

**2009-1221**

---

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

---

**ROBERT JACOBSEN,**

**Plaintiff-Appellant,**

**v.**

**MATTHEW KATZER and  
KAMIND ASSOCIATES, INC. (doing business as KAM Industries),  
Defendants-Appellees**

RECEIVED  
US COURT OF APPEALS  
FEDERAL CIRCUIT  
2009 AUG 19 PM 3:13

**Appeal from the United States District Court for the  
Northern District of California in case no. 06-CV-1905,  
Judge Jeffrey S. White.**

---

**REPLY BRIEF OF PLAINTIFF-APPELLANT ROBERT JACOBSEN**

**VICTORIA K. HALL  
LAW OFFICE OF VICTORIA K. HALL  
3 Bethesda Metro  
Suite 700  
Bethesda, MD 20814  
(301) 280-5925**

**DAVID McGOWAN  
WARREN HALL  
5998 Alcala Park  
San Diego, CA 92110  
(619) 260-7973**

**Attorneys for Plaintiff-Appellant**

**August 19, 2009**

---

## Table of Contents

I.	Introduction and Summary of Argument .....	1
II.	Argument .....	2
1.	Facts Exist Which Support a Finding that Irreparable Harm is Likely ....	2
2.	Contrary to His Arguments, Katzer Shows District Court Mis-Applied Winter.....	6
3.	Jacobsen Relies Upon Precedent to Support a Likelihood of Irreparable Harm.....	8
4.	Jacobsen Seeks No “Open Source Only” Presumption .....	12
5.	As a Willful Infringer, Katzer is Not Entitled to Consideration in the Balancing of the Equities.....	16
6.	Public Interest Factor Favors Injunction.....	19
7.	Jacobsen Met the Remainder of the Winter Test.....	20
III.	Conclusion .....	24

## Table of Authorities

### Cases

<u>Abend v. MCA, Inc.</u> , 863 F.2d 1465 (9th Cir. 1988).....	18
<u>Adobe Sys., Inc. v. Brenengen</u> , 928 F. Supp. 616 (E.D.N.C. 1996)..	14, 16, 19
<u>Apple Computer, Inc. v. Franklin Computer Corp.</u> , 714 F.2d 1240 (3d Cir. 1983).....	10
<u>Belushi v. Woodward</u> , 598 F. Supp. 36 (D.D.C. 1984) .....	19
<u>Bibbero Sys., Inc. v. Colwell Sys., Inc.</u> , 893 F.2d 1104 (9th Cir. 1990).....	22
<u>Cadence Design Systems, Inc. v. Avant! Corp.</u> , 125 F.3d 824 (9th Cir. 1997) .....	10
<u>City of Los Angeles v. Lyons</u> , 461 U.S. 95 (1983).....	23
<u>Concrete Mach. Co. v. Classic Lawn Ornaments, Inc.</u> , 843 F.2d 600 (1st Cir. 1988).....	10
<u>Coquico, Inc. v. Rodgriguez-Miranda</u> , No. 07-1432 (JP), 2007 WL 3034259 (D.P.R. Oct. 15, 2007).....	10
<u>eBay Inc. v. MercExchange L.L.C.</u> , 547 U.S. 388 (2006).....	1, 8, 9, 13
<u>Helene Curtis Indus., Inc. v. Church &amp; Dwight Co.</u> , 560 F.2d 1325 (7th Cir. 1977).....	10
<u>Jacobsen v. Katzer</u> , 535 F.3d 1373 (Fed. Cir. 2008).....	7
<u>Louis W. Epstein Family Partnership v. Kmart Corp.</u> , 13 F.3d 762 (3d Cir. 1994).....	22
<u>Marlyn Nutraceuticals, Inc. v Mucos Pharma GmbH &amp; Co.</u> , __ F.3d __, No. 08-15101, 2009 WL 1886172 (9th Cir. July 2, 2009) .....	9, 13
<u>Martin v. Franklin Capital Corp.</u> , 546 U.S. 132 (2005).....	9
<u>N.Y. Trust Co. v. Eisner</u> , 256 U.S. 345 (1926).....	9
<u>Perfect 10, Inc. v. Amazon.com, Inc.</u> , 508 F.3d 1446 (9th Cir. 2008) .....	22
<u>Sea-Land Serv., Inc. v. Lozen Int'l, LLC</u> , 285 F.3d 808 (9th Cir. 2002) .....	5
<u>Taylor Corp. v. Four Seasons Greetings LLC</u> , 171 F. Supp. 2d 970 (D. Minn. 2001).....	11
<u>Triad Sys. Corp. v. Southeastern Express Co.</u> , 64 F.3d 1330 (9th Cir. 1995) .....	16, 19
<u>Winter v. Natural Resources Defense Council, Inc.</u> , 555 U.S. __, 129 S. Ct. 365 (2008) .....	passim
<b>Statutes</b>	
<b>17 U.S.C. §106</b> .....	21
<b>17 U.S.C. §1202</b> .....	24

## I. Introduction and Summary of Argument

In his opening brief, Robert Jacobsen showed that the district court used the wrong standard for a preliminary injunction. Applying the correct standard, Jacobsen is entitled to a preliminary injunction. Katzer's brief confirms this.

