the vapour outlet port (482) (482'), wherein the outlet port (482) (482') is so disposed that the air flow path exits the container (30) (452) (452') (652) (852) below the aperture bed (12) (232).

- 2.4 In the – undisputed – Dutch translation claim 1 reads as follows:

1. *A simulated fire effect apparatus (10) (450) (322) comprising:*

An aperture bed (12) (232);

A container (30) (452) (452') (652) (752) adapted to contain a body of liquid (32), the container providing a head space (496) (6528) above the liquid;

An ultrasonic transducer (34) (34') (462) (458) device having a transducing surface operatively in liquid contacting relation with the body of liquid (32) and operable to produce a vapour in said head space (496) (652B); and

means for providing a current of air directed upwardly from the aperture bed (12) (232)

Characterized in that *the container (30) (452) (452') (652) (752) includes a vapour outlet port (482) ((482')), and in that*

the apparatus (10) (450) (322) further comprises means (26) for providing a flow of air along a path extending into the head space (496) (652B) and out of the vapour outlet port (482) (482'), wherein the outlet port (482) (482') is so disposed that the air flow path exits the container (30) (452) (452') (652) (852) below the aperture bed (12) (232).

[1. Inrichting voor de simulatie van een haardvuureffect (10) (450) (322)

omvattende:

een van openingen voorzien bed (12) (232);

een houder (30) (452) (452') (652) (752) ingericht om een vloeistofhoeveelheid (32) te bevatten, waarbij de houder een kopruimte (496) (652B) boven de vloeistof verschaft;

een ultrasonische omvormerinrichting (34) (34') (462) (458) met een omvormend oppervlak dat werkzaam in vloeistofcontacterend verband met de vloeistofhoeveelheid (32) staat en bruikbaar is om een damp in de genoemde kopruimte (496) (652B) voort te brengen; en

middelen voor het verschaffen van een luchtstroom, die vanaf het van openingen voorziene bed (12) (232) naar boven is gericht,

met het kenmerk, dat de houder (30) (452) (452') (652) (752) een dampuitlaatpoort (482) (482') omvat en dat

de inrichting (10) (450) (322) voorts middelen (26) omvat voor het verschaffen van een luchtstroom langs een weg, die zich naar binnen in de kopruimte (496) (652B) en uit de dampuitlaatpoort (482) (482')

uitstrekt, waarbij de uitlaatpoort (482) (482') dusdanig is aangebracht,

dat de luchtstromingsweg de houder (30) (452) (452') (652) (752) beneden het van openingen voorziene bed (12) (232) verlaat.]

- 2.5 To the extent relevant for this case, the following paragraphs are included in the description of EP 941:

[0001] *The present disclosure relates to simulated fires and in particular to apparatus for simulating the burning of solid fuel such as coal or logs. The apparatus may desirably, but not essentially include a heat source configured for space heating of a room. More especially, the disclosure relates to apparatus and methods for simulating flames produced by burning solid fuel and/or for simulating smoke as produced when burning solid fuel.*

BACKGROUND

[0002] Many apparatus for simulating the burning of solid fuel are known in the art. Examples can be seen in WO 02/099338 and W097/4139 among many others.

Typically prior art fire simulating apparatus include a simulated fuel arrangement which may be as simple as a plastic moulding shaped and coloured to resemble coals or logs resting on an ember bed. More complex arrangements include a separate ember bed, which may also be a shaped and coloured plastic moulding, and discrete pieces of simulated fuel which rest on the ember bed. Other arrangements provide simulated fuel pieces resting in a simulated grate. Commonly, the simulated fuel arrangement is illuminated from below by light of varying intensity thereby to attempt to simulate the glowing nature of a burning fire.

[0003] WO 03/063664 teaches a simulated fire which includes a plurality of fuel pieces resting on a lattice work support. Below the fuel pieces there is provided a water container which includes an ultrasonic transducer. The transducer is operative to provide clouds of water vapour. A fan heater is mounted above the simulated fuel and acts to draw the water vapour through gaps between the fuel pieces. The water vapour emerging through the fuel bed is intended to resemble smoke. The water vapour is heated by the fan heater, thereby losing any resemblance to smoke and is expelled from the apparatus. The fuel bed is illuminated from below by a light source which is preferably located in the water container. The light source may be coloured red or orange.

BRIEF SUMMARY OF THE DISCLOSURE

[0004] The present disclosure seeks to provide improved simulations of flames and smoke, and to provide improved methods and apparatus for producing simulated smoke. The disclosure further seeks to provide improved apparatus for simulating a real fire, which, in particular, seeks to provide and [what shall be meant is an – preliminary relief judge] improved flame and/or smoke simulating effect.”

(...)

