

AMERICAN AIRLINES, INC.,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	TARRANT COUNTY, TEXAS
	§	
SABRE HOLDINGS CORPORATION,	§	
SABRE GLBL INC., and SABRE TRAVEL	§	
INTERNATIONAL LIMITED,	§	
	§	
Defendants.	§	236TH JUDICIAL DISTRICT

DEFENDANTS’ ORIGINAL ANSWER AND COUNTERCLAIMS

Defendants Sabre Holdings Corporation, Sabre GLBL Inc. and Sabre Travel International Limited (collectively, “Sabre”) file this Original Answer and Counterclaim to Plaintiff’s (“AA’s”) Verified Original Petition and Application for Temporary Injunction and Permanent Injunction (the “Petition”):

**I.
PRELIMINARY STATEMENT**

It is apparent from the face of AA’s Petition that it filed this lawsuit as a knee-jerk reaction to press releases about innovation that AA could not control. With a palpable fear of falling further behind, AA has resorted to litigation rather than innovation.

Sabre did not breach any contract. It simply pursued innovation that benefits the consumer. After years of development and consultation with airlines and travel agencies, Sabre created a “New Airline Storefront” for travel customers. A new storefront was long a priority for most airlines and travel agents due to the growing complexity of fares. For a given leg of travel, airlines may offer different ticket products at different prices based on different bundles of fare attributes (e.g., checked bags, refundable fares, seat selection, seat changes, etc.). The staggering array of options can be impossible to compare. Now, Sabre has made a constructive step forward. Its New

Airline Storefront allows travel agencies to clearly and efficiently comparison shop for their travelers across the different products based on objective criteria drawn from information provided by the airlines themselves.

This is not the first time Sabre has offered a technology that uses objective criteria to compare tickets. Sabre Red 360 already did that. The difference between the original Sabre Red 360 search interface and the optional New Airline Storefront is that the latter searches and displays *more* information for comparison. In other words, where the original interface sorted ticket offers based *only on lowest price*, now the New Airline Storefront compares attributes besides price. It returns the search results in the same order, but adds more “shelves” with additional information. Thus the same AA product (basic economy) is displayed as before, but more products are displayed beside it. This is more transparent. It is good for everyone.

It is unfortunate that the increased transparency makes AA defensive, but it has no contractual leg to stand on. Sabre will expose how AA’s Petition misleads the court with cherry-picked screenshots and false allegations, but even if AA’s allegations were accepted true, they would have no relevance under the actual terms of the parties’ agreement.

Like a jilted suitor, AA complains about favoritism from the Delta fee agreement. But Sabre offered AA a similar value-based fee agreement. It is unclear why AA now complains that the deal that is also available to it somehow results in a biased system in favor of Delta. Another flaw in AA’s complaint is that it rests on the premise that all participating airlines must operate under identical fee structures to avoid competing “incentives,” which has never been the case and is not what the contract provides.

There has thus been no breach of contract. And it is nonsense for AA to claim that it is “irreparably harmed” by the rollout of the New Airline Storefront when it is used by less than 10%

of Sabre Red 360 users, AA boasts (according to one report) that “it flew more travelers than any other U.S. airline” in the second quarter of 2021, and AA claims (according to another) that its second quarter revenue “came in better than expected.”

II. GENERAL DENIAL

In accordance with Texas Rule of Civil Procedure 92, Defendants generally deny the allegations in the Petition, and all supplements and amendments thereto.

III. AFFIRMATIVE DEFENSES

Defendants assert the following affirmative defenses:

1. AA’s contractual damages, if any, are barred in whole or in part by contractual waiver.
2. AA’s contract claims against Sabre Holdings Corporation and Sabre GBLB Inc. are barred because they are not parties to the subject contract.

IV. COUNTERCLAIM OF DEFENDANT SABRE TRAVEL INT’L LTD.

Sabre Travel International Limited, as counter-plaintiff herein, asserts the following counter-claim against AA, as counter-defendant, and would respectfully show the following:

FACTUAL BACKGROUND

A. Sabre Operates a Global Distribution System That Has Added New Airline Storefront as an Optional Resource.

1. Sabre operates a Global Distribution System, which is a two-sided electronic platform that brings together airlines, hotels, rental car companies, and main rail carriers in a marketplace where travel is shopped, booked, and fulfilled.

2. Sabre subscribers access the GDS via Sabre Red 360, an intuitive graphical web-based interface designed for travel consultants. Sabre Red 360's advanced filtering abilities enable travel consultants to quickly narrow shopping results and find options that answer their customer's specific travel needs.

