

THE HONORABLE JAMES L. ROBERT

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

LEONARDO, S.P.A., an Italian company,

Plaintiff,

v.

THE BOEING COMPANY, a Delaware
corporation,

Defendant.

No. 2:19-cv-2082-JLR

DEFENDANT THE BOEING COMPANY'S
ANSWER TO AMENDED COMPLAINT,
AFFIRMATIVE DEFENSES, AND
COUNTERCLAIMS

Defendant The Boeing Company ("Boeing") answers the Amended Complaint filed by Plaintiff Leonardo, S.p.A. ("Leonardo") as follows, in paragraphs numbered to correspond to the paragraphs in the Amended Complaint.

NATURE OF THE CASE

1. Boeing denies the allegations made in Paragraph 1.

2. Boeing denies the allegation in the first sentence of Paragraph 2 that Leonardo has manufactured 767 slats in "strict compliance" with Boeing's requirements. Boeing admits that Leonardo manufactures certain parts for Boeing's 767 airplanes. Boeing further admits that it discovered certain tool marks and foreign object debris ("FOD") in slats that Leonardo manufactured for its 767 airplanes and that Boeing has been required to make repairs to the 767 slats as a result of these non-conformances. Boeing further admits that it has incurred damages as

1 a result of these non-conformances for which Leonardo is responsible. The second and third
2 sentences of Paragraph 2 state legal conclusions to which no response is required. To the extent a
3 response is required, Boeing denies the allegations in the second and third sentences of
4 Paragraph 2. In addition, Boeing further answers that Leonardo purports to define the term
5 “Drawings, Tooling and Production” as meaning “Boeing’s design drawings, machining
6 specifications, procedures, instructions, processes, industrialization methods and tooling.”
7 “Drawings, Tooling and Production” is not a defined term in the parties’ contract, and the
8 breadth and generality of the definition of “Drawings, Tooling and Production” renders this term
9 vague and ambiguous. The document referenced in Paragraph 2 speaks for itself, and Boeing
10 denies any allegations inconsistent with this document. The document referenced in Footnote 1
11 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
12 foregoing answer shall not be construed as an admission regarding the truth, relevance,
13 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
14 thereof.

15 3. Boeing admits that it provided Leonardo invoices for costs associated with
16 nonconforming 767 slats. Boeing further admits that it provided Leonardo written notification
17 that it would be applying setoffs to certain of Leonardo’s invoices if Leonardo did not pay those
18 amounts due. The documents referenced in Paragraph 3 speak for themselves, and Boeing denies
19 any allegations inconsistent with these documents. Except as expressly admitted, Boeing denies
20 the allegations made in Paragraph 3. The foregoing answer shall not be construed as an
21 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
22 referenced document(s), nor the contents thereof.

23 4. Boeing admits that it has applied setoffs to certain of Leonardo’s invoices, but
24 denies that those setoffs were “wrongful.” The documents referenced in Paragraph 4 and
25 Footnote 2 speak for themselves, and Boeing denies any allegations inconsistent with these
26 documents. Except as expressly admitted, Boeing denies the allegations made in Paragraph 4 and

1 Footnote 2. The foregoing answer shall not be construed as an admission regarding the truth,
2 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
3 contents thereof.

4 5. Boeing admits that it has applied setoffs to certain of Leonardo's invoices. Except
5 as expressly admitted, Boeing denies the allegations made in Paragraph 5.

6 6. Boeing admits that it provided Leonardo invoices for costs associated with
7 nonconforming 767 slats. The documents referenced in Paragraph 6 speak for themselves, and
8 Boeing denies any allegations inconsistent with these documents. Except as expressly admitted,
9 Boeing denies the allegations made in Paragraph 6. The foregoing answer shall not be construed
10 as an admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
11 referenced document(s), nor the contents thereof.

12 7. The document referenced in Paragraph 7 speaks for itself, and Boeing denies any
13 allegations inconsistent with this document. Except as expressly admitted, Boeing denies the
14 allegations made in Paragraph 7. The foregoing answer shall not be construed as an admission
15 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
16 document(s), nor the contents thereof.

17 8. Boeing denies the allegations in the first sentence of Paragraph 8 to the extent that
18 Leonardo invoices at the shipset level rather than specifically for slats. Boeing admits that the
19 proportion of invoices reflecting delivery of slats is approximately \$19-\$20 million per year.
20 Boeing lacks knowledge or information sufficient to form a belief regarding the allegations made
21 in the second sentence of Paragraph 8, and therefore denies them.

22 9. Boeing denies the allegations made in Paragraph 9.

23 10. Boeing denies the allegations made in Paragraph 10. Boeing further answers that
24 the document referenced in Paragraph 10 speaks for itself, and Boeing denies any allegations
25 inconsistent with this document. The foregoing answer shall not be construed as an admission
26

1 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
2 document(s), nor the contents thereof.

3 11. Boeing admits that a video-borescope is a form of visual inspection technology.
4 The allegation in Paragraph 11 that “[t]he use of such technology is neither contemplated nor
5 required by the parties’ contract” states a legal conclusion to which no response is required.
6 Boeing denies the remaining allegations in Paragraph 11.

7 12. Boeing denies the allegation in the first sentence of Paragraph 12 that FOD and
8 tool marks identified in the 767 slats are “*de minimus*” in nature and “invisible to the naked eye.”
9 Boeing admits that a borescope can magnify dust and residue. Boeing denies the allegations in
10 the second sentence of Paragraph 12. In addition, Boeing further answers that in Paragraph 2,
11 Leonardo purports to define the term “Drawings, Tooling and Production” as meaning “Boeing’s
12 design drawings, machining specifications, procedures, instructions, processes, industrialization
13 methods and tooling.” “Drawings, Tooling and Production” is not a defined term in the parties’
14 contract, and the breadth and generality of the definition of “Drawings, Tooling and Production”
15 renders this term vague and ambiguous. Leonardo’s allegation that “FOd and Tool Marks” were
16 “latent” states a legal conclusion to which no response is required. Boeing lacks knowledge or
17 information sufficient to form a belief regarding the remaining allegations made in Paragraph 12,
18 and therefore denies them.

19 13. Boeing lacks knowledge or information sufficient to form a belief regarding the
20 allegations made in Paragraph 13, and therefore denies them.

21 14. Boeing admits that a few of the slats at issue were delivered to Boeing as early as
22 2014. The remaining allegations in Paragraph 14 state legal conclusions to which no response is
23 required. To the extent a response is required, Boeing denies the allegations made in Paragraph
24 14. Boeing further answers that the document referenced in Paragraph 14 speaks for itself, and
25 Boeing denies any allegations inconsistent with this document. The foregoing answer shall not
26

1 be construed as an admission regarding the truth, relevance, authenticity, admissibility, or
2 completeness of the referenced document(s), nor the contents thereof.

3 15. Paragraph 15 states legal conclusions to which no response is required. To the
4 extent a response is required, Boeing denies the allegations made in Paragraph 15. Boeing further
5 answers that the document referenced in Paragraph 15 speaks for itself, and Boeing denies any
6 allegations inconsistent with this document. The foregoing answer shall not be construed as an
7 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
8 referenced document(s), nor the contents thereof.

9 16. Boeing admits that in July 2019, Leonardo engaged mechanics to rework and
10 repair 767 slats. Boeing denies the remaining allegations made in Paragraph 16.

11 17. Paragraph 17 is argumentative and states legal conclusions to which no response
12 is required. To the extent a response is required, Boeing denies the allegations made in Paragraph
13 17.

14 18. Boeing admits that the calculation of its damages is based in part on confidential
15 and proprietary information. Boeing denies the remaining allegations made in Paragraph 18.