[0018] The term "apertured bed" in this specification is intended to mean and/or include a body, mass or assembly having gaps or apertures through which vapour produced by vapour generating means (such as an ultrasonic transducer) may pass in particular when entrained in a rising current of air. The apertured bed may, for example, be a fuel bed (in particular, a simulated fuel bed) which comprises a plurality of discrete bodies arranged together to form a larger general mass, such as simulated coals or logs, real coals or logs, pebbles, small rocks or glass or resin or plastic pieces, the vapour being able to pass and around and between the individual bodies. When a plurality of smaller bodies is used, it may be appropriate to support them on a frame which also allows the passage of the vapour produced vapour generating means.

[0019] In alternative arrangements, the apertured bed may be in the form of one or more larger bodies each of which has one or more apertures which allow the passage of vapour. For example the apertured bed may comprise a single block of material having a plurality of passages extending from its under surface to its upper surface.

(...)

DETAILED DESCRIPTION

[0022] Referring now to the drawings and in particular to Figure 1, in general terms the apparatus 10 of the present disclosure comprises in one embodiment a fuel bed indicated generically at 12, a vapour generator indicated generally at 14, at least one light source 16 and light modifying means 18, 20. Preferably the vapour is water vapour. A preferred liquid is water. Unless the context requires otherwise, references to water and water vapour herein include references to other suitable liquids and their respective vapours. A vapour guide 22 is provided to constrain the water vapour produced by the generator 14 to desired flow path. The apparatus 10 may comprise one or more water vapour generators 14. In use, the water vapour generator 14 produces water vapour within a substantially closed housing 24. A fan 26 provides a flow of air into the container 24 which entrains the water vapour. The water vapour exits the housing 24 through a suitable aperture, outlet or orifice 28. The water vapour is carried in the flow of air generated by fan 26 through the vapour guide 22 and ultimately through the fuel bed 12. The water vapour is carried above the fuel bed by the air flow to give the impression of smoke. Light source 16 illuminates the fuel bed 12 to give the impression of burning fuel. Filters 20 are provided to give the light appropriate colour. Filters may colour the light only locally, or over a wider area. Light modifying means 18 can take various forms but will generally interrupt the light from the light source to give perceived variations in the intensity of the light, to resemble the changes in intensity of burning which occur in a real fire.

(...)

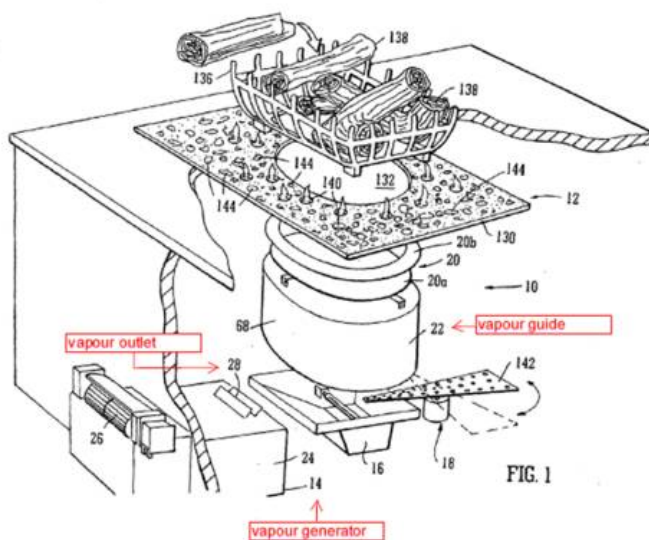
[0095] Referring now in particular to Figures 56 and 57, another preferred embodiment of the apparatus 450 according to the present disclosure is illustrated.

(...)

[0097] The apparatus 450 comprises a reservoir or tank 476 which operatively contains a supply of liquid to be vapourised. The reservoir 476 is connected to vapour generator 478 by means of an arrangement 480 similar to valve arrangement 280 (Figure 42B). Vapour generator 478 comprises container 452 and ultrasonic transducer 458 as previously described. Thus, liquid is supplied from reservoir 476 to

container 452 through valve arrangement 280, so that an at least approximately constant volume of liquid is maintained in the container 452. Preferably the volume of liquid in the container is maintained within about +/- 10mm of the desired depth. Ultrasonic transducer 458 acts on body of liquid 32 in the container 452 to generate vapour as previously described. The container 452 includes an outlet port 482 which communicates with inlet 486 of a vapour distribution component 484. The vapour distributing component 484 is broadly similar to the vapour distributing component 260 described above. Container 452 includes an inlet port 488 which communicates with a sub-housing 490 which houses a fan 492 and motor 494. Fan 492 is driven by motor 494 and is configured to draw air into the sub-housing 490 and to expel the air into container 452 through inlet port 488. Thus, a flow of air is provided from the inlet port 488 of container 452 to the outlet port 482 of the container 452 and into the vapour distributing component 484 through inlet 486. The flow of air entrains vapour in the head space 496 of the container 452 above the liquid and carries the entrained vapour into the distributing component 484.

