

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT
2009-1221

ROBERT JACOBSEN,

Plaintiff-Appellant,

v.

MATTHEW KATZER
and KAMIND ASSOCIATES (doing business as KAM Industries),

Defendants-Appellees.

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

Response to Matthew Katzer and KAMIND Associates' Motion to Transfer Venue

I. Introduction

Pursuant to Fed. R. App. P. 27(a)(3) and Federal Circuit Rule 27(b),

Jacobsen responds to Matthew Katzer and KAMIND Associates' Motion to Transfer Venue to the Ninth Circuit. The parties agree the district court had jurisdiction of the declaratory judgment causes of action at the outset of litigation.

The parties dispute whether jurisdiction remains after Katzer and KAMIND disclaimed two of the 14 Katzer patents. The district court sided with Katzer and KAMIND. Jacobsen plans for an appeal at final judgment. In the meantime, Jacobsen appeals from the district court's denial of his motion for preliminary injunction to enjoin Katzer and KAMIND's copyright infringement and DMCA violations. This Court has exclusive jurisdiction to hear this appeal.

II. Issue

Does this Court have jurisdiction of a non-patent interlocutory appeal when it will have exclusive jurisdiction of an appeal at final judgment in this case?

III. Summary of Argument

Because the district court's jurisdiction is based in 28 U.S.C. Sec. 1338, this Court has exclusive jurisdiction to hear an appeal after the district court enters final judgment, id. Sec. 1295(a), and therefore has jurisdiction of this interlocutory appeal, id. Sec. 1292(c). Katzer's motion asks this Court to treat a district court's non-final and, as yet, non-appealable determination of the ripeness of a patent declaratory judgment claim as if it were a plaintiff's voluntary decision to amend a complaint. Taken to its logical conclusion, Katzer's argument would strip this Court of jurisdiction over all determinations that such a claim was unripe. Neither law nor logic supports this request.

IV. Background¹

A. The Dispute Arises—Katzer Sends Demand Letters to Jacobsen

This dispute began four years ago, in March 2005, when Matthew Katzer and KAMIND Associates (collectively Katzer) sent their first cease and desist letter to Robert Jacobsen. Jacobsen, a leader of an open source group called the Java Model Railroad Interface (JMRI), creates software for controlling model

¹ As Katzer has offered an abbreviated version of events leading to this appeal, Jacobsen offers fuller detail to put the facts and procedure in proper context.

trains on a model train layout. JMRI has released model train software since 2001. Katzer is the owner of KAMIND Associates, which sells model train control system software, and which held 14 patents, consisting of 688 claims,² on methods for controlling model trains. Katzer's first letter suggested that Jacobsen infringed U.S. Patent No. 6,530,329 (issued Mar. 11, 2003). Ex. B at 2. Katzer offered a license for \$19/copy. *Id.* Jacobsen denied infringing any Katzer patents and asked for the basis for Katzer's accusations. *Id.* at 3. Several months passed, and Jacobsen received no response.

In August 2005, Katzer again sent a cease and desist letter, along with an invoice for \$203,000. *Id.* at 4-5. He accused Jacobsen of infringing multiple unidentified Katzer patents. *Id.* at 6. He had also increased his license fee to \$29/copy. *Id.* On its face, the invoice made it appear that Jacobsen had ordered the licenses and owed the amount due to Katzer. *See id.* Jacobsen grew concerned over how Katzer would use the invoice.

The letters/invoices did not stop. Katzer sent another letter and invoice in early October. *Id.* at 7. This time, the invoice included interest and stated that Jacobsen owed more than \$206,000. *Id.* at 8.

² After Katzer's disclaimers, Katzer holds 12 patents with 614 claims. See Exhibit A for a chart of the Katzer patents. Most claims are based on earlier filed applications. As an example, Exhibit A includes a comparison of two claims.

B. Katzer's FOIA Request to Jacobsen's Employer

Dissatisfied that he was not getting any response, Katzer increased the pressure. Knowing that Jacobsen worked at the Lawrence Berkeley National Laboratory ("Lab") as a research physicist, Katzer filed a FOIA request with the U.S. Department of Energy to obtain Jacobsen's emails and other JMRI information from the Lab. Ex. C. In his FOIA request, Katzer falsely stated that he had filed a lawsuit against Jacobsen in federal court. Ex. C at 3 (paragraph 15). He also accused Jacobsen of infringing multiple unidentified Katzer patents. Id. at 1. Finally, Katzer included one of the \$200,000-plus invoices. Id. at 4.

Once the FOIA request was routed to the Lab, Jacobsen was brought before his superiors to explain the situation, in particular the federal lawsuit that Katzer had purportedly filed against him. Patent infringement is one of the few bases that the Lab, or U.C. Berkeley, where Jacobsen holds a tenured faculty position, could fire Jacobsen. Ex. D at 8-10. Jacobsen explained the dispute to his bosses, and later determined that Katzer had not filed any lawsuit after all. Id. at 3 (paragraph 37). Nevertheless, the FOIA request incident left him unnerved as to what tactic Katzer might try next.

The cease and desist letters, with invoices, kept arriving. Ex. B at 9-11. Katzer continued to add interest on the invoices. Id. at 11. Jacobsen grew increasingly concerned—and he had good reason.

C. Jacobsen Aware of Katzer's Earlier Disputes

In September 2002, Katzer had sued his two other competitors, DigiToys and Freiwald Software for patent infringement. Exs. E & F. He faxed cease and desist letters to both competitors, and included all then-issued patents. Exs. G & H (without 3 patents, totaling 90 pages, which were also faxed with the demand letters). Although the cease and desist letters accused DigiToys and Freiwald Software of each infringing two claims from two patents, the lawsuits which Katzer filed asserted all 342 claims from all three issued patents. Ex. E at 2; Ex. F at 3. The lawsuit against DigiToys did not name DigiToys' owner, Hans Tanner, whom Katzer knew personally, but Tanner's wife, Mireille, as the defendant. Ex. E at 1. The lawsuit against Freiwald Software also named a Freiwald Software distributor, Ex. F at 1, which soon after dropped Freiwald Software products and became a Katzer distributor. Katzer dismissed the lawsuits after receiving a letter from DigiToys, identifying various prior art, including the accused DigiToys software, which Katzer had known had existed more than one year before Katzer's first patent application was filed, but that Katzer had either not disclosed or had not provided references for during prosecution of his patent applications. Exs. I & J (without attachments).

After his attempt to sue his competitors failed, Katzer selected an easier target—an individual model railroader, Glen Butcher, who ceded to Katzer's

demands to cease distribution of his model train control system software. As Katzer's last main competitor, JMRI was next, and as leader of the JMRI project, Jacobsen knew he would be the target.

D. Jacobsen Files Declaratory Judgment Action; Katzer Continues His Accusations

In March 2006, Jacobsen filed his original complaint, which included three declaratory judgment causes of action—unenforceability, invalidity, and non-infringement. Although Katzer had accused him of infringing multiple unidentified Katzer patents, Jacobsen listed only the one that had been specifically identified, the '329 patent.

In early proceedings, Katzer and his attorneys continued to accuse Jacobsen of infringing multiple unidentified Katzer patents.³ Katzer and Russell also stated their FOIA request was sent in preparation for a lawsuit, contemplated in good

³ Declaration of Matthew Katzer in Support of Special Motion to Strike [Docket #13] [hereinafter Katzer anti-SLAPP Decl.] ¶ 5 (“...infringing KAM’s patents.”), ¶ 7 (“...infringement of KAM’s patents.”); Defendants’ Matthew Katzer and KAMIND Associates, Inc. Special Motion to Strike Plaintiff’s Libel Claim under Cal. Civ. Pro. Code § 425.16 [Docket #29] at 5, l. 7 (“KAM believes that certain JMRI software infringes on KAM patents.”), at 8, ll. 21-22 (“...to alert the DOE that the JMRI project was infringing on KAM patents.”) (emphasis added in all). Through 2006 to 2008, Katzer peppered Jacobsen with accusations of infringing multiple unidentified Katzer patents. See, for example, a joint case management statement, in which Katzer continued to accuse Jacobsen of infringing patents through April 2008, after he disclaimed the '329 patent. The relevant pages are in Exhibit K.

faith, for infringement of the Katzer patents.⁴ They made repeated statements that their charges of patent infringement had been made in good faith, and that they actually had a basis for those beliefs. Indeed, when they successfully struck a claim in Jacobsen's original complaint using an anti-SLAPP procedure, they did so by convincing the district court that they were engaging in prelitigation activity that was protected by the First Amendment. Ex. L (Order Granting Defendants' Motions to Dismiss and Special Motions to Strike [Docket #111]) at 9-12.

E. Katzer Defies Court Order to Disclose Patent Positions—He Disclaims and Moves to Dismiss Patent Declaratory Judgment Actions for Mootness

When the time came to demonstrate that Katzer actually had a good faith basis for accusing Jacobsen of infringement, Katzer disclaimed the '329 patent,⁵ and then moved to dismiss the three patent declaratory judgment causes of action.

⁴ Katzer anti-SLAPP Decl. at 3; Declaration of Kevin Russell in Support of Special Motion to Strike [Docket # 25] [hereinafter Russell anti-SLAPP Decl.] at 2. The relevant pages are in Exhibit K.

⁵ In a public order, Magistrate Judge Elizabeth Laporte, who was conducting settlement talks between Jacobsen and Katzer, ordered Katzer to disclose his claim construction, infringement, validity, and enforceability positions. Although in its January 5, 2009 order, the district court stated that this order was directed to both parties, the order was in fact directed only to Katzer, since Jacobsen had made his disclosure more than a year before. Compare Katzer's Mot. to Transfer, Ex. A (January 5, 2009 order) at 5 with Ex M (Judge Laporte's settlement conference order). Katzer had promised three months earlier to make the disclosures, but then chose not to. With the Judge Laporte's order, Katzer had until January 31, 2008 to make the disclosures. One day after missing the court-ordered deadline, Katzer first covenanted not to sue, and then disclaimed the '329 patent, the one patent that Jacobsen had identified. This district court described this as "voluntary" conduct. Mot. to Transfer, Ex. A at 5:

Since discovery had not opened, Jacobsen sought early discovery to identify the multiple unidentified patents that Katzer had a purported good faith belief that Jacobsen infringed, so that Jacobsen could expand his declaratory judgment action to include them. Ex. N (Mot. for Limited Early Discovery [Docket #207]). The district court denied Jacobsen's motion. Ex. O (Order [Docket #212]).

F. Jacobsen Seeks Expansion of Declaratory Judgment Actions to Other Katzer Patents, But District Court Declines Jurisdiction

A few days later, this Court issued its ruling in Micron Technology, Inc. v. MOSAID Technologies, Inc., 518 F.3d 897 (Fed. Cir. 2008), which permitted a declaratory judgment action even though the patent holder had not sent any cease and desist letters to the accused infringer for several years. The declaratory judgment action in that case also included patents that had issued after the last cease and desist letter. Jacobsen argued that the district court had declaratory judgment jurisdiction over all issued Katzer patents, per Micron, and he sought to amend his complaint to include all remaining Katzer patents.

Like the accused infringer in Micron, Jacobsen had dealt with an increasingly belligerent patent holder—here, through the cease and desist letters, invoices with interest, and the FOIA request. Jacobsen was Katzer's last major competitor. Katzer's practice was to accuse a competitor of infringing one or two claims, and then to file suit asserting all claims from all issued patents. Katzer's

increase in his license fee suggested that Katzer had found other claims to assert against Jacobsen. Jacobsen continues to release the same accused software, and improvements, as he did prior to Katzer and Katzer's attorneys' charges of infringement. He has withheld further improvements out of a concern of additional accusations of patent infringement and the prospect of receiving 6-figure bills that would be sent to his home and to his employer.

Presented with these facts, the district court ruled:

there is nothing in the record to support the position that there is a substantial controversy between the parties to merit retaining jurisdiction over the declaratory claim. Defendants maintain they have no intent to sue Jacobsen over alternate patents and any determination regarding patents not yet in suit would render the Court's opinion merely, and impermissibly, advisory. *See Micron Technology, Inc. v. Mosaid Technologies, Inc.*, 518 F.3d 897, 901-02 (Fed. Cir. 2008).

Order at 5. The court therefore dismissed the patent claims without leave to amend.⁶

Jacobsen intends to appeal this order when final judgment is entered. In the meantime, Jacobsen has taken this appeal from the district court's order denying his motion for preliminary injunction. If granted, this injunction would bar Katzer and KAMIND from infringing Jacobsen's copyright and committing DMCA violations.

⁶ Though the court's opinion stated that Katzer has disavowed any intention to sue on the patents he has not disclaimed, Katzer has not bound himself not to assert such patents. He has filed no covenant not to sue or statement of non-liability. He has not disclaimed the 12 remaining Katzer patents.

V. Argument

A. The District Court's Jurisdiction is Based on Sec. 1338, Thus This Court Has Exclusive Jurisdiction of Appeal

This Court has jurisdiction to hear this appeal, despite Katzer's arguments to the contrary. Over Jacobsen's objections and with neither a statement of non-liability nor a covenant not to sue from Katzer, the district court has dismissed for mootness three patent declaratory judgment causes of action because Katzer disclaimed two⁷ of 14 asserted patents. This order is not appealable until final judgment and importantly, until final judgment, the district court retains jurisdiction of the patent claims, which are subject to motions for reconsideration. At the same time, the district court denied Jacobsen's motion for preliminary injunction to enjoin Katzer's copyright infringement and DMCA violations. This order is appealable, and this Court is the proper venue.

This Court has jurisdiction over an appeal if it would have jurisdiction of the case at final judgment. Final judgment has not been entered, and likely will not be entered for another two years. However, a denial of a preliminary injunction falls in the class of interlocutory orders that is immediately appealable. 28 U.S.C. §

⁷ The second disclaimed patent is U.S. Patent No. 7,177,733, which is invalid for Sec. 101 double patenting over U.S. Patent No. 6,909,945. In his Second Amended Complaint, Jacobsen had identified Katzer's pattern of seeking identical patents through submitting the same claims as issued in earlier patents or filed with earlier patent applications. Katzer disclaimed the '733 patent at the same time he disclaimed the '329 patent.

1292(a)(1). This Court has exclusive jurisdiction “of an appeal from an interlocutory order … described in subsection (a) … of this section in any case over which the court would have jurisdiction of an appeal under section 1295 of this title....” Id. § 1292(c)(1). Section 1295 states that this Court:

shall have exclusive jurisdiction … of an appeal from a final decision of a district court of the United States … if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights, exclusive rights in mask works, or trademarks and no other claims under section 1338(a) shall be governed by sections 1291, 1292, and 1294 of this title....

Id. § 1295(a)(1).

Because Jacobsen’s complaint arises under U.S. patent law, this Court has appellate jurisdiction over both patent and non-patent claims at final judgment.

Holmes Group, Inc. v. Vornado Air Circulation Sys., 535 U.S. 826, 829-30 (2002).

Under 28 U.S.C. Sec. 1292(a)(1), this Court therefore has jurisdiction over Jacobsen’s appeal from denial of a motion for preliminary injunction, though not yet over the district court’s ruling dismissing Jacobsen’s patent causes of action.

See La Reunion Arienne v. Socialist People’s Libyan Arab Jamahiriya, 533 F.3d 837, 842 (D.C. Cir. 2008) (“standing is not an issue that falls within the collateral order exception to the finality rule”, but finding the exception existed when a motion to dismiss for immunity had been denied). When the patent claims are appealed at final judgment, this Court “has inherent jurisdiction to determine its

own jurisdiction.” C.R. Bard, Inc. v. Schwartz, 716 F.2d 874, 877 (Fed. Cir. 1984). The precedent that Katzer relies upon demonstrates the principle that, on final judgment, appellate review is available to determine if the district court erred in ruling that it lacked jurisdiction. Otherwise, a ruling from a district court, granting or denying a motion to dismiss for lack of jurisdiction, would determine the jurisdiction of this Court, “an absurd result”. C.R. Bard, 716 at 877.⁸

Katzer nevertheless argues that this Court now lacks jurisdiction because the district court’s order, dismissing the patent causes of action, amended Jacobsen’s complaint. This argument is flawed in several respects.

⁸ This Court also has jurisdiction under Section 1295 based on other causes of action. In 2006, the district court has dismissed an antitrust claim which was based on Walker Process fraud and sham litigation involving the Katzer patents. Ex. M (October 20, 2006 Order) at 3-5. The district court granted an anti-SLAPP motion in which Katzer claimed his prelitigation activities were legitimate exercises of his First Amendment rights, and awarded more than \$30,000 to Katzer’s counsel. Id. at 9-14. The district court did not consider Jacobsen’s arguments that Katzer’s activities were sham litigation which thus fell outside of First Amendment protection. Cf. Catch Curve, Inc. v. Venali, Inc., 519 F. Supp. 2d 1028, 1040, (C.D. Cal. 2007) (denying anti-SLAPP motion because of possibility that prelitigation activity was sham litigation, unprotected by the First Amendment). Whether sham litigation or Walker Process fraud defeat First Amendment protection requires the construction of patent laws, which invokes the Federal Circuit’s exclusive jurisdiction under Sec. 1295. See Biotechnology Indus. Org. v. District of Columbia, 496 F.3d 1362, 1368-69 (Fed. Cir. 2007). These orders will merge on final judgment, permitting Jacobsen to appeal. See Invitrogen Corp. v. Clontech Labs., Inc., 429 F.3d 1052, 1069 (Fed. Cir. 2005).

B. Neither the District Court Nor Jacobsen Amended the Complaint to Remove the Patent Causes of Action

Most fundamentally, the district court did not amend Jacobsen's complaint. It declined to exercise jurisdiction over the patent claims in it. Katzer cites no authority holding that entry of such an order strips this Court of jurisdiction. Two of the three cases⁹ which Katzer relies upon, Nilssen v. Motorola, Inc., 203 F.3d 782, 785 (Fed. Cir. 2000), and Gronholz v. Sears, Roebuck & Co., 836 F.2d 515, 519 (Fed. Cir. 1987), both involve plaintiffs who effectively amended their complaints through voluntary dismissals under Rule 41. These cases therefore are consistent with the rule of Holmes v. Vornado that the plaintiff is master of both the complaint and the appellate path the complaint takes. Here, there have been no voluntary Rule 41 dismissals. Thus, Nilssen and Gronholz have nothing to do with this case.

The district court's order confirms that Katzer's amendment analogy is legally unsound. Jacobsen argued that assertion of jurisdiction over the referenced but unidentified patents serves the objectives of the Declaratory Judgment Act as this Court has defined them for purposes of patent cases. Katzer no doubt disagrees with this view. There can be no disagreement, however, that the district

⁹ The third case is Chamberlain Group, Inc. v. Skylink Technologies, Inc., 381 F.3d 1178 (Fed. Cir. 2004), which is also inapplicable, as discussed in further detail later in this Response.

court ruled on this point and construed this Court's Micron precedent in doing so. That is not an amendment.

C. On Final Judgment, This Court Has Exclusive Jurisdiction

Although this aspect of the January 5, 2009 order is not final, and thus, not appealable at present, the patent declaratory judgment causes of action are a sufficient basis for this Court's continued jurisdiction over this appeal. Until final judgment, the district court retains jurisdiction of the patent claims to hear motions for reconsideration. Adopting Katzer's argument implies either (a) when the district court's ripeness ruling is itself ripe for appeal, the Ninth Circuit should rule on the district court's application of this Court's patent precedents or (b) this case will be subject to "a perpetual game of jurisdictional ping-pong", Holmes Group, 535 U.S. at 838 n.3 (Stevens, J., concurring in part and concurring in judgment), between the circuits. That result is inconsistent with Holmes v. Vornado, judicial efficiency, and common sense.

Also flawed is Katzer's use of the "without prejudice"/"with prejudice" distinction as it relates to dismissals based on a lack of jurisdiction. Katzer argues that no dismissal for lack of jurisdiction may be "with prejudice" because a court without jurisdiction "necessarily" has no power to resolve the merits of a claim. Mot. to Transfer at 8. This is incorrect as a matter of law. Cf. Sicom Sys., Ltd. v.

Agilent Techs., Inc., 427 F.3d 971, 980 (Fed. Cir. 2005) (affirming dismissal with prejudice for lack of standing).

Setting aside this distinction, it is not clear from the district court's order that it ruled that it had no jurisdiction. The district court's order holds that the record did not demonstrate a "substantial controversy between the parties to merit retaining jurisdiction over the declaratory claim." Mot. to Transfer, Ex. A at 5. The reference to whether the facts "merit[ed]" retaining jurisdiction implies that the court exercised its discretion under the Declaratory Judgment Act not to entertain a claim over which it had jurisdiction. E.g., Micron Tech., Inc. v. MOSAID Techs., Inc., 518 F.3d 897, 902 (Fed. Cir. 2008). On this reading, the order raises the question whether the court properly exercised its power, not whether it had power to exercise.

Even construing the ruling as jurisdictional, Katzer's argument goes too far. If it were accepted, this Court would never have jurisdiction over a district court's decision that a declaratory judgment claim was unripe. This reasoning is plainly contrary to 28 U.S.C Sec. 1295 and this Court's precedent. By Katzer's reasoning, a district court which ruled that it lacked jurisdiction, would not have jurisdiction to dismiss the claim with prejudice even if the court claimed to do so.