16 19. Boeing denies the allegations made in Paragraph 19. In addition, Boeing further
17 answers that in Paragraph 2, Leonardo purports to define the term “Drawings, Tooling and
18 Production” as meaning “Boeing’s design drawings, machining specifications, procedures,
19 instructions, processes, industrialization methods and tooling.” “Drawings, Tooling and
20 Production” is not a defined term in the parties’ contract, and the breadth and generality of the
21 definition of “Drawings, Tooling and Production” renders this term vague and ambiguous.

22 20. Paragraph 20 states legal conclusions to which no response is required. To the
23 extent a response is required, Boeing denies the allegations made in Paragraph 20.

24 21. Paragraph 21 states legal conclusions to which no response is required. To the
25 extent a response is required, Boeing denies the allegations made in Paragraph 21.
26

1 **PARTIES**

2 22. On information and belief, Boeing admits the allegations made in Paragraph 22.

3 23. Boeing admits the allegations made in Paragraph 23.

4 **JURISDICTION AND VENUE**

5 24. Boeing admits that this Court has subject matter jurisdiction over this dispute
6 pursuant to 28 U.S.C. § 1332.

7 25. Boeing admits that the facts and circumstances giving rise to this dispute subject
8 it to the specific personal jurisdiction of this Court. Boeing denies that it is subject to the general
9 personal jurisdiction of the courts of the State of Washington and denies the allegations made in
10 Paragraph 25 to the extent they are interpreted to allege that Boeing is subject to the general
11 personal jurisdiction of this Court.

12 26. Boeing admits that venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)
13 and (c) because a substantial part of the events giving rise to this dispute occurred in this district,
14 and because Boeing is subject to specific personal jurisdiction in this district in the context of
15 this dispute. Boeing denies that it is subject to the general personal jurisdiction of the courts of
16 the State of Washington and denies the allegations made in Paragraph 26 to the extent they are
17 interpreted to allege that venue is proper in this district because Boeing is subject to the general
18 personal jurisdiction of this Court.

19 **STATEMENT OF FACTS**

20 27. On information and belief, Boeing admits that “Leonardo, formerly known as
21 Finmeccanica S.p.A. (“Finmeccanica”), is an Italian industrial group of companies specializing
22 in the aerospace, defense and security industries.” Boeing lacks knowledge or information
23 sufficient to form a belief regarding the remaining allegations made in Paragraph 27, and
24 therefore denies them.

25 28. Boeing admits the allegations made in Paragraph 28.

1 29. Boeing lacks knowledge or information sufficient to form a belief regarding
2 Leonardo's allegation that Alenia manufactured the largest flap ever installed on a commercial
3 airplane. Boeing admits the remaining allegations made in Paragraph 29.

4 30. Boeing admits that Leonardo is a partner in Boeing's 787 Program and that in
5 August 2019, Leonardo's Grottaglie facility, as distinct from Leonardo's Pomigliano facility,
6 was designated as a "2018 Champion Performer" in Boeing's 787 Program. Except as expressly
7 admitted, Boeing denies the allegations made in Paragraph 30.

8 31. Boeing admits that this dispute concerns the parties' relationship with respect to
9 Boeing's 767 airplane program. Boeing admits that Master Program Contract D-414000-8923N,
10 executed by and between Boeing and Alenia on August 14, 1978 (the "MPC"), contractually
11 governs the parties' relationship. The MPC speaks for itself, and Boeing denies any allegations
12 inconsistent with this document. The foregoing answer shall not be construed as an admission
13 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
14 document(s), nor the contents thereof.

15 32. Boeing admits the allegations of Paragraph 32.

16 33. To the extent Leonardo alleges in Paragraph 33 that it is not responsible for FOD
17 and tool marks in the 767 slats, Boeing denies this allegation. In addition, Boeing answers that in
18 Paragraph 2, Leonardo purports to define the term "Drawings, Tooling and Production" as
19 meaning "Boeing's design drawings, machining specifications, procedures, instructions,
20 processes, industrialization methods and tooling." "Drawings, Tooling and Production" is not a
21 defined term in the parties' contract, and the breadth and generality of the definition of
22 "Drawings, Tooling and Production" renders this term vague and ambiguous. As a result, Boeing
23 lacks knowledge or information sufficient to form a belief as to the allegations in Paragraph 33
24 using the term "Drawings, Tooling and Production" and therefore denies the allegations in
25 Paragraph 33. The MPC referenced in Paragraph 33 speaks for itself, and Boeing denies any
26 allegations inconsistent with it. Boeing denies the remaining allegations made in Paragraph 33.

1 The foregoing answer shall not be construed as an admission regarding the truth, relevance,
2 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
3 thereof.

4 34. Boeing denies the allegations made in Paragraph 34. In Footnote 3, Leonardo
5 purports to define the term “cove” as meaning “the cavity behind a leading edge slat.” “Cove” is
6 not a defined term in the parties’ contract, and the generality of the definition of “cove” renders
7 this term vague and ambiguous. As a result, Boeing lacks knowledge or information sufficient to
8 form a belief as to the allegations in Footnote 3 using the term “cove” or the body of the
9 Paragraph relying on the Footnote’s purported definition of “cove” and therefore denies them.
10 Footnote 3 also purports to define the term “cove cover panel” as “final component of the 767
11 Slat to be installed, the purpose of which is to reduce noise in the cove area.” The term “cove
12 cover panel,” which in turn relies on Leonardo’s definition of “cove,” is not a defined term in the
13 parties’ contract, and the generality of the definition of “cove cover panel” renders this term
14 vague and ambiguous. Paragraph 34 also uses the undefined term “cove panel” as well as “cove
15 cover panel,” but what distinction Leonardo wishes to draw, if any, between these terms, is
16 ambiguous. As a result, Boeing further lacks knowledge or information sufficient to form a belief
17 as to the allegations in Paragraph 34 and Footnote 3, all of which rely on assertions regarding the
18 “cove panel” or “cove cover panel.”

19 35. The documents referenced in Paragraph 35 speak for themselves, and Boeing
20 denies any allegations inconsistent with these documents. Boeing further denies that “Boeing has
21 failed to provide Leonardo with any training or technical guidance concerning the prevention of
22 FOD in the enclosed chamber of the 767 Slat, or the inherent risk of FOD caused by Boeing’s
23 Drawings, Tools and Production Methods, in contravention of AS9146.” Boeing lacks
24 information or knowledge to form a belief as to the allegations in Footnote 4. The foregoing
25 answer shall not be construed as an admission regarding the truth, relevance, authenticity,
26 admissibility, or completeness of the referenced document(s), nor the contents thereof.

1 36. With respect to the first sentence of Paragraph 36, Boeing admits that members
2 of its Supplier Quality team located in Italy have inspected certain 767 Slats before they were
3 delivered to Boeing’s plant in Everett, Washington. Boeing lacks knowledge or information
4 sufficient to form a belief as to the remaining allegations in the first sentence of Paragraph 36
5 and therefore denies them. Boeing denies the allegations in the second sentence of Paragraph 36.
6 Boeing denies the allegations in the third sentence of Paragraph 36.

7 37. Boeing admits that a borescope can be inserted into openings in 767 slats. Boeing
8 denies the remaining allegations made in Paragraph 37.