- 2.6 EP 941, amongst others, comprises the figures 1 and 56 of model samples of the invention (whereby the captions in red have been added by the judge hearing preliminary relief proceedings on the basis of the description):



container 28, forming a latticework 47 which supports a plurality of simulated coals 48 which are stacked in a manner which simulates a bed of real coals. A metal shroud 50 is also secured to the undersurface of the rods 44, 46 immediately above the ultrasonic transducer 36, to deflect the water vapour emerging from the vicinity of the transducer, as will be explained.

As shown in Fig. 2, a conventional electric fan heater 52 is located towards the upper end of the casing 10. The fan heater 52 is located within an inner fan chamber 54 defined by a planar inner upper wall 56 parallel to the outer upper wall 20 and a planar inner lower wall 58 parallel to, and spaced apart from the wall 56 and is supplied with power from a low-voltage transformer 59 located outside the chamber 54. The fan chamber 54 communicates with the main part of the interior of the casing 10 via a rectangular aperture 60 at the rear of the inner lower wall 58 and communicates with the exterior via a louvred rectangular outlet 62 at the upper end of the front wall 22 of the casing 10.

In use, water 64 is poured into the container 38 of the ultrasonic water vapour generator and the simulated coals 48 are arranged on the latticework 47 to simulate a bed of fuel as illustrated. The electrical power is then switched on, which activates the ultrasonic transducer 36, the lamp unit 42 and the fan heater 52. Activation of the ultrasonic transducer 36 within the water induces the formation and rapid cavitation of bubbles within the water in a known manner, which results in the formation of clouds of water vapour 66 having the appearance of white smoke. The clouds of water vapour pass upwardly and are deflected by the shroud 50 on the undersurface of the latticework 47, whereafter they pass around and between the simulated coals 48 located above. The clouds of water vapour 66 are drawn upwardly by the air current induced by the fan heater 52 and are discharged through the louvred outlet 62 in the front wall of the casing. The clouds of water vapour 66 are guided towards the fan chamber by a planar inner rear wall 68, extending parallel to the rear wall 114 of the casing 10, and an inclined flap 70 extending downwardly and forwardly from the undersurface of the inner lower wall 58 of the fan chamber 54 and forming a cowling.

As the clouds of water vapour 66 pass around and between the simulated coals 48 they give the appearance of smoke rising from a fuel bed. The effect is enhanced by the illumination from the lamp unit 42, which flickers and varies as the light passes through the clouds of water vapour and gives the impression of a glowing fuel bed. The illumination effect is particularly effective if the light emerging from the lamp unit 42 is orange, red, yellow or a combination of these colours.

The clouds of water vapour are drawn upwardly by the fan heater 52, in the manner of a real fire, and are eventually discharged via the louvred outlet 62. By the time the water vapour has reached the outlet 62, it will normally have absorbed sufficient energy for it not to have the appearance of smoke and will be completely transparent. If the fan heater is used in a heating mode (as opposed to just in a fan

mode for producing a current of air) the water vapour will definitely lose its smokelike appearance before it is discharged as the clouds of water vapour will have passed through, and been heated by, the fan heater.

2.8 Figures 1 and 2 depicted below form part of WO 664:

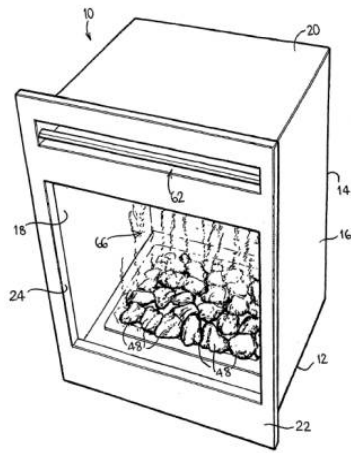


FIG. 1.

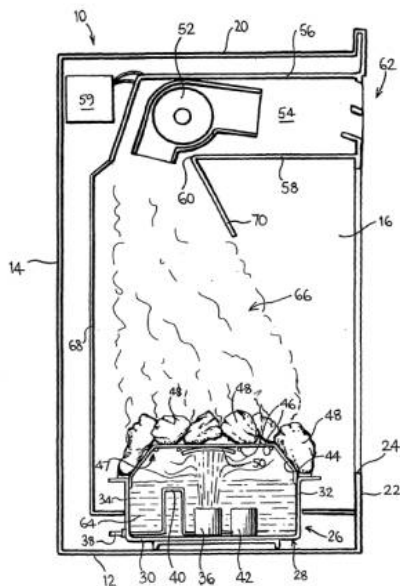


FIG. 2.

2.9 Ruby Decor is a former customer of the Glen Dimplex Group. In addition, it is the manufacturer of (amongst others) several types of artificial fires. The cooperation terminated on September 1, 2015.

