

1 Motion is based on the Memorandum of Points and Authorities, and the Declarations of Robert
2 Jacobsen and Victoria K. Hall.

3 **I. Introduction and Relief Requested**

4 Plaintiff Robert Jacobsen (“Plaintiff”) brings this motion for a preliminary injunction, and
5 seeks the Court to enjoin Defendants Matthew Katzer and KAMIND Associates, Inc.
6 (“Defendants”) from willfully infringing and continuing to willfully infringe Plaintiff’s copyrighted
7 material. Defendants have been, without authorization, copying and making derivative works from
8 more than 100 Decoder Definition Files, which took hundreds – possibly thousands – of hours to
9 create. Defendants have also induced or encouraged others to make unauthorized copies and
10 derivative works, and have profited from this direct infringement when they could have stopped it.
11 Defendants argue in a Motion to Dismiss [Docket #100] that they should not be held responsible
12 for the copyright violations involved in this lawsuit. As Plaintiff will show in his opposition, due
13 November 3, 2006, their arguments are without merit. Defendants continue to willfully infringe
14 and encourage others to infringe on Plaintiff’s copyright by copying, selling, marketing, making
15 available, distributing and making derivative works of Plaintiff’s copyrighted material via their
16 website and other means.

17 **II. Issues To Be Decided**

- 18 ▪ Is Plaintiff entitled to a preliminary injunction to stop Defendants from copying,
19 selling, marketing, making available, distributing and making derivative works from
20 Plaintiff’s copyrighted material?
- 21 ▪ Is Plaintiff entitled to a preliminary injunction to stop Defendants from (a) inducing
22 or encouraging others to make unauthorized copies (b) profiting from others’ direct
23 infringement when Defendants could have stopped it, and (c) making available a
24 software tool which makes unauthorized copies and derivative works from
25 Plaintiff’s copyrighted material?
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1 **III. Factual Background**

2 **A. The Parties**

3 1. Robert Jacobsen

4 Plaintiff Robert Jacobsen, one of the leaders of the JMRI Project, is owner and assignee of a
5 registered copyright in the JMRI Decoder Definition Files. A copy of the registration is attached in
6 Exhibit C of the Amended Complaint. Decoders (computer chips) are located in model trains so
7 that the trains can react to commands sent to them from a computer, such as a handheld device or a
8 personal computer. Various brands of decoders exist and some are complex to program. The
9 authors wrote the Decoder Definition Files to capture their knowledge on how best to program
10 decoders on model trains, and thus make it easier for people to control model trains on a layout.
11 The files were first developed in 2001, and are the result of hundreds, possibly thousands, of hours
12 of work.

13 2. Matthew Katzer and KAMIND Associates, Inc.

14 Defendants Matthew Katzer and KAMIND Associates, Inc., located in Portland, Oregon.
15 Katzer is the chief executive of KAMIND Associates, Inc. They develop various model train
16 control system software products, and say they have done so since the 1990s. They distribute their
17 products on CDs. All Defendants' CDs carry decoder template files, which perform a similar
18 function as the JMRI Decoder Definition Files. The decoder template files were made, without
19 authorization, from the JMRI Decoder Definition Files. Through KAMIND Associates, Inc.,
20 Katzer, and/or his or its employees and agents, commit acts that infringe Plaintiff's copyright, and
21 distribute a software tool with their CD and via their website, which when used causes the user to
22 violate Plaintiff's copyright.

23 **B. Defendants' Various Acts of Infringement**

24 Defendants announced plans for creating the decoder programmer. Jacobsen Decl. ¶ 9 and
25 Ex. A. Defendants copied the Decoder Definition Files without JMRI or Plaintiff's authorization,
26 converted them to a new format called decoder templates – again without authorization, and then
27 touted and distributed the new files as their own product. Jacobsen Decl. ¶¶ 9-22 and Ex. A, B, D.

