

“On August 15, 2008, the United States Court of Appeals for the Federal Circuit affirmed the ruling of the United States District Court, Central District of California, regarding Brady Construction Innovation Inc.’s (“Brady”) United States Reissue Patent no. RE39,462 (“the ‘462 Patent”). The Federal Circuit held that claim 11 of the ‘462 patent, which is the only reissue claim of the ‘462 patent, is invalid because Brady improperly sought to expand the scope of U.S. Patent No. 5,127,760 (“the ‘760 patent”), which was Brady’s original patent upon which the ‘462 patent is based. The ‘760 patent no longer exists, as it has been superseded by the ‘462 patent.

Previously, Brady had sued Metal Lite and others for infringement of the ‘760 patent. On December 1, 2004, however, the Federal Circuit Court of Appeals ruled that Brady’s ‘760 patent could not be infringed unless a user of slotted track product uses the product with a stud with a pre-drilled hole in it. Because neither Metal Lite nor anyone else in the industry has ever used the product in such a manner, the District Court in the prior action granted Judgment in Metal Lite’s favor, finding that Metal Lite did not infringe any claim of the ‘760 patent. This finding also absolved the entire industry of any concern that is infringing any of the claims (i.e., claims 1 through 10) of Brady’s ‘760 patent.

Unwilling to accept this result, Brady went back to the United States Patent and Trademark Office (“USPTO”) to seek what is known as a “reissue patent.” In doing so, Brady sought to obtain reissue claim no. 11, which purported to cover the use of Brady’s sliptrack product used without a stud with a predrilled hole. Brady was able to convince the USPTO to issue the new claim, and Brady immediately filed another lawsuit against Metal Lite and many others in the industry for infringement of claim 11 of the ‘462 patent. The District Court in that case granted Metal Lite’s motion and entered Judgment in favor Metal Lite, finding that reissue claim 11 is invalid because it sought to expand the scope of the original ‘760 patent. Brady appealed this ruling to the United States Court of Appeals for the Federal Circuit. The Federal Circuit affirmed the District Court’s holding that the claim 11 is invalid.

Although the reissue “462 patent includes the original claims (claims 1 through 10) from the ‘760 patent, as stated above, Those claims cannot be infringed unless a user of a slotted track product uses the product with a stud with a predrilled hole. In light of this, no one in the industry needs to fear that it is infringing Brady’s ‘462 patent and Metal Lite believes it is improper and unlawful for Brady to continue to mark its products with the ‘462 patent or otherwise assert that its products are covered by the ‘462 patent. Metal Lite reserves its rights to seek appropriate relief from the appropriate court for any claims Brady or others make to the effect that Brady’s sliptrack product is covered by the ‘462 patent or any other patent.”