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October 8, 2008

J. Peter Staples, Esq.
Chernoff, Vilhauer, McClung & Stenzel, LLP
601 S.W. Second Avenue
Suite 1600
Portland, Oregon 97204-3157

Re: Benchmade and Mentor v. Benson dba Roadside Imports

Dear Pete:

Thank you for your email earlier today.

After having just the briefest opportunity to look into this matter, I must admit to some confusion of my own.

In your email, you state that “[a]s of today, Mr. Benson is stilling using Benchmade’s registered BALI-SONG trademark.” I looked myself and, frankly, cannot find even a single instance of such use, other than as seen in photographs of actual, genuine Benchmade products, and in metadata to enable website visitors to find Benchmade’s products. If you type the term “Bali-Song” into the website’s search facility, you will see that only Benchmade products are returned.

Surely you do not mean to say that Mr. Benson is still using the generic term “balisong” (its genericness being amply shown in the attached few examples of many more such examples of the generic use of that term), for he most certainly is doing so, but we cannot imagine that your clients would have any real concern about it. Surely you do not mean to say that there is anything wrong or unlawful in Mr. Benson’s mere use of “balisong” to describe the category or type of knife, in the same manner as that term appears in the caption of the federal court case *United States v. 1,044 Balisong Knives*, Civ. Action No. 70-110 (D. Ore. Sept. 28, 1970) (decided almost nine years before the alleged date of first use in commerce of U.S. Trademark Registration No. 1,154,620, obtained at some time in the past by Benchmade from Bali-Song, Inc., the absence of any mention of which in Benchmade’s complaint being rather curious), or as that term appears in any of the multitude of subsequent federal and state court decisions referring to balisongs. Right? If I am mistaken, please direct me to the web page at issue where you find BALI-SONG to be improperly used instead of the generic term balisong. Mr. Benson is quite willing to correct any such inadvertent mistakes.

Of course, Mr. Benson has no desire to improperly use your client’s registered word mark BALI-SONG, i.e., the hyphenated trademark, despite our conclusion that the registration is plainly invalid for genericness, the hyphen notwithstanding. However, if we cannot amicably resolve the dispute, we will be happy to test our conclusion in TTAB cancellation proceedings, as well as in the district court.

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Similarly, despite my best effort, which I acknowledge might have been less than thorough given the time pressure involved, I also cannot find any use of the BALI-SONG AND DESIGN trademark other than in connection with Mr. Benson's offer for sale of genuine Benchmade products on which the mark appears. Again, please direct me to any use on the website that you believe is improper. If there is such improper use, then Mr. Benson will undoubtedly certainly agree to cease such use immediately.

Apart from the questions regarding possible infringement and related causes for the accused Benchlite knife, Mr. Benson has already removed the item from his offerings, and is further willing to disclose to Benchmade the suppliers for the Chinese-origin knife, which has never been advertised nor shipped in any boxes indicated any other country of origin, the allegation in the complaint notwithstanding. You should be aware of the fact that a grand total of fifteen (15) pieces were sold in eleven (11) sales. He is further willing to permanently discontinue advertising and sale of that particular knife, even though Mr. Benson believes that the Chinese-made Benchlite knife is also being sold by authorized Benchmade dealers, along with the Benchmade Benchmite knife.

Speaking of "Authorized Benchmade Dealers," Mr. Benson's website typically incorporates the descriptive material from the websites of his suppliers, and thus the inclusion of the words "Authorized Benchmade Dealer" were inadvertently included in the advertisement for a single, particular knife, i.e., the Mini-Reflex. Given the location and use of the words, we do not believe that anyone could have reasonably been confused or misled into believing that Mr. Benson was actually stating or representing that he is/was an Authorized Benchmade Dealer. In any event, this particular ad has already been removed. If you are aware of more than one single isolated appearance of the words "Authorized Benchmade Dealer" anywhere in Mr. Benson's website, please let me know and all such identified appearances will be immediately corrected.

Regarding patent infringement, Benchmade's complaint alleges only that the Benchlite knife infringes Mentor's '832 and '484 patents. As I've already said, Mr. Benson has already stopped advertising and selling, and is willing to permanently drop this "hot seller." Thus, alleged infringement of those two patents ought to be considered easily resolved. However, in your September 24 letter to David I. Ferber, Esq., you also assert that "Bokker and Magnum" knives, when converted into automatic knives as allegedly demonstrated by Mr. Benson on his website, would infringe Mentor's '866 patent. We assume that you are referring to conversion of the BOKER MAGNUM knife, a design that we understand has been available since the early 1980's and, thus, one which you might want to think again about charging as infringing a patent whose earliest effective filing date is in 1997. Your reference to "Bokker and Magnum knives" also gives us some pause as it suggests something less than proper due care in formulating your infringement contentions.

Our client is interested in reasonably resolving this matter. The terms stated in your September 24, 2008 letter to Mr. Ferber are unreasonable under the circumstances and are rejected. This letter outlines what Mr. Benson is willing to do, and he is willing to do so in the context of a contractual settlement agreement. There will be no consent order on consent. If this is not enough, and if your client is interested and willing to litigate a TTAB cancellation proceeding as well as pursue a case for damages

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based on the sale of fifteen knives, let me know and the answer will be prepared and filed, serving no one's interests but the litigation lawyers. Otherwise, please forward a suitable settlement agreement for our review and comment.

Regards,

A handwritten signature in black ink, appearing to read "P.C. Schechter". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Peter C. Schechter

NYC 313378.1