Equally problematic is Katzer's claim that this Court lacks jurisdiction because Jacobsen could re-file his complaint, though he may not amend it. That

distinction is pointless, and the course of litigation it implies would be wasteful, if pursued. The district court considered and rejected Jacobsen's claims with regard to Katzer's referenced but unidentified patents. If Jacobsen re-filed his complaint in the Northern District of California, the complaint likely would be assigned to the same district court. N.D. Cal. R. 3.3(c). The district court would likely make the same ruling. Under Katzer's reasoning, if a decision on claims arising under patent laws was "without prejudice", it could conceivably prevent this Court from ever having jurisdiction, a result flatly at odds with C.R. Bard, 716 F.2d at 877. Even the precedent that Katzer relies upon in his motion is contrary to Katzer's reasoning.

D. Katzer's Authorities Are Not Applicable

Finally, four important points distinguish Nilssen, Gronholz, and Chamberlain Group. First, as noted earlier, in each of these cases, the parties voluntarily dismissed claims under Rule 41¹⁰. Chamberlain Group, 381 F.3d at 1188-89; Nilssen, 203 F.3d at 783; Gronholz, 836 F.2d at 516. Here, in contrast, this district court dismissed claims over Jacobsen's objections and construed this Court's Micron precedent in doing so. When a party objects to a dismissal, the

¹⁰ The district court in Chamberlain Group also dismissed a claim under Rule 12(b)(6) without prejudice, but subject to a condition subsequent that later occurred. 381 F.3d at 1188-89. The Federal Circuit determined that this resulted in the claim being dismissed with prejudice. Id.

Federal Circuit retains jurisdiction to hear that party's appeal of the dismissal, whether or not the dismissal was made with or without prejudice. E.g., Avocent Huntsville Corp. v. Aten Int'l Co., 552 F.3d 1324 (Fed. Cir. 2008); Breed v. Hughes Aircraft Co., 253 F.3d 1173, 1177-1780 (9th Cir. 2001) (transferring case to the Federal Circuit based on involuntary dismissal of patent-related claims, after finding that Gronholz did not apply); Bonneville Associates v. United States, 43 F.3d 649 (Fed. Cir. 1994), Pasteur v. United States, 814 F.3d 624 (Fed. Cir. 1987). But see Chamberlain Group, 381 F.3d at 1180-90.

Second, in Nilssen, Gronholz, and Chamberlain Group, the claims were appealed after the district court entered final judgment. Chamberlain Group, at 381 F.3d at 1188; Nilssen, 203 F.3d at 783; Gronholz, 836 F.2d at 516. Here, the appeal of an order denying an injunction is a permitted interlocutory appeal. Since final judgment has not been entered, Jacobsen may seek reconsideration of the district court's order if new developments in declaratory judgment law arise. N.D. Cal. Civ. R. 7-9(b)(2).¹¹ The district court retains jurisdiction to vacate or reverse its earlier order.

¹¹ Indeed, the district court relied on Katzer's interpretation of Benitec Australia, Ltd. v. Nucleonics, Inc., 495 F.3d 1340 (Fed. Cir. 2007) and Super Sack Mfg. Corp. v. Chase Packaging Corp., 57 F.3d 1054 (Fed. Cir. 1995), which Jacobsen had argued were inapplicable to the facts of this case. After the district court ruled, this Court issued its ruling in Revolution Eyewear, Inc. v. Aspex Eyewear, Inc., F.3d __, No. 2008-1050 (Fed. Cir. Feb. 13, 2009), which discusses and distinguishes Benitec and Super Sack.

Third, Jacobsen intends to appeal the adverse rulings related to claims arising in patent law, although he cannot now. Therefore, there will be no question that this Court has jurisdiction. This case is unlike Chamberlain Group. There, this Court exercised jurisdiction over an appeal from a final judgment in a case in which the patent holder was able to, but voluntarily declined to, appeal the patent causes of action, which had been dismissed under Rule 12(b)(6) or voluntarily dismissed under Rule 41. Chamberlain Group, 381 F.3d at 1188.

Finally, unlike the case where a plaintiff amends a complaint, the district court's order on Jacobsen's patent claims does not leave the parties in the position they were in before those claims had been filed. The district court has considered Jacobsen's ripeness arguments and his interpretation of Micron and rejected them. Absent intervening changes in law or facts, it would be pointless and a waste of judicial time for Jacobsen to assert those arguments in a new filing. Katzer's suggestion that Jacobsen do so is fanciful, at best. The district court's order therefore does not leave the parties "in the same legal position with respect to the patent claims as if they had never been filed." Nilssen, 203 F.3d at 785. Instead, that ruling "altered the legal status of the parties with respect to" Jacobsen's patent claims. This Court therefore "retain[s] appellate jurisdiction over all pendent claims in the complaint." Chamberlain Group, 381 F.3d at 1190.

Thus the cases Katzer relies on, which state an exception to the rule that the operative complaint determines the Federal Circuit's jurisdiction, do not divest the Court of jurisdiction here. Instead, the rule, as stated in 28 U.S.C. Sec. 1292 and Sec. 1295, and in Holmes v. Vornado, governs.

Because the operative complaint has claims based on patent law, and the district court has earlier ruled on claims based on patent law, this Court has exclusive jurisdiction of this appeal.

VI. Summary

For the foregoing reasons, Katzer and KAMIND Associates' motion to transfer venue should be denied. In the alternative, Jacobsen asks this Court to be permitted to amend his notice of appeal to include the order granting Katzer and KAMIND Associates' motion for mootness.

Respectfully submitted,

DATED: March 23, 2009

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ATTORNEY FOR PLAINTIFF-APPELLANT

FORM 9. Certificate of Interest

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUITRobert Jacobsenv. Matthew Katzer and KAMIND Associates, Inc.(dba KAM Industries)
No. 2009-1221**CERTIFICATE OF INTEREST**

Counsel for the (petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

Robert Jacobsen certifies the following (use "None" if applicable; use extra sheets if necessary):

1. The full name of every party or amicus represented by me is:

Robert Gibbs Jacobsen

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

None

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. There is no such corporation as listed in paragraph 3.

5. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Law Office of Victoria K. Hall

For the record, I was an intern, serving with Judge Richard Linn from June-August 2002.

March 23, 2009
Date

Victoria K. Hall
Signature of counsel
VICTORIA K. HALL
Printed name of counsel

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT
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Plaintiff-Appellant,

v.

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

Declaration of Victoria K. Hall, counsel for Appellant Robert Jacobsen, in Support of Jacobsen's Response to Appellees Matthew Katzer and KAMIND Associates, Inc.'s Motion to Transfer

I, VICTORIA K. HALL, hereby declare:

1. I am an attorney at law licensed to practice before all Maryland, District of Columbia, and California courts and am a member of the bar of this Court. I am the attorney of record for Plaintiff-Appellant in this action. I state all facts herein are of my own firsthand personal knowledge, and if called as a witness, I could and would competently testify thereto.
2. The attached Exhibits are true and correct copies of documents filed with the district court.
3. Exhibit A includes a true and correct a chart of the Katzer patents as of mid-October 2007. Several continuation applications were filed in late October 2007. None have issued. By way of showing the close

relationship between patent claim, attached is a true and correct comparison between claim 1 of U.S. Patent 6,530,329 and claim 1 of U.S. Patent No. 6,827,023.

4. Exhibit B contains true and correct copies of letters between Matthew Katzer, by way of his counsel Kevin L. Russell, and Robert Jacobsen.
5. Exhibit C is true and correct copy of a portion of the FOIA request that Matthew Katzer sent, by way of his counsel Kevin L. Russell, to the U.S. Department of Energy.
6. Exhibit D is a true and correct copy of a portion of a declaration from Robert Jacobsen, and an Exhibit M which was included with that declaration.
7. Exhibit E is a true and correct copy of a lawsuit between Matthew Katzer and DigiToys.
8. Exhibit F is a true and correct copy of a lawsuit between Matthew Katzer and Freiwald Software.
9. Exhibit G is a true and correct copy of a demand letter sent from Matthew Katzer, by way of his counsel Kevin L. Russell, to Mireille Tanner of DigiToys.
10. Exhibit H is a true and correct copy of a demand letter send from Matthew Katzer, by way of his counsel Kevin L. Russell, to Freiwald Software.
11. Exhibit I is a true and correct copy of a declaration by Hans Tanner, owner of DigiToys.
12. Exhibit J is a true and correct copy of a letter from Hans Tanner to Kevin L. Russell.
13. Exhibit K contains true and correct copies of portions of Katzer's and Russell's filings, and a portion of a joint case management statement.

14.Exhibit L is a true and correct copy of the district court's October 20, 2006 order.

15.Exhibit M is a true and correct copy of an order from Magistrate Judge Laporte, ordering Katzer to make patent disclosures.

16.Exhibit N is a true and correct copy of Jacobsen's motion for early discovery.

17.Exhibit O is a true and correct copy of the district court's order, denying Jacobsen's motion for early discovery.

I declare under the penalty of perjury under the laws of the State of Maryland that the foregoing is true and correct. Executed this 23th day of March, 2009, in Rockville, Maryland.

DATED: March 23, 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

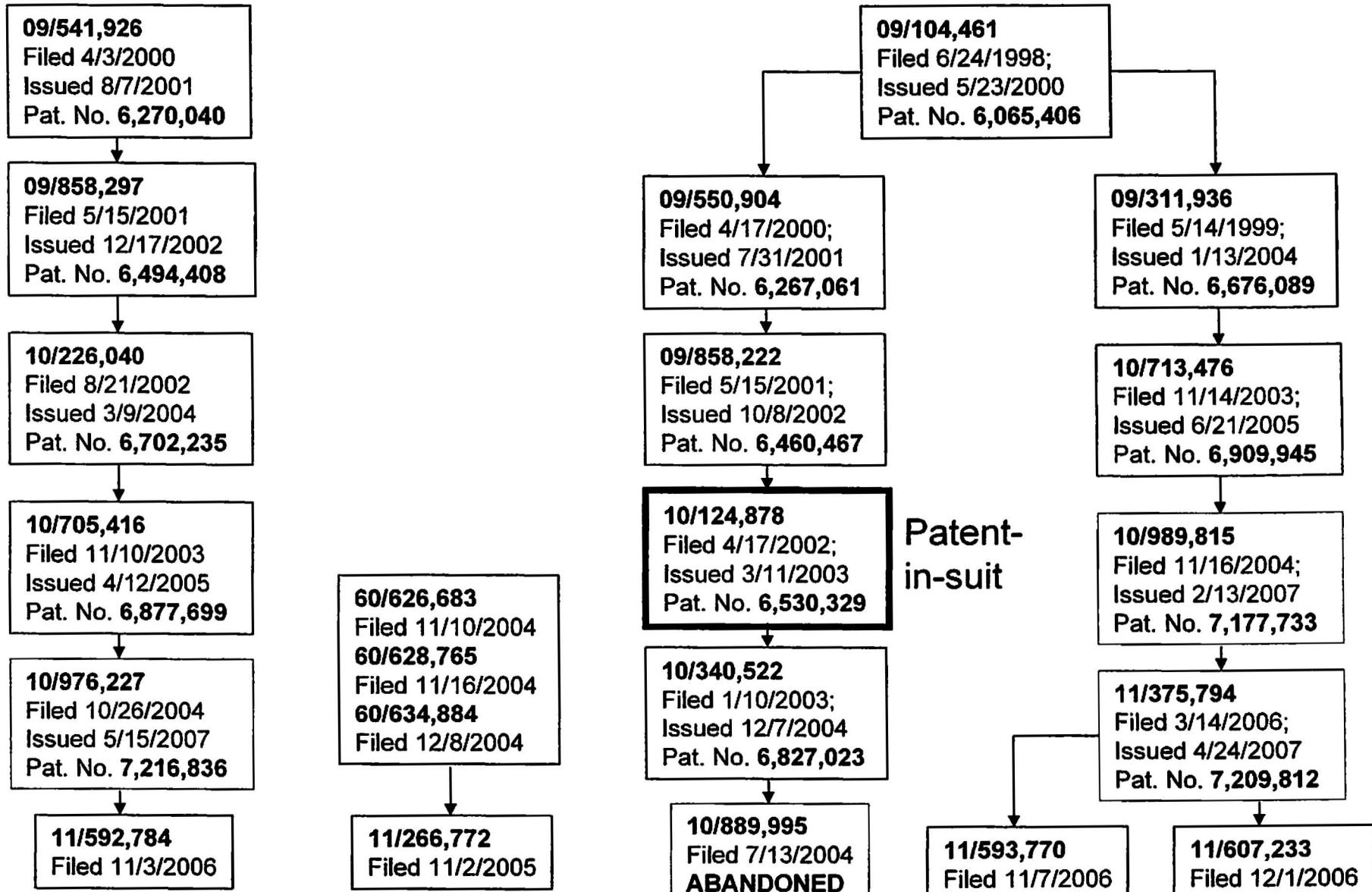
Telephone: 301-280-5925
Facsimile: 240-536-9142

ATTORNEY FOR PLAINTIFF/APPELLANT

Exhibit A

Katzer U.S. Patents & Applications

Patent applications, their continuation applications, and issued patents.



Effective filing dates and terminal disclaimers are not shown.

Exhibit A

'329	'023
1. A method of operating a digitally controlled model railroad comprising the steps of:	1. A method of operating a digitally controlled model railroad comprising the steps of:
(a) transmitting a first command from a first program to an interface;	(a) transmitting a first command from a first program to an interface <u>wherein said first program resides on a first device and said interface resides on a second device</u> ;
(b) transmitting a second command from a second program to said interface; and	(b) transmitting a second command from a second program to said interface, <u>wherein said second program resides on a third device</u> ; and
(c) sending third and fourth commands from said interface representative of said first and second commands, respectively, to a digital command station.	(c) sending third and fourth commands from said interface representative of said first and second commands, respectively, to a digital command station, <u>wherein said digital command station is a fourth device</u> .

Exhibit B



LAW OFFICES

CHERNOFF, VILHAUER, McCLEUNG & STENZEL, LLP

INTELLECTUAL PROPERTY LAW

INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

1600 ODS TOWER

601 S.W. SECOND AVENUE

PORTLAND, OREGON 97204-3157

TELEPHONE: 503-227-5631

FAX: 503-228-4373

• Tim A. Long

• Kim Roncup

• Brenda K. Legard

• Scott C. Krieger^{**}

• Susan D. Pitchford

• REGISTERED PATENT ATTORNEY

** MEMBER UTAH AND D.C. BARS

- JACOB E. VILHAUER, JR.
- DONALD E. STENZEL
- CHARLES D. McCLEUNG
- DONALD B. HASLETT
- J. PETER STAPLES
- WILLIAM O. GENEY
- NANCY J. MORSEY
- JULIANNE R. DAVIS
- KEVIN L. RUSSELL

DANIEL P. CHERNOFF
(1935-1995)

DAVID S. FINE
SENIOR LAW CLERK

March 8, 2005

CERTIFIED MAIL
Return Receipt Requested

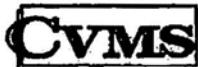
Mr. Robert G. Jacobsen
1927 Marin Avenue
Berkeley, CA 94707-2407

Re: Kam Industries' U.S. Patent No. 6,530,329 B2
Our File No.: 7431.0081

Dear Mr. Jacobsen:

We represent KAM Industries ("KAM") with respect to their intellectual property matters. KAM is the owner of U.S. Patent No. 6,530,329 B2, issued March 11, 2003, a copy of which is enclosed herewith for your convenience.

Our preliminary analysis of the JMRI software indicates that it currently includes several separate distinct programs (e.g., interface instances), namely, Throttle, PanelPro, DecoderPro, and Loco Tools. Each of these programs appears to be a separate Java application instance that may be run simultaneously on a computer. During operation of the JMRI software programs, our analysis indicates that the software includes the functionality to communicate over a TCP/IP connection with an installed JMRI server. The JMRI server in turn communicates with a command station for a model railroad. Our analysis further indicates that the JMRI server is capable of receiving commands from all of the Java application instances and then the commands are forwarded to the command station, and likewise retrieving commands from the command station and providing them to the corresponding separate Java application instance.



Mr. Robert G. Jacobsen
March 9, 2005
Page Two

Claim 1 of U.S. Patent No. 6,530,329 claims a method of operating a digitally controlled model railroad comprising the steps of: (a) transmitting a first command from a first program to an interface; (b) transmitting a second command from a second program to said interface; and (c) sending third and fourth commands from said interface representative of said first and second commands, respectively, to a digital command station.

It is our opinion that the JRMI software may infringe claim 1 of the '329 patent.

By way of assistance, in order to avoid further infringement of claim 1 of the '329 patent, I would suggest rewriting all of the Java application instances in a single instance where JMRI instance manager can only satisfy one creation request.

KAM currently has an active licensing program for each copy of infringing software downloaded or otherwise installed on a computer at \$19 per copy. KAM would be interested in licensing its patent rights to the JRMI software.

Please provide us with a response within 10 days.

Sincerely,

A handwritten signature in black ink, appearing to read "KLRR".

Kevin L. Russell

KLR:kk
Enclosure

March 29 2005

Mr Kevin Russell
Chernoff, Vilhauer, McClung
& Stenzel, LLP
1600 ODS Tower
601 S. W. Second Ave
Portland, Oregon, 97204-3157



Bob Jacobsen

JMRI Project
1927 Marin Avenue
Berkeley, CA 94707-2407

jmri@pacbell.net

Dear Mr. Russell:

The JMRI project is committed to the appropriate and legal use of intellectual property, both ours and that belonging to others.

In response to your letter of March 8, 2005, we have examined the JMRI code in the light of your statements. We were unable to locate any functionality that infringes on valid claims in U.S. Patent 6,530,329 B2.

We request that you provide us with the results of your preliminary analysis of the JMRI software in sufficient detail that we can determine how best to proceed. It would be most helpful if you could indicate the particular software modules that you think infringe. For your reference, the entire software source code is available at <http://sourceforge.net/projects/jmri> and additional design documentation is available via <http://jmri.sourceforge.net>.

We look forward to resolving this.

Sincerely,

Bob Jacobsen



LOW OFFICES
CHERNOFF, VILHAUER, MCCLOUD & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

1600 ODS Tower
601 S.W. Second Avenue
PORTLAND, OREGON 97204-3157
TELEPHONE 503-227-3631
FAX 503-228-4373

- JACOB H. VILHAUER, JR.
 - DENNIS E. STENZEL
 - CHARLES D. MCLOUD
 - DONALD B. HAGERT
 - J. PETER STAPLES
 - WILLIAM O. GENT
 - NANCY J. MORIARTY
 - KEVIN L. RUSSELL
- DANIEL P. CHERNOFF
(1935-1995)

- TIM A. LONG
- KURT RORHIPS
- BRENNAN K. LEGGARD
- SUSAN D. PITCHFORD
- J. DOUGLAS WELLS

• REGISTERED PATENT ATTORNEY

DAVID S. FEE
SENIOR LAW CLERK

August 24, 2005

Our File No.: 7431.0081

CERTIFIED MAIL
Return Receipt Requested

Mr. Robert Jacobsen
1927 Martin Avenue
Berkeley, CA 94707-2407

Dear Mr. Jacobsen:

In response to your letter of March 29, 2005 we appreciate your acknowledgement of the need to respect the intellectual property of KAM.

The JMRI software that you distribute on your website continues to infringe U.S. Patent No. 6,530,329 B2. In particular, claim 1 claims transmitting a first command from a first program to an interface; transmitting a second command from a second program to the interface, and sending third and fourth commands from the interface representative of the first and second commands, respectively to a digital command station.

In essence, claim 1 provides patent protection for when at least two programs provide commands to the interface which are in turn provided to a digital command station. This technology is proprietary to KAM.

Our analysis of your existing implementation of the JMRI software indicates that it includes several distinct programs (e.g., interface instances) which communicate over a TCP/IP connection with an installed JMRI server. The JMRI server in turn communicates with a command station for a model railroad. In addition, our analysis indicates that the JMRI server is capable of receiving commands from all of the Java application instances.

In order to avoid further infringement, you will need to modify the JMRI software so that it is a single program. You will need to include controls to ensure that only one single program is running and capable of providing commands to the model railroad. If you want to execute another program you will need to terminate the current program prior to starting the other program.



Mr. Matthew A. Katzer
August 24, 2005
Page Two

We are in the process of further reviewing the JMRI software with respect to other patents owned by KAM. These patents are available at www.uspto.gov.

Once you have completed these changes, please send me a copy of the software distribution on CD-ROM so that we may confirm that the code no longer infringes U.S. Patent No. 6,530,329.

In a posting by you on June 14, 2005 to dcc-eg-tech@yahoogroups.com you admitted that you have provided the user community over 7,000 copies of the infringing JMRI software. The current software patent licensing fee from KAM is \$29 per copy.

Could you please provide me with an accounting of all copies of the infringing JMRI software that has been distributed, downloaded, or otherwise made available in any fashion? For the admitted 7,000 copies of the infringing JMRI software I have included an invoice from KAMIND Associates, Inc. in the amount of \$203,000.00 currently owed by you to KAMIND Associates, Inc. If you require account information so that you can wire the amount to their bank account, please let me know.