Katzer relies primarily upon non-intellectual property cases, ignores undisputed facts and his own admissions, and draws upon facts and arguments that he did not make in the district court. Katzer's amicus, Association for Competitive Technology (ACT), misunderstands key facts in the case: Katzer's infringement was willful and JMRI's license requires more than attribution. ACT completely ignores the effect of infringement on volunteer developers, as described in amicus Software Freedom Law Center's brief. As a result, ACT's brief misses the mark, and Software Freedom Law Center has the better view.

---

Contrary to Katzer and ACT's assertions, a wealth of uncontested facts exists supporting a likelihood of irreparable harm. Jacobsen does not rely upon an implied presumption of irreparable harm, but on the unremarkable proposition, sanctioned in two concurrences in eBay, that like cases should be decided alike. Congressional intervention is certainly not required.

A willful infringer, like Katzer and KAMIND, is not entitled to consideration in the balancing of the equities. Jacobsen offers several factors that

should be considered when determining whether infringement is willful. Finally, an abbreviated analysis of the public interest is appropriate where enjoining Katzer and KAMIND's acts will not significantly affect the public nor will it interfere with government or military operations.

This Court should reverse the district court's opinion.

## II. Argument

### 1. Facts Exist Which Support a Finding that Irreparable Harm is Likely

Contrary to Katzer and ACT's contentions, Jacobsen presented numerous facts—not mere allegations—that support a finding that irreparable injury is likely without an injunction. Neither Katzer nor ACT contest the following:

Jacobsen is the manager of the open source group Java Model Railroad Interface, or JMRI, a loose-knit, diverse group whose members reside world-wide.

See A293-A304. JMRI is distributed subject to an open source license whose terms require licensees to distribute and modify JMRI code in a specified manner.

See A480, A482-A488. Jacobsen and JMRI do not create the software to make money from it.

Katzer and KAMIND compete with JMRI and Jacobsen. See A804. Katzer and KAMIND hired Robert Bouwens to create decoder templates based on JMRI's decoder definition files. See A799-A800. Bouwens also created a "template verifier" whose only use was to convert JMRI files into the KAMIND format—the

tabs on the software tool prove it. A458, A665, A800. Katzer and KAMIND distributed this software tool, and included a readme.text file with instructions on its use. A458, A599-A600. No one in this case disputes any of these facts. Katzer and KAMIND engaged in infringing conduct for more than one year, and likely, longer. A451-A454.

Katzer engaged in a pattern of conduct that strongly suggests he will continue his infringing conduct. Katzer admitted that he permitted infringing conduct for an additional six months after being charged with copyright infringement. A802. He says he recalled all infringing software from registered users, but he did not provide any recall notice.<sup>1</sup> A801-A802. He also did not say what notice, if any, that non-registered users received, although these users must sign into the KAMIND website before they can download KAMIND software.<sup>2</sup> Katzer also registered decoderpro.com, A453, a domain name that reflects JMRI's trademark DecoderPro. Katzer refused to transfer it to Jacobsen. Instead, Katzer transferred it to a third party, Jerry Britton, as a part of a settlement agreement, and on the condition that if Britton transferred decoderpro.com to any other person,

---

<sup>1</sup> After discovery opened in May 2009, Jacobsen sought KAMIND recall notices from Katzer. Katzer produced none.

<sup>2</sup> Again, once discovery opened, Katzer admitted that he did not send notices to unregistered users, although he maintains a listing of these users through the KAMIND website.

including Jacobsen, Britton would be subject to \$20,000 in penalties. See A1413 (Jacobsen v. Britton UDRP proceeding decision).

Katzer has also either asserted, without basis, that his intellectual property rights have been violated. He repeatedly charged Jacobsen with willful infringement of U.S. Patent No. 6,530,329, and claimed infringement of multiple unnamed patents, e.g., A1287-A1288, A1303, A1314, A1516, yet one day after missing a court-ordered deadline to make patent disclosures, Katzer disclaimed the '329 patent, A1479, A1500.

Katzer attempts to raise factual disputes, but does not succeed. Jacobsen noted in his opening brief that he submitted his copyright registration, Jacobsen Br. at 33, and Katzer did not dispute it. Katzer now claims he had no opportunity to contest the registration at the preliminary injunction stage. Katzer Br. at 5. That is not true. If he had any evidence to question the registration, he could have submitted it. If he had wanted discovery on that point, he could have sought it. Nothing stopped him. Katzer also claims he disputed the registration in his Answer, filed over a month after the order on appeal issued. That is true, but was not before the district court when the court made its decision, A45, and thus is irrelevant to this appeal.

