



Engineering & Component Services

Reducing Aircraft Operating Costs by Providing Resourceful Component Repair, Overhaul & Approved Replacement Parts Solutions

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FOR IMMEDIATE RELEASE

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US District Court Throws Out Bell's Trademark Suit

Should the OEM community have a monopoly on component repair? This is the question a Court in Seattle answered recently. In what could be, a far-reaching legal decision, A U.S. District Court ruled to dismiss a lawsuit brought by industry "Goliath" Bell Helicopter.

In July of 2002, Bell Helicopter filed suit against Able Engineering in the U.S. District Court for the Western District of Washington in Seattle. In its complaint (Case # C02-1295C), Bell alleged that, in the course of performing repairs on Bell components, Able was in violation of several sections of the federal statute governing trademark protection (commonly known as the Lanham Act). Bell claimed that once components bearing Bell trademark(s) and/or part number(s) were repaired they ceased to be genuine Bell components and, as such, could no longer bear Bell's mark or part number. As a FAA-certificated repair station, Able is bound by established FAA law requiring the original mark(s) and part number(s) to remain in place after the completion of maintenance or repairs. Able vigorously disagreed with Bell's assessment of Able's business practices and the matter proceeded into the formal stages of litigation.

On August 15, 2003, after more than a year of costly litigation, the District Court summarily dismissed (with prejudice) Bell's claims against Able Engineering. The dismissal precludes Bell from bringing similar litigation against Able in the future. The Court re-affirmed well-settled FAA law and put to rest the unsubstantiated claims that FAA-approved repairs are somehow "illegal."

This ruling marked the end of a bitter dispute in which Bell attempted to preclude third party maintenance providers from repairing Bell components. The real winner in today's ruling is the end user. The repairs Able performs provide operators and overhaul facilities an alternative to buying new. FAA-approved component repair solutions routinely save operators thousands of dollars during overhauls by extending the life of otherwise un-serviceable components. Throughout the dispute, Bell maintained that, as the original equipment manufacturer of these components, Bell (or its agents) was exclusively authorized to provide repairs. Bell further argued that any repairs not provided or authorized by Bell (or its agents) constituted an alteration and, therefore, a trademark infringement. The FAA's endorsement of the repair approval process (and those properly approved repairs) has never been in question. Consequently, Bell instead sought relief from the District Court. Ultimately, as evidenced in its ruling, the Court was unconvinced by Bell's arguments.

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In the words of the Court,

“The Court finds particularly persuasive the FAA’s classification of defendant’s processes as repairs...The FAA’s determination that defendant’s procedures are repairs meaning that the parts’ airworthiness is unaffected- is compelling evidence that Willan’s [Bell’s expert witness] conclusions regarding the [degradation of] integrity of the parts are without merit. Additionally, defendant’s procedures do not result in the creation of new products because their purpose-as determined by the FAA-is to restore the parts to their original conditions....Plaintiff has failed to meet it’s burden of demonstrating that defendants alter Bell parts....In summary, the Court finds that no genuine issues of material fact exist...the Court hereby GRANTS defendant’s motion for summary judgment...”

In responding to the Court’s favorable decision, Lee Benson, Able’s President and majority shareholder said, “Obviously, we’re pleased with the ruling. We would have been quite surprised to see the ruling come down any other way. This has been a long, expensive road, but we felt we didn’t have any choice but to defend ourselves (and the industry’s maintenance options) to the end. We felt all along that if Bell were successful in limiting our ability to provide cost-effective maintenance solutions, a terrible precedent would have been set in an industry that has faced more than its fair share of difficulty in recent years. More than ever, we believe in our mission of reducing aircraft operating costs by providing resourceful component solutions.

“This dispute aside, we are still interested in forging a relationship with Bell to provide a wider network of support for our mutual customers. Our success with Eurocopter illustrates that strategic partnerships really are the best way to fortify customer support. Eurocopter has shown the industry that focusing on the end user’s needs is the best way to a profitable future.”

“I would like to specifically thank our legal team. Jason Dickstein (The Washington Aviation Group), Brian Buckley (Gray Cary) and Stelman Keehnel (Gray Cary) really made the difference for us. Although this has been a very costly process, we never questioned the value our legal team provided. Their sound judgment, legal expertise and litigation experience helped preserve a valuable industry option”

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