9 38. To the extent that Leonardo alleges that “Boeing never raised any concern at all
10 about FOD and Tool Marks” in 767 products, Boeing denies this allegation. In addition, Boeing
11 answers that Boeing lacks knowledge or information sufficient to form a belief as to the
12 allegations in the first sentence of Paragraph 38 to the extent the term “in these enclosed areas” is
13 undefined and renders the allegations in the first sentence of Paragraph 38 using the term “in
14 these enclosed areas” ambiguous. The first sentence of Paragraph 38 also states legal conclusions
15 to which no response is required. To the extent a response is required, Boeing denies the
16 allegations in the first sentence of Paragraph 38. Boeing lacks knowledge or information
17 sufficient to form a belief as to the allegations in the second sentence of Paragraph 38 because
18 the term “modifications to the design” is undefined and renders the allegations in the second
19 sentence of Paragraph 38 ambiguous. Boeing denies the allegation that it “considered the risk”
20 from Leonardo’s FOD and tool marks “tolerable.” In addition, Boeing further answers that in
21 Paragraph 2, Leonardo purports to define the term “Drawings, Tooling and Production” as
22 meaning “Boeing’s design drawings, machining specifications, procedures, instructions,
23 processes, industrialization methods and tooling.” “Drawings, Tooling and Production” is not a
24 defined term in the parties’ contract, and the breadth and generality of the definition of
25 “Drawings, Tooling and Production” renders this term vague and ambiguous. As a result, Boeing
26 lacks knowledge or information sufficient to form a belief as to the allegations in the last

1 sentence of Paragraph 38 using the term “Drawings, Tooling and Production” and therefore
2 denies the allegations in the last sentence of Paragraph 38.

3 39. Paragraph 39 states legal conclusions to which no response is required. To the
4 extent a response is required, Boeing denies the allegations made in Paragraph 39. Boeing further
5 answers that the document referenced in Paragraph 39 speaks for itself, and Boeing denies any
6 allegations inconsistent with this document. The foregoing answer shall not be construed as an
7 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
8 referenced document(s), nor the contents thereof.

9 40. Paragraph 40 states legal conclusions to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 40. Boeing further
11 answers that the document referenced in Paragraph 40 speaks for itself, and Boeing denies any
12 allegations inconsistent with this document. The foregoing answer shall not be construed as an
13 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
14 referenced document(s), nor the contents thereof.

15 41. Paragraph 41 states legal conclusions to which no response is required. To the
16 extent a response is required, Boeing denies the allegations made in Paragraph 41. Boeing further
17 answers that the document referenced in Paragraph 41 speaks for itself, and Boeing denies any
18 allegations inconsistent with this document. The foregoing answer shall not be construed as an
19 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
20 referenced document(s), nor the contents thereof.

21 42. Paragraph 42 states legal conclusions to which no response is required. To the
22 extent a response is required, Boeing denies the allegations made in Paragraph 42. Boeing further
23 answers that the document referenced in Paragraph 42 speaks for itself, and Boeing denies any
24 allegations inconsistent with this document. The foregoing answer shall not be construed as an
25 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
26 referenced document(s), nor the contents thereof.

1 43. Paragraph 43 states legal conclusions to which no response is required. To the
2 extent a response is required, Boeing denies the allegations made in Paragraph 43. Boeing further
3 answers that the document referenced in Paragraph 43 speaks for itself, and Boeing denies any
4 allegations inconsistent with this document. The foregoing answer shall not be construed as an
5 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
6 referenced document(s), nor the contents thereof.

7 44. Paragraph 44 states legal conclusions to which no response is required. To the
8 extent a response is required, Boeing denies the allegations made in Paragraph 44. Boeing further
9 answers that the document referenced in Paragraph 44 speaks for itself, and Boeing denies any
10 allegations inconsistent with this document. The foregoing answer shall not be construed as an
11 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
12 referenced document(s), nor the contents thereof.

13 45. Paragraph 45 states legal conclusions to which no response is required. To the
14 extent a response is required, Boeing denies the allegations made in Paragraph 45. Boeing further
15 answers that the document referenced in Paragraph 45 speaks for itself, and Boeing denies any
16 allegations inconsistent with this document. The foregoing answer shall not be construed as an
17 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
18 referenced document(s), nor the contents thereof.

19 46. Paragraph 46 states legal conclusions to which no response is required. To the
20 extent a response is required, Boeing denies the allegations made in Paragraph 46. Boeing further
21 answers that the document referenced in Paragraph 46 speaks for itself, and Boeing denies any
22 allegations inconsistent with this document. The foregoing answer shall not be construed as an
23 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
24 referenced document(s), nor the contents thereof.

25 47. To the extent that Leonardo alleges that Boeing's 767 program processes have not
26 been updated or improved over the course of the program, Boeing denies this allegation. In

1 addition, Boeing further answers that in Paragraph 2, Leonardo purports to define the term
2 “Drawings, Tooling and Production” as meaning “Boeing’s design drawings, machining
3 specifications, procedures, instructions, processes, industrialization methods and tooling.”
4 “Drawings, Tooling and Production” is not a defined term in the parties’ contract, and the
5 breadth and generality of the definition of “Drawings, Tooling and Production” renders this term
6 vague and ambiguous. As a result, Boeing lacks knowledge or information sufficient to form a
7 belief as to the allegations Paragraph 47 which rely on the term “Drawings, Tooling and
8 Production” and therefore denies them.

9 48. Boeing denies the allegation that its 767 drawings are “outdated.” In addition,
10 Boeing answers that in Paragraph 2, Leonardo purports to define the term “Drawings, Tooling
11 and Production” as meaning “Boeing’s design drawings, machining specifications, procedures,
12 instructions, processes, industrialization methods and tooling.” “Drawings, Tooling and
13 Production” is not a defined term in the parties’ contract, and the breadth and generality of the
14 definition of “Drawings, Tooling and Production” renders this term vague and ambiguous. As a
15 result, Boeing lacks knowledge or information sufficient to form a belief as to the allegations in
16 the first sentence of Paragraph 48 using the term “Drawings, Tooling and Production” and
17 therefore denies the allegations in the first sentence of Paragraph 48. With respect to the second
18 sentence of Paragraph 48, Boeing admits that Leonardo submitted certain engineering liaison
19 requests (ELRs) in the summer of 2019 proposing changes to the 767 slats. These documents
20 speak for themselves, and Boeing denies any allegations inconsistent with these documents. The
21 foregoing answer shall not be construed as an admission regarding the truth, relevance,
22 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
23 thereof.

24 49. The documents referenced in Paragraph 49 speak for themselves, and Boeing
25 denies any allegations inconsistent with these documents. The foregoing answer shall not be
26 construed as an admission regarding the truth, relevance, authenticity, admissibility, or

1 completeness of the referenced document(s), nor the contents thereof. Boeing denies that it has
2 engaged in “posturing” or that it has imposed “outdated” requirements on Leonardo.

3 50. Boeing denies the allegations made in Paragraph 50.

4 51. In Paragraph 51, Leonardo contends that the allegations in Paragraph 51 are
5 irrelevant to this proceeding because they are “an example unrelated to the instant dispute,” and
6 as a result no response is required to the allegations in Paragraph 51. To the extent a response is
7 required, Boeing denies the allegations made in Paragraph 51.

8 52. The document referenced in Paragraph 52 speaks for itself, and Boeing denies any
9 allegations inconsistent with this document. The foregoing answer shall not be construed as an
10 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
11 referenced document(s), nor the contents thereof.

12 53. Paragraph 53 states legal conclusions to which no response is required. To the
13 extent a response is required, Boeing denies the allegations of Paragraph 53. Boeing further
14 answers that the documents referenced in Paragraph 53 speak for themselves, and Boeing denies
15 any allegations inconsistent with these documents. The foregoing answer shall not be construed
16 as an admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
17 referenced document(s), nor the contents thereof.

18 54. The document referenced in Paragraph 54 speaks for itself, and Boeing denies any
19 allegations inconsistent with this document. The foregoing answer shall not be construed as an
20 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
21 referenced document(s), nor the contents thereof.

22 55. Boeing admits that on July 22, 2019, Boeing placed Leonardo’s Pomigliano Plant
23 Quality Management System on a minimum 90-day probation (the “Leonardo System
24 Probation”).

