

## **NORSAR and Wavetrain Systems AS suspects patent infringement by Next Generation Rail Technologies S.L.**

*Stiftelsen NORSAR ("NORSAR") and Wavetrain Systems AS ("Wavetrain") have reason to believe that the Spanish company Next Generation Rail Technologies S.L. ("NGRT"), founded by the former Wavetrain-employee Mr. Richard Aarøe, is infringing NORSAR and Wavetrain's rights in and to a patented method and related trade secrets used, amongst others, for train detection and broken rail detection. NORSAR and Wavetrain have repeatedly approached Mr. Aarøe and NGRT addressing the infringing activities; however, Aarøe, and NGRT have not been willing to respond. NORSAR and Wavetrain will continue to protect their rights and will initiate legal measures against NGRT, Mr. Aarøe and possibly other employees of NGRT, if necessary.*

NORSAR and Wavetrain have developed a method for measuring acoustic wave propagation in rails. The technology is patent protected in several countries around the world, amongst other through the European patent EP2616307, the US Patent US9067608 B2 and US 9,327,744. Patent protection is also secured in Russia, China, South Africa and Australia. The patented method may be used, among other things, to detect approaching trains and broken rails.

In 2010, NORSAR and Wavetrain entered into a cooperation and licence agreement granting Wavetrain exclusive rights to use the method for measuring acoustic wave propagation in rails, covered by the patents mentioned above, as well as related trade secrets.

In July 2015, shortly after leaving his position as CEO of Wavetrain and while he was subject to a non-compete clause, Mr. Richard Aarøe established NGRT. To our knowledge, Mr Aarøe is still subject to a non-compete clause as an indirect shareholder of Wavetrain.

NGRT offers products that are competing both directly and indirectly with Wavetrain's products, *amongst others* in the categories train detection and broken rail detection. Some of NGRT's products are undoubtedly competing with Wavetrain's products. NORSAR and Wavetrain also have reason to believe that NGRT has employed and/or entered into co-operation agreements with ex-Wavetrain employees, in one event the Wavetrain employee started the co-operation prior to leaving Wavetrain.

NORSAR and Wavetrain have strong reasons to believe that NGRT and Mr. Aarøe are infringing the European patent EP2616307 and the US Patents US9067608 B2 and US 9,327,744, and unlawfully exploiting NORSAR and Wavetrain's trade secrets by marketing, offering, selling and using numerous of NGRT's products, based on measurements of acoustic wave propagation in rails. NGRT offered the products soon after the company was founded, which seems impossible without exploiting and infringing the mentioned patents and trade secrets. Mr. Aarøe's background from Wavetrain and reluctance to respond to NORSAR and Wavetrain's previous letters strengthens this suspicion.

NORSAR and Wavetrain will continue to protect their rights and will initiate legal measures against NGRT, Mr. Aarøe and possibly other employees of NGRT, if necessary. Such legal steps may also be directed at third parties who have purchased infringing products from NGRT and Mr. Aarøe.