## **Insurance Claims**

#### Lost Profits At An Optometrist Practice

Zurich Insurance Company asked Hampton IP & Economic Consultants to determine an optometrist's lost profits resulting from the closure of his office due to water damage.

Our consultants developed a model to determine the number of walk-in and returning patients the doctor would have seen, but-for the damage.

Net profits were calculated based on these lost patients and consideration was given to other continuing and non-continuing expenses.

## Lost Profits At A Heavy Equipment Repair Center

National Interstate Insurance Company asked Hampton IP & Economic Consultants to verify and calculate lost profits at a heavy equipment repair center due to a power outage.

Upon investigation, our consultants determined that the repair center was able to mitigate their loss by renting a generator and that, despite the inconvenience, the center's productivity was well within the normal range of operations.

# Trademark Infringement Liability THE CASE SETTLED BEFORE TRIAL.

Farmers Insurance Company, the law firm Cooper, Kardaras & Kelleher (Pasadena), and the Laser Eye Center of Los Angeles (defendant) retained our consultants, with regard to Case No. 00-CV-21161 in the United States District Court for the Northern District of California, to quantify trademark infringement damages arising from the use of the trademark "Laser Eye Center" in the Bay Area.

We assisted with discovery and provided a declaration and Rule 26 expert report that included an analysis of allegedly infringing revenues, apportionment and deductible costs.

#### Lost Profits At A Country Club

The St. Paul Insurance Company asked our consultants to determine a country club's lost profits due to the poisoning of all 18 greens on its golf course. The country club has multiple profit centers, some of which rely on the number of golfers for revenue.

We worked with the policyholder to determine which profit centers and revenue streams depend on the number of golfers to ensure accurate damages.

#### Inventory Reconstruction Due To Theft

Intermountain Claims, Inc. asked our consultants to determine a home electronics retailer/installer's loss due to the misappropriation of merchandise by an employee.

Because said employee was responsible for many aspects of selling merchandise, several documents were compromised or not available for our consultants to analyze.

We determined actual misappropriated goods by analyzing shipping documents provided by a third-party. By analyzing these shipping documents, we were able to use product descriptions to determine the proper value for the misappropriated goods.

#### Copyright Infringement Liability

Travelers Insurance Company, the law firm of Sedgwick, Detert, Moran & Arnold, L.L.P. (Los Angeles), and Import Resource Group, Inc. (plaintiff) retained Hampton IP & Economic Consultants, with regard to Case No. 01-CV-03192 in the United States District Court for the Central District of California, to quantify copyright infringement damages arising from copyrights owned by IRG and allegedly infringed by Wal-Mart and Cresco Inc.

Counter claims involved copyrights asserted by Cresco against Target Stores, and Michaels, Inc.

We quantified damages arising from copyright infringement, the impacts of demand letters and the seizure of merchandise by U.S. Custom agents.

Hampton IP & Economic Consultants assisted with discovery and submitted a Rule 26 expert report that included analyses of the alleged infringing revenues and deductible costs.

We also provided deposition testimony.

#### Lost Profits At An Engineering Firm

Maxson Young Insurance asked our consultants to determine lost profits for a mechanical/electrical engineering firm due to a fire at the policyholder's office.

Our consultants evaluated several factors of the engineering firms operations to determine that no contracts were lost due to the fire.

We also developed a model to calculate the policyholder's continuing payroll costs, considering the engineering firm continued to pay its employees and several sub-contractors to complete time-sensitive work.

#### **Design Patent Infringement Liability**

Farmers Insurance Company, the law firm Ropers, Majeski, Kohn, & Bentley, P.C. (Los Angeles), and Rid-Gid Products, Inc. (defendant) retained our consultants, with regard to Case No. 01-CV-05214 in the United States District Court for the Central District of California, to quantify damages arising from a design patent dispute that resulted in the alleged disruption of Flou S.P.A.'s prospective economic relations. Rid-Gid sent a demand letter to Flou customers that alleged Flou furniture infringed upon Rid-Gid's design patent.

We quantified damages, submitted a declaration and a Rule 26 expert report that identified economic factors that contributed to Flou's alleged business loss.

#### Lost Profits At A Hotel

Intermountain Claims, Inc. asked our Hampton IP & Economic Consultants to determine lost profits for an upscale hotel which suffered damage in several rooms from a faulty sprinkler system.

A typical analysis of historical performance would not be adequate, due to the hotel preparing to accommodate guests for the 2002 Winter Olympic Games.

We analyzed historic vacancy rates for the hotel and coupled that with actual reservations cancelled and projected walk-in traffic. We continued to consider the rooms available for use for the analysis.

#### Lost Profits At A Sports Club

Intermountain Claims, Inc. asked Hampton IP & Economic Consultants to determine a sports club's lost profits due to damage suffered by one of its tennis bubbles.

We meticulously searched through the policyholder's tennis scheduling information and determined that during much of the period of restoration, the sports club had ample space on its tennis courts to meet demand.

#### Lost Profits At A Manufacturing Plant

The St. Paul Insurance Company asked our consultants to calculate lost profits at a hydraulic seals manufacturer due to a power outage.

With the policyholder having multiple work-centers for its product range, we reviewed several production reports and considered several start-up time issues for each work center.

Our consultants also analyzed the impact the power outage had on the policyholder's electronic inventory carousel.

# Trademark Infringement Liability

THE CASE SETTLED BEFORE TRIAL.

Hartford Insurance Company, CNA Insurance Company, the law firm Lane Powell Spears Lubersky, L.L.P. (Seattle), and Direct Focus, Inc. (defendant), the manufacturer of the BowFlex fitness machine, retained our consultants, with regard to Case No. 98-CV-00557 in the United States District Court for the District of Oregon, to quantify damages arising from trademark, copyright and trade secret claims made by SoloFlex, Inc. against BowFlex.

We submitted a Rule 26 report that addressed SoloFlex's product life cycle and an apportionment of BowFlex sales based upon direct advertising television infomercials and spots. We also provided deposition testimony.

#### Lost Profits At A Charter Bus Company

Gallagher Bassett Services, Inc. asked our consultants to calculate lost profits for a charter bus company due to an accident involving one of its large coaches.

Our consultants reviewed financial information, along with utilization reports for all of the policyholder's coaches in the city in which the accident occurred, to determine that the policyholder did not have a sufficient number of buses to meet demand.

We calculated damages based on average coach earnings per chartered occasion.