

Chromalloy Wins Moral Victory in Antitrust Suit

CASE TYPE: *antitrust*

CASE: Chromalloy Gas Turbine Corp. v. United Technologies Corp., 95-CV-1254F (Dist. Ct., Bexar Co., Texas)

PLAINTIFF'S ATTORNEYS: *Salem M. Katsh, of the New York office, and Ralph Miller, of the Dallas office, of New York's Weil, Gotshal & Manges LLP.*

DEFENSE ATTORNEYS: *Fred H. Bartlit and Sidney N. Herman, of Chicago's Bartlit, Beck, Herman, Palenchar & Scott; Ricardo Cedillo, of San Antonio's Davis, Adams & Cedillo*

JURY VERDICT: *split decision*

CHROMALLOY GAS TURBINE Corp. repairs airplane engines, including engines built by United Technologies Corp.'s Pratt & Whitney division. Chromalloy is the biggest independent company in the airplane engine repair business, said plaintiff's counsel Salem M. Katsh.

Until 1991, the repair market for Pratt & Whitney engines was primarily handled by independents. That year, defense attorney Sidney N. Herman said, Pratt & Whitney announced that "they were going to do more repairs themselves, and they would be doing more safety audits on the people repairing the engines."

But, said Mr. Katsh, Pratt & Whitney's real intention was "to take over the market for repair." Pratt & Whitney sharply raised prices on spare parts and delayed the development of repair processes, he said. The company also "changed policies on distributing basic information on parts so people could repair them" and restricted independent shops from developing repair processes, he said.

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 sought \$115 million in damages, to be trebled. On Nov. 26, a San Antonio jury found the defendant had tried to monopolize the repair market. The jury awarded no damages, however, finding that Chromalloy had not lost profits through Pratt & Whitney's actions.

Mr. Katsh said, "We consider this a significant victory for Chromalloy." Because of the jury's finding of liability, he said, Chromalloy will be seeking injunctive relief. But injunctive relief "does not flow from the jury's verdict," said Mr.

Herman, because the jury found no irreparable harm to the plaintiff. Post-trial motions will be heard Jan. 24.