Jacobsen also pointed out that he had submitted evidence that Katzer copied approximately 100 JMRI files. Jacobsen Br. at 34; A456. Katzer complains that

only one file was in evidence, which is correct. Katzer Br. at 5. Only one file was submitted as an example. Jacobsen's declaration is evidence and it established the copying of the other files. A453-A457. Katzer's sworn declaration—as opposed to his brief—admitted that copying. A799-A800. Katzer cannot create a dispute by attempting to withdraw facts he admitted under oath below. See Sea-Land Serv., Inc. v. Lozen Int'l, LLC, 285 F.3d 808, 820 n.11 (9th Cir. 2002).

Katzer's claims notwithstanding, there is no question that: (1) the parties are competitors; (2) JMRI does not create and release software to make money, but permits use if the licensees' actions are consistent with the license, (3) Katzer, through Bouwens, copied JMRI code to jump-start his competing program, and Katzer knew about it; (4) Katzer stripped out JMRI's copyright management information to conceal that copying; (5) Katzer engaged in a pattern of intellectual property misappropriation; (6) Katzer had made charges of willful patent infringement that he is unwilling or unable to defend when required to disclose his patent claim construction, infringement, validity, and enforceability positions; and (7) the record contained no challenge to Jacobsen's copyright registrations, which claim rights both in original expression, and arrangement and compilation.

It's these facts, which Katzer ignores and ACT is apparently unaware of, which support a likelihood of irreparable injury.

## **2. Contrary to His Arguments, Katzer Shows District Court Mis- Applied Winter**

Jacobsen showed that the district court mis-applied the Supreme Court's Winter v. Natural Resources Defense Council, Inc., 555 U.S. \_\_\_, 129 S. Ct. 365 (2008) decision by demanding that Jacobsen show evidence of actual harm suffered in order to obtain a preliminary injunction. Katzer does not attack this point head-on. Instead, Katzer stresses that the district court quoted the Winter standard correctly three times. While true, this assertion misses the point. The issue is not whether the district court mis-quoted the standard, but that the district court mis-applied it.

Katzer argues that when the district court referred to actual harm, the district court meant that Jacobsen had failed to show he had been harmed by past infringement. Katzer Br. at 16. Even if that were a correct reading of the district court's opinion, reversal would still be compelled. Proof of past harm is not an element of the Winter standard. If this Court accepted Katzer's views of Winter, this Court would add an element to Winter that the Supreme Court did not require. Infringement necessarily precedes complaints about it, but the effects of the infringement may not be clear until much later, which is why likelihood of irreparable injury is the correct standard, not actual irreparable injury.

Even on its own terms, Katzer's arguments fail, because the district court's analysis explicitly referred to actual harm:

The Federal Circuit court's list of potential harms that a copyright holder may face in the open source field are just that – *potential* harms. There is no showing on the record before this Court that Jacobsen has actually suffered *any* of these potential harms. The standard under *Winter* requires that Jacobsen demonstrate, by the introduction of admissible evidence and with a clear likelihood of success that the harm is real, imminent and significant, not just speculative or potential. 129 S. Ct. at 374. Jacobsen has failed to proffer any evidence of any specific and actual harm suffered as a result of the alleged copyright infringement and he has failed to demonstrate that there is any continuing or ongoing conduct that indicates future harm is imminent. Because Jacobsen fails to meet the burden of presenting evidence of actual injury to support his claims of irreparable injury and speculative losses, the Court cannot, on this record, grant a preliminary injunction.

A14 (italics emphasis in original, underline emphasis added, footnote omitted).<sup>3</sup>

The district court's first sentence is a reference to this Court's prior opinion in this case, in which the Court stated that certain forms of non-monetary economic incentives are "inherent" in the open source production model JMRI employs, Jacobsen v. Katzer, 535 F.3d 1373, 1379 (Fed. Cir. 2008), and that "these types of license restrictions might well be rendered meaningless absent the ability to enforce through injunctive relief." Id. at 1382 .

The second, fourth, and fifth sentences are simply contrary to Winter—it is no part of the Supreme Court's test that a rights-holder must demonstrate pre-hearing harm. This error was highly material. The district court, and Katzer's

---

<sup>3</sup> The cited page in Winter (129 S. Ct. at 374) does not state what the district court claims it states. This page says nothing about admissible evidence or real, imminent, and specific harm, and Jacobsen is unable to find any page in the Winter decision that supports the district court's citation.

attempt to defend it, ignored a fact this Court rightly focused on in its earlier opinion: injunctive relief may be the only substantial relief available, and irreparable harm is likely without that relief. The district court may have quoted Winter before applying its test, but the district court's application deviated materially from that test. This is where the district court committed its error. If this Court's ruling proves illusory—and the district court's unusual comments regarding this Court may be read to suggest the district court perceived it that way—~~developers~~<sup>are</sup> likely to question whether they want to spend their time and skills working on projects that are vulnerable to raids by those who would infringe to compete.