- 2.10 Since November 1, 2015 – whether or not by intermediation of dealers – Ruby Decor markets artificial fires under the name Mystic Fires, with model numbers 1510H, 1530H, 1535H, 1520C and 1540C (hereafter: the Ruby artificial fires). Ruby Decor offers the Ruby artificial fires in its showroom in Broek op Langedijk and Nieuwegein, as well as –in several languages, including Dutch, English, French and German - on its website.
- 2.11 Ruby Decor is (co) managing director and (co)shareholder of Aparto, a company that also engages (among other things) in the trade in artificial fires. Aparto offers the Ruby artificial fires on its website www.aparto.nl.
- 2.12 To the extent as is relevant for these proceedings, the Ruby artificial fires have the same (technical) characteristics, as partly shows from the photographs below.





- 2.13 Upon having obtained permission from the judge hearing preliminary relief proceedings of the district court Noord-Holland, location Alkmaar, Basic Holdings on January 5, 2016 had prejudgment attachment for the purpose of surrender levied against Ruby Decor in Broek op Langedijk on a number of artificial fires and promotional materials and had these sequestered.
- 2.14 By letter of January 25, 2016, Basic Holdings summoned Ruby Decor to cease and keep ceased each and any infringement on EP 941, to proceed to a *recall* and destruction of infringing artificial fires, to provide a specification of the artificial fires purchased and sold by it and the profit made by it and to pay damages or to remit the profit made. Ruby Decor did not meet this summons.
- 2.15 Upon having obtained permission from the (substitute) judge hearing preliminary relief proceedings of the district court Midden-Nederland, location Utrecht, Basic Holdings on February 16, 2016 again had prejudgment attachment for the purpose of surrender levied on some five artificial fires and also had these sequestered.
- 2.16 By letter of March 1, 2016, hence after the service of the writ of summons, Basic Holdings summoned Aparto to cease and keep ceased infringement on EP 941. Subsequently, Aparto advised Basic Holdings to (temporarily) be willing to do so. Although having been requested to do so, Aparto however did not sign a cease-and-desist statement.
- 2.17 Meanwhile, Basic Holdings initiated proceedings on the merits against Ruby Decor.

3. The dispute

3.1 Basic Holdings claims:

- I to enjoin Ruby – effective immediately after the judgment to be rendered in this case has been served – from infringing the Dutch part of EP 2 029 941 B1 in any manner, either directly or indirectly, by manufacturing, stocking, offering, importing, bringing onto the market, selling, delivering and/or otherwise trading the Ruby artificial fires.

- II to enjoin Ruby – effective immediately after the judgment to be rendered in this case has been served – from infringing the German, French and Irish parts of EP 941 and the part of EP 941 valid in the United Kingdom, in any manner, either directly or indirectly, by manufacturing, stocking, offering, importing, bringing onto the market, selling, delivering and/or otherwise trading the Ruby artificial fires.
- III to order Ruby to send a written request, within fourteen (14) days after the judgment to be rendered in this case has been served, to all its professional buyers of the Ruby artificial fires sold and/or delivered in the Netherlands requesting them to return these within two (2) weeks, and offering to refund the invoice price and the transport costs, using only the text provided below in black font and font size 12, without any further changes, additions or omissions of any nature whatsoever:

"Dear [name of professional buyer],

By judgment of [insert date] the judge hearing preliminary relief proceedings of the District Court of The Hague ruled that the *MYSTIC FIRES* artificial fireplaces offered and delivered by [insert Ruby / Aparto] in the Netherlands infringe Basic Holdings ULC's European patent bearing number EP 2 029 941 B1.

We delivered *Mystic Fires* artificial fireplaces to you some time ago. It concerned the following consignment(s)

[insert the details of the consignment(s), such as the date and number of fires]

Insofar as you still have them in stock, we request that you return to us all *MYSTIC FIRES* artificial fireplaces delivered to you within 14 days from the date of this letter. We will of course refund the price you paid and the transport costs.

With kind regards,

[Ruby's / Aparto's signature]

IV to order each of Ruby Decor *cum suis* to provide to Basic Holdings' attorneys, within thirty (30) days after the judgment to be rendered in this case has been served, a certified specification, prepared by an independent *registeraccountant* based on an independent investigation conducted by said *registeraccountant* containing the following information:

- a. An overview of the total number of Infringing Products purchased, ordered, received and/or stocked by Ruby, broken down per supplier and type, stating all purchase prices and purchase dates, supported by properly legible copies of orders, order confirmations, invoices and other purchase documents; and
- b. An overview of the total number of Infringing Products sold and/or delivered and/or returned by Ruby, broken down per professional buyer and type, stating all selling prices and delivery dates, supported by properly legible copies of orders, order confirmations, invoices and other sales documents;

V to order Ruby to pay Basic Holdings an immediately exigible repeating penalty of €25,000 (twenty-five thousand euros) for each day, including a part thereof, or – such at Basic Holding's option – per infringing product, that respectively by means of which Ruby fails to comply in full with the injunctions specified above under I and II and fails to comply in full with the orders specified under III and IV, up to a maximum of €1,000,000 (one million euros);

VI to order Ruby to immediately pay Basic Holdings the full amount in costs of these proceedings and other costs within the meaning of article 1019h¹ DCCP incurred by Basic Holdings, which in any case include the costs associated with the seizure carried out on 5 January 2016 and the related sequestration, and the costs of these proceedings, in which respect the payment of all the aforementioned costs must take place after the date of the judgment or within 7 days after the judgment to be rendered in this case has been served, failing which statutory interest will be owed

¹ Dutch Code of Civil Procedure

on said amounts pursuant to article 6:119 DCC² from the date on which the judgment is rendered until the date of payment in full,

while declaring the judgment to be provisionally enforceable.