Another potential design for future non-infringing software would involve removing the existing communications interface of the JMRI software, adding an interface to KAM's Open XML interface, and requiring user's to purchase a copy of train server from KAM at \$29 per copy. Once such a program has been developed we would be willing to provide you with an indication of whether it would infringe any of KAM's intellectual property rights.

Please provide us with your assurances that the JMRI software no longer infringes and confirm the payment within 15 days.

Best,

A handwritten signature in black ink, appearing to read "KLRR".

Kevin L. Russell

KLR:kk
Enclosure

**KAMIND Associates, Inc**

2373 NW 185th Ave
Hillsboro, OR 97124
(503) 291-1221
(503) 291 1221

Sales Receipt

Transaction #: 40
Account #: 0010008
Page: 1 of 1
Date: 8/18/2005
Time: 4:47:03 PM
Cashier: MK
Register #: 1

Bill To: Bob Jacobson
1927 Martin Ave
Berkeley, CA 94707 2407

Ship To: Bob Jacobson
1927 Martin Ave
Berkeley, CA 94707-2407

TrainServerLic	Train Server Single User	7000	\$29.00	\$29.00	\$203,000.00
----------------	--------------------------	------	---------	---------	--------------

Thank you for your order. All payments net 30
All returns subject to 20% restocking fee
1.5% monthly finance charge unpaid balance
<http://www.kamind.com>
KAMIND Associates, Inc

Sub Total	\$203,000.00
Sales Tax	\$0.00
Total	\$203,000.00
Store Account	\$203,000.00
Previous Balance	\$0.00
New Balance	\$203,000.00
Change Due	\$0.00



LAW OFFICES

CHERNOFF, VILHAUER, McCLEUNG & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS1600 ODS Tower
601 S.W. SECOND AVENUE
PORTLAND, OREGON 97204-3157
TELEPHONE: 503-227-5631
FAX 503-228-4373

- JACOB E. VILHAUER, JR.
- DENNIS E. STENZEL
- CHARLES D. McCLEUNG
- DONALD B. HASLETT
- J. PETER STAPLES
- WILLIAM O. GENEY
- NANCY J. MORIARTY
- KEVIN L. RUSSELL

DANIEL P. CHERNOFF
(1935-1995)

- TIM A. LONG
- KURT ROHLFS
- BRENNA K. LEGARD
- SUSAN D. PITCHFORD
- J. DOUGLAS WELLS
- HOLLY L. BONAR

• REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

October 20, 2005

Mr. Bob Jacobson
1927 Martin Avenue
Berkeley, CA 94707-2407

Re: KAMIND Associates, Inc.
Our File No.: 7431.9999

Dear Bob:

Enclosed is an updated Account Statement for your activities with respect to the JMRI software.

Please let me know how you would like to arrange a payment schedule for your outstanding account balance.

Sincerely,

Kevin L. Russell

KLR:kk
Enclosure

cc: Mr. Matt Katzer

**KAMIND Associates, Inc**

2373 NW 185th Ave
Hillsboro, OR 97124
(503) 291-1221

Bob Jacobson

1927 Martin Ave
Berkeley, CA 94707-2407

Account Statement

Account Number: 0010008
Balance: \$206,047.96

Amount Enclosed: _____



Please detach and enclose top portion with payment.

Account Summary

Account Number:	0010008	Closing Date:	10/15/2005
Name:	Bob Jacobson	Credit Limit:	\$0.00
		Credit Available:	\$0.00
1927 Martin Ave Berkeley, CA 94707-2407		Previous Balance:	\$203,000.00
		New Charges:	\$3,047.96
		Credits / Payments:	\$0.00
		New Balance:	\$206,047.96
\$3,047.96	\$203,000.00	\$0.00	\$0.00
			\$206,047.96

Account Receivable Activity

TR-40	8/18/2005	9/16/2005	New Charge Item: TrainServerLic Train Server Single User	\$203,000.0	\$203,000.0
FC-47	10/15/2005	10/30/2005	Finance Charge	\$2.96	\$2.96
DC-53	10/15/2005	10/15/2005	Account adjustment Finance charge adjustment Sept 9/15 - 10/16	\$3,045.00	\$3,045.00



LAW OFFICES

CHERNOFF, VILHAUER, McCLEUNG & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS1600 ODS TOWER
601 S.W. SECOND AVENUE
PORTLAND, OREGON 97204-3157
TELEPHONE: 503-227-5631
FAX: 503-228-4373

- JACOB E. VILHAUER, JR.
- DENNIS E. STENZEL
- CHARLES D. McCLEUNG
- DONALD B. HASLWITZ
- J. PETER STAPLIN
- WILLIAM O. GENTY
- NANCY J. MORIARTY
- KEVIN L. RUSSELL

DANIEL P. CHIBNALL
(1935-1995)

- TIM A. LONG
- KELLY ROHES
- BRENNA K. LEGARD
- SUSAN D. PITCHFORD
- J. DOUGLAS WELLS
- HOLLY L. BONAR

• REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

January 3, 2006

Via Express Mail

Mr. Bob Jacobson
1927 Martin Avenue
Berkeley, CA 94707-2407

Re: KAMIND Associates, Inc.
Our File No.: 7431.0081

Dear Bob:

Due to your having not accepted our Certified Mail of November 23, 2005, we enclose herewith a copy of our letter of that date, together with the updated Account Statement (dated November 16, 2005) for your activities with respect to the JMRI software.

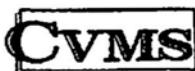
Please let me know how you would like to arrange a payment schedule for your outstanding account balance.

Sincerely,

Kevin L. Russell

KLR:kk
Enclosures

cc: Mr. Matt Katzer



Law Offices

CHERNOFF, VILHAUER, McCLEUNG & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

1600 ODS TOWER
601 S.W. SECOND AVENUE
PORTLAND, OREGON 97204-3157
TELEPHONE: 503-227-5631
FAX: 503-228-4373

* JACOB E. VILHAUER, JR.
* DENNIS E. STENZEL
* CHARLES D. McCLEUNG
* DONALD B. HASLETT
* J. PETER STAPLES
* WILLIAM O. GENY
* NANCY J. MORARTY
* KEVIN L. RUSSELL

* TIM A. LONG
* KURT ROHIPS
* BRENNA K. LEGARD
* SUSAN D. PITCHFORD
* J. DOUGLAS WELLS
HOLLY L. BONAR

* REGISTERED PATENT ATTORNEY

DANIEL P. CHERNOFF
(1935-1995)

November 23, 2005

DAVID S. FINE
SENIOR LAW CLERK

Our File No.: 7431.0081

CERTIFIED MAIL
Return Receipt Requested

Mr. Robert Jacobsen
1927 Martin Avenue
Berkeley, CA 94707-2407

Dear Mr. Jacobsen:

We have again reviewed your JMRI software and it appears that you have not yet modified the code in order to no longer infringe KAM's patents, as previously suggested.

We are somewhat perplexed by your non-responsiveness. We outlined in good faith why your software infringes, and pursuant to your request, provided a detailed analysis. While you profess to respect intellectual property, it appears that your continued sale and distribution of the software without any regard to KAM Industries' intellectual property rights, does not hold this to be true. We also note that Sourceforge infringes as well, by distributing the JMRI software.

Enclosed is an updated invoice.

Please let me know immediately on which day you will cease distributing infringing software.

Sincerely,

Kevin L. Russell

KLR:kk
Enclosure

**KAMIND Associates, Inc**

2373 NW 185th Ave
Hillsboro, OR 97124
(503) 291-1221

Bob Jacobson

1927 Martin Ave
Berkeley, CA 94707-2407

Account Statement

Account Number: 0010008
Balance: \$209,382.74

Amount Enclosed: _____

Please detach and enclose top portion with payment.

**Account Summary**

Summary Information					
Account Number:	0010008	Closing Date:	11/16/2005		
Name:	Bob Jacobson	Credit Limit:	\$0.00		
		Credit Available:	\$0.00		
	1927 Martin Ave Berkeley, CA 94707-2407	Previous Balance:	\$206,248.18		
		New Charges:	\$3,134.56		
		Credits / Payments:	\$0.00		
		New Balance:	\$209,382.74		
Current:	30 Days:	91-120 Days:	121-180 Days:	OVER 180 Days:	Finance Charge
\$3,134.56	\$203.18	\$3,045.00	\$203,000.00	\$0.00	\$209,382.74

Account Receivable Activity

Trans ID	Post Date	Due Date	Detail	Debit	Credit	Balance
TR-40	8/18/2005	9/16/2005	New Charge Item: TrainServer Lic Train Server Single User	\$203,000.0		\$203,000.0
FC-47	10/15/2005	10/30/2005	Finance Charge	\$2.96		\$2.96
FC-52	10/17/2005	11/1/2005	Finance Charge	\$200.22		\$200.22
DC-53	10/15/2005	10/15/2005	Account adjustment Finance charge adjustment Sept 9/15 - 10/15	\$3,045.00		\$3,045.00
FC-61	11/16/2005	12/1/2005	Finance Charge	\$3,134.56		\$3,134.56
				\$209,382.74	\$0.00	\$209,382.74

Exhibit C



LAW OFFICES
CHERNOFF, VILHAUER, McCLEUNG & STENZEL, LLP

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION MATTERS

1600 ODS TOWER
601 S.W. SECOND AVENUE
PORTLAND, OREGON 97204-3157
TELEPHONE: 503-227-5631
FAX: 503-228-4373

• Tim A. Long
• Kurt Rohls
• Brenna K. Legard
• Susan D. Pitchford
• J. Douglas Wells
Holly L. Bonar

• REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

- JACOB E. VILHAUER, JR.
- DENNIS E. STENZEL
- CHARLES D. McCLEUNG
- DONALD B. HASLETT
- J. PETER STAPLES
- WILLIAM O. GENY
- NANCY J. MCKEE
- KEVIN L. RUSSELL

DANIEL P. CHERNOFF
(1935-1995)

October 27, 2005

FOIA Officer
Office of Science
US. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Freedom of Information Act Request for all Documents
Related to Patent Infringement, Status, Funding, Distribution
of Contributions and Management Practices Associated with the
JMRI Project by Berkley Labs.
Our File No.: 7431.0081

Dear FOIA Officer:

This request for documents is made pursuant to the Freedom of Information Act, 5 U.S.C. §§ 552 *et seq.* This request is made on behalf of KAMIND Associates, Inc. ("KAM") and relates to information gathered by the Physics Division Berkley Livermore Labs (LAB) regarding their duties for JMRI project. KAMIND Associates, Inc. is a small software vendor that has patents being infringed by the JMRI project sponsored by the LAB.

Please consider documents to include all writings, memoranda, letters, notes, working papers, minutes of meetings, photocopies, data, graphs, charts, photographs, inspection reports, compliance reports, records, e-mails (sent, received or drafts), digitized voice communications and any other format of information regarding the JMRI program project (hereafter referred to as COMMUNCIATIONS).

*Request agreed to pay up to
\$5000⁰⁰ by voicemail on 11/8. Please notify if
it will exceed.*

F2005-00085

Brenk

on the Yahoo Groups: JMRI USERS. [EXHIBIT 8, 9]

All COMMUNICATIONS and logs from Shreve PD, Livermore, CA related to JMRI



FOIA Officer
Office of Science
U.S. Department of Energy
October 27, 2005
Page 3

17. All COMMUNICATIONS between the following Allen Bryne, Ralph Kimball, Michael Woodman, Graham Plowman, and Jerry Britton. [Exhibit 10, 11, 12]
18. All COMMUNICATIONS about JMRI Royalty payment of \$203,000 for KAM Train Server licenses. [Exhibit 13]

Sincerely,

A handwritten signature in black ink, appearing to read "KL".

Kevin L. Russell

KLR:kk
Enclosures

cc: KAMIND Associates, Inc.
(w/enclosures)

FOIA Officer
Office of Science
U.S. Department of Energy
October 27, 2005
Page 2

Specifically, KAM requests:

1. Funding information from the Department of Energy for the JMRI program at the LAB.
2. All COMMUNCIATIONS about the JMRI program and proceedings from Robert Jacobsen (LBNL, 1 Cyclotron Rd, MS 50A2160, Berkley Ca, 94720 email address Bob.Jacocobsen@lbl.gov). [Exhibit 1, 2, 3]
3. Complete financial records and all COMMUNICATIONS from contributions (PAYPAL) to support the JMRI program. [Exhibit 4, 5]
4. Complete financial records verifying that the funds received for Government project JMRI were deposited in US Treasury.
5. Transcripts of communications (COMMUNCIATIONS) to any JMRI team members regarding KAM. [Exhibit 6]
6. All COMMUNCIATIONS regarding patent investigation of KAM. [Exhibit 6]
7. All draft COMMUNCIATIONS to any member of the JMRI development community. There are 18 members as of 10/24,2005. [Exhibit 2]
8. All COMMUNCIATIONS to any member of the JMRI_STRATEGY group. [Exhibit 7]
9. All COMMUNCIATIONS regarding legal opinion on Department of Energy personal at any locations regarding the JMRI activities.
10. All COMMUNCIATIONS from email archives (2000 to present) to any member on the Yahoo Groups: JMRI DEVELOPERS. [Exhibit 2]
11. All COMMUNCIATIONS from email archives (2000 to present) to any member on the Yahoo Groups: JMRI STRATEGY. [Exhibit 7]
12. All COMMUNCIATIONS from email archives (2000 to present) to any member on the Yahoo Groups: JMRI USERS. [Exhibit 8, 9]
13. All COMMUNCIATIONS and logs from Skype ID: JacobsenRG related to JMRI activities.
14. Copies (and all drafts) of the welcome letter from the LAB by Bob Jacobson to JMRI members posted on Yahoo groups and or source forge.
15. All information related to the KAM legal action in federal court.
16. All travel activities that relate to the JMRI activities during July 2001, 2002, 2003 and 2004 period.

KAMIND Associates, Inc

2373 NW 185th Ave
Hillsboro, OR 97124
(503) 291-1221

KAM Industries

Bob Jacobson

Account Statement

Account Number:

0010008

Balance:

\$206,047.96

Amount Enclosed: _____

Exhibit 13

Please detach and enclose top portion with payment.

Account Summary**Summary Information**

Account Number:	0010008	Closing Date:	10/15/2005
Name:	Bob Jacobson	Credit Limit:	\$0.00
		Credit Available:	\$0.00
	1927 Martin Ave Berkeley, CA 94707-2407	Previous Balance:	\$203,000.00
		New Charges:	\$3,047.96
		Credits / Payments:	\$0.00
		=====	=====
		New Balance:	\$206,047.96
Current	1 - 30 Days	31 - 60 Days	61 - 90 Days
\$3,047.96	\$203,000.00	\$0.00	\$0.00
			Over 90 Days
			\$206,047.96

Account Receivable Activity

Invoice #	Date	Due Date	Details	Debit	Credit	Balance
TR-40	8/18/2005	9/16/2005	New Charge Item: TrainServerLic Train Server Single User	\$203,000.0		\$203,000.0
FC-47	10/15/2005	10/30/2005	Finance Charge	\$2.96		\$2.96
DC-53	10/15/2005	10/15/2005	Account adjustment Finance charge adjusment Sept 9/15 - 10/15	\$3,045.00		\$3,045.00
				Total	\$206,047.9	\$0.00
						\$206,047.9

Exhibit D

1 VICTORIA K. HALL (SBN 240702)
2 LAW OFFICE OF VICTORIA K HALL
3 401 N. Washington St. Suite 550
4 Rockville MD 20850
5 Victoria@vkhall-law.com
Telephone: 301-738-7677
Facsimile: 240-536-9142

6 Attorney for Plaintiff
7 ROBERT JACOBSEN
8
9

10 UNITED STATES DISTRICT COURT
11 FOR THE NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 ROBERT JACOBSEN,) No. C-06-1905-JSW
14 v. Plaintiff,) DECLARATION OF ROBERT
15 MATTHEW KATZER, et al.,) JACOBSEN IN OPPOSITION TO
16 Defendants.) DEFENDANTS MATTHEW KATZER
17) AND KAMIND ASSOCIATES, INC.'S
18) SPECIAL MOTION TO STRIKE
19) PLAINTIFF'S LIBEL CLAIM
20) Courtroom: 2, 17th Floor
21) Judge: Hon. Jeffrey S. White

22 I, ROBERT JACOBSEN, have personal knowledge to the facts stated herein and hereby
23 declare as follows:

24 1. I am a party to this action. I am submitting this Declaration in Opposition to
25 Defendant Matthew Katzer and KAMIND Associates, Inc.'s Special Motion to Strike Plaintiff's
Libel Claim.

26 My Background

27 2. I earned a Bachelor of Science degree in Electrical Engineering and Computer

1 has alluded to this multiple times in emails and internet postings. Attached hereto as Exhibit D
2 is a true and correct copy of one example, in which he states "So in essence JMRI, while
3 containing some good ideas from an educational perspective, is not a commercial product ...".
4

5 Russell and Katzer's Letter Writing Campaign and FOIA Request

6 26. In March of 2005, I received a letter from Russell of Chernoff, Vilhauer,
7 McClung & Stenzel LLP. In this letter, Russell expressed his belief that the JMRI software
8 infringed Claim 1 of US Patent 6,530,329 (the '329 Patent).

9 27. Attached hereto as Exhibit E is a true and correct copy of this letter.

10 28. I sent a letter in reply on March 29, 2005 that said that I was "unable to locate
11 any functionality that infringes on valid claims in U.S. Patent 6,530,329 B2" and requested
12 additional information. Included in the letter was information on how to obtain access to the
13 JMRI code.

14 29. Attached hereto as Exhibit F is a true and correct copy of this letter.

15 30. Later, I received a second letter from Mr. Russell dated August 24, 2005, again
16 claiming that the JMRI software infringed the '329 Patent. Included with the letter was a
17 solicitation to pay \$203,000 for 7,000 patent licenses.

18 31. Attached hereto as Exhibit G is a true and correct copy of this letter.

19 32. And again, I received yet a third letter from Russell dated October 20, 2005,
20 which contained another solicitation to buy 7,000 licenses, described as an "updated Account
21 Statement", and requested that I let Russell know how I "would like to arrange a payment
22 schedule for (my) outstanding account balance".

23 33. Attached hereto as Exhibit H is a true and correct copy of this letter and its
24 enclosures.

25 34. In early November, 2005, I was contacted at work by a lawyer for LBNL, Mr.
26 Patrick Burke (Mr. Burke). Mr. Burke informed me he was handling a Freedom of Information
27 Act (FOIA) request from Russell regarding JMRI. He asked a number of questions regarding

1 my work on and contributions to JMRI, whether LBNL resources had been used during that
2 work, what my position at LBNL was, what LBNL projects I was working on, and similar
3 topics.

4 35. Specifically, Mr. Burke informed me that LBNL had received a FOIA request
5 from Russell wherein it was alleged that I had used LBNL resources in the form of an email
6 account during the course of engaging in patent infringement. The requests asked LBNL and
7 the Department of Energy (DOE) to produce all documents related to the JMRI project. This
8 FOIA request is Katzer Declaration Ex. 1 and Russell Declaration Ex. 4.

9 36. The FOIA request surprised me because for I could not understand how the mere
10 use of an email account would lead someone such as Russell or Katzer to believe that the
11 internet service provider (ISP), or domain name holder associated with the email account had
12 some relationship to an allegation of patent infringement.

13 37. Further, the FOIA request referred to "the KAM legal action in federal court".
14 Although that is now known to have never existed, at the time it led me to believe that a lawsuit
15 was already in progress.

16 38. The FOIA request refers to the "Physics Division Berkley (sic) Livermore
17 Labs". There are two Lawrence Laboratories: Lawrence Berkeley National Laboratory, for
18 which I work, and Lawrence Livermore National Laboratory. Because the names are similar
19 and because the Livermore name is better known, it is common for people to confuse or merge
20 the two names. My listing in the LBNL directory shows that I am associated with the Physics
21 Division. It also shows that I am a staff member employed by LBNL. Attached hereto as
22 Exhibit I is a true and correct copy of this directory listing. I know of no directory listing that
23 would identify me as a member of the Physics Division at LBNL without showing that I am a
24 member of the staff.

25 39. Due to this FOIA request, I had to appear before the Director of the Physics
26 Division of LBNL to explain the situation. This was an embarrassing experience. He asked
27 detailed questions about my activity. He said he was concerned about the impact of allegations

1 of patent infringement on both my reputation and the reputation of LBNL.

2 40. Later, I received a fourth letter from Russell dated January 3, 2006, which
3 contained a copy of a letter dated November 23, 2005 which I had never received. This
4 contained another solicitation to buy 7,000 licenses, described as an "updated Account
5 Statement", and requested that I let Russell know how I "would like to arrange a payment
6 schedule for (my) outstanding account balance".

7 41. Attached hereto as Exhibit J is a true and correct copy of this letter and its
8 enclosures.

9 42. I replied to Russell by letter on January 31, 2006, indicating that multiple
10 examples of prior art are available to invalidate the patent. I pointed out that JMRI is itself
11 prior art, as it was available at the time that the patent was filed. I reminded him that he was
12 aware of some of this prior art during prosecution of the patent, but chose not to inform the
13 Patent Examiner.