### **3. Jacobsen Relies Upon Precedent to Support a Likelihood of Irreparable Harm**

As noted above, Jacobsen does not argue for a presumption of irreparable injury. Instead, he argues that certain facts present in this case support a finding that irreparable injury is likely, absent injunctive relief. Because similar cases should be decided alike, and likelihood of irreparable injury is found in cases with fact patterns that are similar to Jacobsen v. Katzer, a likelihood of irreparable injury is present here.

In eBay Inc. v. MercExchange L.L.C., 547 U.S. 388 (2006), the Supreme Court overturned a presumption of irreparable injury in patent permanent injunction cases. Two justices wrote concurrences stating that, while no

presumption exists in the permanent injunction context, fact patterns exist that support a finding of irreparable harm. Last month, the Ninth Circuit approved, in the trademark preliminary injunction context,<sup>4</sup> the use of a presumption of irreparable injury, but Jacobsen had not relied upon the presumption. Instead, Jacobsen established facts and used those facts to establish a likelihood of irreparable injury.

Jacobsen's arguments are founded on the unremarkable proposition that "like cases should be decided alike." eBay, 547 U.S. 388, 395 (2006) (quoting Martin v. Franklin Capital Corp., 546 U.S. 132, 126 S. Ct. 704, 710 (2005)) (Roberts, C.J., concurring). While a right to exclude does not automatically entitle an intellectual property rights holder to a presumption of irreparable harm, "there is a difference between exercising equitable discretion pursuant to the four-factor test and writing on an entirely clean slate." eBay, 547 U.S. at 395. "When it comes to discerning and applying [the] standards [for injunctive relief], in this area as in others, 'a page of history is worth a volume of logic.'" Id. (quoting N.Y. Trust Co. v. Eisner, 256 U.S. 345, 349 (1926)). "The lesson of historical practice ... is most helpful and instructive when the circumstances of a case bear substantial parallels

---

<sup>4</sup> Marlyn Nutraceuticals, Inc. v Mucos Pharma GmbH & Co., \_\_\_ F.3d \_\_\_, No. 08-15101, 2009 WL 1886172 (9th Cir. July 2, 2009) at \*3. ACT cites this case in its brief; Katzer does not.

to litigation the courts have confronted before.” eBay, 547 U.S. at 396 (Kennedy, J., concurring).

Jacobsen relies upon cases that bear substantial parallels to the case before this Court. In Cadence Design Systems, Inc. v. Avant! Corp., 125 F.3d 824 (9th Cir. 1997), the Ninth Circuit enjoined competitor Avant!’s copyright infringement after its programmers left Cadence for Avant! and created a similar program, based on Cadence’s program. 125 F.3d at 826. Like Katzer, Avant! knew it was engaged in copyright infringement, and was using a competitor’s copyrights to free-ride on the competitor’s efforts. Id. at 829. Avant!’s complaints about financial ruin left the Ninth Circuit unpersuaded, as Katzer’s arguments should here, since an infringer has no basis to complain about being forced to stop infringing activity that he knew was unlawful at the outset. Id. This pattern of facts regularly appears in other case law, and supports an order for preliminary injunction. E.g., Concrete Mach. Co. v. Classic Lawn Ornaments, Inc., 843 F.2d 600, 603-04, 606 (1st Cir. 1988); Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240, 1242-43, 1245 (3d Cir. 1983); Helene Curtis Indus., Inc. v. Church & Dwight Co., 560 F.2d 1325, 1328-29, 1333 (7th Cir. 1977) (trademark); Coquico, Inc. v. Rodriguez-Miranda, No. 07-1432 (JP), 2007 WL 3034259 (D.P.R. Oct. 15, 2007), at \* 1-\*2; Taylor Corp. v. Four Seasons Greetings LLC,

171 F. Supp. 2d 970, 971, 975 (D. Minn. 2001)<sup>5</sup>. Ignoring the undisputed facts in this case, and that these facts establish irreparable harm as they have in prior cases, Katzer and ACT would have this Court write on a clean slate instead, or call Congress in to alter the Winter test. This Court should reject Katzer and ACT's arguments on this point.

Katzer's main point appears to be that Jacobsen should have submitted declarations reciting that JMRI developers are less likely to continue working on their project if Katzer—or others like him—can misappropriate their code, strip their names off it, bundle it into a competing program, and then use such conduct try to drive JMRI from the market.<sup>6</sup> Given the district court's erroneous legal standard, such evidence would not establish the past harm the district court demanded.

Even granting that such evidence might have been introduced, however, it is not clear that such evidence would add anything material to the undisputed facts in

---

<sup>5</sup> These cases were decided prior to eBay and Winter, and used a presumption of irreparable injury. As Jacobsen discussed, he conceded that eBay and Winter are the governing standards, although recent Ninth Circuit precedent suggests the presumption remains, infra n.8. These fact patterns supported the reasoning for the presumption. Not even Winter and eBay renders the teaching of these cases irrelevant.

