

HONORABLE MENTION DEFENSE VICTORY IN 1996



03.1997

The National Law Journal

CASE: Chromalloy Gas Turbine Corp. v. United Technologies Corp., 95-CI-12541 (Dist. Ct., Bexar Co., Texas)

CASE TYPE: Antitrust UNTIL 1991, REPAIRS for airplane engines built by United Technologies Corp.'s Pratt & Whitney division were primarily handled by independents such as Chromalloy Gas Turbine Corp. These engines included those built by Pratt & Whitney for Boeing 747s, 777s and 727s. That year, the company announced "they were going to do more repairs themselves and they would be doing more safety audits on the people repairing the engines," said defense counsel Sidney N. Herman, of Chicago's Bartlit Beck Herman Palenchar & Scott. In August 1995, Chromalloy filed an antitrust action against United Technologies, charging its unit with willfully monopolizing the engine repair market, attempting to monopolize the market and engaging in exclusionary conduct. Chromalloy charged that Pratt & Whitney sharply raised prices on spare parts and changed policies on distributing basic information on parts, making it harder for outsiders to repair them. Chromalloy was seeking \$115 million in damages to be trebled. United Technologies denied any anticompetitive practices, but on Nov. 26, 1996, a San Antonio jury found the defendant had attempted to monopolize the repair market and had attempted to engage in monopolistic conduct. But it was hardly a clear victory for the plaintiff; the jury awarded no damages, finding that Chromalloy had not lost any profits through Pratt & Whitney's actions. Peter B. Bensinger Jr., of Bartlit Beck noted, "Bear Stearns reported that Chromalloy spent \$50 million on fees and costs and came up with zip." Post-trial motions are pending.