14 43. Attached hereto as Exhibit K is a true and correct copy of this letter.

15 44. I later received a fifth letter from Mr. Russell dated February 7, 2006,
16 maintaining his insistence that JMRI infringes the '329 patent and incorrectly stating that the
17 patent had been filed before the JMRI code was available.

18 45. Attached hereto as Exhibit L is a true and correct copy of this letter.

19
20 **Professional, Economic Harm and Embarrassment as a Result of the FOIA Request**

21 46. I spent considerable time in the course of dealing with this sequence of letters
22 and the Freedom of Information Act (FOIA) request. This required me to turn down two
23 consulting contracts.

24 47. In addition to forcing me to turn down a number of lucrative consulting
25 contracts, the FOIA request by Mr. Russell and Katzer caused me embarrassment, and I felt was
26 done to try to force me into making a monetary payment to them. My embarrassment arose, in
27 part, due to the fact that in the course of performing my duties at LBNL, there are certain

1 regulations and policies that I am required to follow. For example, the LBNL policy on
2 Authorized Use of Information Resources states:

3 "Incidental personal use' is allowed as long as it is consistent with this
4 policy and all implementing policies and procedures and does not:

5 ...

6 Constitute an "unacceptable use," as defined in Paragraph
7 (C)(4)(c), below."

8 48. The LBNL policy statement describes "unacceptable use" as:

9 "Use of resources in connection with conduct or activities prohibited by
10 Laboratory policy (e.g., fabrication, falsification, or plagiarism in proposing,
11 conducting, or reporting research; unauthorized disclosure of Laboratory
12 proprietary information) or use in violation of applicable copyright or patent
13 laws."

14 49. The sanctions for violations of the policies are stated as:

15 "Any use of Laboratory information resources in violation of this policy
16 may result in one or more of the following sanctions:

17 Restriction of access to such resources;

18 Disciplinary action, up to and including dismissal."

19 50. Attached hereto as Exhibit M is a true and correct copy of the Lawrence
20 Berkeley National Laboratory policy on Authorized Use of Information Resources.

21 51. Furthermore, Russell and Katzer's action threatened my position with the
22 University of California at Berkeley. As a faculty member, I am bound by certain rules
23 regulating professional conduct as codified in the University of California Academic Policy
24 Manual (APM). Sanctions for violations of these rules include dismissal. One such rule of
25 professional conduct relates to "Scholarship", and defines "Types of unacceptable conduct" as:

26 Violation of canons of intellectual honesty, such as research
27 misconduct and/or intentional misappropriation of the writings,

1 research, and findings of others.

2 52. Attached hereto as Exhibit N is a true and correct copy of section 15 of the
3 University of California Academic Policy Manual, titled "GENERAL UNIVERSITY POLICY
4 APM REGARDING ACADEMIC APPOINTEES The Faculty Code of Conduct".

5 53. It is common knowledge among university faculty members that there exists
6 numerous instances of faculty members being disciplined, and in many cases dismissed, for
7 failure to acknowledge the use of others' intellectual property. As an example, a Dean at the
8 University of Missouri recently lost his position due to using the work of another without
9 attribution in one speech.

10 54. Attached hereto as Exhibit O is a true and correct copy of a news account of this
11 incident in the Chronicle of Higher Education, a publication widely read by faculty.

12 55. At the NMRA convention in Cincinnati in July 2005, Katzer gave a talk about
13 his products. I arrived part-way through the presentation. During the discussions at the end, I
14 heard Katzer comment on his determination to "enforce" his "intellectual property rights". This
15 aggressive attitude concerned me greatly.

16 56. As a faculty member, I am on salary during the school year, but paid via research
17 contracts during the summer based on specific days worked. As such, I had to forgo being paid
18 for certain days during Summer 2005 due to time spent addressing Mr. Russell and Katzer's
19 patent assertions.

20 57. In addition I felt that because I was one of the main participants in the JMRI
21 project, Russell and Katzer were targeting me to force me and JMRI out of the market place.
22 By virtue of my involvement with JMRI, I am a presence in the model railroad software market
23 as is Katzer, and with me and JMRI out of the picture Katzer would be in a better position to
24 control the market.

25
26 Overview of the JMRI Development Process

27 58. As part of normal operations, when any JMRI developer decides that new or

1 27. A method of operating a digitally controlled model railroad
2 comprising the steps of:

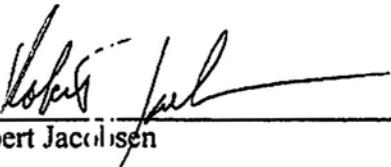
3 (a) transmitting a first command from a first client program to a
4 resident external controlling interface through a first
5 communications transport;

6 (b) receiving said first command at said resident external
7 controlling interface; and

8 (c) said resident external controlling interface selectively sending a
9 second command representative of said first command to one of a
10 plurality of digital command stations for execution on said
11 digitally controlled model railroad based upon information
12 contained within at least one of said first and second commands.

13
14 I declare under penalty of perjury under the laws of the United States of America that
15 the foregoing is true and correct.

16
17 Executed this 1st day of June, 2006, in Berkeley, California.

18
19
20 By 
21 Robert Jacobsen

Jacobsen Declaration Exhibit M

§9.01 Computing and Communications

Responsible Manager

Rev. 08/05

- A. Introduction**
- B. Authorized Use of Facilities**
- C. Authorized Use of Information Resources**
 - 1. Purpose and Scope**
 - 2. Applicability**
 - 3. Policy**
 - a. Scope of Authorized Use**
 - b. Notice to Users**
 - 4. Definitions**
 - a. Official Use**
 - b. Incidental Personal Use**
 - c. Unacceptable Use**
 - 5. Sanctions for Misuse of Information Resources**
- D. Communications Equipment, Resources, and Services**
- E. Operational Management**
- F. Public Address System**
- G. Security**
 - 1. Security Responsibilities**
 - 2. Confidentiality**

A. INTRODUCTION

This section contains basic Ernest Orlando Lawrence Berkeley National Laboratory policy governing computing and communications. Operational procedures and guidelines may be found in RPM 59.02 (Operational Procedures for Computing and Communications).

B. AUTHORIZED USE OF FACILITIES

All usage of Laboratory computing and communications facilities must be limited to authorized use. Authorized use is limited to official Laboratory business except as otherwise noted in this manual.

assignment;

- Incidental perusal of information (e.g., news groups) for educational or professional development related to the user's work assignment;
- Laboratory-approved community relations and support activities; and
- Use of such resources on behalf of national, state, and local committees or task forces when the Laboratory has permitted work time to be used for these purposes.

b. Incidental Personal Use

"Incidental personal use" is allowed as long as it is consistent with this policy and all implementing policies and procedures and does not:

- Directly or indirectly interfere with Laboratory operation of such resources;
- Burden the Laboratory with noticeable incremental cost;
- Interfere with the user's employment or other obligations to the Laboratory; or
- Constitute an "unacceptable use," as defined in Paragraph (C)(4)(c), below.

Users who elect to engage in such incidental personal use should do so, as noted in Paragraph (C)(3)(a), above, with no expectation of personal privacy concerning the messages they compose, transmit, or receive.

c. Unacceptable Use

Activities that constitute "unacceptable use" of Laboratory information resources include, but are not limited to, the following:

- Use of such resources for personal gain, lobbying, or unlawful activities such as fraud, embezzlement, theft, or gambling;
- Use of resources for unlawful discrimination, harassment, or retaliation;
- Unauthorized entry into or tampering with computers, networks, or other information resources;
- Use of resources in a manner intended to, or likely to result in, damage to any system, database, or intended official use (e.g., distributing viruses);
- Misusing or forging e-mail or tampering or gaining unauthorized access to the Laboratory's e-mail system;

- Use of e-mail to give the impression that the user is representing, giving opinions, or otherwise making statements on behalf of the Laboratory unless appropriately authorized (explicitly or implicitly) to do so;
- Use of resources to create, download, view, store, copy, or transmit sexually explicit materials or images;
- Use of resources in connection with conduct or activities prohibited by Laboratory policy (e.g., fabrication, falsification, or plagiarism in proposing, conducting, or reporting research; unauthorized disclosure of Laboratory proprietary information) or use in violation of applicable copyright or patent laws;
- Unauthorized or unlawful monitoring or recording of telephone conversations;
- Unauthorized use of resources on behalf of outside organizations or any use that conflicts with or is inconsistent with Laboratory information resources policies or procedures;
- Use of resources to store, manipulate, or remotely access any national security information, including, but not limited to, classified information, unclassified controlled nuclear information (UCNI), and naval nuclear propulsion information (NNPI); or
- Any use that violates applicable federal or state laws or regulations.

5. Sanctions for Misuse of Information Resources

Any use of Laboratory information resources in violation of this policy may result in one or more of the following sanctions:

- Restriction of access to such resources
- Disciplinary action, up to and including dismissal
- Loss of site-access privileges for contract labor workers, students, visitors, and guests
- Referral to federal or state law enforcement authorities for appropriate action, including criminal prosecution, if such use violates the law

D. COMMUNICATIONS EQUIPMENT, RESOURCES, AND SERVICES

All requests for communications and networking resources or services must be processed through the Networking and Telecommunications Department. Unauthorized personnel may not install, remove, or modify equipment belonging to or managed by this department. Unauthorized equipment may not be installed or attached to network or telecommunications systems.

Exhibit E

Kevin L. Russell, OSB No. 93485
e-mail: kevin@chemofflaw.com
CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP
1500 ODS Tower
601 SW Second Avenue
Portland, Oregon 97204-3157
Telephone: (503) 227-5631
FAX: (503) 228-4373

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

**MATTHEW A. KATZER, an individual, and
KAMIND ASSOCIATES, INC., d/b/a Kam
Industries, an Oregon corporation,**

Civil No. CV 08 1293

1ST

Plaintiffs,

**COMPLAINT
FOR PATENT INFRINGEMENT**

v.

PATENT CASE

**MIREILLE S. TANNER,
an individual, doing business as
DigToys Systems,**

Demand for Jury Trial

Defendant.

FILED SEP 17 2008
CLERK, U.S. DISTRICT COURT
PORTLAND, OREGON

For their complaint against defendant, plaintiffs allege:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff Matthew A. Katzer is an individual resident of the State of Oregon.

Plaintiff Kamind Associates, Inc., d/b/a Kam Industries, is an Oregon corporation with its principal place of business in Hillsboro, Oregon. Plaintiffs design, manufacture and distribute computer software for use with model railroads.

PAGE 1 - COMPLAINT FOR PATENT INFRINGEMENT

CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP
1500 ODS Tower
601 SW Second Avenue
Portland, Oregon 97204-3157
(503) 227-5631

2. Upon information and belief, defendant Mireille S. Tanner, d/b/a DigiToys Systems, is a resident of the State of Georgia.

3. This case arises under the patent laws of the United States, 35 USC §§ 1-378. The Court has jurisdiction of the subject matter herein pursuant to 28 USC §§ 1331 and 1338(a). Venue is proper in this District pursuant to 28 USC § 1331(b).

PLAINTIFFS' FACTUAL ALLEGATIONS

4. Plaintiffs own three United States patents directed toward the control of a model railroad, namely U.S. Patent No. 6,085,406 ("the '406 patent"), U.S. Patent No. 6,270,040 ("the '040 patent"), and U.S. Patent No. 6,267,061 ("the '061 patent"). Copies of these patents are attached hereto as Exhibit A.

5. Upon information and belief, defendant is manufacturing and/or distributing in Oregon and elsewhere in the United States computer software known as "WinLok" that infringes one or more claims of the '406, '040 and '061 patents.

6. Upon information and belief, the actions of defendant complained of herein have been willful, wanton and carried out with full knowledge and blatant disregard of plaintiffs' patent rights.

CLAIM FOR RELIEF

(Patent Infringement)

7. This claim arises under 35 USC § 281. Plaintiffs reallege and incorporate by reference paragraphs 1-6.

8. By manufacturing, using, selling and/or offering to sell its WinLok software, defendant is infringing, contributing to infringement, and inducing infringement of the '406, '040 and '061 patents owned by plaintiffs.

PAGE 2 - COMPLAINT FOR PATENT INFRINGEMENT

CHESTNUT, VITALEAU, MCCLOUD & STRICKER, LLP
1600 OGUS Tower
611 S.W. Second Avenue
Portland, Oregon 97204-3157
(503) 227-3431

9. Plaintiffs have suffered and are continuing to suffer irreparable damage due to the infringing acts of defendant, and because the infringing acts of defendant are continuing, plaintiffs will suffer additional irreparable damage unless defendant is enjoined by this Court from those acts which infringe, contribute to infringement, and induce infringement of the '406, '040, and '061 patents.

10. Plaintiffs have suffered damages as a result of defendant's infringement of the '406, '040 and '061 patents.

11. Defendant's acts of infringement have been willful, making this an exceptional case within the meaning of 35 USC § 285. Plaintiffs are therefore entitled to an award of their reasonable attorney fees pursuant to that statutory provision.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for judgment in their favor and against defendant as follows:

A. For an Order that U.S. Patent Nos. 6,065,406, 6,270,040 and 6,267,061 are each valid and infringed by defendant;

B. For an Order permanently enjoining defendant, her agents, officers, assigns and all others acting in concert with them from infringing, inducing infringement and contributing to infringement of the '406, '040 and '061 patents.

C. For damages, and an accounting for damages, based on the value of infringing products sold, to compensate plaintiff for the aforesaid infringement of plaintiffs' patents;

D. For an Order trebling any damages awarded, pursuant to 35 USC § 284;

E. For pre-judgment interest and post-judgment interest on all damages awarded;

PAGE 3 - COMPLAINT FOR PATENT INFRINGEMENT

CHAKROFF, VELCICKA, REICHLING & STERZEL, LLP
1400 COLUMBIA
201 S.W. Second Avenue
Portland, Oregon 97204-3157
(503) 221-5231

Kevin L. Russell, OSB No. 93485
e-mail: kevin@chernofflaw.com
CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP
1600 ODS Tower
601 SW Second Avenue
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Telephone: (503) 227-5631
FAX: (503) 228-4373

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

MATTHEW A. KATZER, an individual, and
KAMIND ASSOCIATES, INC., d/b/a Kam
Industries, an Oregon corporation,

Plaintiffs,

v.

FRIEWALD SOFTWARE, a German entity,
d/b/a Railroad & Co.; LOCAR, INC., an
Alabama corporation, d/b/a Oak Mountain
Hobbies; ALEXANDER KALESNIKOV, an
individual, d/b/a DCC Train;
CHARLES DAVIS, an individual, d/b/a Oak
Tree Systems LLC; and ANTHONY PARISI,
an individual, d/b/a Tony's Train Xchange,

Defendants.

Civil No. CV 02 1292 - 4HU

**COMPLAINT
FOR PATENT INFRINGEMENT**

PATENT CASE

Demand for Jury Trial

FILED 02 SEP 17 15 2008
CLERK OF THE COURT

For their complaint against defendants, plaintiffs allege:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff Matthew A. Katzer is an individual resident of the State of Oregon.

Plaintiff Kamind Associates, Inc., d/b/a Kam Industries, is an Oregon corporation with its

PAGE 1 - COMPLAINT FOR PATENT INFRINGEMENT

CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP
1600 ODS Tower
601 S.W. Second Avenue
Portland, Oregon 97204-3157
(503) 227-5631

principal place of business in Hillsboro, Oregon. Plaintiffs design, manufacture and distribute computer software for use with model railroads.

2. Upon information and belief, defendant Friegwald Software, d/b/a Railroad & Co., is a German corporation, partnership or sole proprietorship. Upon information and belief, defendant Locar, Inc., d/b/a Oak Mountain Hobbies, is an Alabama corporation. Upon information and belief, defendant Alexander Kalesnikov, d/b/a DCC Train, is an individual resident of Ohio. Upon information and belief, defendant Charles Davis, d/b/a Oak Tree Systems LLC, is an individual resident of Michigan. Upon information and belief, defendant Anthony Parisi, d/b/a Tony's Train Xchange, is an individual resident of Vermont.

3. This case arises under the patent laws of the United States, 35 USC §§ 1-376. The Court has jurisdiction of the subject matter herein pursuant to 28 USC §§ 1331 and 1338(a). Venue is proper in this District pursuant to 28 USC § 1391(b).

PLAINTIFFS' FACTUAL ALLEGATIONS

4. Plaintiffs own three United States patents directed toward the control of a model railroad, namely U.S. Patent No. 6,065,406 ("the '406 patent"), U.S. Patent No. 6,270,040 ("the '040 patent"), and U.S. Patent No. 6,267,061 ("the '061 patent"). Copies of these patents are attached hereto as Exhibit A.

5. Upon information and belief, defendants are manufacturing and/or distributing in Oregon and elsewhere in the United States computer software known as "TrainControl" that infringes one or more claims of the '406, '040 and '061 patents.

6. Upon information and belief, the actions of defendants complained of herein have been willful, wanton and carried out with full knowledge and blatant disregard of plaintiffs' patent rights.

PAGE 2 - COMPLAINT FOR PATENT INFRINGEMENT

CHERNOFF, VILRAUER, MCCLUNG & STENZEL L.L.P.
1600 URS Tower
601 S.W. Second Avenue
Portland, Oregon 97204-3157
(503) 227-5631

CLAIM FOR RELIEF

(Patent Infringement)

7. This claim arises under 35 USC § 281. Plaintiffs reallege and incorporate by reference paragraphs 1-6.

8. By manufacturing, using, selling and/or offering to sell TrainControl software, defendants are infringing, contributing to infringement, and inducing infringement of the '406, '040 and '061 patents owned by plaintiffs.

9. Plaintiffs have suffered and are continuing to suffer irreparable damage due to the infringing acts of defendants, and because the infringing acts of defendants are continuing, plaintiffs will suffer additional irreparable damage unless defendants are enjoined by this Court from those acts which infringe, contribute to infringement, and induce infringement of the '406, '040, and '061 patents.

10. Plaintiffs have suffered damages as a result of defendants' infringement of the '406, '040 and '061 patents.

11. Defendants' acts of infringement have been willful, making this an exceptional case within the meaning of 35 USC § 285. Plaintiffs are therefore entitled to an award of their reasonable attorney fees pursuant to that statutory provision.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for judgment in their favor and against defendants as follows:

A. For an Order that U.S. Patent Nos. 6,065,406, 6,270,040 and 6,267,061 are each valid and infringed by defendants;

PAGE 3 - COMPLAINT FOR PATENT INFRINGEMENT

CHERNOFF, VILHAUER, McCLELLAN & STEENZI, LLP
1600 CDS Tower
601 S.W. Second Avenue
Portland, Oregon 97204-3157
(503) 227-5631

B. For an Order permanently enjoining defendants, their agents, officers, assigns and all others acting in concert with them from infringing, inducing infringement and contributing to infringement of the '406, '040 and '061 patents.

C. For damages, and an accounting for damages, based on the value of infringing products sold, to compensate plaintiff for the aforesaid infringement of plaintiffs' patents;

D. For an Order trebling any damages awarded, pursuant to 35 USC § 284;

E. For pre-judgment interest and post-judgment interest on all damages awarded;

F. For an Order that this is an exceptional case and an award to plaintiffs of their reasonable attorney fees, pursuant to 35 USC § 285;

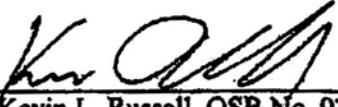
G. For plaintiffs' costs and disbursements incurred herein; and

H. For such other relief as the Court may deem just and equitable.

DATED this 17 day of September 2002.

Respectfully submitted,

CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP

By: 

Kevin L. Russell, OSB No. 93485
Of Attorneys for Plaintiffs

Plaintiffs hereby demand a jury trial of all issues so triable.

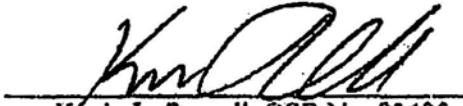

Kevin L. Russell, OSB No. 93485

Exhibit G

* JACOB E. VILHAUER, JR.
* DENNIS E. STENZEL
* CHARLES D. McCCLUNG
* DONALD B. HASLETT
* J. PETER STAPLES
* WILLIAM O. GENY
* NANCY J. MORIARTY
JULIANNE R. DAVIS
* KEVIN L. RUSSELL

DANIEL P. CHERNOFF
(1939-1995)

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK,
COPYRIGHT AND UNFAIR
COMPETITION MATTERS

1600 ODS TOWER
601 S.W. SECOND AVENUE
PORTLAND, OREGON 97204-3157
TELEPHONE: (503) 227-5631
FAX: (503) 228-4373

* TIM A. LONG
KURT ROHLS
* BRENNA K. LEGAARD

* REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

September 18, 2002

Our File: 7431.054

Mireille S. Tanner
DigiToys Systems
1645 Cheshire Ct.
Lawrenceville, GA 30043

Re: Kam Industries With Respect To Their Intellectual Property Matters

Dear Ms. Tanner:

We represent Kam Industries with respect to their intellectual property matters. Kam Industries, as you are aware, is in the business of developing software for operating digitally controlled model railroads (www.kamind.com).

It has come to our attention that DigiToys Systems has developed and is currently selling computer software for operating a digitally controlled model railroad. In particular, the software offered by DigiToys Systems includes WinLok 2.1 Rev. D. Our initial investigation of the WinLok software indicates that the WinLok software is capable of providing commands to one of a plurality of digital command stations for operating a model railroad.