<sup>6</sup> A logic extension of Katzer—and ACT's—arguments is that only actual, specific proof of harm, such as developers' abandonment of JMRI as a result of Katzer's infringement, is sufficient. See Katzer Br. at 18-21; ACT Br. at 9. Again, likelihood of irreparable injury is the standard, not actual harm. The point of preliminary relief is to preserve the status quo, and to prevent such scenarios.

this case. No one disputes that JMRI is an open source project to which developers contribute code that may be redistributed subject to terms that maximize the openness of the code and not revenues. See also SFLC Br. at 4-6. And, contrary to Katzer's characterization, this Court's previous finding that certain non-economic motivations are "inherent" in the open source production model is not a point of law. It comes from no statute or case. It is a common sense fact, akin to the equally obvious proposition that consumers are harmed when price fixers restrict output and raise prices. An infringer can always claim the plaintiff could have done more to show he is entitled to equitable relief, but in this case the claim rings hollow. These facts support a likelihood of irreparable injury. The district court erred when it said it had no evidence.

#### **4. Jacobsen Seeks No "Open Source Only" Presumption**

Katzer and amicus ACT both contend that Jacobsen and amicus Software Freedom Law Center seek some sort of end-run around the Supreme Court's Winter opinion for open source software projects. That is wrong. Instead, their arguments reflect an attempt to re-write this Court's prior opinion.

First, as noted above, Jacobsen's main point is that the district court mis-applied Winter, not that Winter does not apply or that there is a special presumption for open source projects only. Nothing in Jacobsen's brief makes

such an assertion. ACT simply mischaracterizes Jacobsen's argument. ACT Brief at 3-4.<sup>7</sup>

Second, Jacobsen acknowledges Winter's requirements, and relies upon a pattern of facts that, precedent shows, support a finding of likelihood of irreparable injury. He does not rely upon a presumption, although a recent Ninth Circuit trademark infringement decision, Marlyn Nutraceuticals, Inc. v Mucos Pharma GmbH & Co., suggests the presumption survived both eBay and Winter. Furthermore, Marlyn Nutraceuticals' fact pattern is closer to the facts in Jacobsen v. Katzer than the potential risk that military sonar testing posed marine mammals, at issue in Winter.<sup>8</sup>

Third, Jacobsen does not disagree with the general proposition that neither the Copyright Act nor principles of equity distinguish explicitly among business models. Jacobsen also does not disagree that commercial enterprises may suffer harm that is difficult to quantify—such as the loss of market share, goodwill, or reputation—and therefore justifies injunctive relief against copiers such as Katzer.

---

<sup>7</sup> ACT also incorrectly states that Katzer's only violation of the Artistic License was a breach of its attribution term. Compare ACT Brief at 7 with A480 (Artistic license, ¶¶ 3, 4).

<sup>8</sup> In light of Marlyn Nutraceuticals, Jacobsen believes it would be appropriate to let the Ninth Circuit resolve the status of presumption after Winter and eBay. Should the Court differ, however, and believe this case is an appropriate one for determining the status of the Ninth Circuit's presumption in light of Winter, Jacobsen respectfully requests the opportunity to brief that issue.

Indeed, ACT's emphasis of this point merely underscores the reasons that justified the Ninth Circuit's presumption in the first place.

But none of these points supports the district court's decision here, nor proves anything like what ACT claims for them. The district court used the wrong standard, ignored evidence, and did not make findings of fact that this Court ordered. Neither Katzer nor ACT can escape that. Instead, ACT categorizes separate fact patterns that have in the past supported a likelihood of irreparable injury. ACT then attempts to minimize each category and dismantle this precedent. Courts should not turn a blind eye to probabilities grounded in experience, though that is an implication of ACT's argument. That ACT needs to compare JMRI—a hobbyist model railroad project—to Adobe, Apple, IBM, Red Hat, Sun, and Symantec shows the unwarranted reductionism entailed by the approach it advocates. This Court's previous opinion in this case reflected precisely such an appreciation of the relevant context, and there is no reason to abandon it.

Equally unpersuasive is ACT's suggestion that copying by a for-profit competitor who seeks to compete against project developers using their own code has no effect on creative collaboration. In this, amicus Software Freedom Law Center, whose expertise ACT acknowledges, has the better view. ACT focuses on downstream effects of infringement—Katzer's users, which is one potential source

of collaboration foreclosed by his conduct<sup>9</sup>—but completely ignores upstream effects—the JMRI developers who wrote the code Katzer copied. Software Freedom Law Center, which represents numerous major open source projects and thus has experience on this point, addresses the significant and potentially devastating effects that infringement can have on these volunteers. SFLC brief at 6-10. One may grant, in hindsight, that declarations from such developers describing how such copying affects their willingness to devote their time and skill to JMRI would have been prudent. On remand, they could be provided. But no one in this case has seriously contended—as Katzer and ACT do not—that conduct such as Katzer’s leaves these developers unaffected. It is this point—rooted in nothing more exotic than the basic legal premise that people act rationally—that Jacobsen made in his brief.

At bottom, ACT’s brief seeks primarily to re-litigate this Court’s previous ruling and re-write this Court’s previous opinion. That is neither necessary nor proper here. No one has argued for the straw “open source only” presumption that ACT attacks. ACT has said nothing to justify extending its theories of Google’s business model to the Java Model Railroad Interface.

