http://www.DailyBulletin.com/business/20151023/Rancho-Cucamonga-Fire-Glass-firm-to-go-after-companies-in-patent-infringement-cases

Moderustic in the NEWS!

Rancho Cucamonga fire glass firm to go after companies in patent cases



Welder/fabricator Salvador Benitez constructs a rain cover for a VortexED fire at Moderustic in Rancho Cucamonga on Wednesday. Jennifer Cappuccio Maher — Staff Photographer

By Neil Nisperos, Inland Valley Daily Bulletin

RANCHO CUCAMONGA The market for <u>Aquatic Glass</u> -- tempered glass pieces scattered over a gas burner in a fire pit or fire place -- has exploded across the globe as an aesthetic alternative to wood-burning fireplaces.

Rancho Cucamonga entrepreneur Ed Jaunzemis said his Rancho Cucamonga-based firm, <u>Moderustic</u>, was first to gain patents for the process of manufacturing the product. Jaunzemis, president of Moderustic, said total domestic sales of the product are now around \$1.2 billion dollars.

But Jaunzemis said about 9,000 companies domestically are now manufacturing and selling the product, eating significantly into his market share. Where in 2010 he was making \$3.8 million in annual sales, annual revenue for the product today is now around \$1.2 million.

So with the help of dozens of attorneys and licensing agents nationwide, Jaunzemis said he's going to possibly license the companies he says are infringing on his patent.

With legal success, Jaunzemis said he hopes to shut down competition and bring his annual sales up to \$?? millions in a four years in order to expand his company to a larger warehouse and hire hundreds of employees.

"We're down because the market's been saturated and now we're launching these campaigns," Jaunzemis said.

Over the summer, Jaunzemis' lawyers filed an initial patent infringement lawsuits against several companies in federal court in Texas and possibly California.

Among them is <u>Hearth Distribution</u>, based out of Vancouver, Washington, which markets a similar glass product called <u>Arctic Flame</u>.

"We do believe the lawsuit is without merit," said Geoff Dawe, an executive with Hearth Distribution. "Other than that I can't comment because of ongoing litigation." (they settled out of court)

Lewis Brande, an attorney based in Rancho Cucamonga, is acting as Jaunzemis' liaison with the other attorneys nationwide, and is helping to coordinate the legal effort.

Brande said the scope of the litigation, with thousands of companies involved, is unusual.

"I would tend to believe it's not common at all because you usually don't have that many companies fabricating one particular item," Brande said.

Jonathan Jaffee, a business professor at the <u>Drucker School of Management</u> at Claremont Graduate University, teaches his students about patent infringement law. Jaffee said Moderustic's patents do provide them power, but it doesn't necessarily mean they have a case against their rivals. He said the rivals have two potential avenues in fighting the infringement lawsuit.

"It (Moderustic) assumes they have the intellectual property for this invention but their rivals can come back with a couple of alternative claims," Jaffee said. "For example the rivals could say, 'what we do actually doesn't infringe on your patent, that we use a different process."

Jaffee said that the defendants could also claim there had been "prior art" for the process prior to the filing of Moderustic's patents, if it exists.

"What it simply means is that prior to the filing of the patent by Moderustic, somebody had already published a scientific or engineering article explaining the process they have," Jaffee said. "It's a legitimate defense. In the first case, you're saying, 'we're not infringing on you because you were not inside your patent protection.' In the second case, you're saying 'they never really had a valid patent in the first place.""

Brande hoped there would be some kind of resolution with the initial parties by next year.

We Make Fire Cool!

Moderustic® is proud to have been issued 4 U.S. Patent Numbers US9700987B1 and US9808905B2 and Patents pending status!