Kam Industries currently has three issued United States Patents directed toward the control of a model railroad, namely, U.S. Patent No. 6,065,406 (53 claims); U.S. Patent No. 6,270,040 (235 claims); and U.S. Patent No. 6,267,061 (54 claims). Other patents directed to the control of a model railroad are currently pending worldwide. Copies of the issued United States patents are enclosed herewith for your convenience.

The WinLok software infringes claim 10 of the '061 patent, namely, the capability of sending commands to one of a plurality of digital command stations.

The WinLok software infringes claim 27 of the '406 patent, namely the capability of sending commands to one of a plurality of digital command stations.

Mireille S. Tanner
September 18, 2002
Page 2

We are currently investigating whether the WinLok software infringes claim 35 of the '061 patent by providing an acknowledgment prior to proper execution by the digitally controlled model railroad.

We are also currently investigating whether the WinLok software infringes claim 39 of the '406 patent by providing an acknowledgment prior to proper execution by the digitally controlled model railroad.

In addition, we are currently investigating whether the WinLok software infringes independent claims 10, 35, 57, 82, 104, 129, 151, 176, 198, 223 of the '040 patent related to a queue.

You will note that there are an extensive set of claims in these patents directed to other desirable features of a digitally controlled model railroad which we are not currently aware whether the WinLok software infringes.

We demand that you immediately cease and desist from all future sales and distribution of infringing software in the United States. In addition, we demand an accounting for all infringing software sold in the United States since May 23, 2000 so that past damages may be determined. Further sales of infringing software will be considered willful infringement, subjecting you to treble damages and attorney fees.

Although our client does not intend to seek court action without first attempting to negotiate an acceptable solution, your infringement of our client's patents must cease. Please contact me within the next two weeks so that we may discuss these issues and potential licensing.

Sincerely,



Kevin L. Russell

KLR:lm
Enclosures

Exhibit H

CHERNOFF, VILHAUER, MCCLUNG & STENZEL, LLP

* JACOB E. VILHAUER, JR.
* DENNIS E. STENZEL
* CHARLES D. MCCLUNG
* DONALD B. HASLETT
* J. PETER STAPLES
* WILLIAM O. GENY
* NANCY J. MORIARTY
JULIANNE R. DAVIS
* KEVIN L. RUSSELL

DANIEL P. CHERNOFF
(1938-1995)

INTELLECTUAL PROPERTY LAW
INCLUDING PATENT, TRADEMARK,
COPYRIGHT AND UNFAIR
COMPETITION MATTERS

1600 ODS TOWER
601 S.W. SECOND AVENUE
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TELEPHONE: (503) 227-5631
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* TIM A. LONG
KURT ROHLS
* BRENNA K. LEGAARD
* REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

September 18, 2002

Our File: 7431.053

Via Federal Express 8218 2713 6182

Freiwald Software
Kreuzberg 16 B
85658 Egmatting
GERMANY

Re: Kam Industries With Respect To Their Intellectual Property Matters

Dear Sir:

We represent Kam Industries with respect to their intellectual property matters. Kam Industries, as you are aware, is in the business of developing software for operating digitally controlled model railroads (www.kamind.com).

It has come to our attention that Railroad and Co. has developed and is currently selling (directly and through distributors) computer software for operating a digitally controlled model railroad. In particular, the software offered by Railroad and Co. and its distributors includes TrainController. Our initial investigation of the TrainController software indicates that the TrainController software is capable of providing commands to one of a plurality of digital command stations for operating a model railroad.

Kam Industries currently has three issued United States Patents directed toward the control of a model railroad, namely, U.S. Patent No. 6,065,406 (53 claims); U.S. Patent No. 6,270,040 (235 claims); and U.S. Patent No. 6,267,061 (54 claims). Other patents directed to the control of a model railroad are currently pending worldwide. Copies of the issued United States patents are enclosed herewith for your convenience.

The TrainController software infringes claim 10 of the '061 patent, namely, the capability of sending commands to one of a plurality of digital command stations.

Freiwald Software
September 18, 2002
Page 2

The TrainController software infringes claim 27 of the '406 patent, namely the capability of sending commands to one of a plurality of digital command stations.

We are currently investigating whether the TrainController software infringes claim 35 of the '061 patent by providing an acknowledgment prior to proper execution by the digitally controlled model railroad.

We are also currently investigating whether the TrainController software infringes claim 39 of the '406 patent by providing an acknowledgment prior to proper execution by the digitally controlled model railroad.

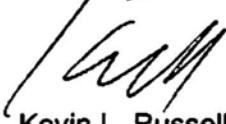
In addition, we are currently investigating whether the TrainController software infringes independent claims 10, 35, 57, 82, 104, 129, 151, 176, 198, 223 of the '040 patent related to a queue.

You will note that there are an extensive set of claims in these patents directed to other desirable features of a digitally controlled model railroad which we are not currently aware whether the TrainController software infringes.

We demand that you immediately cease and desist from all future sales and distribution of infringing software in the United States. In addition, we demand an accounting for all infringing software sold in the United States since May 23, 2000 so that past damages may be determined. Further sales of infringing software will be considered willful infringement, subjecting you to treble damages and attorney fees.

Although our client does not intend to seek court action without first attempting to negotiate an acceptable solution, your infringement of our client's patents must cease. Please contact me within the next two weeks so that we may discuss these issues and potential licensing.

Sincerely,



Kevin L. Russell

KLR:lm
Enclosures

Exhibit I

1 VICTORIA K. HALL (SBN 240702)
2 LAW OFFICE OF VICTORIA K. HALL
3 401 N. Washington St. Suite 550
4 Rockville MD 20850
5 Victoria@vkhall-law.com
Telephone: 301-738-7677
Facsimile: 240-536-9142

6
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10 Attorney for Plaintiff
11 ROBERT JACOBSEN
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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ROBERT JACOBSEN,) No. C-06-1905-JSW
Plaintiff,) DECLARATION OF HANS TANNER IN
v.) OPPOSITION TO DEFENDANTS
MATTHEW KATZER, et al.,) MATTHEW KATZER AND KAMIND
Defendants.) ASSOCIATES, INC.'S SPECIAL
Date: Aug. 11, 2006
Time: 9:00 a.m.
Courtroom: 2, 17th Floor
Judge: Hon. Jeffrey S. White

I, HANS TANNER, based upon personal knowledge hereby declare as follows:

1. I am co-owner (with my wife Mireille Tanner) of DigiToys Systems which makes
model train control systems software, among other products.

2. Matthew Katzer (Mr. Katzer) and I have known each other for a number of years.
Mr. Katzer has been an active member of various Digital Command Control (DCC) groups.

//

//

1 History of DigiToys and Its WinLok Software

2 3. I started DigiToys under the name TannerSoft in 1989 in Switzerland. After
3 moving to the United States in 1997, I founded DigiToys Systems AG in Switzerland and DigiToys
4 Systems in the US. DigiToys Systems and DigiToys Systems AG (collectively DigiToys) have
5 been in business for 9 years, and are currently in business.

6 4. DigiToys' main software product is called WinLok, the first version of which (i.e.,
7 WinLok 1.0) was released in 1992.

8 5. In 1993 DigiToys' released a software version 1.5 which came with a printed user's
9 manual describing the various functionality associated with the WinLok 1.5 software.

10 6. WinLok 1.5 came with a feature called "MultiDrive", which was described in the
11 user's manual. MultiDrive can selectively send commands from a plurality of graphical user
12 interfaces within the software, via different communications links, to operate a plurality of digital
13 command stations simultaneously.

14 7. WinLok 1.5 was reviewed and described in a publicly available printed publication
15 called Model Railroading magazine in March 1995. Attached hereto as Exhibit A is a true and
16 correct copy of the magazine article.

17 8. The next version of WinLok was called WinLok 2.0, and was released in 1995.
18 Version 2.0 also had the MultiDrive capability. This capability was described in the user's manual.

19 9. Attached hereto as Exhibit B is a true and correct copy of the relevant pages from
20 the user's manual for WinLok 2.0.

21 10. WinLok 2.0 was reviewed in Model Railroading magazine in December 1995.

22 11. Attached hereto as Exhibit C is a true and correct copy of the article from the
23 December 1995 edition of Model Railroading magazine.

24 12. From 1994 to 1997, WinLok was distributed in the United States by Tell's Apple,
25 Inc. in Florida. It was advertised in model railroading magazines and was readily available.

26 13. In July 1997, I gave a presentation on Railroad Open System Architecture (ROSA)
27 at the National Model Railroad Association (NMRA) National Convention. Mr. Katzer, a member

1 of the DCC Working Group, was in the audience.

2 14. This presentation described using a variety of devices for multi-train control through
3 a network server. It included the capability of providing commands to one of a plurality of digital
4 command stations for operating a model railroad. The slides of the presentation were then publicly
5 available for download for several years on DigiToys' web server.

6 15. Attached hereto as Exhibit D is a true and correct copy of the slides from the ROSA
7 presentation.

8 16. The next version of WinLok was called WinLok 2.1. It was released in 1998. The
9 MultiDrive capability present in this version was the same capability present in WinLok 1.5 and
10 2.0.

11

12 **KAM Industries' Allegations of Patent Infringement**

13 17. In September 2002, DigiToys received a letter dated Sept. 18, 2002 of
14 approximately 100 pages. It included a 2-page letter from Kevin Russell.

15 18. Mr. Russell stated the letter was written on behalf of his client, KAM Industries. In
16 this letter, Mr. Russell accused DigiToys of infringing Matt Katzer's and KAM Industries' patents.
17 In particular, he stated that "the WinLok software is capable of providing commands to one of a
18 plurality of digital command stations for operating a model railroad." He listed the following U.S.
19 Patents: 6,065,406 (the '406 Patent) 6,270,040 (the '040 Patent) and 6,267,061 (the '061 Patent)
20 (collectively Katzer patents) and identified several claims. Among the claims he stated that
21 WinLok 2.1 infringed Claim 27 of the '406 patent and Claim 10 of the '061 patent.

22 19. A true and correct copy of the September 2002 letter from Mr. Russell is attached as
23 Exhibit E.

24

25 **DigiToys Response to KAM Industries' Allegations**

26 20. After reviewing Mr. Russell's letter, I determined that many of the claims disclosed
27 in the Katzer patents were anticipated or rendered obvious by WinLok version 1.5, and 2.0.

1 21. On Oct. 3, 2002 I sent a responsive letter to Mr. Russell with supporting
2 attachments including relevant parts describing MultiDrive from the user's manual for WinLok 2.0.

3 22. A true and correct copy of the Oct. 3, 2002 letter to Mr. Russell, and its appendices,
4 is attached hereto as Exhibit F.

5 23. In this letter, I told Mr. Russell that I believed Mr. Katzer and KAM Industries had
6 obtained copies of my products in the mid-1990s, well before Mr. Katzer filed his first patent
7 application.

8 24. Furthermore, I told Mr. Russell that the reference in the Background sections of the
9 Katzer patents to a program by DigiToys could only be the WinLok 1.5 and 2.0 applications.

10 25. Moreover, I told Mr. Russell that the allegedly infringing capabilities in WinLok 2.1
11 were present in WinLok 1.5 and 2.0.

12 26. I told Mr. Russell that my product could not infringe Matt Katzer's patent because
13 WinLok 1.5 and 2.0 had been sold and distributed more than 1 year before Matt Katzer's first
14 patent application, and thus my product would bar his patent if my product did in fact infringe.

15 27. I produced to Mr. Russell sales receipts from 1996 for these WinLok products.

16 28. Further, I also told him that my products had been reviewed in Model Railroading
17 and another magazine. I produced those articles to Mr. Russell.

18 29. Additionally, I identified other prior art for Mr. Russell, specifically Railroad &
19 Co.'s TrainController software, which has the capability to connect to a plurality of digital
20 command stations. This software was sold and distributed more than 1 year before Matt Katzer's
21 first patent application.

22 30. I also identified to Mr. Russell Soft-Lok, a program by W. Schapals of Germany,
23 which demonstrated multiple digital command station capability in the early 1990s, and the MES
24 software by Heinrich Maile of Spain, which is capable of driving a plurality of digital command
25 stations. The MES software, sold in 1985, was reviewed in the German railroad magazine MIBA.
26 I produced documentation relating to MES for Mr. Russell.

27 31. Moreover, I told Mr. Russell that it was almost certain that the claims were pre-

1 dated by prior art from several software vendors, and that the use of queues, synchronous and
2 asynchronous communication mechanisms, as well as message processing functions, which were
3 claimed by Mr. Katzer, were standard programming techniques for the Windows operating system
4 by at least 1995.

5 32. Any other statements in the Oct. 3, 2002 letter to Mr. Russell which I have not
6 testified to in the preceding paragraphs, I testify to now as true at the time I wrote the letter and
7 true today, and I incorporate those statements by reference.

8 33. In addition to sending this letter to Mr. Russell, I also sent this letter to the U.S.
9 Patent and Trademark Office to include with the file wrappers of the three Katzer patents.

10 34. A true and correct copy of the cover sheet, stamped received by the U.S.P.T.O. on
11 Oct. 7, 2002, for the letter sent to file wrapper of the 6,267,061 patent at the U.S. PTO is attached
12 hereto as Exhibit G.

13

14 Other Katzer Patents

15 35. Since 2002, I have reviewed other Katzer patents including United States Patent No.
16 6,530,329 (the '329 Patent). Common to the previous cited Katzer Patents and the '329 Patent is
17 the reference to technology produced by DigiToys. Specifically, the both the '329 Patent and the
18 Katzer patents describe in their background sections how "DigiToys Systems of Lawrenceville, Ga.
19 has developed a software program for controlling a model railroad set from a remote location." As
20 with the Katzer patents, the language of the '329 Patent can only be referring to the various
21 versions of WinLok including 1.5, and 2.0.

22 36. Attached hereto as Exhibit H is a true and correct copy of the '329 Patent.

23

24 Knowledge of JMRI

25 37. As a manufacturer, I am familiar with other model train control systems software
26 manufacturers in the U.S. and abroad.

27 38. I am familiar with the JMRI software.

28

1 39. It is produced by a group of software developers who write code as a hobby.

2 40. I have seen the JMRI group at NMRA conferences, and talk with Robert Jacobsen
3 on a regular basis.

4 41. At the conferences and during discussions with Mr. Jacobsen, I have never seen
5 anything that suggests JMRI software is sponsored by the U.S. Department of Energy.

6 42. I have never heard of anyone who believed that the U.S. Department of Energy
7 sponsored the JMRI project.

8 43. To my knowledge, JMRI is not sponsored by any entity, but is a group of hobbyists
9 who write code for others to use in running model trains.

10

11 I declare under penalty of perjury under the laws of the United States of America that the
12 foregoing is true and correct to the best of my knowledge.

13

14 Executed this 9th day of June, 2006.

15

16

17 By Hans R. Tanner
18 Hans Tanner

Exhibit J

Thursday, October 3, 2002

Mr. Kevin Russell
Chernoff, Villhauer, McClung & Stenzel, LLP
1600 ODS Tower
601 S.W. Second Avenue
Portland, Oregon 97204-3157
USA

Re: KAM Industries Patents, your communication of September 18th, 2002

Dear Mr. Russell:

I have received your communication of September 18th, 2002 in regard to the matter of Intellectual Property of KAM Industries (Mr. Matt Katzer).

Your concern is stated as software programs that have "...the capability of sending commands to one of a plurality of digital command stations....".

The software programs WinLok 1.5, released in 1993, and WinLok 2.0, released in 1995, have both been capable of being configured for the TannerSoft feature of "MultiDrive", by selectively sending commands, to operate a simultaneous plurality of digital command stations connected by different communication links from a plurality of graphical user interfaces within the software. Both of these products have been widely reviewed in model railroad publications in both Germany and the US in at least 1994 and 1995, and subsequently.

Case 3:08-cv-01905-JSW Document 47 Filed 08/09/2008 Page 2 of 27

I include in Annex I a copy of two reviews performed by Larry Puckett in the magazine "Model Railroading" in March, and December 1995. Note that The MultiDrive capability of WinLok 1.5 is clearly mentioned in the March 1995 review and again, Pucket notes that the WinLok 2.0 features remain "...essentially the same..." with the added capabilities he then enumerates. Also included in Annex I is an article by Tobias Frydman published in MIBA Special Nr. 33 from 1997 that reviews WinLok 2.0 and demonstrates multiple keyboards, track control diagrams and even an emulation of the Digitrax DT200 throttle that is implemented in a separate piece of software but is seamlessly integrated in the same graphical user interface.

For your convenience, In Annex II, I include a copy of relevant parts of the printed commercial WinLok 2.0 User Manual dated 1995, that provides explanation of this MultiDrive feature. Pages 95, 96 and 97 of the WinLok 2.0 User Manual provide unambiguous and definitive information that clearly estab-

lishes that the WinLok software has "...the capability of sending commands to one or a plurality of digital command stations..". Also enclosed is a copy of the box graphics used for international English language commercial sales of WinLok in the period 1995 onwards which clearly shows multiple user interfaces, which are all capable of sending commands via the MultiDrive technology to a plurality of digital command stations.

Annex III includes Sales Receipts and related VISA charge slips from DigiRR Enterprises, the US distributor of WinLok software prior to 1997, for sale of WinLok 2.0 to two US commercial customers, dated 1/4/96 and 8/22/96. There is a mass of similar evidentiary records to additionally establish the commercial sales of WinLok 1.5, 2.0 etc. Please take steps to guard the confidentiality of the Credit Card account numbers disclosed, since this information is being provided in good faith to establish evidence of US commercial sales of WinLok 2.0 software.

Note that the current 2002 sales version, WinLok 2.1 Rev. D, only differs from the 1995 WinLok 2.0 version by bug fixes, and employs no new technologies relating to the MultiDrive capability. In fact, the MultiDrive driver shipped with the current release still carries the original 1994 copyright message and all menus and dialogs are identical with the version shipped with WinLok 1.5.

It is believed that Katzer is in possession of a copy of WinLok 1.5 or 2.0 and a current evaluation copy of WinLok 2.1 can be conveniently downloaded from the Internet. If necessary, I can provide floppy disk distribution versions of the software so your technical expert, arbitrator or whomever, can definitively verify the claimed presence and ability of the MultiDrive capability in all the cited versions of WinLok software.

With the foregoing clear and convincing evidence, I believe, it is not possible or reasonable to claim infringement of the claims of Katzer as you allege, since the accused WinLok software clearly and distinctly predates in commercial use, by greater than 12 months, the earliest filing and priority date of June 24th 1998, for US 6,065,406, and the other quoted Katzer patents.

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The entire contents, techniques, methods and capability of these WinLok products are definitively established as publicly used prior art by, at latest, 1995, and accordingly, this subject matter cannot be claimed under statute 35 U.S.C. 102 (A) (b) by any US Patent with a filing date later than 12 months from the initial commercial shipment of the TannerSoft "MultiDrive" technology and software processes. These demonstrated dates clearly prevail over the earliest possible June 24th 1997 Katzer US interference window, in all cases.

I retain records of the software distribution disks dated back to at least 1995, along with materials shown in Annex I, II and III and other corroborative and evidentiary materials that provide clear and convincing evidence that establishes the existence of the TannerSoft "MultiDrive" feature as prior art that predates your client's claims by over 1 year. For PCT and International patents the 1 year window does not apply, which further degrades Katzer's assertion of possible infringement by limiting his

earliest extant priority date to just June 24th 1998 anywhere else in the world except the Philippines. Documented prior art clearly prevails here and makes the claims unenforceable over this prior art.

Several other non-US software companies, for example Railroad & Co's "TrainController", have also introduced the capability to connect a plurality of digital command stations, that also were developed at least a year prior to June 24th 1998 and shipped commercially in Europe before this date. Some of these were spurred in part by the demonstrated capability of WinLok 1.5, and derivatives, and competitive pressures ensured these capabilities were emulated in the marketplace very much earlier than June 24th 1998.

The Soft-Lok program by W. Schapals of Germany also demonstrated multiple digital command station capability in the early 1990's. In 1985 the MES software by Heinrich Maile of Spain, that also is capable of driving a plurality of digital command stations, was sold, and was also reviewed by the German railroad magazine MIBA. Annex IV includes a recent statement from Mr. Maile and a copy of promotional material.

This body of software products with these capabilities is additional prior art that also clearly supersedes the Katzer art, and is simply quoted here to establish the fact that there clearly exists, in addition to WinLok, a well known and large body of public usage and knowledge for using computer software to control a plurality of digital command stations and that this is clearly prior art over Katzer.

The Katzer specification for US Patent 6,065,406 clearly admits knowledge of a "software program" from DigiToys Systems of Lawrenceville, Georgia, [column 1/lines 42-50] which can only be "WinLok", since this is the only software that was sold by DigiToys at that time. In view of the well-defined and widely known features of the WinLok software, this raises concerns of defective disclosure under duties mandated by 37 C.F.R. 1.56. The failure of Katzer to fully disclose the widely known and extant body of prior art software methods and processes that permit a plurality of user interfaces to communicate by multiple methods to a plurality of digital command stations makes it problematic for him to point out and distinctly claim the subject matter which he considers his invention.

