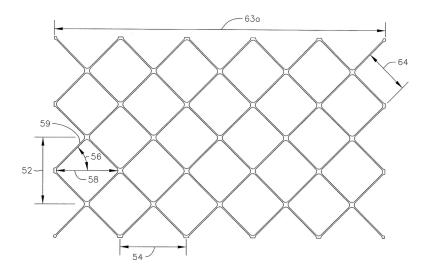
Expanded Technologies Seeks Declaration of Non-Infringement and Invalidity of Wallner's "Expanded Metal" Patent

Article By:

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On May 9, 2014, Expanded Technologies, Inc. ("Expanded Tech") filed a complaint against WallnerTooling/Expax, Inc. ("Wallner"), seeking both a Declaration of Non-Infringement and a Declaration of Invalidity of U.S. Patent No.8,696,781 (hereafter, "the '781 patent").

Expanded Tech is an Oklahoma corporation with its principal place of business in Marietta, Georgia, and Wallner is a California corporation with its principal place of business in Rancho Cucamonga, California and with a registered agent in Kennesaw, Georgia.



According to the complaint, both corporations are in the industry of producing expanded metal products for HVAC filters. Prior to founding Expanded Tech in 1989, Mr. Jean-Luc Liverato was employed by Wallner from about May 1988 until about August 1989. Mr. Liverato was responsible for opening and managing the operations of Wallner's manufacturing facility in Kennesaw, Georgia, which continues to operate today.

The issue in the complaint involves the '781 patent entitled "Expanded Metal and Process of Making the Same," which issued April 15, 2014 from U.S. Patent Application No. 12/891,606 (the '606 Application) which was filed on September 29, 2009. The patent was duly assigned to Wallner and

relates generally to a filter having a filter medium reinforced with expanded metal of a specific form.

According to the complaint, Wallner has a history of suing Expanded Tech. In 1990, predecessors to Wallner sued Mr. Liverato for alleged trade secret misappropriation in connection with his opening of Expanded Tech (Superior Court of Cobb County, Georgia, Case No. 9012883-99). The suit was ultimately dismissed with prejudice without recovery to Wallner.



Still according to the complaint, Wallner sued again in February 1996 in the same court, this time naming both Expanded Tech and Jerry Cook, a former Wallner employee then working for Expanded Tech, seeking a temporary restraining order, alleging breach of a "Patent Rights Agreement" between Wallner and Cook, and alleging misappropriation of trade secrets. Specifically, Wallneralleged that Cook, while still employed by Wallner, "entered Wallner's Kennesaw, Georgia facility on a weekend and videotaped the machinery used to implement [Wallner's methodology and technology]." Wallner's motion for a temporary restraining order was denied, and the case was ultimately dismissed without recovery to Wallner.

The complaint further alleges that on December 4, 2012, a man entered Expanded Tech's manufacturing facility without authorization through the loading docks with a camera and tried, perhaps successfully, to take pictures of Expanded Tech's manufacturing machines in action



In addition to the history of litigation, the complaint also outlines a series of letters sent back and forth between Expanded Tech and Wallner. In May 2011, two months after the '606 Application was published as U.S. Patent Publication No. 2011/0067372 (the '372 Publication), Wallner's counsel sent a letter to Expanded Tech "to provide [Expanded Tech] with notice pursuant to [pre-AIA] 35 U.S.C. § 154(b) of provisional rights conferred to Wallner by the '372 Publication." Expanded Tech replied by letter stating that Expanded Tech considered the matter to be closed until the '606 application issues as a patent. Wallner's counsel then sent another letter asserting that Expanded Tech's expanded metal, including that used in the PURAFILTER 2000, was infringing and that once the '372 Publication issued Wallner intended to enforce it to the full extent of the law. Expanded Tech again replied in a letter stating "in the absence of an issued patent, there is no need to respond to your assertions."

Expanded Tech's counsel also advised Wallner's counsel that they believed Wallner manufactured and sold products including features from the '372 publication, and that the manufacture and sales occurred more than one year prior to the filing date of both the '371 publication and the provisional application from which the '371 publication claimed benefit. If true, such allegations could invoke the "on sale bar" of pre-AIA 35 U.S.C. 102(b).

Wallner filed a "preliminary amendment" on February 8, 2012, and a "request for republication of patent application" on February 28, 2012. The '606 application was then republished as <u>U.S. Patent Publication No. 2012/0144792</u> ("the '792 publication"). After the '792 publication was published, Wallner's counsel again sent notice to Expanded Tech of rights allegedly conferred by the '792 publication. The patent ultimately issued as the '781 patent on April 15, 2014.

According to the complaint, Expanded Tech received another letter from Wallner's council on April 30, 2014, this time with a copy of the '781 patent enclosed. The letter allegedly accused Expanded Tech of infringement and expressly stated an intent to enforce Wallner's alleged rights in regards to the '781 patent.

As a result, as Expanded Tech explains in their complaint, Expanded Tech has reasonably inferred that Wallner is presently prepared and willing to seek to enforce the '781 patent against Expanded Tech. Based on these alleged events, Expanded Tech filed for a Declaration of Non-infringement by Expanded Technologies of U.S. Patent No. 8,696,781 and a Declaration of Invalidity of U.S. Patent No. 8,696,781.

The case is *Expanded Technologies, Inc.* v. *Wallner Tooling/Expac, Inc.*, Case No. 1:14-cv-01421-RWS filed May 9, 2015 in the United States District Court for the Northern District of Georgia, Atlanta Division, and is assigned to Judge Richard W. Story.

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