3.2 Basic Holdings has based these claims on the following.

3.2.1 The Ruby artificial fires come under the scope of protection of EP 941. They infringe claim 1 and the dependent claims 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 16 and/or 17 of EP 941.

3.2.2 Ruby Decor sells the Ruby artificial fires in the Netherlands and in Belgium. It has the intention however to extent its web shop to other countries. This renders threat of infringement likely in all of the countries where EP 941 is valid.

3.2.3 Also Aparto trades Ruby artificial fires and consequently performs acts that are reserved for the patent holder. Aparto offers the fires in its showrooms in Wolvega and Utrecht and on its web shop Aparto.nl. It has refused to sign a cease-and-desist statement.

3.2.4 Given the continuous (threatening) infringement Basic Holdings has an urgent interest in the requested preliminary measures. There was no response to a summons letter that was sent to Ruby Decor.

3.3 Ruby Decor *cum suis* disputes the claims. Firstly, it disputes the alleged infringement and, besides, it has objections as to the validity. Ruby Decor *cum suis*, briefly summarized and as it further clarified at the court hearing, argues the following against the award of the claims:

3.3.1 Claim 1 of the patent can be divided into the following characteristics:

	Fire simulator	A simulated fire effect apparatus (10) (450) (322) comprising:
(A)	Apertured bed	an apertured bed (12) (232);
(B)	Container for liquid providing head space	a container (30) (452) (452') (652) (752) adapted to contain a body of liquid (32), with the container providing a head space (496) (652B) above the liquid;
(C)	Ultrasonic transducer	an ultrasonic transducer device (34) (34') (462) (458) having a transducing surface operatively in liquid contacting relation with the body of liquid (32) and operable to produce a vapour in said head space (496) (652B); and
(D)	Generator air current directed upwardly from bed	means for providing a current of air directed upwardly from the apertured bed (12) (232);

² Dutch Civil Code

	Characterised in that	
(E)	Container for liquid includes vapour outlet port and in that	the container (30) (452) (452') (652) (752) includes a vapour outlet port (482) (482'),,
(F)	Generator for flow of air in the container for liquid	the apparatus (10) (450) (322) further comprises means (26) for providing a flow of air along a path extending into the head space (496) (652B) and out of the vapour outlet port (482) (482'),
(G)	Outlet port for air flow path exiting from below the apertured bed	wherein the outlet port (482) (482') is so disposed that the air flow path exits the container (30) (452) (452') (652) (752) below the apertured bed (12) (232).

- 3.3.2 In the Ruby artificial fires the metal grate 1 (on the photographs indicated under 2.12) can be considered to be the aperture bed. The imitation fuel bed / the imitation logs 2 do not contain openings within the meaning of claim 1 and only serve to mask groove 3.
- 3.3.3 Point 4 where the vapour containing air flow leaves the container must be regarded as outlet port. For that reason the outlet port is not located under the aperture bed, but above or, as the case may be, in the aperture bed.
- 3.3.4 Furthermore, the grate has only one groove from where the vapour rises and, hence, not (several) openings, as is required for claim 1. The other openings only serve to permit the passing of light from lamps placed under the metal grate, which create a realistic fuel bed.
- 3.3.5 Consequently, there is no infringement on claim 1.
- 3.3.6 The Ruby artificial fires are lacking a vapour distributing component as referred to in claims 3, 4 and 5, so that neither those claims are infringed. An upwardly directed current of air, as referred to in claim 7, is also missing.
- 3.3.7 The measures A through E referred to in paragraph 3.3.1 are known from WO 664. Also measure F is known from WO 664. The craftsman knows that the vapour that is generated does not of itself start to move upwardly, but – rather on the contrary – is pulled down by gravity. It is for this reason that WO 664 applies *means for inducing a current of air upwardly from the bed*. Since, according to WO 664, the vapour rises from the container through the apertured bed there must be an air current directly upward from the container. In that case, to compensate for such, air must also flow into the container somewhere. Hence, the only difference between claim 1 and WO 664 is measure G.
- 3.3.8 Compared to WO 664 the patent want to offer an improved simulation of smoke or of a burning log fire, as the case may be. The craftsman will understand that a more realistic simulation is dependent upon the lighting and upon a broader or better distribution, as the case may be, of the vapour containing air flow above the fuel bed. In the case of WO 665 the vapour containing air flow is notably

centred in the middle or, as the case may be, the upper part of the fuel bed. To the craftsman in that case it is obvious to have the flow of air flow out from further below, from under the fuel bed, so that the entire width of the fuel bed can be more optimally used for the vapour containing air flow. This renders claim 1 non-inventive and, hence, void.