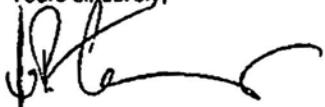
These facts, I believe, clearly establish non-infringement under 35 U.S.C. 273 (b) (1), and naturally follows directly from 35 U.S.C. 102 (A) (a) and (b) statutory concerns of the Katzer application(s). If you have any basis to contradict these facts, please contact me forthwith with the information.

Upon review of the "current investigations" of other possible infringements as stated in your letter, namely "claim 35 of US patent No. 6,267,061", "claim 39 of US patent No. 6,065,406" and "independent claims 10, 35, 57, 82, 104, 129, 151, 176, 198 and 223 of US patent No. 6,270,040", please note that it is almost certain that the Katzer art also is predicated by demonstrated prior art from several software vendors in at least 1995, and earlier. The use of queues, synchronous and asynchronous communication mechanisms as well as message processing functions are standard programming

techniques within applications for the Windows operating system, therefore it is safe to assume that usage of these techniques was state of the art in Windows based Model Railroad software products prior to 1995, including WinLok 1.5.

It has been brought to my attention that a number of dealers who have sold my WinLok software as well as other Model Railroad software products claim to have been served with "cease and desist" letters by your firm as well. I therefore consider it as appropriate to present this factual and evidentiary information directly to affected parties, so they can make an informed decision on appropriate action. A decision about publishing this letter and supplementary documentation in part or entirely on our homepage and in selected, model railroad related Internet news groups is currently pending.

Yours sincerely,



DigiToys Systems
Dr. Hans R. Tanner, Developer of WinLok software

Cc: Model Railroad Software developers worldwide
American Model Railroad software dealers
File wrapper for US patents No. 6,065,046, No. 6,267,061, and No. 6,270,040

- Annex I: Copies of 3 magazine reviews of WinLok 2.0
- Annex II: WinLok 2.0 manual excerpts dated 1995, showing MultiDrive capability WinLok 2.0 cover showing multiple user interfaces
- Annex III: Sales Receipts and Charge slips establishing US commercial sales
- Annex IV: Statement of fact of origin of MES software (in German)

Exhibit K

1 R. Scott Jerger (*pro hac vice*)
2 Field & Jerger, LLP
3 610 SW Alder Street, Suite 910
4 Portland, OR 97205
5 Tel: (503) 228-9115
6 Fax: (503) 225-0276
7 Email: scott@fieldjerger.com

8 John C. Gorman (CA State Bar #91515)
9 Gorman & Miller, P.C.
10 210 N 4th Street, Suite 200
11 San Jose, CA 95112
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14 Email: jgorman@gormanmiller.com

15 Attorneys for Defendants
16 Matthew Katzer and Kamind Associates, Inc.

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ROBERT JACOBSEN, an individual, })
Plaintiff, })
vs. })
MATTHEW KATZER, an individual, KAMIND })
ASSOCIATES, INC., an Oregon corporation dba })
KAM Industries, and KEVIN RUSSELL, an })
individual, })
Defendants. })

Case Number C06-1905-JSW

DECLARATION OF MATTHEW
KATZER IN SUPPORT OF SPECIAL
MOTION TO STRIKE

I, Matthew Katzer, declare:

1. I am Chief Executive Officer and Chairman of the Board of Directors of
Kamind Associates, Inc. ("KAM"). I am a named defendant in this action. If called as a

Case Number C 06 1905 JSW
Declaration of Matthew Katzer in support of Motion to Strike

1 witness, I would and could testify to the following as a matter of personal knowledge.

2 2. I am authorized by KAM to make this declaration in support of the motion by
3 KAM and myself to strike the plaintiff's libel claim and I make this declaration in my
4 capacity as KAM's Chief Executive Officer and Chairman of the Board of Directors.

5 3. KAM authorized Kevin Russell, as KAM's attorney, to send a Freedom of
6 Information Act (FOIA) request to the United States Department of Energy ("DOE") on
7 behalf of KAM with regard to the DOE's apparent sponsorship of the java model railroad
8 interface ("JMRI") project, which distributes model railroad software that KAM believe
9 infringes on patents owned by KAM. The FOIA Request is attached as Exhibit 1.

10 4. My belief that the DOE sponsored the JMRI project was based on the following
11 facts, among others:

12 a. I was aware of other instances in which governmental agencies sponsored types
13 of open source software. For example, the United States Navy, through the Office of
14 Naval Research and the Naval Surface Warfare Center, sponsored a conference and paper
15 on real-time software controllers for digital model railroad systems in 1993.

16 Additionally, the National Science Foundation funded research for a paper entitled "A
17 Laboratory Platform to Control a Digital Model Railroad over the Web using Java"
18 (undated). Copies of both papers are attached to this declaration as group Exhibit 2.

19 b. I believe that I saw notice of the formation of JMRI on DOE or other official
20 letterhead on a JMRI users support website (<http://groups.yahoo.com/group/JMRIusers>)
21 in about January or February of 2004.

22 c. I have found and downloaded not fewer than 2,320 documents promoting JMRI
23 Case Number C 06 1905 JSW
24 Declaration of Matthew Katzer in support of Motion to Strike

1 from an e-mail account at lbl.gov, including requests for funding. Copies of
2 representative documents are attached as group Exhibit 3.

3 d. By performing a search on the internet, I determined that the lbl.gov email
4 address was associated with the DOE.

5 5. The purpose of the FOIA request was to obtain any publicly available
6 information subject to disclosure under the FOIA about activities apparently sponsored
7 by DOE that appeared hostile to KAM and its interests. It was also intended to caution
8 DOE that KAM regarded some of the JMRI software as infringing KAM's patents.

9 6. It was not the purpose of the FOIA request to embarrass Jacobsen with his
10 employer, as alleged in the complaint. At the time of sending the FOIA request, I had no
11 knowledge of Jacobsen's employment status, either with the DOE or any other employer.
12 At the time of sending the FOIA request, I assumed that Jacobsen worked for the
13 University of California at Berkeley based on a representation Jacobsen made in an email
14 posting to a model train internet newsgroup in 2001. A copy of this email is attached as
15 Exhibit 4.

16 7. A purpose of the FOIA request was to gather information about the JMRI
17 activity, which appeared to be conducted with the sponsorship of the Department of
18 Energy, in the preparation of a lawsuit, contemplated in good faith, against JMRI
19 participants for infringement of KAM's patents.

20 ///

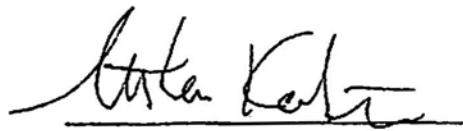
21 ///

22 ///

23 Case Number C 06 1905 JSW
24 Declaration of Matthew Katzer in support of Motion to Strike

1
2 I declare under penalty of perjury under the laws of the United States of America
3 that the foregoing is true and correct.

4 Executed on May 10, 2006, at Hillsboro, Oregon.
5

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7 Matthew Katzer
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Case Number C 06 1905 JSW
Declaration of Matthew Katzer in support of Motion to Strike

1 R. Scott Jerger (*pro hac vice*)
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3 610 SW Alder Street, Suite 910
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8 John C. Gorman (CA State Bar #91515)
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12 Tel: (408) 297-2222
13 Fax: (408) 297-2224
14 Email: jgorman@gormanmiller.com

15 Attorneys for Defendants
16 Matthew Katzer and Kamind Associates, Inc.

17 UNITED STATES DISTRICT COURT
18 NORTHERN DISTRICT OF CALIFORNIA
19 SAN FRANCISCO DIVISION

20 ROBERT JACOBSEN, an individual,)	Case Number C06-1905-JSW
21 Plaintiff,)	Hearing Date: June 30, 2006
22 vs.)	Hearing Time: 9:00am
23 MATTHEW KATZER, an individual, KAMIND)	Place: Ct. 2, Floor 17
24 ASSOCIATES, INC., an Oregon corporation dba)	Hon. Jeffrey P. White
25 KAM Industries, and KEVIN RUSSELL, an)	DEFENDANTS MATTHEW
26 individual,)	KATZER AND KAMIND
27 Defendants.)	ASSOCIATES, INC.'S SPECIAL
	-----	MOTION TO STRIKE PLAINTIFF'S
		LIBEL CLAIM UNDER CAL. CIV.
		PROC. CODE § 425.16;
		MEMORANDUM OF POINTS AND
		AUTHORITIES IN SUPPORT
		THEREOF

1 STATEMENT OF RELEVANT FACTS

2 KAM is a software company based in Portland, Oregon that develops software for model
3 railroad enthusiasts. Katzer is KAM's chief executive officer and chairman of the board of
4 directors. Katzer Decl. ¶ 2. KAM's attorney, Kevin Russell ("Russell") is also a defendant in
5 this case. Katzer Decl. ¶ 3. The Java Model Railroad Interface ("JMRI") project is an online,
6 open source community that also develops software for model railroad enthusiasts. Complaint ¶
7 2. KAM believes that certain JMRI software infringes on KAM's patents. Katzer Decl. ¶ 3.
8 KAM had reason to believe that the United States Department of Energy ("DOE") was
9 sponsoring the JMRI project, including KAM's knowledge of previous government sponsorship
10 of model railroad software projects and KAM's discovery of the DOE affiliation of an email
11 address used to promote JMRI. Katzer Decl. ¶ 4. On October 7, 2005 Russell sent a request to
12 the DOE under the Freedom of Information Act on behalf of KAM to obtain any publicly
13 available information subject to disclosure under the FOIA about activities that appeared that
14 might be potentially adverse to KAM and its interests. Katzer Decl. ¶ 3.

15 ARGUMENT

16 Section 425.16 of the California Code of Civil Procedure is referred to as the "anti-SLAPP
17 statute." SLAPP suits are "strategic lawsuits against public participation." The statute provides
18 that:

19 A cause of action against a person arising from any act of that person in
20 furtherance of the person's right of petition or free speech under the United States
21 or California Constitution in connection with a public issue shall be subject to a
22 special motion to strike, unless the court determines that the plaintiff has
23 established that there is a probability that the plaintiff will prevail on the claim.

24 Cal. Code Civ. Pro § 425.16(b)(1).

25 The anti-SLAPP statute contains an express directive that it is to be "construed broadly."
26 Cal. Code Civ. Pro § 425.16(a). California courts, including the California Supreme Court, have
taken this directive very seriously. *Briggs v. v. Eden Council for Hope and Opportunity*, 19 Cal.

Pursuant to the Freedom of Information Act, KAM sent a FOIA request to the DOE requesting documents relating to the Java Model Railroad Interface (“JMRI”) program. Katzer Decl.,¹ Exhibit 1. KAM sent this request in an effort to gain information regarding potential infringement of patents owned by KAM in anticipation of litigation. Katzer Decl. ¶¶ 5, 7. Katzer reasonably believed that the DOE sponsored the JMRI project based on the fact that plaintiff Jacobsen promoted the JMRI project in at least 2,320 emails from a government email address hosted by the DOE and based on the fact that governmental agencies have historically sponsored model railroad software of this type. Katzer Decl. ¶ 4.

The FOIA request was made pursuant to and in connection with an “official proceeding authorized by law” and is therefore a protected activity under California’s anti-SLAPP statute. There is no question under California law that the DOE is an “official body authorized by law.” Administrative agencies are exactly the “official bodies” envisioned by the California legislature when it drafted the anti-SLAPP legislation and by California courts that have interpreted this language. *Fontani v. Wells Fargo Investments, LLC*, 129 Cal. App. 4th 719, 729 (2005) (finding that the anti-SLAPP statute applies to governmental agencies); *Briggs* at 1121 (holding that the anti-SLAPP law protects “all direct petitioning of governmental bodies including courts and administrative agencies”).

Likewise, the FOIA request is an official “proceeding” under California law. Federal law establishes a regimented procedure for obtaining information from federal agencies. KAM’s FOIA request was authorized by and sent pursuant to this law. The FOIA request was designed to obtain information on the JMRI project from DOE, and to alert the DOE that the JMRI project was infringing on KAM patents. Katzer Decl. ¶ 5. The DOE was required by law to respond to the FOIA request.

While no California anti-SLAPP case specifically addresses a FOIA request, California courts have held, time and time again, that communications intended to prompt a governmental agency charged with enforcing the law to investigate or remedy a wrongdoing are protected

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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

10 ROBERT JACOBSEN, an individual,) No. C-06-1905-JSW
11 Plaintiff,)
12 v.) JOINT CASE MANAGEMENT
13 MATTHEW KATZER, an individual, and) STATEMENT AND [PROPOSED]
14 KAMIND ASSOCIATES, INC., dba KAM) ORDER
Industries, an Oregon corporation,)
15 Defendants.)
16)
17)
18 Per the Court's February 15, 2008 order [Docket #204], the parties submit this Joint Case
19 Management Statement.
20

1. A brief description of jurisdictional issues

21 Plaintiff Jacobsen filed a Second Amended Complaint Dec. 12, 2007. The claims are three
22 declaratory judgment causes of action relating to patent issues, copyright infringement and DMCA
23 causes of action, a federal trademark cyber-squatting cause of action, and a contract cause of
24 action. All except contract involve federal questions. The court has subject matter jurisdiction
25 under 28 U.S.C. § 1331, and supplemental jurisdiction under 28 U.S.C. § 1337(a). No defendants
remain to be served.

26 //

27 //

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1 **2. A brief description of the case and defenses**

2 Plaintiff Jacobsen is a high energy physicist who conducts research at the Lawrence
3 Berkeley National Laboratory of the University of California, and Stanford University and at
4 CERN in Switzerland, and teaches physics at the University. As a hobby, Jacobsen develops, with
5 others, open source software code called JMRI (Java Model Railroad Interface) that Jacobsen
6 alleges is distributed free of charge. KAM is an Oregon corporation and Katzer is its principal.

7 Defendants allege that KAM has patents for software products, at least one of which is similar to
8 and is infringed by the JMRI project software. Defendants assert that KAM's software products are
9 infringed by software products provided for free by JMRI. Jacobsen alleges that Katzer and his
10 attorney, Kevin Russell, intentionally withheld prior art that they knew was material to
11 patentability from the Patent Office in obtaining the patents. For these reasons and others,
12 Jacobsen alleges that Defendants' patents are thereby invalid and/or unenforceable. Jacobsen
13 alleges that he does not infringe the claim Defendants accused him of infringing.

14 Jacobsen's complaint seeks declaratory relief regarding noninfringement, invalidity, and
15 unenforceability of the patent-in-suit, U.S. Pat. No. 6,530,329. The complaint alleges the patent-
16 in-suit is invalid because prior art anticipates or makes it obvious, and/or it failed to meet the
17 requirements of 35 U.S.C. § 112. The complaint also alleges the patent-in-suit, and related patents,
18 were obtained through fraud on the patent office or inequitable conduct. The complaint also
19 contained claims alleging unfair competition, and cyber-squatting. An amended complaint added
20 federal trademark dilution, copyright infringement and unjust enrichment claims after Plaintiff
21 allegedly learned of Defendants' alleged activities during the anti-SLAPP proceedings. The
22 Second Amended Complaint contains the claims stated in the previous section. Defendants allege
23 KAM's patents are valid. No related proceedings are pending.

24 **3. Brief Description of the legal issues genuinely in dispute**

25 All legal issues are in dispute.

26 **4. Procedural History**

27 Plaintiff filed his complaint Mar. 13, 2006. Defendants and then-defendant Kevin Russell filed
28 motions to dismiss and anti-SLAPP motions in May 2006. The Court granted Defendants' and Mr.

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5 **Telephone: (415) 923-1380**
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8 **Attorneys for Defendant**
9 **Kevin Russell**

10

11 **UNITED STATES DISTRICT COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **SAN FRANCISCO DIVISION**

14 **ROBERT JACOBSEN,**
15 **Plaintiff,**
16 **vs.**
17 **MATTHEW KATZER, KAMIND**
18 **ASSOCIATES, INC., and KEVIN**
19 **RUSSELL,**
20 **Defendants.**

21 **) Case No. C 06 1905 JSW**
22 **) DECLARATION OF KEVIN RUSSELL IN**
23 **) SUPPORT OF SPECIAL MOTION TO**
24 **) STRIKE [Cal. Civ. Proc. Code § 425.16]**
25 **) Date: June 23, 2006**
26 **) Time: 9:00 a.m.**
27 **) Dept: Courtroom 2, 17th floor**
28 **Hon. Jeffrey S. White**

29
30 I, Kevin Russell, declare:

31 1. I am a defendant in this action, and an attorney licensed to practice before the
32 United States Patent and Trademark office ("Patent Office"). My business address is 601
33 SW 2d Avenue, Suite 1600, Portland, OR 97204. If called as a witness, I would and
34 could testify to the following as a matter of personal knowledge.

35 2. One of my clients is Kamind Associates, Inc. ("KAM"). I have reviewed the
36 complaint on file in this action ("Complaint"). To the extent I actually performed acts
37 described in the Complaint, I acted on behalf of KAM and at the direction of its

1 responsible officer Matthew Katzer. I have no personal financial interest in KAM, in any
2 of its patents, or in any matter or transaction described in the complaint over and above
3 fees paid to the law firm which employs me for work I perform as KAM's attorney.
4

5 3. With regard to allegations contained in Paragraphs 43 through 49 of the
6 complaint, on September 17, 2002 on behalf of KAM, prior to sending the letter to Dr.
7 Tanner and Friewald Software, I filed complaints in the District of Oregon alleging patent
8 infringement against Dr. Tanner and Friewald Software but did not ever serve the
9 complaints nor inform Dr. Tanner or Friewald of the complaints alleging patent
10 infringement.
11

12 4. Attached as Exhibit 1 is a true copy of the 2-page letter I wrote Jacobsen on
13 March 8, 2005, cautioning Jacobsen that the JMRI product may infringe KAM'S '329 B2
14 patent, stating the reasons it may infringe, suggesting how the JMRI product may be
15 modified to be potentially non-infringing, and offering to license the patent to Jacobsen.
16 The letter states in abbreviated form my informal analysis of similarities between the
17 '329 patent and the JMRI product which were the basis of my belief that the JMRI
18 product infringed our patent. The letter was sent in a good faith to attempt to resolve
19 differences without litigation. The attachment to that letter is extremely bulky and
20 appears as Attachment A to the complaint. It is omitted to avoid unduly burdening the
21 record.
22

23 5. Attached as Exhibit 2 is a one-page message from Jacobsen, dated March 29,
24 2005, indicating he did not intend to comply with KAM's requests.
25

1 6. Attached as Exhibit 3 is a true copy of a 2-page letter I sent to Jacobsen on
2 August 24, 2005, repeating my suggestions for modification of the JMRI product to be
3 potentially non-infringing with increased specificity, and requesting royalty payments for
4 distribution of infringing software by the JMRI product.

5
6 7. Other correspondence followed, including a letter from Jacobson suggesting
7 that the patents should be put in the public domain, without leading to any result. I sent
8 several royalty invoices to Jacobsen for royalties in hope of engaging his attention to this
9 manner.

10
11 8. Attached as Exhibit 4 is a true copy of the FOIA request sent to the United
12 States Department of Energy on October 7, 2005. The exhibits that were attached to the
13 request are omitted to avoid unduly burdening the record. At the time I sent the request I
14 was informed that a DOE e-mail account was being used to promote the JMRI product,
15 and I believed that such usage indicated that possibly because of Jacobsen's influence
16 with the Government, the DOE sponsored the JMRI project, and it appeared important
17 that the DOE be aware that we considered some of its activities questionable.
18
19

20 I declare under penalty of perjury that the foregoing is true and correct.

21 Executed on May 11, 2006.

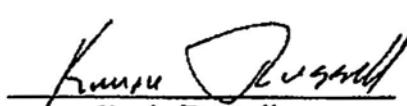
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Kevin Russell

Exhibit L

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IN THE UNITED STATES DISTRICT COURT

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FOR THE NORTHERN DISTRICT OF CALIFORNIA

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ROBERT JACOBSEN,

Plaintiff,

No. C 06-01905 JSW

v.

MATTHEW KATZER, KAMIND
ASSOCIATES, INC. and KEVIN RUSSELL,
Defendants.**ORDER GRANTING
DEFENDANTS' MOTIONS TO
DISMISS AND SPECIAL
MOTIONS TO STRIKE**

Now before the Court are the motion filed by Matthew Katzer and Kamind Associates, Inc. ("KAM") to dismiss counts four and seven for failure to state a claim upon which relief can be granted and to bifurcate and a special motion to strike count seven under California Civil Procedure Code § 425.16. Also before the Court are the motion filed by Kevin Russell to dismiss for lack of personal jurisdiction and for failure to state a claim upon which relief can be granted and a special motion to strike under California Civil Procedure Code § 425.16. Having carefully reviewed the parties' papers, considered their arguments and the relevant legal authority, the Court hereby GRANTS Defendants' motions to dismiss, DENIES Defendants' motion to bifurcate without prejudice, GRANTS Defendants' special motions to strike, and AWARDS attorneys' fees in the amount of \$14,486.68 for Defendants Katzer and KAM and \$16,976.25 for Defendant Russell.