---

<sup>9</sup> ACT bases some of its argument on the use of compiled code, ACT Br. at 10, but the Decoder Definition Files and the infringing decoder templates were not compiled. They were distributed as text, and plainly viewable in Katzer’s “template verifier”.

## **5. As a Willful Infringer, Katzer is Not Entitled to Consideration in the Balancing of the Equities**

Katzer knew about Jacobsen's license, A525-A526 (email from Jacobsen to Katzer regarding license terms), but Katzer intentionally used Jacobsen's material in ways that were inconsistent with the license. Thus, any harm that Katzer might suffer from an injunction does not factor into the balancing of the equities. A willful infringer cannot be heard to complain from the harm that he might suffer if he is forced to stop his wrongdoing. Triad Sys. Corp. v. Southeastern Express Co., 64 F.3d 1330, 1338 (9th Cir. 1995); Adobe Sys., Inc. v. Brenengen, 928 F. Supp. 616, 618 (E.D.N.C. 1996). ACT is critical of a shortened discussion, but does not dispute the Ninth Circuit's holding in Triad that harm from being forced to stop willful infringement does not count in equity. Instead, ACT lists several factors that should be considered. While these factors are helpful in balancing the equities when infringement is not willful, these factors are irrelevant when a willful infringer is involved.

In place of ACT's list, Jacobsen suggests the following. Once the open source group shows that the entity is copying, modifying, or distributing its code in a manner that is contrary to the license terms, the open source group has the option of showing that the infringer's conduct was willful. The open source group can show willfulness in a variety of ways: (a) showing that a copyright notice identifying the group is on its works, (b) making a reference to the license in its

code, (c) distributing its code with the license, (d) making its code available through one of the traditional open source incubator websites or making the code available through a website that makes it clear that the download is governed by an open source license, and the like. The open source group can also show willfulness through (e) the percentage of infringing code that appears in the entity's code, (f) the importance of that code to the entity's product(s), (g) how well known the open source group's code is in the relevant technological field, and (h) whether the open source group and the accused infringer are competitors. These factors support a finding that an entity or its employees knew, or should have known, about the open source group and its code when infringement began.

An entity can rebut a showing of willfulness. If an open source group shows some of the factors listed above, the entity can show it did not have notice by demonstrating the factors that the open source group did not meet. It can also demonstrate that it has a policy, appropriate for the entity's size, related to open source code and its licenses, and enforces that policy through audits during the development process, or due diligence in its mergers and acquisitions and other transactions. The entity can also rebut willfulness by showing that it did not have reason to know of the infringement at the outset, but only learned of it shortly before or upon contact from the open source group, and continued to use the code out of necessity while negotiating with the open source group or developing a

workaround for that code.<sup>10</sup> Finally, it can raise a defense showing that it had a reasonable belief that its actions did not constitute infringement.

Applying these factors, there is no question that Katzer's conduct was willful. JMRI files had a copyright notice on them. A456. JMRI referred to its license in its files, and distributed its code with the license. A443-A444. JMRI is made available at SourceForge.net, a well-known open source incubator site. See A447. Katzer created a program that specifically did not copy this notice, and then he put his copyright notice instead. See A1104, A454. Katzer and Jacobsen are competitors, A804, and have appeared at the same model train conventions, A550, A556. Katzer even contacted Jacobsen regarding the JMRI license. A525-A526. Katzer used key files in his product, and passed them off as his own. A444-A445; A451-A453. Katzer's product would be useless without some form of Decoder Definition files. A444-A445. Katzer included instructions on how to convert JMRI files to the KAMIND format. A457-A458. Thus, Katzer had reason to know that KAMIND had incorporated JMRI files, and that Katzer had

---

<sup>10</sup> While guidelines on willful copyright infringement are helpful in assessing willfulness for the balancing of the equities, this provides an example where an entity's actions could be considered willful for purposes of infringement damages, but not willful for purposes of the balancing of the equities. Also, compare Abend v. MCA, Inc., 863 F.2d 1465, 1478-79 (9th Cir. 1988), aff'd sub nom. Stewart v. Abend, 495 U.S. 207 (1990), in which the Court denied an injunction against an infringer who once had rights to use the copyrighted work, but lost the rights through a technicality in the 1909 Copyright Act.

Jacobsen asks the Court to seek supplemental briefing on this point from the parties, amici, and other third parties, if the Court believes it is appropriate.

intentionally violated JMRI's license. Katzer and KAMIND took a risk that they would be caught, and lost. They cannot be heard to complain if a Court enjoins their infringement.<sup>11</sup> Triad Sys., 64 F.3d at 1338; Adobe Sys., 928 F. Supp. at 618.

