This problem is caused by a bug in the RefEdit control on your machine. This control is part of Excel and is used by the XY Chart Labeler to allow you to select cells on a worksheet while a dialog box is showing. You can fix this problem manually using the instructions below.
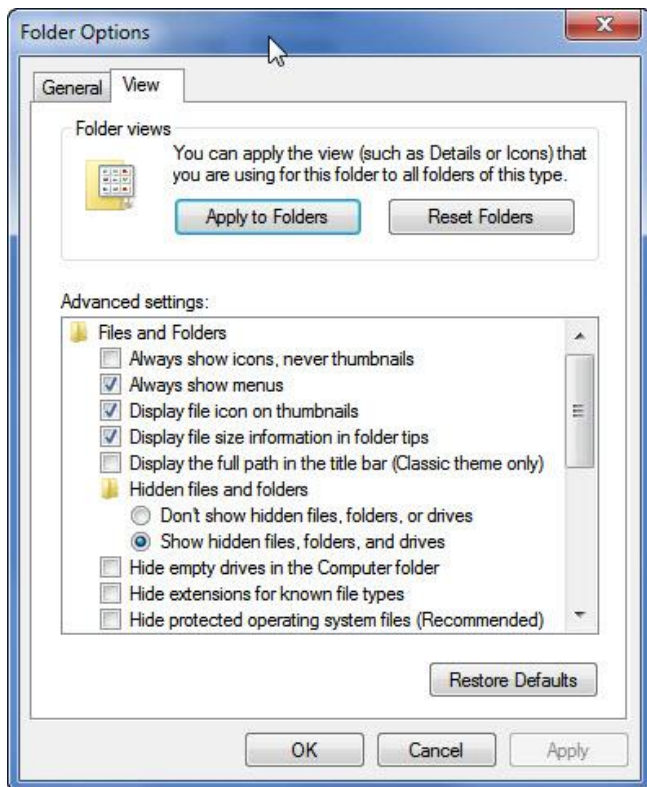
There are two files that need to be removed and replaced by running a repair installation of Office. The repair installation won't recognize that the files are bad, so you have to remove them. Then it will recognize that they are missing and it will replace them with good new copies. The two files you need to delete are listed below. In the second path, replace <username> with whatever name you log into your computer with.

C:\Program Files (x86)\Microsoft Office\Office14\REFEDIT.DLL
C:\Users\<username>\AppData\Roaming\Microsoft\Forms\RefEdit.exd

Note: RefEdit.exd will not be found on all computers. This is not a problem. Just delete RefEdit.dll

Before you'll be able to see these files, you will need to modify some settings in Windows Explorer. Open Windows Explorer and select the Organize > Folder Options > View tab. In the Advanced Settings list, make your settings match the screen shot (you don't need to change anything in the list below what's visible here). You'll get a scary warning when you uncheck the bottom checkbox, just tell it Yes, you want to do this.

Now try deleting the files. If Windows doesn't let you delete them, you'll need to turn off User Account Control. Click the Start button and type "UAC" without the quotation marks into the search box. The first link in the results list will take you to the section of Control Panel that will allow you to turn off UAC. Pull the slider bar down to its lowest point and click the OK button. You will need to reboot your computer before this change will take effect.

After deleting the files, run a repair installation from Control Panel, reboot after it finishes, and the chart labeler should be working again. You do a repair installation the same way as if you were trying to uninstall Office, but before the process starts a dialog will appear that gives you a list of options. Choose the option to Repair.