26

BACKGROUND

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Matthew Katzer is the chief executive officer and chairman of the board of directors of KAM, a software company based in Portland, Oregon that develops software for model railroad enthusiasts. Kevin Russell is KAM's attorney, who is also based in Portland, Oregon. The Java

1 Model Railroad Interface ("JMRI") Project is an on-line, open source community that also
2 develops model train software. Plaintiff, Robert Jacobsen, works for the Lawrence Berkeley
3 National Laboratory and is a professor of physics at the university, as well as a model train
4 hobbyist and a contributing member of the JMRI Project. Jacobsen allegedly used a
5 government electronic mail address linked to the Department of Energy when corresponding
6 with the members of the JMRI Project.

7 Jacobsen contends that Defendants fraudulently secured patents for their software and,
8 despite knowing the patents were invalid and unenforceable, sought to enforce the patents and
9 collect patent royalties, threatened litigation, cybersquatted on a JMRI Project trademark, and
10 made false charges in a Freedom of Information Act ("FOIA") request to the Department of
11 Energy who, they apparently believed, might have been involved in sponsoring the JMRI
12 Project.

13 On March 13, 2006, Jacobsen filed this declaratory relief action alleging that defendants
14 KAM and Katzer, in conjunction with the company's attorney, Russell, fraudulently obtained
15 patents for model train control system technology. In addition, Jacobsen makes claims for
16 violations of antitrust laws, California Business and Professions Code § 17200, the Lanham Act
17 and for libel.

18 ANALYSIS

19 A. Matthew Katzer and Kamind Associates, Inc.'s Motion to Dismiss and to Bifurcate.

20 1. Legal Standard on Motion to Dismiss.

21 A motion to dismiss is proper under Federal Rule of Civil Procedure 12(b)(6) where the
22 pleadings fail to state a claim upon which relief can be granted. A motion to dismiss should not
23 be granted unless it appears beyond a doubt that a plaintiff can show no set of facts supporting
24 his or her claim. *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957). Thus, dismissal is proper "only
25 if it is clear that no relief could be granted under any set of facts that could be proved consistent
26 with the allegations." *Hishon v. King & Spaulding*, 467 U.S. 69, 73 (1984). The complaint is
27 construed in the light most favorable to the non-moving party and all material allegations in the
28 complaint are taken to be true. *Sanders v. Kennedy*, 794 F.2d 478, 481 (9th Cir. 1986). The

1 court, however, is not required to accept legal conclusions cast in the form of factual
2 allegations, if those conclusions cannot reasonably be drawn from the facts alleged. *Cleggy v.*
3 *Cult Awareness Network*, 18 F.3d 752, 754-55 (9th Cir. 1994) (citing *Papasan v. Allain*, 478
4 U.S. 265, 286 (1986)).

5 **2. Count Four – Antitrust Violation Under Sherman Act Section Two.**

6 In his original complaint, Jacobsen alleges that both KAM and Katzer have violated
7 Section 2 of the Sherman Act. The class of persons who may maintain a private damage action
8 under the antitrust laws is broadly defined in Section 4 of the Clayton Act, which provides in
9 pertinent part: “Any person who shall be injured in his business or property by reason of
10 anything forbidden in the antitrust laws may sue therefor in any district court of the United
11 States in the district in which the defendant resides or is found or has an agent, without respect
12 to the amount in controversy, and shall recover threefold damages by him sustained.” 15
13 U.S.C. § 15. Section 16 of the Clayton Act provides in pertinent part that: “Any person ... shall
14 be entitled to sue for and have injunctive relief ... against threatened loss or damage by a
15 violation of the antitrust laws.” 15 U.S.C. § 26. “A literal reading of the statute is broad
16 enough to encompass every harm that can be attributed directly or indirectly to the
17 consequences of an antitrust violation.” *Associated General Contractors of California v.*
18 *California State Council of Carpenters* (“AGC”), 459 U.S. 519, 529 (1983). However broadly
19 described, it “is reasonable to assume that Congress did not intend to allow every person
20 tangentially affected by an antitrust violation to maintain an action to recover threefold damages
21 for the injury to his business or property.” *Blue Shield of Virginia, Inc. v. McCready*, 457 U.S.
22 465, 477 (1982).

23 The plaintiff must have antitrust standing and to determine whether that requirement is
24 met, the Court must “evaluate the plaintiff’s harm, the alleged wrongdoing by the defendants,
25 and the relationship between them.” ACG, 459 U.S. at 535. The Ninth Circuit has summarized
26 the factors relevant to a finding of antitrust standing as follows: “(1) the nature of the plaintiff’s
27 alleged injury; that is, whether it was the type the antitrust laws were intended to forestall; (2)
28 the directness of the injury; (3) the speculative measure of the harm; (4) the risk of duplicative

1 recovery; and (5) the complexity of apportioning damages.” *Knevelbaard Dairies v. Kraft*
2 *Foods, Inc.*, 232 F.3d 979, 987 (9th Cir. 2000) (quoting *American Ad Mgmt. v. General Tel.*
3 *Co.*, 190 F.3d 1051, 1054-55 (9th Cir. 1999)). To conclude that there is antitrust standing, the
4 Court need not find in favor of the plaintiff on each factor. *American Ad Mgmt.*, 190 F.3d at
5 1055 (citing *Amarel v. Connell*, 102 F.3d 1494, 1507 (9th Cir. 1997)). Instead, the Court must
6 balance the factors, giving great weight to the nature of the plaintiff’s alleged injury. *Id.*

7 The first factor – the nature of plaintiff’s alleged injury – requires a showing of
8 “antitrust injury, i.e., injury of the type the antitrust laws were intended to prevent and that
9 flows from that which makes defendants’ acts unlawful.” *Knevelbaard*, 232 F.3d at 987
10 (quoting *Atlantic Richfield Co. v. USA Petroleum Co.*, 495 U.S. 328, 334 (1990)). Parsing the
11 Supreme Court’s definition of injury, the Court must find four factors: (1) unlawful conduct, (2)
12 causing an injury to the plaintiff, (3) that flows from that which makes the conduct unlawful,
13 and (4) that is of the type the antitrust laws were intended to prevent. See *id.* Antitrust injury is
14 harm that “reflect[s] the anticompetitive effect either of the violation or of anticompetitive
15 effects made possible by the violation.” *Brunswick Corp. v. Pueblo Bowl-O-Mat, Inc.*, 429 U.S.
16 477, 489 (1977). Lastly, to qualify as antitrust injury, any harm allegedly suffered must have
17 occurred in the market where competition is allegedly being restrained. *Association of Wash.*
18 *Pub. Hosp. Dists. v. Philip Morris, Inc.*, 241 F.3d 696, 704 (9th Cir. 2001) (quoting *American*
19 *Ad Mgmt.*, 190 F.3d at 1057).

20 Jacobsen lacks standing to make out a claim for antitrust injury. Jacobsen, a model train
21 hobbyist, alleges that he was injured by failing to receive academic consulting income as a
22 result of his having to take time off from work to address the concerns raised by the disputed
23 patents. Jacobsen has failed to allege injury in the relevant market. Lost income in an unrelated
24 field is simply not the type of injury the antitrust laws were designed to protect. Jacobsen’s lost
25 income in the academic field or as a research scientist as a result of his efforts in this matter
26 does not constitute antitrust injury in the relevant model train market. See *Ass’n of Wash. Pub.*
27 *Hosp. Dists.*, 241 F.3d at 704-05 (“The requirement that the alleged injury be related to anti-
28 competitive behavior requires, as a corollary, that the injured party be a participant in the same

market as the alleged malefactors .. [and] that the plaintiff ... suffered its injury in the market where competition is being restrained. Parties whose injuries, though flowing through that which makes the defendant's conduct unlawful, are experienced in another market do not suffer antitrust injury.”).

Plaintiff must demonstrate injury in fact and the claimed injury must be sufficiently direct. There “must be ‘not a mere causal link, but a direct effect.’” *Knevelbaard*, 232 F.3d at 989 (quoting *City of Pittsburgh v. West Penn Power Co.*, 147 F.3d 256, 268 (3d Cir. 1998)). To assess the directness of the alleged injury, the Court must “look to the chain of causation between [the alleged] injury and the alleged restraint in the market.” *American Ad Mgmt.*, 190 F.3d at 1058. Speculative damages are found where the injury is indirect or “may have been produced by independent factors.” *AGC*, 459 U.S. at 542. It is “appropriate for § 4 purposes ‘to consider whether a claim rests at bottom on some abstract conception or speculative measure of harm.’” *Id.* at 543 (quoting *McCready*, 457 U.S. at 475, n.11). “The indirectness of the alleged injury also implicates the strong interest, identified in our prior cases, in keeping the scope of complex antitrust trials within judicially manageable limits. These cases have stressed the importance of avoiding either the risk of duplicate recoveries on the one hand, or the danger of complex apportionment of damages on the other.” *AGC*, 459 U.S. at 543-44.

There is no direct connection between the alleged injury which is particularized to Jacobsen in his professional capacity as an academic and the alleged misconduct in the business of model train software marketing. Jacobsen, a model train enthusiast and hobbyist who intended, in conjunction with the efforts of other enthusiasts, to make available for free an alleged competing software program, cannot make out a claim for violation of the antitrust laws. His alleged injury is not injury of the type the antitrust laws were intended to prevent: it is not in the relevant market and it does not flow from that which makes defendants’ acts allegedly unlawful. Therefore, Jacobsen lacks standing to make out a claim under the Sherman Act and his fourth cause of action is dismissed without leave to amend.¹

¹ Jacobsen similarly lacks standing to make a claim for injunctive relief under Sherman Act Section 16 because he has failed to allege that he may be threatened with a loss the antitrust laws were designed to prevent. See *Cargill, Inc. v. Monfort of Colo., Inc.*, 479

1 **3. Count Seven – Libel.**

2 Under California law, libel is “a false and unprivileged publication by writing, printing,
3 picture, effigy, or other fixed representation to the eye, which exposes any person to hatred,
4 contempt, ridicule, or obloquy, or which causes him to be shunned or avoided, or which has a
5 tendency to injure him in his occupation.” Cal. Civ. Code § 45. “Publication means
6 communication to some third person who understands the defamatory meaning of the statement
7 and its application to the person to whom reference is made.” *Raghavan v. Boeing Co.*, 133
8 Cal. App. 4th 1120, 1132 (2005).

9 Jacobsen contends that KAM’s Freedom of Information Act request to the United States
10 Department of Energy constitutes a libelous publication which falsely accused him of patent
11 infringement and subjected him to embarrassment and injury to his academic reputation.
12 Construed in the light most favorable to Jacobsen, the FOIA request states that the JMRI Project
13 infringes the patents owned by Kamind Associates and designates Jacobsen as the subject of
14 Kamind’s search for documents. By its very terms, the request does not make any statements of
15 fact about Jacobsen, but to the extent that an inference is drawn that he was responsible for
16 JMRI’s possible infringement, a mere claim of patent infringement is not defamatory. *See CMI,*
17 *Inc. v. Intoximeters, Inc.*, 918 F. Supp. 1068, 1084 (W.D. Ky. 1995) (“Depending on how a
18 statement is made, a charge of patent infringement would not hold a company to hatred, ridicule
19 or disgrace. Among business people, patents are known to be complicated and in infringement
20 issues even more so. The statement by one party that another is infringing does not carry an
21 intrinsic moral or business turpitude. For instance, it is not the same as calling one a liar,
22 bankrupt or untrustworthy.”); *see also Atlantic Mutual Ins. Co. v. J. Lamb, Inc.*, 100 Cal. App.
23 4th 1017, 1025 (2002) (claim for patent infringement considered disparaging but not
24 defamatory for purposes of insurance coverage).

25 Therefore, Jacobsen fails to make out a claim for libel because the FOIA request does
26 not make a statement of fact about Jacobsen, and to the extent an inference of accused
27
28

U.S. 104, 109 (1986) (threatened antitrust injury is a prerequisite to equitable relief).

1 infringement may be drawn, such a statement is not defamatory. Therefore, Jacobsen's seventh
2 claim for relief is dismissed without leave to amend.²

3 **4. Bifurcation.**

4 In the alternative, Defendants Katzer and KAM move to bifurcate the fourth and fifth
5 counts and request that discovery be stayed pending resolution of the patent validity claims.
6 The Court has dismissed count four without leave to amend. The Court further finds that the
7 request to bifurcate count five is premature at this time, due to the amendment of the original
8 complaint. Therefore, the Court DENIES the request to bifurcate at this time without prejudice
9 to a showing of good cause to bifurcate once the pleadings are finalized.

10 **B. Defendant Kevin Russell's Motion to Dismiss.**

11 Defendant Kevin Russell, KAM's private attorney, moves to dismiss counts seven for
12 libel and four for antitrust violations. The Court dismisses these causes of action against
13 Russell for the same reasons the same claims are dismissed against Defendants KAM and
14 Katzer for failure to state a claim upon which relief can be granted.

15 However, Defendant Russell also moves to dismiss all claims against him on the basis
16 that this Court lacks personal jurisdiction over him as an attorney based in Oregon. Unless a
17 defendant's contacts with a forum are so substantial, continuous, and systematic that the
18 defendant can be deemed to be "present" in that forum for all purposes, a forum may exercise
19 only "specific" jurisdiction – that is, jurisdiction based on the relationship between the
20 defendant's forum contacts and the plaintiff's claim. *Yahoo! Inc. v. La Ligue Contre Le*
21 Racisme Et L'Antisemitisme, 433 F.3d 1199, 1205 (9th Cir. 2006). There is no question that,
22 based on the record before the Court, Russell lacks sufficiently substantial, continuous and
23 systematic contacts with this forum so as to create a basis for general jurisdiction over him.
24 Instead, the dispute is whether the only ostensibly California contacts in this matter – the
25 sending of the FOIA request which requests a search of a Berkeley, California facility and the
26

27 ² Given an opportunity at oral argument to proffer additional facts making out a
28 claim for libel should leave be granted, Jacobsen was unable to do so. See *DeSoto v. Yellow
Freight Sys., Inc.*, 957 F.2d 655, 658 (9th Cir. 1992) (leave to amend is properly denied
where amendment would be futile).

1 sending of a cease and desist and follow-up demand letters for payment to Plaintiff at his
2 Berkeley, California address – create sufficient specific contacts.

3 This Court must employ a three-part test to evaluate the nature and quality of Russell's
4 contacts for purposes of specific jurisdiction: "(A) some action must be taken whereby
5 defendant purposefully avails himself or herself of the privilege of conducting activities in the
6 forum, thereby invoking the benefits and protections of the forum's laws; (B) the claim must
7 arise out of or result from defendant's forum-related activities; and (C) exercise of jurisdiction
8 must be reasonable." *Sher*, 911 F.2d at 1361 (citing *Cubbage*, 744 F.2d at 668).

9 "To be subject to specific jurisdiction, a defendant must have purposefully avail[ed]
10 itself of the privilege of conducting activities with the forum State, thus invoking the benefits
11 and protections of its laws." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 475 (1985)
12 (internal citations omitted). "'Purposeful availment' requires that the defendant 'have
13 performed some type of affirmative conduct which allows or promotes the transaction of
14 business within the forum state.' *Sher*, 911 F.2d at 1362 (citing *Sinatra v. National Enquirer,*
15 *Inc.*, 854 F.2d 1191, 1195 (9th Cir. 1988)). The second prong of the test for specific jurisdiction
16 requires that "the contacts constituting purposeful availment must be the ones that give rise to
17 the current suit." *Bancroft & Masters, Inc. v. Augusta Nat'l, Inc.*, 223 F.3d 1082, 1088 (9th Cir.
18 2000). The third prong of the test for specific jurisdiction requires that the exercise of
19 jurisdiction be reasonable. *Sher*, 911 F.2d at 1361.

20 In his complaint, Jacobsen contends that there is sufficient purposeful availment by
21 virtue of Russell's sending the FOIA request requesting a search of a Berkeley, California
22 facility and sending a cease and desist letter and follow-up demand letters for payment to
23 Plaintiff at his Berkeley, California address, all actions performed at the behest of Russell's
24 Oregon-based client. The sending of a cease and desist letter into a particular jurisdiction is not
25 sufficient to create personal jurisdiction over an out-of-state defendant. *Red Wing Shoe Co. v.*
26 *Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1360 (Fed. Cir. 1998). The court reasoned that it
27 did not comport with notions of fair play to subject a patentee to personal jurisdiction in a forum
28 solely for informing a party who happens to be located there of suspected infringement. *Id.* A

1 cease and desist letter may be viewed as an offer of settlement, and it is neither fair nor efficient
2 to provide a disincentive to settlement by subjecting the sender to personal jurisdiction out of
3 state. For the same reasons, the sending of follow-up demand letters does not confer specific
4 jurisdiction on an out-of-state attorney. Further, there is no indication that Jacobsen has alleged
5 any particular cause of action which arises from the sending of the demand letters. Lastly,
6 although the FOIA request underlies Plaintiff's claim against Russell for libel, and does request
7 that certain action be taken in California, the Court has dismissed the claim for libel for failure
8 to state a claim upon which relief can be granted. Therefore, the Court finds that there is no
9 basis for finding personal jurisdiction over Defendant Kevin Russell and dismisses him from the
10 complaint.

11 **C. Defendants' Special Motions to Strike.**

12 Both Katzer and KAM as well as Russell move to strike Jacobsen's libel claim, arguing
13 that the basis of the claim, the filing of a FOIA request to the Department of Energy, is a
14 protected communication under California's anti-SLAPP statute as it was made in anticipation
15 of bringing legal action against Jacobsen.

16 California's anti-SLAPP ("Strategic Lawsuit Against Public Participation") statute
17 provides a mechanism for a defendant to strike civil actions brought primarily to chill the
18 exercise of free speech. Cal. Code Civil Proc. § 425.16(b)(1); *see also Metabolife*
19 *International, Inc. v. Wornick*, 213 F. Supp. 2d 1220, 1221 (S.D. Cal. 2002). The California
20 Legislature passed the statute and explicitly recognized "the public interest to encourage
21 continued participation in matters of public significance ... and [found] that this participation
22 should not be chilled through abuse of the judicial process." *Metabolife*, 213 F. Supp. 2d at
23 1221 (citations omitted). Thus, to deter such chilling, a prevailing defendant on a special
24 motion to strike shall be entitled to recover his or her reasonable attorney's fees and costs. *Id.*,
25 citing Cal. Code Civil Proc. § 425.16(c).

26
27
28

1 Section 425.16 provides, in relevant part, that

2 A cause of action against a person arising from any act of that person in
3 furtherance of the person's right of petition or free speech under the United
4 States or California Constitution in connection with a public issue shall be
5 subject to a special motion to strike, unless the court determines that the
6 plaintiff has established that there is a probability that the plaintiff will
7 prevail on the claim.

8 As used in this section, 'act in furtherance of a person's right of petition or
9 free speech under the United States or California Constitution in connection
10 with a public issue' includes: (1) any written or oral statement or writing
11 made before a ... judicial proceeding, or any other official proceeding
12 authorized by law....

13 Cal. Code Civil Proc. §§ 425.16(b)(1); 425.16(e).

14 A special motion to strike a SLAPP suit involves a two-step analysis. First, the court
15 must decide whether the defendant has made a threshold showing that the challenged cause of
16 action is one 'arising from' protected activity. *See, e.g., City of Cotati v. Cashman*, 29 Cal. 4th
17 69, 76 (2002). The defendant may meet this threshold burden by showing that the act which
18 forms the basis for the plaintiff's cause of action was a written or oral statement made before a
19 judicial proceeding. *Church of Scientology of California v. Wollersheim*, 42 Cal. App. 4th 628,
20 646 (1996). If the defendant establishes a prima facie case, the burden then shifts to the
21 plaintiff to establish a probability that the plaintiff will prevail on the claim. *Id.; see also*
22 *Cotati*, 29 Cal. 4th at 76. In making its determination, the trial court is required to consider the
23 pleadings and supporting and opposing affidavits stating the facts upon which liability or
24 defense is based. Cal. Code Civil Proc. § 425.16(b).

25 **1. Defendants Have Met the Threshold Burden of Challenged Cause of
26 Action Arising From Protected Activity.**

27 The right of access to the courts is an aspect of the First Amendment right to petition the
28 government for redress of grievances. *Wollersheim*, 42 Cal. App. 4th at 647. The constitutional
right to petition includes the basic act of filing litigation or otherwise seeking administrative
action. *Briggs v. Eden Council for Hope and Opportunity*, 19 Cal. 4th 1106, 1115 (1999). By
logical extension, the right to petition also necessarily includes participation in the litigation as
well. *See id.* Therefore, a cause of action arising from defendant's litigation activity may
properly be the subject of a section 425.16 motion to strike. *Wollersheim*, 42 Cal. App. 4th at

1 648. In addition, in interpreting the scope of a section 425.16 motion to strike, courts have
 2 “adopted a fairly expansive view of what constitutes litigation-related activities.” *Kashian v.*
 3 *Harriman*, 98 Cal. App. 4th 892, 908 (2002). The scope of protected litigation activities
 4 broadly includes communication, including statements to the court and other, non-speech
 5 conduct. *See, e.g., Susan S. v. Israels*, 55 Cal. App. 4th 1290, 1300-01 (1997). In addition,
 6 “communications preparatory to or in anticipation of the bringing of an action or other official
 7 proceeding ... are ... entitled to the benefits of section 425.16.” *Briggs*, 19 Cal. 4th 1106, 1115
 8 (citing *Dove Audio, Inc. v. Rosenfeld, Meyer & Susman*, 47 Cal. App. 4th 777, 784 (1996)).

