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INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

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September 24, 2008

Via Email to Ferber@ferberchan.com
Confirmation via Fax to 1-212-944-7630

David I. Ferber, Esq.
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530 Fifth Avenue
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New York, NY 10036

Re: **BENCHMADE AND MENTOR V.
JONATHAN A. BENSON, DBA
ROADSIDE IMPORTS, USDC, District of
Oregon, Case No. CV 08-967-HA**
Our File Reference: 3446.0180

Dear David:

I appreciate our frank discussion last week. Plaintiffs Benchmade Knife Co., Inc. ("Benchmade") and Mentor Group, LLC ("Mentor") are willing to attempt to settle their pending lawsuit against Jonathan Benson by means of informal discovery, a final judgment on consent, payment to Benchmade and Mentor, and a written settlement agreement. However, doing so will require substantially unconditional cooperation by Mr. Benson. If he is unwilling to provide the information, money and assurances required by plaintiffs, he is welcome to file an Answer and litigate this suit on its merits.

Among the things Benchmade and Mentor will require from Mr. Benson are:



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1. Acknowledgment in a final judgment on consent and a written settlement agreement that:

(a) Benchmade's trademark registration for BALI-SONG® is valid and infringed;

(b) Benchmade's trademark registration for BALI-SONG® and Butterfly Design® is valid and infringed;

(c) Benchmade's trademark registration for BENCHMADE® is valid and infringed;

(d) Benchmade's trademark registration for BENCHMITE® is valid and infringed;

(e) Mentor's '832 patent is valid and infringed;

(f) Mentor's '484 patent is valid and infringed;

(g) Mr. Benson's representation that he is an authorized Benchmade dealer is false and he knew that it was false at the time it was made; and

(h) that the Benchlite knife sold by Mr. Benson is made in China and that he has misrepresented its country of origin by providing the knife in a box bearing "U.S.A. Stainless Steel Knife."

2. Consent to an injunction against:

(a) using BALI-SONG® or any marks, names or terms confusingly similar thereto;

(b) using Benchmade's Butterfly Design or any design confusingly similar thereto;

(c) using BENCHMADE®, BENCHMITE® or "Benchlite" or any marks, names or terms confusingly similar thereto;



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(d) selling the Benchlite product or any other knife or device that infringes the Mentor patents listed in the complaint;

(e) representing himself as an authorized dealer of BENCHMADE® products;

(f) misrepresenting the country of origin of products; and

(g) referring to Mentor, Benchmade, their products, or the lawsuit in any fashion.

3. Complete information about the source of the Benchlite product including the manufacturer and all persons in the distribution chain.

4. An accounting of all Benchlite sales and an identification of all purchasers of the Benchmite product.

5. An accounting of all sales of butterfly knives.

6. An agreement to cease selling conversion kits for Bokker and Magnum knives.¹

7. An agreement to cease demonstrating, facilitating, or assisting in the conversion of a Bokker or Magnum knife to an automatic knife.

8. All information about the source and quantity of the Bokker and Magnum knives sold by Benson and the source and quantity of the conversion kit(s) which converts these knives to automatic knives.

9. Complete information about all purchasers of conversion kit's for Bokker and Magnum knives.

¹ Mentor owns U.S. Patent No. 5,822,866 for a "safety" on an automatic knife. Bokker and Magnum knives have such a safety, but the knives are not sold in this country as automatic knives. Converting a Bokker or Magnum knife having a safety mechanism into an automatic knife as demonstrated by Mr. Benson on his website is patent infringement. Showing others how to make the conversion and selling conversion kits is contributory infringement or inducement of infringement. We did not include a claim for patent infringement of the '866 patent in the complaint because we did not know whether Mr. Benson was aware of the patent. He is now aware of the patent, and further sale of conversion kits or demonstration of conversions on his website will be cause for additional claims for patent infringement.



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10. Payment to Benchmade in the amount of \$15,000.

As of September 22, 2008, Mr. Benson was still using Benchmade's BALI-SONG® trademark, still selling conversion kits, and still demonstrating conversions of Magnum and Bokker knives to automatic knives. Unless Mr. Benson ceases these activities immediately, plaintiffs will withdraw from settlement discussions and amend the complaint to add claims for infringement of U.S. Patent No. 5,822,866.

Please provide us with Mr. Benson's response to these demands by October 6, 2008.

Sincerely,


Peter Staples

JPS:bd

cc: Benchmade Knife Company, Inc.
(via email only)

cc: Mentor Group, L.L.C. (via email only)