3.3.9 Moreover, the craftsman who wants to solve the problem of a better spread of the vapour shall consult the well-known vaporizer devices (nebulisers), equipped with an ultrasonic vapour generator, from state-of-the-art technology. In such apparatuses, the problem that the vapour generated does not of itself move out of the ultrasonic generator is solved by transporting the vapour generated in a flow of air over the water to the outside. It is obvious to apply such a vapour generator so as to solve the problem of unevenness and insufficiently emitted vapour clouds. If such a vapour generator is placed under the aperture bed of WO 664, the apparatus of claim 1 is realized, so that this claim is non-inventive and therefore void.

3.3.10 Claim 3 lacks sufficient disclosure and for that reason is void as well.

3.3.11 Basic does not have an (urgent) interest in the claims against Aparto being awarded, because Aparto has promised to cease the sale of the allegedly infringing Ruby artificial fires pending the outcome of the proceedings against Ruby Decor.

3.3.12 Alternatively applies, in case the court finds that the Ruby artificial fires do infringe EP 941, that Basic Holdings does not have an interest in the requested ban on stocking Ruby artificial fires, in the cross-border claims and in the requested *recall* for the Netherlands, that it does not have an urgent interest in the requested certified specification, that the repeating penalty should be limited and that the requested costs of the proceedings are not reasonable or proportionate.

3.4 The assertions of parties, to the extent they are of importance, are further dealt with below.

4. The assessment

Competency

4.1 In the proceedings on the merits this district court is internationally competent to rule on the claims against the respondents established in the Netherlands by virtue of article 4 EEX II Regulation³. Consequently it is also competent to order preliminary measures, also in case these are cross-border measures. To the extent that the validity of foreign parts of EP 941

³ (EU) Regulation 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters

must be assessed for the claims under II, the court is not competent as regards the proceedings on the merits in view of article 24 paragraph 4 EEX II Regulation. However, given that Ruby Decor and Aparto are established in the Netherlands and, therefore, a real bond as referred to in the judgment EC Court of Justice, November 17, 1998 (C-391/95, Van Uden – Deco-line, paragraph 40) can be presumed present, the competency in these preliminary relief proceedings can be based on article 35 EEX II Regulation. The provisions of article 24 paragraph 4 EEX II Regulation do not oppose such, since merely a preliminary assessment of the validity of the foreign part of the patent is made (compare EU Court of Justice, July 12, 2012, C-616/10, Solvay – Honeywell, paragraph 51).

Urgent interest

- 4.2 Since Basic Holdings has asserted that Ruby Decor and Aparto are continuously infringing its patent rights, the urgent interest required for these proceedings is given. Nor has Ruby Decor argued a defence as regards this point. Given that Aparto has not signed a cease-and-desist statement in connection with EP 941 (nor one drafted by itself) and, moreover, it disputes the validity of EP 941, the required urgent interest is also present vis-à-vis Aparto.

Validity of the patent

- 4.3 When discussing the inventiveness of the patent in accordance with the *problem-solution-approach*, both of the parties have assumed WO 664 to be the state of technology that comes closest, so that also the judge hearing preliminary relief proceedings will assume WO 664 as starting point when assessing the inventiveness of the patent.
- 4.4 If we join Ruby Decor *cum suis* in assuming that solely measure G distinguishes the patent from WO 664 then, subsequently, we fail to see that the technical effect of this measure would be a wider or, as the case may be, better distribution of the vapour-containing air flow above the fuel bed. Ruby Decor *cum suis* has not explained why the vapour, as it asserts, would distribute over a larger width of the fuel bed on account of this measure. For that reason the problem described by Ruby Decor *cum suis* which would be solved by the patent as described in 3.3.8 presently is deemed incorrect. We also fail to see that the average craftsman, who would strive to have a wider distribution of the vapour over the fuel bed, would arrive at the application of measure G.
- 4.5 Unlike the problem described in 3.3.8, the problem described by Ruby Decor *cum suis* as set out in 3.3.9 does not relate to the distribution of the vapour but to the emittance of the vapour from the container for fluid. Still joining Ruby Decor *cum suis* in assuming this measure G being the difference, also this problem definition is considered incorrect because we fail to see that measure G contributes to the emittance of the vapour from the container for fluid. Thus it is incomprehensible that the average craftsman would combine the apparatus of WO 661 with vapour generators known from the state of technology.
- 4.6 In view of the foregoing the alleged lack of inventiveness of claim 1 of the patent (and of the foreign parts of the patent) has not been sufficiently legally justified and, presently, must be dismissed. Moreover, a different finding would not help Ruby Decor *cum suis* given that it has merely disputed the validity of the claims 2, 4, 5, 6, 7, 8, 9, 10, 13, 16 and 17, which have also been invoked by Basic Holdings, by simply replying (to a question from the judge