25 56. The document referenced in Paragraph 56 speaks for itself, and Boeing denies any
26 allegations inconsistent with this document. Boeing denies that any of the actions described in

1 this letter were “needless.” The foregoing answer shall not be construed as an admission
2 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
3 document(s), nor the contents thereof.

4 57. The document referenced in Paragraph 57 speaks for itself, and Boeing denies any
5 allegations inconsistent with this document. The foregoing answer shall not be construed as an
6 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
7 referenced document(s), nor the contents thereof.

8 58. Boeing admits that Leonardo engaged certain contractors to assist with slat repairs
9 at Boeing’s Everett, Washington facility. Boeing denies that it unilaterally “changed its mind,
10 and decided that it was no longer necessary for Leonardo to supervise the Contractors’ repairs
11 and refused to allow Leonardo to do so,” and answers that certain logistical challenges, including
12 visa issues, export control issues, and logistical issues related the data platform Leonardo’s
13 representatives used, affected Leonardo’s representatives’ involvement in slat repair work.
14 Boeing denies the remainder of the allegations alleged in Paragraph 58.

15 59. In Paragraph 2, Leonardo purports to define the term “Drawings, Tooling and
16 Production” as meaning “Boeing’s design drawings, machining specifications, procedures,
17 instructions, processes, industrialization methods and tooling.” “Drawings, Tooling and
18 Production” is not a defined term in the parties’ contract, and the breadth and generality of the
19 definition of “Drawings, Tooling and Production” renders this term vague and ambiguous. As a
20 result, Boeing lacks knowledge or information sufficient to form a belief as to the allegations in
21 the first sentence of Paragraph 59 using the term “Drawings, Tooling and Production” and
22 therefore denies the allegations in the first sentence of Paragraph 59. Boeing lacks knowledge or
23 information sufficient to form a belief regarding the remaining allegations made in Paragraph 59,
24 and therefore denies them.

25 60. The document referenced in Paragraph 60 speaks for itself, and Boeing denies any
26 allegations inconsistent with this document. Boeing denies the remaining allegations made in

1 Paragraph 60. The foregoing answer shall not be construed as an admission regarding the truth,
2 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
3 contents thereof.

4 61. The document referenced in Paragraph 61 speaks for itself, and Boeing denies any
5 allegations inconsistent with this document. The foregoing answer shall not be construed as an
6 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
7 referenced document(s), nor the contents thereof.

8 62. The document referenced in Paragraph 62 speaks for itself, and Boeing denies any
9 allegations inconsistent with this document. The foregoing answer shall not be construed as an
10 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
11 referenced document(s), nor the contents thereof.

12 63. The document referenced in Paragraph 63 speaks for itself, and Boeing denies any
13 allegations inconsistent with this document. Boeing denies the remaining allegations made in
14 Paragraph 63. The foregoing answer shall not be construed as an admission regarding the truth,
15 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
16 contents thereof.

17 64. The document referenced in Paragraph 64 speaks for itself, and Boeing denies any
18 allegations inconsistent with this document. Boeing denies the remaining allegations made in
19 Paragraph 64. The foregoing answer shall not be construed as an admission regarding the truth,
20 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
21 contents thereof.

22 65. The document referenced in Paragraph 65 speaks for itself, and Boeing denies any
23 allegations inconsistent with this document. Leonardo purports to define the term “Unpaid
24 Invoices” in reference to certain unspecified invoices, rendering the term Unpaid Invoices vague
25 and ambiguous. As a result, Boeing lacks knowledge or information sufficient to form a belief
26 as to the allegations in Paragraph 65 using the term “Unpaid Invoices” and therefore denies

1 them. The foregoing answer shall not be construed as an admission regarding the truth,
2 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
3 contents thereof.

4 66. The document referenced in Paragraph 66 speaks for itself, and Boeing denies any
5 allegations inconsistent with this document. Boeing denies the remaining allegations made in
6 Paragraph 66. The foregoing answer shall not be construed as an admission regarding the truth,
7 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
8 contents thereof.

9 67. The documents referenced in Paragraph 67 speak for themselves, and Boeing
10 denies any allegations inconsistent with these documents. Boeing denies the remaining
11 allegations made in Paragraph 67. The foregoing answer shall not be construed as an admission
12 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
13 document(s), nor the contents thereof.

14 68. The documents referenced in Paragraph 68 speak for themselves, and Boeing
15 denies any allegations inconsistent with these documents. The foregoing answer shall not be
16 construed as an admission regarding the truth, relevance, authenticity, admissibility, or
17 completeness of the referenced document(s), nor the contents thereof.

18 69. The document referenced in Paragraph 69 speaks for itself, and Boeing denies any
19 allegations inconsistent with this document. The foregoing answer shall not be construed as an
20 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
21 referenced document(s), nor the contents thereof.

22 70. Boeing admits that it has applied setoffs to certain of Leonardo's invoices. The
23 documents referenced in Paragraph 70 speak for themselves, and Boeing denies any allegations
24 inconsistent with these documents. The foregoing answer shall not be construed as an admission
25 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
26 document(s), nor the contents thereof.

1 71. Boeing admits that on October 1, 2019, representatives from Boeing and
2 Leonardo discussed the document referred to in the Amended Complaint as “the 8-27-19 767
3 Slat Cost Recovery Invoice.” Boeing further answers that the document referenced in Paragraph
4 71 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
5 foregoing answer shall not be construed as an admission regarding the truth, relevance,
6 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
7 thereof.

8 72. The document referenced in Paragraph 72 speaks for itself, and Boeing denies any
9 allegations inconsistent with this document. The foregoing answer shall not be construed as an
10 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
11 referenced document(s), nor the contents thereof.

12 73. The document referenced in Paragraph 73 speaks for itself, and Boeing denies any
13 allegations inconsistent with this document. The foregoing answer shall not be construed as an
14 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
15 referenced document(s), nor the contents thereof.

16 74. The document referenced in Paragraph 74 speaks for itself, and Boeing denies any
17 allegations inconsistent with this document. The foregoing answer shall not be construed as an
18 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
19 referenced document(s), nor the contents thereof.

20 75. The document referenced in Paragraph 75 speaks for itself, and Boeing denies any
21 allegations inconsistent with this document. The foregoing answer shall not be construed as an
22 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
23 referenced document(s), nor the contents thereof.

24 76. The document referenced in Paragraph 76 speaks for itself, and Boeing denies any
25 allegations inconsistent with this document. The foregoing answer shall not be construed as an
26 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the

1 referenced document(s), nor the contents thereof. Boeing denies the remaining allegations made
2 in Paragraph 76.

3 77. The document referenced in Paragraph 77 speaks for itself, and Boeing denies any
4 allegations inconsistent with this document. The foregoing answer shall not be construed as an
5 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
6 referenced document(s), nor the contents thereof.

7 78. The document referenced in Paragraph 78 speaks for itself, and Boeing denies any
8 allegations inconsistent with this document. Boeing denies the remaining allegations made in
9 Paragraph 78. The foregoing answer shall not be construed as an admission regarding the truth,
10 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
11 contents thereof.

12 79. Boeing admits the allegations in Paragraph 79.

13 80. The document referenced in Paragraph 80 speaks for itself, and Boeing denies any
14 allegations inconsistent with this document. Boeing denies the remaining allegations made in
15 Paragraph 80. The foregoing answer shall not be construed as an admission regarding the truth,
16 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
17 contents thereof.

18 81. The document referenced in Paragraph 81 speaks for itself, and Boeing denies any
19 allegations inconsistent with this document. The foregoing answer shall not be construed as an
20 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
21 referenced document(s), nor the contents thereof.

22 82. The document referenced in Paragraph 82 speaks for itself, and Boeing denies any
23 allegations inconsistent with this document. Boeing denies the remaining allegations made in
24 Paragraph 82. The foregoing answer shall not be construed as an admission regarding the truth,
25 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
26 contents thereof.