9 The FOIA request was sent in an effort to gather information about a possible
 10 infringement lawsuit. (*See Declaration of Matthew Katzer in support of special motion to*
 11 *strike, ¶ 7.*) It is clear that KAM was, at the time of the filing of the request, contemplating
 12 filing an infringement action. The stated premise of the request is the belief that the JMRI
 13 Project, possibly sponsored by the Physics Division of the Berkeley Livermore Labs, infringed
 14 the patents owned by KAM. (*See id.*, Ex. 1.) The request even mistakenly states that a lawsuit
 15 was already filed by KAM in federal court. (*Id.*)³ In addition, Jacobsen’s complaint for
 16 declaratory relief specifically states that “Defendants’ conduct has put Jacobsen in reasonable
 17 and serious apprehension of imminent suit for infringement of the ’329 patent.” (Compl. at ¶
 18 6.)⁴ Therefore, because the FOIA request was made in anticipation of bringing legal action

19
 20 ³ The merits or validity of the particular content at issue is not the appropriate inquiry
 21 in determining whether or not the anti-SLAPP statute applies. The merits of the claims
 22 become relevant only at the second step of the anti-SLAPP analysis, when plaintiff must
 23 present evidence showing a reasonable probability of success on his claims. *Mann v. Quality*
 24 *Old Time Service, Inc.*, 120 Cal. App. 4th 90, 105 (2004).

25
 26 ⁴ In order to maintain subject matter jurisdiction over the declaratory action filed by
 27 Jacobsen, the Court must find that there is an actual controversy. *See, e.g., Fina Research,*
 28 *S.A. v. Baroid Ltd.*, 141 F.3d 1479, 1481 (Fed. Cir. 1998). First, the patentee must make an
 29 explicit threat or take other action that creates a reasonable apprehension on the part of the
 30 declaratory plaintiff that it will face an infringement suit. *Super Sack Mfg. Corp. v. Chase*
 31 *Packaging Corp.*, 57 F.3d 1054, 1058 (Fed. Cir. 1995). Second, there must be present
 32 activity that could constitute infringement or concrete steps taken with the intent to conduct
 33 such activity. *Id.* Jacobsen’s contention that any lawsuit filed by Defendants could not have
 34 been “seriously and in good faith” contemplated because such a lawsuit would have been
 35 meritless, not only contradicts statements in his complaint which form the basis for subject
 36 matter jurisdiction over his lawsuit, but is inapposite. Whether Defendants would have
 37 prevailed on any potential lawsuit is irrelevant with regard to the question whether both
 38 Jacobsen and Defendants contemplated that such a lawsuit may have been imminent.

1 against Jacobsen and/or JMRI for possibly infringing activities, Defendants have therefore met
 2 their threshold burden of demonstrating that the challenged cause of action is one ‘arising from’
 3 protected activity. *See, e.g., Cotati*, 29 Cal. 4th at 76.

4 **2. Plaintiff Cannot Meet His Burden of Demonstrating a Probability of
 Prevailing on the Merits.**

5 Once Defendants have reached the threshold showing, the burden shifts to Jacobsen to
 6 establish a probability of prevailing at trial. *See id.* This Court has dismissed the cause of
 7 action for libel for failure to state a claim upon which relief can be granted. Because the Court
 8 has determined that the cause of action should be dismissed as a matter of law, Jacobsen cannot
 9 meet his burden of demonstrating a likelihood of prevailing on the merits. *See Dove Audio*, 47
 10 Cal. App. 4th at 784-85 (holding that the court did not err in granting a special motion to strike
 11 under section 425.16 on causes of action absolutely barred by the litigation privilege). Because
 12 Defendants have met their threshold burden of demonstrating that the specific allegations for
 13 the cause of action for libel arises from protected activity and Jacobsen cannot make a prima
 14 facie case of likelihood of prevailing on the merits, the Court GRANTS Defendants’ special
 15 motions to strike the seventh cause of action for libel.⁵

16 **3. Reasonable Attorney’s Fees and Costs.**

17 A “prevailing defendant on a special motion to strike shall be entitled to recover his or
 18 her attorney’s fees and costs.” Cal. Code Civil Proc. § 425.16(c).⁶ The prevailing party bears
 19 the burden of submitting detailed time records justifying the hours claimed to have been
 20 expended. *Chalmers v. City of Los Angeles*, 796 F.2d 1205, 1210 (9th Cir. 1986). As a party

22 ⁵ Because count five against Defendant Russell has been dismissed against him due to
 23 lack of personal jurisdiction and the motion to strike is granted as to Defendant Russell on
 24 the libel claim, the Court need not address whether the FOIA request allegations in the
 25 Section 17200 claim are merely incidental or are the principal thrust or gravamen of the
 26 claim and therefore worthy of protection under Section 425.16. *See Peregrine Funding, Inc.*
v. Sheppard Mullin Richter & Hampton LLP, 133 Cal. App. 4th 658, 672 (2005).

27 ⁶ An award of attorney’s fees to a prevailing party on a special motion to strike is
 28 mandatory. Cal. Civ. Proc. Code § 425.16(c); *Pfeiffer Venice Properties v. Bernard*, 101
 Cal. App. 4th 211, 215 (2002) (citing *Ketchum v. Moses*, 24 Cal. 4th 1122, 1131 (2001)).
 The Court clearly has jurisdiction over Plaintiff in order to compel him to pay reasonable
 attorney’s fees incurred by Defendants who have prevailed on their special motions to strike.

1 seeking fees and costs, a defendant “bear[s] the burden of establishing entitlement to an award
2 and documenting the appropriate hours expended and hourly rates. To that end, the court *may*
3 require defendants to produce records sufficient to provide a proper basis for determining how
4 much time was spent on particular claims.” *ComputerXpress, Inc. v. Jackson*, 93 Cal. App. 4th
5 993, 1020 (2001) (citations omitted; emphasis added). According to Civil Local Rule 54-6(b),
6 unless otherwise ordered, a motion for attorney’s fees must be supported by a declaration
7 containing, among other things, a statement of the services rendered together with a summary of
8 the time spent by each person. Depending on the circumstances, the Court may require
9 production of an abstract of or the contemporary time records for inspection, including *in*
10 *camera* inspection, as the Judge deems appropriate. Civ. L. R. 54-6(b)(2).

11 An award of attorney’s fees must be reasonable, and adequately compensate Defendants
12 for the expense of responding to a baseless claim. *See Metabolife*, 213 F. Supp. 2d at 1221-22.
13 The Court has broad discretion to determine the reasonable amount of attorney’s fees and costs
14 and must have substantial evidence to support the fee award. *Id.* at 1222. However, the
15 prevailing party is only entitled to recover fees and costs related to the motion to strike, not to
16 the whole suit or other motions. *Lafayette Morehouse, Inc. v. The Chronicle Publishing Co.*, 39
17 Cal. App. 4th 1379, 1383 (1996).

18 In this matter, Defendants Katzer and KAM declare that they have incurred \$20,782.58,
19 inclusive of \$450.68 in expenses as a result of researching, filing and arguing the anti-SLAPP
20 special motion to strike. (Declaration of R. Scott Jerger in support of his motion for attorney’s
21 fees (“Jerger Decl.”), ¶ 3.) Counsel explains that he spent a total of 59.8 hours preparing the
22 motion papers related to the special motion to strike. (*Id.*, ¶ 4(a)-(c).) He also contends that he
23 spent a total of 28.4 hours preparing for and attending the court hearing on the special motion
24 and further alleges that such time was spent exclusively on this motion, and not the other
25 pending motions or the case management conference. (*Id.*, ¶ 4(d); Defendants Katzer and
26 KAM’s Reply to Plaintiff’s Objections at 2.) The Court finds this additional court attendance
27 estimate to be excessive and reduces the estimate for time spent on the hearing of the special
28 motion to 4 hours. Therefore, the Court awards fees to counsel for Katzer and KAM in the

1 amount of \$14,036 (for 63.8 hours at an hourly rate of \$220). The Court also awards costs in
2 the amount of \$450.68. Therefore, the total amount owing to Katzer and KAM is \$14,486.68.

3 Additionally, Defendant Russell declares that he has incurred a total of \$43,491.25 in
4 attorney's fees as a result of researching, filing and arguing the anti-SLAPP special motion to
5 strike. (Declaration of David M. Zeff in support of award of attorney's fees ("Zeff Decl."), ¶ 6;
6 Defendant Russell's Reply to Plaintiff's Objection at 5.) This estimate includes 84.55 hours of
7 time at a rate of \$235 per hour for Mr. Moore's services and 67.35 hours at a rate of \$300 per
8 hour for Mr. Zeff's services, plus an additional 4.2 hours billed by Mr. Moore and an additional
9 8.1 hours billed by Mr. Zeff in connection with reviewing Plaintiff's objections and researching
10 and drafting a reply. (Zeff Decl., ¶¶ 2, 5; Reply at 5; Declaration of David M. Zeff in reply to
11 objections, ¶¶ 4, 5.) Mr. Zeff also explains that he includes some, but not all, of the time he and
12 Mr. Moore spent on the motion to dismiss because some of the substantive issues in the special
13 motion to strike overlap. The Court finds this unconvincing as the motion to dismiss was a
14 stand-alone motion and only fees incurred due to the filing of the special motion to strike are
15 recoverable. *See Lafayette Morehouse, Inc.*, 39 Cal. App. 4th at 1383. The Court also finds it
16 unreasonable that two attorneys, billing at comparable rates, were necessary to complete the
17 same tasks it took a single attorney to complete for Defendants Katzer and KAM. Therefore,
18 the Court will only take into consideration the fees incurred by Mr. Zeff and reduce that amount
19 by twenty-five percent because the Court cannot award fees for time incurred on unrelated
20 motions. Therefore, the total amount owing to Defendant Russell is \$16,976.25 (75.45 hours
21 reduced by 25% at an hourly rate of \$300).

1 **CONCLUSION**

2 For the foregoing reasons, the Court GRANTS Defendants' motions to dismiss,
3 DENIES Defendants' motion to bifurcate without prejudice, GRANTS Defendants' special
4 motions to strike, and AWARDS attorneys' fees to Defendants in the amount of \$14,486.68 for
5 Defendants Katzer and KAM and \$16,976.25 for Defendant Russell. Such payment shall be
6 made no later than October 30, 2006.

7 **IT IS SO ORDERED.**

8
9 Dated: October 20, 2006

10 
11 _____
12 JEFFREY S. WHITE
13 UNITED STATES DISTRICT JUDGE

Exhibit M

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6 IN THE UNITED STATES DISTRICT COURT
7 FOR THE NORTHERN DISTRICT OF CALIFORNIA

8
9 JACOBSEN,

No. C-06-01905 JSW (EDL)

10 Plaintiff,

11 ORDER RE: SETTLEMENT
12 CONFERENCE

13 v.

14 KATZER, et al.,

Defendant.

15 This case has been referred to the Court for a settlement conference, which is scheduled for
16 February 13, 2008. On October 22, 2007, the Court held a telephone conference in response to
17 Plaintiff's October 1, 2007 letter seeking the Court's assistance regarding disclosure of information
18 to Plaintiff from Defendant in advance of the settlement conference. At that conference, the Court
19 indicated that in order to have meaningful settlement discussions, some basic information should be
20 exchanged, including Defendant's position on validity, enforceability and infringement of the '329
21 patent. On October 23, 2007, Defendant responded by sending an e-mail to the Court's courtroom
22 deputy, with a copy to Plaintiff's counsel, specifying information that it intended to provide (copy
23 available to parties upon request).

24 To the extent that Defendant has not already provided to Plaintiff the information referenced
25 in the e-mail, such as the chart of prior art, Defendant shall do so. In addition, Defendant shall
26 provide to Plaintiff basic supporting facts and legal argument sufficient to explain its position on
27 validity, enforceability and infringement of the '329 patent. This information shall be served on
28 Plaintiff, and lodged, not filed, with this Court (not Judge White's chambers) no later than January
31, 2008. This information may only be used for settlement purposes. Any confidential strategy

1 need not, of course, be provided to Plaintiff, but instead may be included in the confidential
2 settlement conference statement lodged with the Court.

3 **IT IS SO ORDERED.**

4 Dated: January 23, 2008

Elizabeth D. Laporte
ELIZABETH D. LAPORTE
United States Magistrate Judge

Exhibit N

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5 Attorney for Plaintiff
ROBERT JACOBSEN
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10 UNITED STATES DISTRICT COURT
11 FOR THE NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 ROBERT JACOBSEN,) No. C-06-1905-JSW
14 Plaintiff,) PLAINTIFF MOTION FOR LIMITED
15 v.) EARLY DISCOVERY
16 MATTHEW KATZER, et al.,) Courtroom: 2, 17th Floor
17 Defendants.) Judge: Hon. Jeffrey S. White
18
19
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22 Plaintiff respectfully asks for limited early discovery related to Defendants' Motion to
23 Dismiss for Lack of Subject Matter Jurisdiction.

24 I. Introduction and Relevant Facts

25 Defendants Matthew Katzer and KAMIND Associates, Inc. say they filed a patent
26 disclaimer which they attached to Defendant Katzer's declaration. [Docket # 203]. This
27 disclaimer disclaims all claims of the '329 patent, but no other Katzer patent. Id.

28 In a FOIA request directed at Plaintiff's employer, the U.S. Department of Energy and

1 Lawrence Berkeley National Laboratory, Defendants alleged that Plaintiff infringed multiple
2 Katzer patents. Ex. A at 1 ("KAMIND Associates, Inc. is a small software vendor that has patents
3 being infringed by the JMRI project sponsored by the Lab.") (emphasis added). Defendants have
4 repeatedly represented to this Court that they had a good faith belief when they filed the FOIA
5 request that Plaintiff was infringing multiple patents. Declaration of Matthew Katzer in Support of
6 Special Motion to Strike [Docket #13] ¶ 5 (...infringing KAM's patents."), ¶ 7 (...infringement
7 of KAM's patents."); Defendants' Matthew Katzer and KAMIND Associates, Inc. Special Motion
8 to Strike Plaintiff's Libel Claim under Cal. Civ. Pro. Code § 425.16 [Docket #29] at 5, l. 7 ("KAM
9 believes that certain JMRI software infringes on KAM patents."), at 8, ll. 21-22 (...to alert the
10 DOE that the JMRI project was infringing on KAM patents.").

11 After Defendants filed their motion to dismiss for lack of subject matter jurisdiction,
12 Plaintiff, through his counsel, sought the identity of the Katzer patents that Plaintiff is alleged to
13 have infringed. Defense counsel denied that Defendants had alleged infringement of multiple
14 patents, and stated the FOIA request only alleged infringement of the '329 patent. Cf. Ex. A at 1.
15 Plaintiff files this motion to seek from Defendants and/or their intellectual property counsel, Kevin
16 Russell, the identity of the Katzer patents which Defendants alleged in their FOIA request to the
17 U.S. Department of Energy that Plaintiff infringed.¹

18 **II. Argument**

19 Because Plaintiff bears the burden of demonstrating a case or controversy exists, he needs
20 to take limited early discovery. Plaintiff initially pled declaratory judgment of non-infringement,
21 invalidity, and unenforceability of claim 1 of the '329 patent because Defendants had specified that
22 patent only and made general allegations of patent infringement as to other Katzer patents. In the
23 normal course of discovery, Plaintiff would have sought information about the other Katzer patents
24 and then could seek leave to amend the complaint, if necessary. Because Defendants seek to
25 dismiss the declaratory judgment causes of action for lack of subject matter jurisdiction, Plaintiff
26 needs this information before discovery opens. A party may seek early discovery by court order.

27 ¹ Plaintiff deferred filing this motion while the parties were in a cooling off period after the Feb.
28 13, 2008 settlement conference, in the hope that the parties might come to terms and settle the case.
Settlement talks ended last Friday.

1 See Fed. R. Civ. P. Rule 26(d). Parties have used early discovery when seeking information to
2 oppose a motion to dismiss for lack of personal jurisdiction. E.g., Invitrogen Corp. v. Pres. &
3 Fellows of Harvard College, No. 07-cv-0878-JLS (S.D. Cal. Oct. 4, 2007) at *3. Defendants here
4 challenge jurisdiction, in particular subject matter jurisdiction, which Plaintiff must establish.
5 Thus, early discovery is appropriate.

6 A party seeking early discovery must show good cause. "Good cause may be found where
7 the need for expedited discovery, in consideration of the administration of justice, outweighs the
8 prejudice to the responding party." Semitool, Inc. v. Tokyo Electron Am., 208 F.R.D. 273, 276
9 (N.D. Cal. 2003). Good cause exists here, because Plaintiff needs the information to oppose
10 Defendants' motion, and because the limited request should pose no burden on Defendants, as
11 explained below. Furthermore, if Defendants, after years of alleging patent infringement against
12 Plaintiff, identify no other patent that Plaintiff purportedly infringes, this admission will put a
13 significant part of the case to rest, facilitate case management, and may result in an earlier
14 settlement of the case.

15 Plaintiff needs expedited discovery. In charging Plaintiff with infringement of multiple
16 Katzer patents in their FOIA request and representing to this Court that Plaintiff has infringed
17 multiple patents, Defendants imply they will bring multiple claims against Plaintiff. The identity
18 of the Katzer patents is relevant to the Plaintiff's opposition to Defendants' motion to dismiss. If
19 Defendants assert multiple patents, the declaratory judgment cause of action of inequitable conduct
20 during the prosecution of the '329 patent will not be moot because inequitable conduct during the
21 prosecution of the '329 patent may infect the other patents. Nilssen v. Osram Sylvania, Inc., 504
22 F.3d 1223, 1230 (Fed. Cir. 2007). Also, the declaratory judgment causes of action for non-
23 infringement and invalidity can be amended to include these other Katzer patents. Thus, Plaintiff
24 is entitled to find out what Katzer patents he allegedly infringes so he can use that information in
25 his opposition to Defendants' motion to dismiss.

26 The discovery does not prejudice Defendants. The limited nature of this discovery should
27 pose no burden. As noted earlier, they have repeatedly represented that they had a good faith belief
28 that Plaintiff infringed multiple Katzer patents. In order to have that good faith belief, they must

1 have conducted an infringement analysis. See View Eng'g, Inc. v. Robotic Vision Sys., Inc., 208
2 F.3d 981, 986-87 (Fed. Cir. 2000); Judin v. United States, 110 F.3d 780, 784 (Fed. Cir. 1997).
3 Thus, they should know which Katzer patents they believe Plaintiff infringed.

4 Thus, Plaintiff has shown good cause exists for early discovery. He needs it to oppose
5 Defendants' Motion to Dismiss for Lack of Subject Matter Jurisdiction. The discovery should pose
6 no burden on Defendants. Plaintiff asks the Court to grant his motion for limited early discovery,
7 and to stay briefing on Defendants' Motion in the interim as requested in a separate administrative
8 motion, filed concurrently.

9 **III. Conclusion**

10 Plaintiff respectfully asks the Court to grant his motion for early limited discovery.

11 Respectfully submitted,

12 DATED: February 25, 2008

13 By _____ /s/
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21 ATTORNEY FOR PLAINTIFF
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Exhibit O

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IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

ROBERT JACOBSEN,

Plaintiff,

No. C 06-01905 JSW

v.

MATTHEW KATZER and KAMIND
ASSOCIATES, INC.,

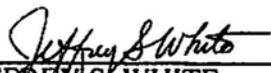
Defendants.

**ORDER DENYING PLAINTIFF'S
MOTION FOR LIMITED EARLY
DISCOVERY AND MOTION TO
STAY BRIEFING SCHEDULE**

Now before the Court are Plaintiff's motions for limited discovery and to stay the briefing schedule on Defendants' pending motion to dismiss. Having not shown good cause for either request, the Court DENIES Plaintiff's motions. The opposition to Defendants' motion to dismiss shall be filed no later than today, February 29, 2008. The reply brief shall be filed no later than March 7, 2008.

IT IS SO ORDERED.

Dated: February 29, 2008


JEFFREY S. WHITE
UNITED STATES DISTRICT JUDGE

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT
2009-1221

ROBERT JACOBSEN,

Plaintiff-Appellant,

v.

MATTHEW KATZER
and KAMIND ASSOCIATES (doing business as KAM Industries),

Defendants-Appellees.

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

Proposed Order Denying Matthew Katzer and KAMIND Associates, Inc.'s Motion to Transfer

Having considered Matthew Katzer and KAMIND Associates, Inc.'s Motion to Transfer, and Jacobsen's Response, the Court hereby DENIES the motion.

Washington, D.C.

FOR THE COURT:

Dated: _____

Circuit Judge

JACOBSEN v KATZER, 2009-1221

PROOF OF SERVICE

I hereby certify that on March 23, 2009, I sent by first class mail, postage prepaid, Robert Jacobsen's Response to Matthew Katzer and KAMIND Associates, Inc.'s Motion to Transfer, to:

R. Scott Jerger
Field Jerger LLP
610 SW Alder St. Suite 910
Portland OR 97205

Attorney for Defendants-Appellees

DATED: March 23, 2009

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