## **6. Public Interest Factor Favors Injunction**

As with the balance of the equities, several factors should be considered when determining whether an injunction is in the public interest. ACT is again critical of Jacobsen's abbreviated analysis, but in this instance, a short analysis is appropriate. Factors to be considered are (a) the special reward that Congress granted authors, artists, programmers, and others who create works, Adobe Systems, Inc. v. Brenengen, 928 F. Supp. 616, 618 (E.D.N.C. 1996); SFLC Brief at 10-12; (b) the effect of the injunction on preventing the public's access and use to the accused infringer's product, see Belushi v. Woodward, 598 F. Supp. 36, 37 (D.D.C. 1984); SFLC Brief at 10-12; and (c) the effect of the injunction in limiting government or military action, see Winter, 129 S. Ct. at 378. There is no evidence that the general public will be affected by an injunction, nor is there any evidence that an injunction will interfere with government or military action. Thus, the only factor that is implicated is the special reward that Congress grants to authors, artists, and programmers, and that factor favors the copyright holder, Jacobsen.

---

<sup>11</sup> Furthermore, Jacobsen learned in discovery last month that two days after this Court issued its earlier decision, Katzer inexplicably recalled his software from dealers, although he had no new product to offer in replacement.

## **7. Jacobsen Met the Remainder of the Winter Test**

Katzer barely contests his substantive liability for his admitted copying, and, strikingly, does not mention at all his liability for violation of the Digital Millennium Copyright Act's copyright control provisions. The arguments he does make simply ignore the Copyright Act and controlling precedent.

### **1. Copyright Liability**

Nothing Katzer says in his opposition changes that Jacobsen is the owner of the Decoder Definition files, and that Katzer copied, modified and distributed those files. Katzer's arguments to the contrary are both factually and legally wrong.

Jacobsen either created the Decoder Definition files, or obtained assignments from the authors of the Decoder Definition files. A442; A454. Katzer claims ownership of certain JMRI Decoder Definition files, Katzer Br. at 5, but has no assignment from any Decoder Definition file creator—he has an assignment to a reference manual, which granted exclusive rights back to QSI. A820-A821. His argument that an assignment from QSI entitled him to the original content in JMRI's QSI decoder definition file—as well as the content in 90 unrelated files—is logically and factually unsound.<sup>12</sup>

Jacobsen and Katzer agree that Katzer copied, modified, and distributed JMRI code. A799-A800. These acts violated Jacobsen's exclusive rights under 17

---

<sup>12</sup> Katzer notes that he has not sought a preliminary injunction against Jacobsen. Katzer Br. at 27-28. It is telling that he has not done so.

U.S.C. §106(1)-(3). Jacobsen submitted in evidence his copyright registrations. Katzer did not contest them in his preliminary injunction papers or at the hearing.<sup>13</sup>

Katzer now argues, however, that Jacobsen “has failed to identify his copyrighted work.” Katzer Br. at 25-26. Katzer copied, modified, and distributed JMRI code intentionally and admits that he did so. He knows what he copied, modified, and distributed. He did not establish any limiting doctrines. If Katzer is seriously complaining that Jacobsen should have lodged the code—which is free to all on the Internet—he complains of trifles that did not disturb even the district court.

Katzer’s argument may be read more generally to assert that he does not fully apprehend the extent of Jacobsen’s copyright in JMRI code. This reading is consistent with his claim to have obtained an assignment regarding certain data in a single JMRI file. Katzer Br. at 26-27. Even on this reading his argument founders, however, because it ignores (i) the entire doctrine of compilation rights, 17 U.S.C. §103; (ii) Jacobsen’s registration, which claims compilation and arrangement and which Katzer failed to challenge; and (iii) the other 90-plus files Katzer copied and for which he has nothing to say. All these points were made in Jacobsen’s opening brief. Katzer engages none of them.

---

<sup>13</sup> Though, as noted above, Katzer’s Answer, filed after the order on appeal issued, promises a challenge to come.

Read this way, Katzer's complaint fundamentally misstates the law. Ninth Circuit precedent is clear that once copyright registrations are in evidence the burden shifts to defendants such as Katzer to establish any defense or limiting doctrine that might apply to the registered work. See Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1446, 1159 (9th Cir. 2008); Bibbero Sys., Inc. v. Colwell Sys., Inc., 893 F.2d 1104, 1106 (9th Cir. 1990). Katzer does not even mention these cases. He brings to this Court's attention only Louis W. Epstein Family Partnership v. Kmart Corp., 13 F.3d 762 (3d Cir. 1994), a case about the scope of an injunction against interference with an implied easement running from a Levitz Furniture store across ground owned by K-Mart. Though no doubt important to Levitz's lessor, this Pennsylvania real property case proves nothing relevant here.

Finally, Jacobsen acknowledged in his opening brief that there is a factual dispute regarding continuing infringement. He argued that the district court erred by not making findings of fact on the point, as this Court's remand order required. Alternatively, if the district court's language is read as a finding it erred in claiming Jacobsen submitted no evidence of continuing infringement when Jacobsen in fact did so.