1 83. The document referenced in Paragraph 83 speaks for itself, and Boeing denies any
2 allegations inconsistent with this document. The foregoing answer shall not be construed as an
3 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
4 referenced document(s), nor the contents thereof.

5 84. The document referenced in Paragraph 84 speaks for itself, and Boeing denies any
6 allegations inconsistent with this document. Boeing denies the remaining allegations made in
7 Paragraph 84. The foregoing answer shall not be construed as an admission regarding the truth,
8 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
9 contents thereof.

10 85. Boeing lacks information or knowledge sufficient to form a belief regarding the
11 allegations made in the first sentence of Paragraph 85, and therefore denies them. Boeing denies
12 the remaining allegations made in Paragraph 85.

13 86. The document referenced in Paragraph 86 speaks for itself, and Boeing denies any
14 allegations inconsistent with this document. The foregoing answer shall not be construed as an
15 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
16 referenced document(s), nor the contents thereof. Boeing admits that Leonardo has requested
17 information regarding Boeing's direct labor hours.

18 87. The document referenced in Paragraph 87 speaks for itself, and Boeing denies any
19 allegations inconsistent with this document. Boeing denies the remaining allegations made in
20 Paragraph 87. The foregoing answer shall not be construed as an admission regarding the truth,
21 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
22 contents thereof.

23 88. The document referenced in Paragraph 88 speaks for itself, and Boeing denies any
24 allegations inconsistent with this document. The foregoing answer shall not be construed as an
25 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
26 referenced document(s), nor the contents thereof.

1 89. The document referenced in Paragraph 89 speaks for itself, and Boeing denies any
2 allegations inconsistent with this document. Boeing denies the remaining allegations made in
3 Paragraph 89. The foregoing answer shall not be construed as an admission regarding the truth,
4 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
5 contents thereof.

6 90. The document referenced in Paragraph 90 speaks for itself, and Boeing denies any
7 allegations inconsistent with this document. Boeing denies the remaining allegations made in
8 Paragraph 90. The foregoing answer shall not be construed as an admission regarding the truth,
9 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
10 contents thereof.

11 91. The document referenced in Paragraph 91 speaks for itself, and Boeing denies any
12 allegations inconsistent with this document. Boeing denies the remaining allegations made in
13 Paragraph 91. The foregoing answer shall not be construed as an admission regarding the truth,
14 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
15 contents thereof.

16 92. The document referenced in Paragraph 92 speaks for itself, and Boeing denies any
17 allegations inconsistent with this document. Boeing denies the remaining allegations made in
18 Paragraph 92. The foregoing answer shall not be construed as an admission regarding the truth,
19 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
20 contents thereof.

21 93. The document referenced in Paragraph 93 speaks for itself, and Boeing denies any
22 allegations inconsistent with this document. The foregoing answer shall not be construed as an
23 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
24 referenced document(s), nor the contents thereof.

25 94. The document referenced in Paragraph 94 speaks for itself, and Boeing denies any
26 allegations inconsistent with this document. Boeing denies the remaining allegations made in

1 Paragraph 94. The foregoing answer shall not be construed as an admission regarding the truth,
2 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
3 contents thereof.

4 95. The document referenced in Paragraph 95 speaks for itself, and Boeing denies any
5 allegations inconsistent with this document. Boeing denies the remaining allegations made in
6 Paragraph 95. The foregoing answer shall not be construed as an admission regarding the truth,
7 relevance, authenticity, admissibility, or completeness of the referenced document(s), nor the
8 contents thereof.

9 96. The document referenced in Paragraph 96 speaks for itself, and Boeing denies any
10 allegations inconsistent with this document. The foregoing answer shall not be construed as an
11 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
12 referenced document(s), nor the contents thereof.

13 97. Boeing denies the allegations made in Paragraph 97.

14 98. Paragraph 98 states legal conclusions to which no response is required. To the
15 extent a response is required, Boeing denies the allegations made in Paragraph 98.

16 99. Boeing admits that its employees inspected certain slats manufactured by
17 Leonardo both in Italy and at Boeing's Everett, Washington facility. Boeing further admits that
18 its inspections of the slats revealed certain non-conformances, including tool marks, gouges, and
19 FOD. It is unclear which documents, if any, Leonardo intended to be referenced in Paragraph 99
20 by using the term "id.", and therefore Boeing lacks information or knowledge sufficient to form
21 a belief as to the allegations referring to unspecified documents or references. Furthermore, each
22 sentence in Paragraph 99 states legal conclusions to which no response is required. To the extent
23 a response is required, Boeing denies the allegations made in Paragraph 99. The last sentence of
24 Paragraph 99 is argumentative and therefore no response is required. To the extent a response is
25 required, Boeing denies the allegations in the last sentence of Paragraph 99. Boeing denies the
26 remaining allegations made in Paragraph 99.

1 100. Boeing admits that its employees inspected certain slats manufactured by
2 Leonardo both in Italy and at Boeing's Everett, Washington facility. Boeing further admits that
3 its inspections of the slats revealed certain non-conformances in the slats, including tool marks,
4 gouges, and FOD. Boeing denies the remaining allegations made in Paragraph 100.

5 101. Paragraph 101 states legal conclusions to which no response is required. To the
6 extent a response is required, Boeing denies the allegations made in Paragraph 101.

7 102. Boeing answers that Paragraph 102 states legal conclusions to which no response
8 is required. Boeing further answers that the documents referenced in Paragraph 102 speak for
9 themselves, and Boeing denies any allegations inconsistent with these documents. Boeing denies
10 the remaining allegations made in Paragraph 102. The foregoing answer shall not be construed as
11 an admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
12 referenced document(s), nor the contents thereof.

13 103. Boeing answers that Paragraph 103 states legal conclusions to which no response
14 is required. Boeing further answers that the documents referenced in Paragraph 103 speak for
15 themselves, and Boeing denies any allegations inconsistent with these documents. Boeing denies
16 the remaining allegations made in Paragraph 103. The foregoing answer shall not be construed as
17 an admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
18 referenced document(s), nor the contents thereof.

19 104. Boeing answers that the document referenced in Paragraph 104 speaks for itself
20 and Boeing denies any allegations inconsistent with these documents. The foregoing answer
21 shall not be construed as an admission regarding the truth, relevance, authenticity, admissibility,
22 or completeness of the referenced document(s), nor the contents thereof. Boeing denies the
23 remaining allegations made in Paragraph 104.

24 105. Boeing answers that the documents referenced in Paragraph 105 speak for
25 themselves, and Boeing denies any allegations inconsistent with these documents. Boeing denies
26 the remaining allegations in Paragraph 105. The foregoing answer shall not be construed as an

1 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
2 referenced document(s), nor the contents thereof.

3 106. Boeing answers that the documents referenced in Paragraph 106 speak for
4 themselves, and Boeing denies any allegations inconsistent with these documents. Boeing denies
5 the remaining allegations in Paragraph 106. The foregoing answer shall not be construed as an
6 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
7 referenced document(s), nor the contents thereof.

8 107. Boeing answers that the document referenced in Paragraph 107 speaks for itself,
9 and Boeing denies any allegations inconsistent with this document. Boeing denies the remaining
10 allegations in Paragraph 107. The foregoing answer shall not be construed as an admission
11 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
12 document(s), nor the contents thereof.

13 108. Boeing answers that the document referenced in Paragraph 108 speaks for itself,
14 and Boeing denies any allegations inconsistent with this document. Boeing denies the remaining
15 allegations made in Paragraph 108. The foregoing answer shall not be construed as an admission
16 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
17 document(s), nor the contents thereof.

18 109. Boeing denies the allegations made in Paragraph 109.