hearing preliminary relief proceedings at the end of the court hearing) that these claims too lack inventiveness because only claim 1 was investigated in the examination procedure. The alleged nullity of these subsequent claims thus also lacks sufficient legal justification and cannot be followed. Therefore the judge hearing preliminary relief proceedings must assume the validity of those subsequent claims, even if claim 1 would be null and void, whereas no defence has been argued against the asserted – and substantiated – infringement on the subsequent claims 2, 6, 8, 9, 10, 13, 16 and 17 other than the infringement defence against claim 1, which defence has been judged to be relevant for these subsequent claims and, presently, to lack sufficient conviction.

- 4.7 The validity of claim 3 need not be discussed given that the abovementioned claims are deemed valid.

Infringement

- 4.8 Basic Holdings correctly has pointed to paragraph [0018] (see 2.5) in the description of the patent. From this paragraph follows that the imitation wood logs 2 of the Ruby artificial fires qualify as an apertured bed (*apertured bed*) within the meaning of claim 1 of the patent. This bed 2 has several openings, quite apart from the fact that the apertured bed may also have one opening (compare paragraph [0019] of the description: '*In alternative arrangements, the apertured bed may be in the form of one or more larger bodies each of which has one or more apertures which allow the passage of vapour*' - underscore added by the judge hearing preliminary relief proceedings). Also if point 4 of the Ruby artificial fires, as Ruby Decor *cum suis* argues, is considered to be the outlet port, the outlet port therefore is located under the apertured bed. Ruby Decor *cum suis* has not disputed that the Ruby artificial fires meet the remaining characteristics of claim 1. Consequently, it presently can be assumed that the Ruby artificial fires infringe claim 1 (and 2, 6, 8, 9, 10, 13, 16 and 17) of the patent.

Claims

- 4.9 Since, presently, it must be assumed that Ruby Decor *cum suis* infringes the Dutch part of EP 941, imposition of the below-mentioned bans is admissible. As requested, Ruby Decor and Aparto will be imposed a ban to (directly) infringe the Dutch part of EP 941. Moreover, Ruby will be imposed a ban that will be force in Germany, France, Ireland and the United Kingdom, since it does not refute that it has the intention to extend the trade of the Ruby artificial fires to these countries and it, thus, is likely that also infringement on the foreign parts of the patent is threatening. In order to avoid execution problems, the period within which Ruby Decor *cum suis* must cease the infringements on EP 941 shall be set at two working days from the service of this judgment. The ban also applies to keeping a stock destined for trade, since already the keeping of that stock infringes Basic Holdings' patent right.
- 4.10 The *recall* for the Netherlands requested under III shall also be awarded, with amendment of the text, where necessary. By means of this preliminary relief measure further infringements by customers of Ruby Decor *cum suis* can be prevented. Ruby Decor *cum suis*' defense that Basic Holdings would lack urgent interest in such, which is not further substantiated, therefore is ignored.

4.11 The specification requested under IV was claimed, as clarified by Basic Holdings, in order to check whether Ruby Decor *cum suis* complies with the *recall* and in order to gain insight into the extent of the infringement. For that reason the requested specification apparently relates to the infringement in the Netherlands. This claim is admissible since the preliminary relief measure serves to end or to prevent further (threatening) infringements. However, such does not apply to price information. The court fails to see why, prior to the proceedings on the merits in which liability and damages will be at order, Basic Holdings should already be in possession of this competition-sensitive information.

4.12 The claim to have the specification certified by a *registeraccountant*, however, shall be dismissed for lack of urgent interest. For the specification shall be reinforced by a repeating penalty and the specification, should there be cause to do so, can as yet be audited by an accountant in the proceedings on the merits.

Repeating penalty, time limit 1019i DCCP and costs of the proceedings

4.13 The repeating penalty to be levied shall be mitigated as mentioned below and, as is claimed, shall be maximized at Euro 1,000,000.

4.14 Because it is not clear what the claims are in the proceedings on the merits already initiated against Ruby and because Aparto apparently is not involved in these proceedings, the time limit for filing a claim in principal proceedings referred to in article 1019i DCCP shall be set at six months from today.

4.15 Being the largely unsuccessful party, Ruby Decor *cum suis* shall be sentenced to payment of the costs of the proceedings, under application of article 1019h DCCP. Basic Holdings claims reimbursement of its full procedural costs, which it has estimated at Euro 119,538.98, inclusive of the costs of the attachments and the costs of sequestration (estimated at Euro 11,957.42 and Euro 9,952.57 for both attachments), inclusive of court fees and disbursements and exclusive of VAT.