28 Plaintiff learned of Defendants' infringing activities in late spring as he began to investigate

1 the source of Defendants' decoder templates. Plaintiff bought several copies of Defendants'
2 software, some of which were shipped from Defendant Katzer himself. Jacobsen Decl. ¶¶ 17-18,
3 46, 50. Plaintiff first tested version 304, and found all the converted JMRI Decoder Definition
4 Files. Jacobsen Decl. ¶¶ 17-19. Defendants had presented these files as their own – their decoder
5 template files. Plaintiff located the software tool which, when used, created similar files, and he
6 began to compare the JMRI Decoder Definition Files, the output from the tool, and Defendants'
7 decoder templates. Jacobsen Decl. ¶¶ 21, 27 and Ex. E, F, H. Plaintiff found that Defendants had
8 engaged in wholesale copying of the JMRI Decoder Definition files. The software tool had left
9 version numbers and dates at the top of the template files. Jacobsen Decl. ¶ 27. Misspellings
10 remained. Id. Various quirks in grammar remained. Id. But the software tool had stripped out the
11 JMRI copyright notices and the authors' names. Id. These similarities also existed in Defendants'
12 decoder templates that shipped with Defendants' version 304 CD. Jacobsen Decl. ¶ 21. Plaintiff
13 sought evidence that Defendant Katzer had gained access to, or had knowledge of, the JMRI
14 Decoder Definition Files. He found that Katzer, and at least one KAMIND Associates, Inc.
15 employee, admitted reviewing the JMRI Decoder Definition Files. Jacobsen Dec. ¶¶ 30-45. One
16 KAMIND Associates, Inc. employee admitted intentionally creating the tool to convert the files
17 and strip out JMRI credits and copyright notices. Jacobsen Dec. ¶ 44. Plaintiff determined that
18 Defendants had infringed Plaintiff's copyright.

19 **C. Defendants' Most Recent Acts of Infringement**

20 After learning of Plaintiff's interests in his software, Defendants hurriedly changed their
21 products, and shipped a new version, 305. This version removed a number of decoder template
22 files, but not all. And it directed users to the software tool available on the web. After Plaintiff
23 filed his Amended Complaint, he sent Defendants a cease-and-desist letter. Hall Decl. Ex. A.
24 Defendants hurriedly changed their products again, and shipped another version, 306. This version
25 removed one of the files (for the QSI decoder) mentioned in the Amended Complaint, but not
26 another infringing file. The software tool remained available on the web. This version is currently
27 shipped.

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1 **IV. Argument and Authorities**

2 **A. Preliminary Injunction Standard**

3 In determining whether to issue a preliminary injunction, the Ninth Circuit requires
4 demonstration of (1) a combination of probability of success and the possibility of irreparable
5 harm; or (2) serious questions going to the merits where the balance of hardships tips sharply in the
6 moving party's favor. Dep't of Parks & Recreation for the State of California v. Bazaar Del
7 Mundo Inc., 448 F.3d 1118, 1123 (9th Cir. 2006); see also Elvis Presley Enters., Inc. v. Passport
8 Video, 349 F.3d 622, 627 (9th Cir. 2003) (applying the test in a copyright case); Sun
9 Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115, 1119 (9th Cir. 1999) (same). The two
10 prongs represent "extremes of a single continuum," rather than two separate tests (i.e., a stronger
11 possibility of irreparable injury would not require as much of a demonstration on the merits).
12 Walczak v. EPL Prolong, Inc., 198 F.3d 725, 731 (9th Cir. 1999).

