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

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DANIEL P. CHERNOFF
(1935-1995)

October 24, 2008

Via Email Only to pschechter@capdlaw.com

Peter C. Schechter, Esq.
Edwards Angell Palmer & Dodge, LLP
750 Lexington Avenue
New York, NY 10022

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 Peter:

The Settlement Agreement proposed by Benson on October 23, 2008 is unacceptable. Benchmade and Mentor withdraw all previous settlement offers.

Attached is a copy of the First Amended Complaint we filed with the Court today. The primary changes are:

1. new claims of infringement and inducing infringement of U.S. Patent No. 5,822,866;
2. new claims of false designation of origin and unfair competition related to sale of a Benchlite knife in a U.S.A. box; and



Peter C. Schechter, Esq.
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3. adding Benson's use of Benchmite as part of the trademark, passing off and unfair competition claims.

Please let us know as soon as possible whether you will accept service on behalf of Mr. Benson. If you will not accept service, we will make arrangements to serve Mr. Benson.

If Mr. Benson chooses to make a further settlement proposal, I suggest that it adhere closely to the terms outlined in our September 24 letter to Mr. Ferber, except the proposed payment to Benchmade and Mentor should be substantially higher.

I will be out of the office next week. In my absence you may contact Robert Lyman or Nancy Moriarty of this office.

Sincerely,



Peter Staples

JPS:bd

Enclosures

cc: Benchmade Knife Company, Inc.
(via email only, with encl.)
cc: Mentor Group, L.L.C. (via email only, with encl.)
cc: Nancy J. Moriarty, Esq. (via email only)
cc: Robert N. Lyman, Esq. (via email only)