Katzer does not actually engage these points. He instead argues as if litigating this factual question in the trial court, and provides only a selective and

one-sided discussion in doing so. Katzer does not confront the main evidentiary points Jacobsen made below: That Katzer's file formats have always been incompatible with JMRI's but that did not stop his initial copying and is no barrier to further copying, A1107, and that Jacobsen—a programmer of 30 years' experience in 10 programming languages, A1104—reviewed the variable names employed in Katzer's more recent distribution and identified similarities to JMRI code that did not come from the manufacturer from which Katzer took a license, A1107.<sup>14</sup>

More generally, this Court is not the place to litigate this purely factual dispute. Jacobsen's point is simply that the district court did not follow this Court's instructions to find facts and wrongly stated that Jacobsen had submitted no evidence pointing toward continuing infringement. Furthermore, it is Katzer's burden to show he has stopped—claims of voluntary cessation do not count unless it is absolutely certain the unlawful conduct will not re-start.<sup>15</sup>

---

<sup>14</sup> Katzer incorrectly states that GPL 2.0 is not at issue. JMRI now uses GPL 2.0. Furthermore, if Katzer infringement continues, Katzer may be violating GPL 2.0.

<sup>15</sup> Katzer's continuing infringement argument is an argument that Jacobsen lacks standing. Katzer likens the facts in this case to those in City of Los Angeles v. Lyons, 461 U.S. 95 (1983), in which a black motorist sought a preliminary injunction barring the City of Los Angeles from using choke-holds. For the facts in Lyons to be similar to the facts in Jacobsen v. Katzer, all or nearly all Los Angeles police officers would have to target black motorists, whether they committed a crime or not, and applied choke-holds every time for more than one year, and likely longer. Because of the evidence in the record that Katzer targeted Jacobsen, supra, and other competitors, see, e.g., A1094, A1640-A1643, A1645-

## **2. Liability for Violations of the DMCA**

Jacobsen's opening brief showed that he is likely to prevail on his claim that Katzer stripped copyright management information from the JMRI files he copied, and provided false copyright management information, in violation of 17 U.S.C. §1202. Katzer does not contest this showing. The district court erred in not addressing this claim at all.

## **III. Conclusion**

As noted in his opening brief, Jacobsen has shown he is likely to succeed on the merits. He has made a prima facie case of copyright infringement, and Katzer and KAMIND implicitly admit it. Jacobsen has demonstrated facts that support a finding that irreparable harm is likely, and that the public interest favors an injunction. For the foregoing reasons, Jacobsen respectfully requests this Court to reverse the judgment of the district court.

---

A1648, in multiple intellectual property disputes over a period of years, and because Lyons, the motorist, did not have that evidence in the record, Jacobsen has standing to seek a preliminary injunction whereas Lyons did not.

Respectfully submitted,

DATED: August 19, 2009

By *Victoria K. Hall*  
Victoria K. Hall, Esq. (SBN 240702)  
LAW OFFICE OF VICTORIA K. HALL  
3 Bethesda Metro Suite 700  
Bethesda MD 20814

Telephone: 301-280-5925  
Facsimile: 240-536-9142

ATTORNEY FOR PLAINTIFF/APPELLANT

JACOBSEN v KATZER, 2009-1221

PROOF OF SERVICE

I hereby certify that on August 19, 2009, I sent two copies of Jacobsen's Reply brief, by first class mail, to each of the following:

R. Scott Jerger  
Field Jerger LLP  
621 SW Morrison St. Suite 1225  
Portland OR 97205

Attorney for Defendants-Appellees

Daniel B. Ravicher  
Software Freedom Law Center  
1995 Broadway Fl. 17  
New York NY 10023

Attorney for Amicus Software Freedom Law Center

I delivered, by hand, two copies of Jacobsen's Reply brief to:

Jonathan Marcus  
Covington & Burling LLP  
1201 Pennsylvania Ave., N.W.  
Washington DC 20004

Attorney for Amicus Association for Competitive Technology, Inc.

DATED: August 19, 2009

By Victoria K. Hall  
Victoria K. Hall, Esq.  
LAW OFFICE OF VICTORIA K. HALL  
3 Bethesda Metro Suite 700  
Bethesda MD 20814

Telephone: 301-280-5925  
Facsimile: 240-536-9142

ATTORNEY FOR PLAINTIFF/APPELLANT

**FORM 19. Certificate of Compliance With Rule 32(a)**

**CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION,  
TYPEFACE REQUIREMENTS, AND TYPE STYLE REQUIREMENTS**

1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B).

- The brief contains [ 5,867 ] words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii), or
- The brief uses a monospaced typeface and contains [ state the number ] lines of text, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6).

- The brief has been prepared in a proportionally spaced typeface using [ Microsoft Office Word 2003 ] in [ 14 point Times New Roman ], or
- The brief has been prepared in a monospaced typeface using [ state name and version of word processing program ] with [ 14 point Times New Roman ].

(s) VICTORIA K. HALL  
VICTORIA K. HALL  
 (Name of Attorney)  
Appellant  
 (State whether representing appellant, appellee, etc.)  
Aug. 19, 2009  
 (Date)