13 In cases involving copyright infringement claims, the inquiry is circumscribed. In these
14 cases, when a plaintiff has shown he is likely to succeed on the merits of a copyright infringement
15 claim, irreparable harm is presumed. Apple Computer, Inc. v. Formula Int'l Inc., 725 F.2d 521,
16 525 (9th Cir. 1984); Triad Sys. Corp. v. Southeastern Express Co., 64 F.3d 1330, 1335 (9th Cir.
17 1995); ABKCO Music, Inc. v. Stellar Records, Inc., 96 F.3d 60, 64 (2d Cir. 1996). In this case,
18 Plaintiff need only demonstrate a likelihood of success on the merits of its various copyright
19 infringement claims to be entitled to injunctive relief. Similarly, if there is a clear disparity in the
20 relative hardships and they tip in plaintiff's favor, plaintiff need only demonstrate that serious
21 questions are raised by Defendants' actions and its attempt to infringe upon Plaintiff's protected
22 copyrights. Under this second test, Plaintiff need only demonstrate a fair chance of success on the
23 merits for an injunction to issue. Benda v. Grand Lodge of Int'l Ass'n of Machinists & Aerospace
24 Workers, 584 F.2d 308, 315 (9th Cir. 1978). Plaintiff is entitled to a preliminary injunction under
25 either variation of the test. The Defendants have willfully infringed Plaintiff's copyrights, and most
26 recently made available a new version of their decoder templates and software tool that continue to
27 infringe, and encourage others to commit infringing acts.

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1 **B. Plaintiff is Likely to Succeed on the Merits of its Copyright Claim to the**
 2 **Decoder Definition Files**

3 At the outset, Plaintiff notes that Defendants have no rights in and to the Decoder
 4 Definition Files. There was never any negotiation between the parties, nor did Defendants ever
 5 evince any intent to enter into the nonexclusive license agreement offered with the files.
 6 Defendants announced they were creating their own decoder templates, took the JMRI files, did as
 7 they pleased with them and then announced a new addition to their own product line, with no
 8 mention that it was based on JMRI's work. Defendants cannot dispute that they have no rights in
 9 or to the Decoder Definition Files. Thus, Defendants' use of the Decoder Definition Files is
 10 unauthorized. Plaintiff puts forth sufficient evidence to demonstrate a strong likelihood of success
 11 on its copyright infringement claim. In order to prevail on its copyright claim, Plaintiff must only
 12 show that with respect to the Decoder Definition Files, the Defendants engaged in any one of the
 13 proscribed activities outlined in 17 U.S.C. § 501(a). Any violation of the “exclusive rights of the
 14 copyright owner”, id., constitutes copyright infringement. Hotaling v. Church of Jesus Christ of
 15 Latter-Day Saints, 118 F.3d 199, 203 (4th Cir. 1997). Plaintiff focuses on Defendants' violations
 16 of Plaintiff's exclusive right to make derivative works, and their contributory or vicarious
 17 infringement.

18 1. Defendants violated the Copyright Act by making derivative works from
 19 copies of the Decoder Definition Files

20 Defendants made derivative works from the JMRI Decoder Definition Files, and thus
 21 violated the Copyright Act. “A derivative work ... incorporate[s] a protected work in some
 22 concrete or permanent ‘form.’” Lewis Galoob Toys, Inc. v. Nintendo of America, Inc., 964 F.2d
 23 965, 967 (9th Cir. 1992). It must also incorporate protected material from the preexisting work.
 24 Micro Star v. Formgen Inc., 154 F.3d 1107, 1110 (9th Cir. 1998). Defendants announced that they
 25 were going to create their own decoder template files. Jacobsen Decl. ¶¶ 11-15. They had access
 26 to the JMRI Decoder Definition Files – they admitted downloading them. Jacobsen Decl. ¶¶ 30-44.
 27 They created a software tool whose only use was to convert the Decoder Definition Files to the
 28 Defendants' template format. Jacobsen Decl. ¶¶ 23-28, Ex. G. Defendants then converted the
 files. Various misspellings, version numbers and dates and other quirks present in the protected

1 work appear in Defendants' products. Jacobsen Decl. ¶¶ 21, 27. These strongly suggest literal
 2 copying of the Decoder Definition Files. Eckes v. Card Prices Update, 736 F.2d 859, 861, 863-64
 3 (2d Cir. 1984); Tradescape.com v. Shivaram, 77 F. Supp. 2d 408, 417-18 (S.D.N.Y. 1999).
 4 Defendants then distributed both the infringing files and the software tool with their products – in a
 5 permanent or concrete form. Thus, Defendants made derivative works based on Plaintiff's
 6 protected work, and infringed the copyright.