3. New Airline Storefront is an additional feature for Sabre Red 360 that can be accessed upon request by travel agents. It presents a modern retailing experience that makes comparison shopping easy. The storefront provides digital "shelves" on which travel suppliers can display content side-by-side to help travelers make better buying decisions based on their personal needs. It is designed to eliminate confusion caused by different fare naming conventions and organizes a broad set of inventory across multiple airlines to enable attribute comparison shopping. The shelves are defined by identified fare attributes (like number of bags allowed, ticket exchangeability, refundability, seat characteristics, etc.).

4. New Airline Storefront allows an at-a-glance view of multiple available options that allow a travel agent to act with speed and efficiency compared to the traditional schedule-led approach. It also allows travel agents to focus on what available attributes a flight offers without having to memorize the attributes that each airline's branded product carries with it. Rather than simply displaying the cheapest fare as is still done on the Sabre Red 360 default interface, a travel agent can initiate access to New Airline Storefront, which displays not only the cheapest fare, but multiple other fares across one airline. Notably, New Airline Storefront shows *more* of AA's flight options, not fewer.

5. The information displayed in New Airline Storefront comes from the fares airlines file with the Airline Tariff Publishing Company ("ATPCO"), which is a non-profit owned by AA and other airlines.

6. Through Sabre Red 360 and New Airline Storefront, a travel agent also has access to a full catalog of fares filed by AA.

B. Sabre Aligns Incentives with Value.

7. Sabre, the airlines, and travel agencies are engaged in a variety of agreements with each other regarding services and fees.

8. Airlines, such as AA, have agreements with Sabre governing the content provided by airlines to Sabre's GDS and the fees paid by airlines to Sabre.

9. Sabre has separate agreements with travel agencies where Sabre agrees to pay travel agencies incentives for travel booked on its platform.

10. The airlines and travel agencies also have separate agreements, unrelated to Sabre, wherein the airlines pay travel agencies commissions for travel booked.

11. More recently, as a result of technological innovation and airlines' changing emphasis on how they want to sell to consumers, some airlines have sought to align the interests of all participants in their distribution chain, including GDSs and travel agencies and encourage the selling of products where airlines place the most value.

12. As a result, Sabre has been working with airlines and agencies on value-based concepts. Delta elected to pursue such a model.

13. Under the terms of Sabre's contract with Delta, the fees Sabre receives are aligned with the value the booking brings to Delta. Sabre also will generally align the incentives it pays travel agents for Delta bookings to the value the bookings bring to Delta.

DECLARATORY JUDGMENT CLAIM

14. Defendant Sabre incorporates the foregoing paragraphs by reference.

15. Sabre seeks relief pursuant to Chapter 37 of the Texas Civil Practice and Remedies Code. A real, substantial and justiciable controversy exists between AA and Sabre regarding the proper interpretation of their agreements.

16. Since 1998, AA and Sabre's relationship has been governed by a Participating Carrier Distribution and Services Agreement (the "PCA"), which was amended a number of times, including by an Amended and Restated Content Amendment dated October 30, 2012 (the "Amendment"). Because the PCA, Amendment, and the other amendments are governed by a confidentiality provision that prevents public disclosure of their terms, Sabre will file them under seal at the appropriate time.

17. AA's lawsuit implicates provisions of the PCA and Amendment, not only for purposes of this case, but for purposes of other business activities in which Sabre wishes to engage. Sabre likely will make improvements and refinements to the New Airline Storefront over time. Sabre intends to enter into other value-based fee contracts with airlines besides the one it has with Delta, and also value-based contracts with travel agents.

18. Sabre seeks a declaration to clarify the contours of ¶ 3(g) of the Amendment. Specifically, Sabre requests a construction of that paragraph and declaration that it does not prohibit a Sabre interface (like New Airline Storefront) from presenting fares based on attributes. More specifically, Sabre requests a declaration that New Airline Storefront in its current iteration is not in violation of ¶ 3(g) and does not disadvantage AA on the basis of AA's identity.

19. Sabre also seeks a declaration to clarify the conditions of ¶ 3(k) of the Amendment. Specifically, Sabre requests a construction of that paragraph and declaration that it does not restrict Sabre's fee arrangements with other airlines or prohibit value-based fee arrangements between Sabre and travel agents.

20. Pursuant to Section 37.009 of the Texas Civil Practice and Remedies Code, Sabre requests its costs and reasonable and necessary attorneys' fees incurred in bringing this declaratory judgment action.

JURY DEMAND

Sabre demands a trial by jury.

CONCLUSION AND PRAYER

Defendant Sabre prays that the Court (1) dismiss Plaintiff's claims against it with prejudice, (2) enter a final take-nothing judgment in its favor, (3) grant its request for declaratory judgment, (4) award its costs and reasonable attorney's fees, and (5) award any other relief, legal or equitable, to which it is entitled.

Dated: July 23, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on July 23, 2021, a true and correct copy of the foregoing document was served upon counsel of record for Plaintiff through the Court's ECF system.

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