

# Ashlar-Vellum Channel Partner Newsletter

## July 2011

### Roar of the Lion



#### Hear that Lion Roar

V8 SP2/SP3 of Ashlar-Vellum  
CAD & 3D Modeling Software  
is Compatible with Mac OS X 10.7

Version 8 of all Ashlar-Vellum CAD and 3D modeling products has been tested on Apple's new OS X 10.7 operating system, better known as Lion. Lion is compatible with Cobalt™, Xenon™, Argon™ v8 SP2 and Graphite™ v8 SP3. New features, such as Lion's Autosave, Restore, Versioning, Full Screen Mode and new Multi-touch Gestures are not currently supported but Ashlar-Vellum is considering how to implement them in version 9.

A new banner announcing Mac Lion OS X 10.7 compatibility with has been added to the rotation on the website.

### Physical Materials on Separate Order

Because of changing tax laws around the world, it is more and more to our customers' advantage to order licenses for our CAD and 3D modeling software separately from the physical materials, including DVDs and printed manuals.

From now on, in order to save on sales tax, VAT, import duties and brokerage fees being applied against the entire order, all physically deliverable materials should be purchased separately from the license so that any taxes or fees are applied only to the physical materials, not the license price.

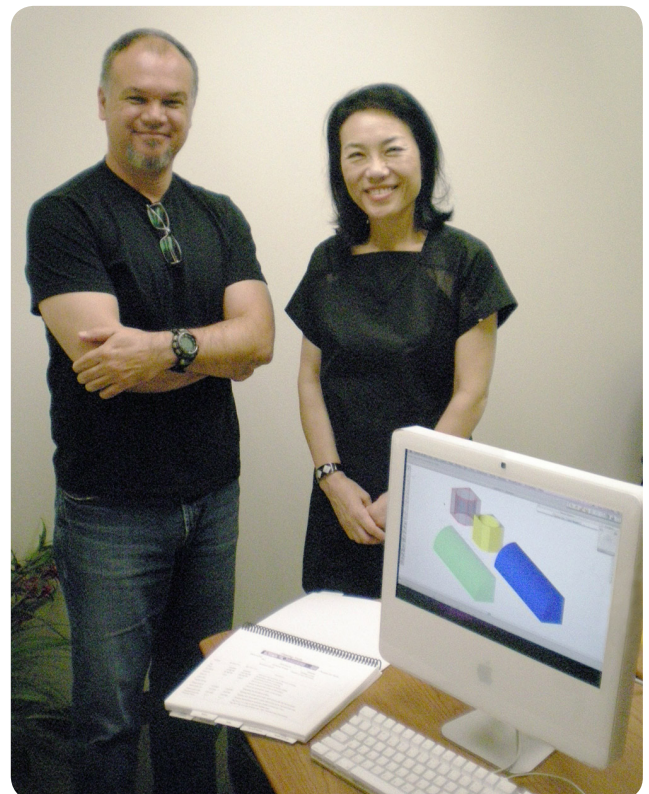
Prices for full material sets ordered separately have been reduced from US \$129.95 to US \$100.00. Hybrid Mac/Windows DVDs with all products and accessories are still US \$8.25. Current margins apply. In both cases, shipping is additional.

### Welcome Estée Lauder

Agostinho Martins of Estée Lauder and Yukiko Kojima of Estée Lauder Japan are visiting our Austin offices this month for three days of Cobalt training with Ashlar-Vellum trainer, Nick Slaughter.

## ESTÉE LAUDER

Agostinho and Yukiko both use Cobalt to create innovative packaging solutions for containing, dispensing, applying and merchandising cosmetic product lines for the 29 different brands under the Estée Lauder name, such as Clinique, MAC and Origins.



Industrial designers Agostinho Martins (left) and Yukiko Kojima design innovative packaging solutions for Estée Lauder Companies, Inc.

## Final Victory in Japanese Courts

The law suit with Concepts Technology in Japan is finally over. For many years, Concepts Technology, and prior to that Famotik, have attempted to usurp Ashlar's source code and trademarks. In the spring of 2006 Concepts Technology sued Comnet, Ashlar Incorporated's OEM partner and Ashlar-Vellum's Japanese distributor, claiming that they owned all the original source code to Vellum® and Graphite.



In the spring of 2010 we received the full judgment from the Japanese court with the following results:

- The court upheld Ashlar Incorporated's ownership of the *Vellum* registered trademark in Japan, just as the Japanese Patent & Trademark office did.
- The software of both Ashlar Incorporated and Concepts Technologies has been found to contain source code from the other company.
- Concepts Technology is ordered to stop selling their software and pay Ashlar Incorporated ¥58,206,284, or approximately US \$748,000, in damages for the unauthorized use of our source code and trademarks.
- Comnet, is ordered to stop selling Box Vellum Graphite and Ashlar-Vellum Graphite, and pay Concepts Technology ¥4,540,000, or about \$50,000, primarily for infringing activities engaged in prior to entering into a relationship with Ashlar Incorporated.
- There was no judgment against Ashlar Incorporated of any kind.

At that time Comnet appealed the decision and posted the appellate bond of ¥4,540,000. Concepts Technology also filed for appeal but never paid the appellate bond.

Several hearings were heard by Japan's special High Technology Court of Appeals, during which time Ashlar's right to sue, and our ownership of source code and trademarks were upheld and all parties encouraged to settle the dispute out of court. When efforts to settle failed, the courts rendered judgment in late June of this year, upholding the lower court's ruling in all matters brought before them.

The results of that judgment upheld the original development contract signed in the mid '90s by Ashlar Incorporated and Famotik. The judgement delineated Ashlar Incorporated as the owner of the Vellum 2.7 base code plus "extensions" found in future versions. It specified that Concepts Technology owns the "additions" to this source code, limited to the modules for surfacing, rendering, hidden line removal and interface, including the IGES and BMI translators. These features were part of Vellum 3.0, 4.0, 98, 99, then removed after Ashlar split with Famotik and created Graphite. Unfortunately, some non-functional modules and source code fragments from the deleted features remained in early versions of Graphite. In order to make a clean break, the judgment disallows our distributor, Comnet, from selling any product called Graphite in Japan and Concepts Technology from selling anything called Draftboard.

Comnet, Ashlar-Vellum and Ashlar Incorporated will be introducing new software into the Japanese market with all fragments of the Famotik additions removed. Moreover, the software will be converted to Unicode supporting over 100,000 characters from multiple language sets. Concepts Technology still owes Ashlar Incorporated the original judgment plus interest.