19 110. Boeing denies the allegations made in Paragraph 110.

20 111. Boeing denies the allegations made in Paragraph 111. Boeing further answers that
21 the document referenced in Paragraph 111 speaks for itself, and Boeing denies any allegations
22 inconsistent with this document. The foregoing answer shall not be construed as an admission
23 regarding the truth, relevance, authenticity, admissibility, or completeness of the referenced
24 document(s), nor the contents thereof.

25 112. Boeing denies the allegations made in Paragraph 112.

26 113. Boeing denies the allegations made in Paragraph 113.

1 114. Boeing denies the allegations made in Paragraph 114.

2 115. Boeing denies the allegations made in Paragraph 115.

3 116. Boeing denies the allegations made in Paragraph 116.

4 117. Boeing denies the allegations made in Paragraph 117.

5 118. Boeing denies the allegations made in Paragraph 118.

6 **FIRST CLAIM FOR RELIEF**
7 **(BREACH OF CONTRACT)**

8 119. No response to Paragraph 119 is required. To the extent a response is required,
9 Boeing incorporates by reference its answers to Paragraphs 1 - 118 as if set forth fully herein.

10 120. Paragraph 120 states a legal conclusion to which no response is required. To the
11 extent a response is required, Boeing answers that the document referenced in Paragraph 120
12 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
13 foregoing answer shall not be construed as an admission regarding the truth, relevance,
14 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
15 thereof.

16 121. Paragraph 121 states a legal conclusion to which no response is required. To the
17 extent a response is required, Boeing denies the allegations made in Paragraph 121. The
18 foregoing answer shall not be construed as an admission regarding the truth, relevance,
19 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
20 thereof.

21 122. Paragraph 122 states a legal conclusion to which no response is required. To the
22 extent a response is required, Boeing denies the allegations made in Paragraph 122. The
23 foregoing answer shall not be construed as an admission regarding the truth, relevance,
24 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
25 thereof.
26

1 123. The documents referenced in Paragraph 123 speak for themselves, and Boeing
2 denies any allegations inconsistent with these documents. In Paragraph 65, Leonardo purports to
3 define the term “Unpaid Invoices” in reference to certain unspecified invoices, rendering the
4 term Unpaid Invoices vague and ambiguous. As a result, Boeing lacks knowledge or information
5 sufficient to form a belief as to the allegations in Paragraph 123 using the term “Unpaid
6 Invoices” and therefore denies them. The foregoing answer shall not be construed as an
7 admission regarding the truth, relevance, authenticity, admissibility, or completeness of the
8 referenced document(s), nor the contents thereof.

9 124. Paragraph 124 states a legal conclusion to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 124. In Paragraph
11 65, Leonardo purports to define the term “Unpaid Invoices” in reference to certain unspecified
12 invoices, rendering the term Unpaid Invoices vague and ambiguous. As a result, Boeing lacks
13 knowledge or information sufficient to form a belief as to the allegations in Paragraph 124 using
14 the term “Unpaid Invoices” and therefore denies them.

15 125. Paragraph 125 states a legal conclusion to which no response is required. To the
16 extent a response is required, Boeing denies the allegations in Paragraph 125. In Paragraph 65,
17 Leonardo purports to define the term “Unpaid Invoices” in reference to certain unspecified
18 invoices, rendering the term Unpaid Invoices vague and ambiguous. As a result, Boeing lacks
19 knowledge or information sufficient to form a belief as to the allegations in Paragraph 125 using
20 the term “Unpaid Invoices” and therefore denies them.

21 126. Paragraph 126 states a legal conclusion to which no response is required. To the
22 extent a response is required, Boeing denies the allegations made in Paragraph 126. In Paragraph
23 65, Leonardo purports to define the term “Unpaid Invoices” in reference to certain unspecified
24 invoices, rendering the term Unpaid Invoices vague and ambiguous. As a result, Boeing lacks
25 knowledge or information sufficient to form a belief as to the allegations in Paragraph 126 using
26 the term “Unpaid Invoices” and therefore denies them.

1 127. Paragraph 127 states a legal conclusion to which no response is required. To the
2 extent a response is required, Boeing denies the allegations made in Paragraph 127. In Paragraph
3 65, Leonardo purports to define the term “Unpaid Invoices” in reference to certain unspecified
4 invoices, rendering the term Unpaid Invoices vague and ambiguous. As a result, Boeing lacks
5 knowledge or information sufficient to form a belief as to the allegations in Paragraph 127 using
6 the term “Unpaid Invoices” and therefore denies them. In response to the allegations in Footnote
7 5, Boeing’s August 27, 2019 invoice speaks for itself. Leonardo’s allegation in Footnote 5
8 stating “Please let us know whether any of Leonardo’s invoices were partially paid,” appears to
9 be a question for Leonardo to answer and therefore no Boeing response is required. The
10 foregoing answer shall not be construed as an admission regarding the truth, relevance,
11 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
12 thereof.

13 128. Boeing denies the allegations made in Paragraph 128.

14 129. Paragraph 129 states a legal conclusion to which no response is required. To the
15 extent a response is required, Boeing denies the allegations made in Paragraph 129.

16 130. Paragraph 130 states a legal conclusion to which no response is required. To the
17 extent a response is required, Boeing denies the allegations made in Paragraph 130.

18 131. Boeing admits that it made payment to Leonardo for certain slats that Leonardo
19 supplied to Boeing. Except as expressly admitted, Boeing denies the allegations made in
20 Paragraph 131.

21 132. Paragraph 132 states a legal conclusion to which no response is required. To the
22 extent a response is required, Boeing denies the allegations made in Paragraph 132.

23 133. To the extent that Leonardo alleges that Leonardo has “faithfully” manufactured
24 the 767 slats in accordance with Boeing’s requirements, Boeing denies this allegation. In
25 addition, Boeing answers that in Paragraph 2, Leonardo purports to define the term “Drawings,
26 Tooling and Production” as meaning “Boeing’s design drawings, machining specifications,

1 procedures, instructions, processes, industrialization methods and tooling.” “Drawings, Tooling
2 and Production” is not a defined term in the parties’ contract, and the breadth and generality of
3 the definition of “Drawings, Tooling and Production” renders this term vague and ambiguous.
4 As a result, Boeing lacks knowledge or information sufficient to form a belief as to the
5 allegations in Paragraph 133 using the term “Drawings, Tooling and Production” and therefore
6 denies the allegations in Paragraph 133.

7 134. Boeing denies the allegations made in Paragraph 134.

8 135. Boeing denies the allegations made in Paragraph 135.

9 136. Boeing denies the allegations made in Paragraph 136.

10 137. Paragraph 137 states a legal conclusion to which no response is required. To the
11 extent a response is required, Boeing denies the allegations made in Paragraph 137.

12 138. Boeing admits that it determined certain slats Leonardo supplied to Boeing were
13 non-conforming. Except as expressly admitted, Boeing denies the allegations made in Paragraph
14 138.

15 139. Boeing denies the allegations made in Paragraph 139.

16 140. Boeing denies the allegations made in Paragraph 140.

17 141. Boeing denies the allegations made in Paragraph 141.

18 142. Paragraph 142 states a legal conclusion to which no response is required. To the
19 extent a response is required, Boeing denies the allegations made in Paragraph 142.

20 143. Paragraph 143 states a legal conclusion to which no response is required. To the
21 extent a response is required, Boeing denies the allegations made in Paragraph 143.

22 144. Paragraph 144 states a legal conclusion to which no response is required. To the
23 extent a response is required, Boeing denies the allegations made in Paragraph 144. Boeing
24 further answers that the document referenced in Paragraph 144 speaks for itself, and Boeing
25 denies any allegations inconsistent with this document. The foregoing answer shall not be
26

1 construed as an admission regarding the truth, relevance, authenticity, admissibility, or
2 completeness of the referenced document(s), nor the contents thereof.

