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## Motorcycle helmet designer in fight for royalties



Written by

**Bruce C. Smith**

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An international legal battle that spreads from Canada to China is spilling into one of the nation's biggest motorsports trade shows in Indianapolis this week.

The fight is over ownership of designs for a new line of motorcycle helmets. At stake: potentially hundreds of thousands of dollars in sales of new motorsports safety gear.

From his studio in Quebec, Stephane Dion has designed the trendy and flashy helmets for many power motorsports manufacturers around the world, including a group of companies known as MHR Helmet Co., based in China.

But last week, he filed a lawsuit in federal court in Indianapolis, claiming the Chinese-owned companies and U.S. affiliate Allwin Powersports didn't pay royalties for all of his designs. At least five of those helmets are key new products that Allwin will unveil to the U.S. and Canadian motorcycle

market at the powersports Dealer Expo in Indianapolis.

About 22,000 motorcycle and motorsports equipment dealers from the U.S. and Canada are expected at the 44th annual expo to be held Friday through Sunday in the Indiana Convention Center.

Expo attendees said they'll be checking out the newest designs on display, then placing orders worth millions of dollars with manufacturers displaying their new products at the trade show.

After a court hearing late Monday on the product design fight between Dion and Allwin, the dealers might not notice anything amiss in the Allwin exhibit booth.

Federal court Magistrate Tim Baker will recommend today that U.S. District Judge Richard L. Young deny Dion's request for an injunction that would stop Allwin from displaying designs that Dion claims are his own.

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"You may have a breach of contract claim, but I don't see much else," the magistrate told Dion. "But by no means is your case over."

The magistrate pointed to pictures of new helmets in the Allwin product catalog, apparently to be distributed in the U.S. and Europe, that show Dion's artistic signature visible in the corner of drawings of the new products. "That gives the court pause."

Dion, who has been designing motorcycle helmets about 25 years, formerly had a contract to design helmets for Arthur Liao and his MHR group of companies. The deal paid him 50 cents for each of his helmets sold, and they sold well in Asia, Europe and other parts of the world.

Dion testified that he provided several additional new designs in March that Liao told him would be used to launch a new company, Allwin, to the U.S. motorcycle market.

Dion claims Liao has refused to pay royalties for his new designs. Consequently, Dion filed suit and asked for a court order to block Allwin from showing his work at the Dealer Expo.

Dion acknowledged that he had been paid about \$350,000 for his previous work over five years.

Thomas McElhaney, vice president of sales for Allwin, testified that the company has spent about \$130,000 to prepare for the trade show and would miss out on about \$250,000 in sales of the contested

helmets if it is not allowed to display them.

**Call Star reporter Bruce C. Smith at (317) 444-6081.**



## Powersports Dealer Expo

» **What:** 44th annual International Powersports Dealer Expo sponsored by the Dealernews is billed as the largest powersports business event in the world.

» **Why:** Brings together dealers, distributors and manufacturers for an exhibition and marketplace for

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motorsports equipment, fashions and the debut of new products that will be headed to local retailers in North America.

» **Who:** 22,000 dealers of motorsports equipment from North America are invited. It is not open to the public.

» **When:** Friday through Sunday.

» **Where:** Indiana Convention Center.

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