7 2. Defendants are liable for vicarious or contributory copyright infringement
 8 based upon the assistance they provided to others to infringe the JMRI
 9 Decoder Definition Files

10 Defendants are additionally liable for vicarious or contributory infringement because they
 11 distributed the software tool with their products. “One infringes contributorily by intentionally
 12 inducing or encouraging direct infringement, and infringes vicariously by profiting from direct
 13 infringement while declining to exercise a right to stop or limit it.” Metro-Goldwyn-Mayer
 14 Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, ___, 125 S. Ct. 2764, 2776 (2005). Defendants do
 15 both. First, as noted in Sec. III.B, they have created a software tool which, when used, causes the
 16 user to infringe Plaintiff's Decoder Definition Files copyright since the user engages in
 17 unauthorized copying and making of derivative works. Jacobsen Decl. ¶¶ 23-28, Ex. D.
 18 Defendants distribute this software tool, and include instructions on how to use it. Id. Thus, they
 19 both intentionally induce and encourage others to commit infringement. Second, Defendants profit
 20 from the direct infringement and decline to stop or limit it. Defendants tout “their” decoder
 21 template files to consumers to get them to buy Defendants' products. Jacobsen Decl. Ex. C.
 22 Defendants ship their products to various model train hobby shops – never attempting to recall CDs
 23 with the software tool. Thus, they induced or encouraged direct infringement – unauthorized
 24 copying and making of derivative works – which makes them liable for contributory infringement.
 25 And they profit from direct infringement while declining to exercise a right to stop it, which makes
 26 them liable for vicarious infringement.

26 **C. The Hardships Weigh in Plaintiff's Favor**

27 As shown in this motion, the balance of the hardships weigh in Plaintiff's favor. Plaintiff is
 28 asking the Court to prevent Defendants from selling, distributing, copying, making derivative

1 works, distributing its software tool, or otherwise exploiting the JMRI Decoder Definition Files.
2 Plaintiff's valuable copyrights and intellectual property – which took hundreds of hours to create –
3 is at stake. Absent an injunction, Defendants continue to exploit Plaintiff's intellectual property,
4 and to encourage others to exploit Plaintiff's intellectual property. At this time, Plaintiff is not
5 asking the Court to order destruction of Defendants' infringing CDs, although it is entitled to that
6 remedy under federal copyright law. Plaintiff asks that the Court issue an injunction to prevent
7 Defendants from further exploiting the Decoder Definition Files in violation of federal copyright
8 law pending the outcome of this case.

9 **D. Bond**

10 Federal Rule of Civil Procedure 65(c) requires the Court, when issuing a preliminary
11 injunction, to set a bond amount, "in such sum as the court deems proper, for payment of such
12 costs and damages as may be incurred, or suffered by any party who is found to have been
13 wrongfully enjoined or restrained." The Ninth Circuit has committed the amount, if any required
14 to the sound discretion of the trial court. Barahona-Gomez v. Reno, 167 F.3d 1228, 1237 (9th Cir.
15 1999). Courts often find where a movant/plaintiff has a high likelihood of success that a nominal
16 bond may be sufficient. E.g., In re Wash. State Apple Adver. Comm'n, 257 F. Supp. 2d 1274,
17 1289 (E.D. Wash. 2003). Here, given Plaintiff's high likelihood of success and the minimal
18 hardship to Defendants from refraining from exploiting the Decoder Definition Files, Plaintiff
19 requests the Court set a one thousand dollars (\$1,000) bond.

20 **V. Conclusion**

21 In conclusion, Plaintiff has demonstrated that the Defendants committed violations of and
22 continue to violate Plaintiff's copyright by making derivative works and distributing a software
23 tool whose only use is to violate the copyright. Accordingly, Plaintiff is entitled to a preliminary
24 injunction enjoining the Defendants and their agents, employees, partners, and other affiliates, from
25 copying, selling, marketing, making available, distributing and making derivative works of
26 Plaintiff's copyrighted material via their website or otherwise directly or indirectly exploiting the
27 Decoder Definition Files during this litigation.

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