3 145. Paragraph 145 states a legal conclusion to which no response is required. To the
4 extent a response is required, Boeing answers that the document referenced in Paragraph 145
5 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
6 foregoing answer shall not be construed as an admission regarding the truth, relevance,
7 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
8 thereof.

9 146. Paragraph 146 states a legal conclusion to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 146.

11 147. Paragraph 147 states a legal conclusion to which no response is required. To the
12 extent a response is required, Boeing answers that the document referenced in Paragraph 147
13 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
14 foregoing answer shall not be construed as an admission regarding the truth, relevance,
15 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
16 thereof.

17 148. Paragraph 148 states a legal conclusion to which no response is required. To the
18 extent a response is required, Boeing denies the allegations made in Paragraph 148.

19 149. Paragraph 149 states a legal conclusion to which no response is required. To the
20 extent a response is required, Boeing answers that the document referenced in Paragraph 149
21 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
22 foregoing answer shall not be construed as an admission regarding the truth, relevance,
23 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
24 thereof.

25 150. Paragraph 150 states a legal conclusion to which no response is required. To the
26 extent a response is required, Boeing denies the allegations made in Paragraph 150.

1 151. Paragraph 151 states a legal conclusion to which no response is required. To the
2 extent a response is required, Boeing denies the allegations made in Paragraph 151.

3 152. Paragraph 152 states a legal conclusion to which no response is required. To the
4 extent a response is required, Boeing denies the allegations made in Paragraph 152.

5 153. Paragraph 153 states a legal conclusion to which no response is required. To the
6 extent a response is required, Boeing denies the allegations made in Paragraph 153.

7 154. Paragraph 154 states a legal conclusion to which no response is required. To the
8 extent a response is required, Boeing denies the allegations made in Paragraph 154.

9 155. Paragraph 155 states a legal conclusion to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 155.

11 156. Paragraph 156 states a legal conclusion to which no response is required. To the
12 extent a response is required, Boeing denies the allegations made in Paragraph 156.

13 157. Paragraph 157 states a legal conclusion to which no response is required. To the
14 extent a response is required, Boeing denies the allegations made in Paragraph 157.

15 158. Boeing denies the allegations made in Paragraph 158.

16 159. Boeing denies the allegations made in Paragraph 159 and its subparts.

17 160. Paragraph 160 states a legal conclusion to which no response is required. To the
18 extent a response is required, Boeing denies the allegations made in Paragraph 160.

19 161. Paragraph 161 states a legal conclusion to which no response is required. To the
20 extent a response is required, Boeing denies the allegations made in Paragraph 161.

21 162. Paragraph 162 states a legal conclusion to which no response is required. To the
22 extent a response is required, Boeing denies the allegations made in Paragraph 162.

23 163. Paragraph 163 states a legal conclusion to which no response is required. To the
24 extent a response is required, Boeing denies the allegations made in Paragraph 163.

25 164. Paragraph 164 states a legal conclusion to which no response is required. To the
26 extent a response is required, Boeing denies the allegations made in Paragraph 164.

1 165. Paragraph 165 states a legal conclusion to which no response is required. To the
2 extent a response is required, Boeing denies the allegations made in Paragraph 165.

3 **SECOND CLAIM FOR RELIEF**
4 **(DECLARATORY JUDGMENT)**

5 166. No response to Paragraph 166 is required. To the extent a response is required,
6 Boeing incorporates by reference its answers to Paragraphs 1 - 118 as if set forth fully herein.

7 167. Paragraph 167 states a legal conclusion to which no response is required. To the
8 extent a response is required, Boeing denies the allegations made in Paragraph 167.

9 168. Paragraph 168 states a legal conclusion to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 168 and its
11 subparts.

12 **THIRD CLAIM FOR RELIEF**
13 **(PERMANENT INJUNCTIONS)**

14 169. No response to Paragraph 169 is required. To the extent a response is required,
15 Boeing incorporates by reference its answers to Paragraphs 1 - 118 as if set forth fully herein.

16 170. Paragraph 170 states a legal conclusion to which no response is required. To the
17 extent a response is required, Boeing denies the allegations made in Paragraph 170.

18 **FOURTH CLAIM FOR RELIEF**
19 **(BREACH OF CONTRACT)**

20 171. No response to Paragraph 171 is required. To the extent a response is required,
21 Boeing incorporates by reference its answers to Paragraphs 1 - 118 as if set forth fully herein.

22 172. Paragraph 172 states a legal conclusion to which no response is required. To the
23 extent a response is required, Boeing admits the allegations made in Paragraph 172.

24 173. Paragraph 173 states a legal conclusion to which no response is required. To the
25 extent a response is required, Boeing denies the allegations made in Paragraph 173.

26 174. Paragraph 174 states a legal conclusion to which no response is required. To the
extent a response is required, Boeing denies the allegations made in Paragraph 174.

1 175. Paragraph 175 states a legal conclusion to which no response is required. To the
2 extent a response is required, Boeing denies the allegations made in Paragraph 175.

3 176. Paragraph 176 states a legal conclusion to which no response is required. To the
4 extent a response is required, Boeing denies the allegations made in Paragraph 176.

5 177. Paragraph 177 states a legal conclusion to which no response is required. To the
6 extent a response is required, Boeing denies the allegations made in Paragraph 177.

7 178. Paragraph 178 states a legal conclusion to which no response is required. To the
8 extent a response is required, Boeing denies the allegations made in Paragraph 178.

9 179. Paragraph 179 states a legal conclusion to which no response is required. To the
10 extent a response is required, Boeing denies the allegations made in Paragraph 179.

11 180. Paragraph 180 states a legal conclusion to which no response is required. To the
12 extent a response is required, Boeing denies the allegations made in Paragraph 180.

13 181. Paragraph 181 states a legal conclusion to which no response is required. To the
14 extent a response is required, Boeing denies the allegations made in Paragraph 181.

15 182. Paragraph 182 states a legal conclusion to which no response is required. To the
16 extent a response is required, Boeing denies the allegations made in Paragraph 182.

17 183. Paragraph 183 states a legal conclusion to which no response is required. To the
18 extent a response is required, Boeing denies the allegations made in Paragraph 183.

19 **FIFTH CLAIM FOR RELIEF**
20 **(BREACH OF IMPLIED COVENANT**
21 **OF GOOD FAITH AND FAIR DEALING)**

22 184. No response to Paragraph 184 is required. To the extent a response is required,
23 Boeing incorporates by reference its answers to Paragraphs 1 - 118 as if set forth fully herein.

24 185. Paragraph 185 states a legal conclusion to which no response is required. To the
25 extent a response is required, Boeing admits the allegations made in Paragraph 185.

26 186. Paragraph 186 states a legal conclusion to which no response is required. To the
extent a response is required, Boeing answers that the document referenced in Paragraph 186

1 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
2 foregoing answer shall not be construed as an admission regarding the truth, relevance,
3 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
4 thereof.

5 187. Paragraph 187 states a legal conclusion to which no response is required. To the
6 extent a response is required, Boeing answers that the document referenced in Paragraph 187
7 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
8 foregoing answer shall not be construed as an admission regarding the truth, relevance,
9 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
10 thereof.

11 188. Paragraph 188 states a legal conclusion to which no response is required. To the
12 extent a response is required, Boeing answers that the document referenced in Paragraph 188
13 speaks for itself, and Boeing denies any allegations inconsistent with this document. The
14 foregoing answer shall not be construed as an admission regarding the truth, relevance,
15 authenticity, admissibility, or completeness of the referenced document(s), nor the contents
16 thereof.

17 189. Paragraph 189 states a legal conclusion to which no response is required.