4.16 Ruby Decor *cum suis* has objected to the height of the costs claimed. It has pointed out that the costs on her side amount to approximately half of those of Basic Holdings and that the costs of the attachment do not merit reimbursement in preliminary relief proceedings. Basic Holdings has offset such by taking the point of view that it has had to incur higher costs because only at a very late stage did Ruby Decor *cum suis* provide the necessary clarification to its exhibits. It furthermore takes the viewpoint that the costs of the attachments can be claimed in these preliminary relief proceedings and that proceedings on the merits need not necessary be awaited to do so.

4.17 The costs of attachment claimed must be dismissed, since no surrender of infringing artificial fires has been claimed in these proceedings. Already only for this reason the costs of the attachment cannot be considered as reasonable and equitable costs incurred in connection with these preliminary relief proceedings.

4.18 The remaining costs in the amount of Euro 97,663.99 have been specified by Basic Holdings in its specification of costs. Ruby Decor *cum suis* has not disputed that the number of hours mentioned in the specification was spent on the proceedings or alleged that needless acts

were performed. Its objection comes down to it being of the opinion that it cannot be justified that Ruby Decor *cum suis* [sic! – in the context of the paragraph, this should have read Basic Holdings] has spent more hours on the matter than it itself has. That point of view cannot be followed. The circumstance that the counter party has spent considerably more hours on the case may be an indication that its costs are not reasonable and equitable, but that is not necessarily the case. Since no further substantial objections have been argued against the specification of Basic Holdings, the judge hearing preliminary relief proceedings shall estimate the costs on the side of Basic Holdings at the specified amount. As is claimed, these costs shall be increased with the legal interest.

5. The ruling

The judge hearing preliminary relief proceedings;

- 5.1 Prohibits Ruby Decor and Aparto, following two days from the service of this judgment, to in any way infringe the Dutch part of EP 941, including the manufacturing, marketing, selling, delivering and/or otherwise trading or having in stock for such purpose, offering or importing of the Ruby artificial fires;
- 5.2 Prohibits Ruby Decor, following two days from the service of this judgment, to in any way infringe the German, French, Irish part of EP 941 or the part of EP 941 valid for the United Kingdom, including the manufacturing, marketing, selling, delivering and/or otherwise trading or having in stock for such purpose, offering or importing of the Ruby artificial fires;
- 5.3 Orders Ruby Decor *cum suis* to within fourteen days from service of this judgment request all of its professional buyers of the Ruby artificial fires sold and/or delivered in the Netherlands in writing to return these infringing products within two weeks, with the offer to reimburse the invoice price and the costs of transport, and while using exclusively the following text:

"Dear [name of professional buyer],

By judgment of [insert date] the judge hearing preliminary relief proceedings of the District Court of The Hague ruled that the MYSTIC FIRES artificial fireplaces offered and delivered by [insert Ruby / Aparto] in the Netherlands infringe Basic Holdings ULC's European patent bearing number EP 2 029 941 B1.

We delivered Mystic Fires artificial fireplaces to you some time ago. It concerned the following consignment(s)

[insert the details of the consignment(s), such as the date and number of fires]

Insofar as you still have them in stock, we request that you return to us all MYSTIC FIRES artificial fireplaces delivered to you within 14 days from the date of this letter. We will of course refund the price you paid and the transport costs.

With kind regards,

[Ruby's / Aparto's signature]

- 5.4 Orders each of Ruby Decor and Aparto to within thirty days from service of this judgment provide the attorneys of Basic Holdings with a specification of:
 - a. The total number of Ruby artificial fires that each of them purchased, ordered, received and/or kept in stock for the purpose of trading in the Netherlands, specified per supplier, with mention of the dates of purchase, supported by purchase documents; and
 - b. The total number of Ruby artificial fires that each of them already sold and/or supplied and/or had returned, specified per professional customer, with mention of delivery dates, supported by sales documents;
- 5.5 Stipulates that in the case of violation of the injunctions imposed in 5.1 through 5.2 the respondent in question forfeits a repeating penalty of Euro 10,000 per product, and in the case of violation of the orders mentioned in 5.3 and 5.4, a repeating penalty of Euro 1,000 per day, with a maximum of Euro 1,000,000, respectively Euro 100,000.
- 5.6 Sentences Ruby Decor *cum suis* to payment of the costs of the proceedings, up to now estimated at Euro 97,663.99 on the side of Basic Holdings, to be increased with the legal interest as of 14 days from the service of this judgment until the day of full and final settlement;
- 5.7 Declares this judgment up to this point to be provisionally enforceable;
- 5.8 Sets the time limit for filing a claim in the principal proceedings within the meaning of article 1019i DCCP at six months from today;
- 5.9 Dismisses all that was otherwise or additionally claimed.

This judgment was rendered by *mr.* P.G.J. de Heij and was pronounced at the public court hearing on May 4, 2016.

[signed: illegible]

[signed: illegible]