18 190. Paragraph 190 states a legal conclusion to which no response is required. To the
19 extent a response is required, Boeing denies the allegations made in Paragraph 190.

20 191. Paragraph 191 states a legal conclusion to which no response is required. To the
21 extent a response is required, Boeing denies the allegations made in Paragraph 191.

22 192. Paragraph 192 states a legal conclusion to which no response is required. To the
23 extent a response is required, Boeing denies the allegations made in Paragraph 192.

24 193. Paragraph 193 states a legal conclusion to which no response is required. To the
25 extent a response is required, Boeing denies the allegations made in Paragraph 193.
26

AFFIRMATIVE DEFENSES

Boeing asserts the following affirmative defenses to the Amended Complaint. Nothing in these affirmative defenses is intended to alter, or should be taken as, an argument, admission, or waiver of argument regarding the burden of proof legally applicable to Leonardo's allegations or Boeing's defenses.

A. The Amended Complaint fails to state a claim upon which relief can be granted.

B. Leonardo's claims are barred, in whole or in part, by Leonardo's own contractual breaches of contract and breaches of warranty.

C. Leonardo's damages, if any, were proximately caused by the acts, omissions, and breaches of contract and breaches of warranty of Leonardo.

D. Leonardo's claims for damages must be deducted, set off, debited, and recouped to reimburse Boeing for the damages it incurred due to Leonardo's breaches of contract and breaches of warranty.

E. Leonardo's alleged injuries or damages suffered, if any, would be adequately compensated by damages. Because Leonardo has a complete and adequate remedy at law, it is not entitled to seek equitable relief.

F. Leonardo has ratified the acts, conduct, and omissions, if any, of Boeing and is therefore barred from seeking any relief.

G. Leonardo's claims are barred, in whole or in part, by the doctrines of estoppel, waiver, and/or laches.

H. Leonardo's claims for damages are barred, in whole or in part, by Leonardo's failure to mitigate its damages.

To the extent necessary, Boeing's answers to the Amended Complaint shall be designated as defenses or affirmative defenses. Boeing reserves the right to assert, after investigation and discovery, additional affirmative defenses.

1 **COUNTERCLAIMS**

2 Counterclaim Plaintiff Boeing brings these claims against Counterclaim Defendant
3 Leonardo for damages and relief. Boeing alleges as follows:

4 **PRELIMINARY STATEMENT**

5 Boeing is the world's largest manufacturer of commercial and military airplanes. Boeing
6 engaged Counterclaim Defendant Leonardo to supply certain parts for its 767 airplane program.
7 Among other parts, Leonardo supplies Boeing with the aerodynamic slats that are installed on
8 the wings of 767 airplanes. The parties' contract establishes that, in manufacturing the slats,
9 Leonardo must meet detailed contractual requirements, including as to quality control. In
10 violation of the parties' contract and applicable law, Leonardo failed to supply Boeing with
11 conforming slats and, as a direct result of Leonardo's conduct, Boeing has incurred substantial
12 damages.

13 **THE PARTIES**

14 1. Counterclaim Plaintiff Boeing is a Delaware corporation with its principal place
15 of business located in Chicago, Illinois.

16 2. On information and belief, Counterclaim Defendant Leonardo is a corporation
17 incorporated under the laws of the Republic of Italy with its principal place of business located in
18 Rome, Italy.

19 **JURISDICTION AND VENUE**

20 3. This Court has subject matter jurisdiction over the Counterclaims pursuant to 28
21 U.S.C. § 1332 because the matter in controversy exceeds \$75,000.00 and because there is
22 diversity of citizenship among Boeing and Leonardo.

23 4. This Court has specific personal jurisdiction over Leonardo by virtue of
24 Leonardo's consent to the personal jurisdiction of this Court and by virtue of the facts and
25 circumstances giving rise to this dispute.
26

1 15. For example, Boeing determined that Leonardo employed deficient industrial
2 hygiene and vacuuming practices that allowed metal shavings and other debris to remain on
3 parts, work areas, and storage areas.

4 16. In addition, Boeing determined that throughout Leonardo's manufacturing
5 processes, Leonardo used tools in an improper manner, resulting in gouges, tool marks, and FOD
6 being present on the various parts it manufactured.

7 17. Further, Boeing determined that Leonardo failed to adequately protect the parts it
8 manufactured during the manufacturing process to guard against damage.

9 18. These systemic quality failures were compounded by Leonardo's failure to
10 employ global safeguards (e.g., robust checklists governing FOD prevention and detection and
11 tool mark prevention and detection) that were necessary to ensure Leonardo was producing
12 conforming parts

13 19. The non-conformances Boeing discovered in the slats required immediate
14 investigation, assessment, and repair.

15 20. Leonardo's failure to manufacture the slats in accordance with the terms and
16 conditions of the MPC and other applicable law has caused Boeing to incur, and continues to
17 cause Boeing to incur, extensive damages.

18 21. Boeing lawfully applied setoffs from Leonardo's invoices for a portion of the
19 damages Boeing has incurred.

20 **COUNT 1**
21 **Breach of Contract**

22 22. Boeing incorporates by reference the allegations in Paragraphs 1-21 above as if
23 fully set forth in this cause of action.

24 23. The MPC is a valid and enforceable contract entered into among Boeing and
25 Leonardo for good and valuable consideration.
26

1 24. Boeing has performed all conditions, stipulations, and agreements required of it,
2 in the manner specified by the MPC.

3 25. Leonardo's conduct, acts, errors, omissions and failures, described in this
4 Counterclaim, constitute a material breach of the MPC, including, without limitation, Articles
5 1.4.A, 3.1.C, and 3.5 thereof as well as the product specifications and the quality requirements
6 incorporated therein.

7 26. Leonardo's material breaches have directly and proximately damaged, and will
8 continue to damage, Boeing.

9 27. All conditions precedent to bringing this cause of action have been satisfied.

10 **COUNT 2**
11 **Breach of Warranty**

12 28. Boeing incorporates by reference the allegations in Paragraphs 1-21 above as if
13 fully set forth in this cause of action.

14 29. Pursuant to Article 3.6 of the MPC, Leonardo warranted to Boeing that the
15 products it supplied, including slats, would be free from defects and would conform to the
16 requirements of the MPC, among other representations (the "Warranty").

17 30. The MPC is a valid and enforceable contract entered into among Boeing and
18 Leonardo for good and valuable consideration.

19 31. Boeing has, at all times, performed all conditions, stipulations, and agreements
20 required of it, in the manner specified by the MPC.

21 32. Leonardo's conduct, acts, errors, omissions and failures, described in this
22 Counterclaim, constitute a material breach of the MPC's Warranty.

23 33. Leonardo's material breaches have directly and proximately damaged, and will
24 continue to damage, Boeing.

25 34. All conditions precedent to bringing this cause of action have been satisfied.
26

PRAYER FOR RELIEF

Counterclaim Plaintiff Boeing requests that the Court enter judgment in its favor and against Counterclaim Defendant Leonardo as to all counts of the Amended Complaint and Counterclaims and that the Court order the following relief:

1. Dismiss the Amended Complaint with prejudice.
2. Award Boeing compensatory, incidental, and consequential damages in an amount to be proven at trial.
3. Award Boeing its fees and costs, including reasonable attorneys' fees.
4. Award Boeing pre- and post-judgment interest on its Counterclaims.
5. Award Boeing such other and further relief as the Court may deem just and proper.

DATED: February 10, 2020

s/ Steve Y. Koh

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CERTIFICATE OF SERVICE

The undersigned certifies that on February 10, 2020, I caused to be served via the CM/ECF system a true and correct copy of the foregoing document and that service of this document was accomplished on all parties in the case by the CM/ECF system.

s/ Mica D. Klein

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