

SUMMARY OF ARGUMENT

1
2 This Court will decide an issue relating to open source copyrights, license and enforcement
3 which is very important to the open source movement, and one of first impression in the nation.

4 Confronted with unauthorized copying of materials owned and authored by JMRI,
5 Defendants Matthew Katzer and KAMIND Associates, Inc. have filed a second set of motions to
6 extract themselves from copyright liability. First, after having taken various Decoder Definition
7 Files and used them without authorization, Defendants now seek to escape their copyright liability
8 through raising defenses of license and contract. However, Defendants are liable for infringement
9 because the Ninth Circuit requires narrow interpretation of a license, S.O.S., Inc. v. Payday, Inc.,
10 886 F.2d 1081 (9th Cir. 1989), and because of the absence of evidence of any license granted to or
11 contracted entered with Defendants. Defendants misstate Sun Microsystems decision. It really
12 states that a copyright owner waives his right to sue in copyright for conduct within the scope of
13 the license. Several motions (Motion to dismiss Count 5 and 6, and Motion to Strike) should be
14 denied as an improper successive motion to dismiss. Fed. R. Civ. P. 12(g). Defendants seek to
15 dismiss the Unfair Competition and Unjust Enrichment claims as preempted by federal copyright
16 law. The Unfair Competition claim, however, is a catch-all claim, and not limited to claims related
17 to Copyright law. Thus, it is not preempted. The Unjust Enrichment claim is not preempted since
18 it seeks recovery of ill-gotten gain from Defendants through a Constructive Trust theory, based on
19 Defendants' use of the Decoder Definition Files to obtain tax credits for themselves. Defendants,
20 having not brought in an indispensable party under Rule 19 – Jacobsen – into the Oregon Katzer v.
21 Britton litigation over domain names, now seeks to hold on to their \$20,000 right in
22 decoderpro.com through dismissal under the same rule. The Court can still fashion a remedy in
23 Britton's absence. Defendants seek a more definite statement for the Trademark Dilution claim,
24 but the trademarks at issue are readily apparent. Defendants' motion to strike should fail because
25 parts of the Amended Complaint with which they disagree seeks to educate the Court, and provides
26 important factual information to the Court. Defendants seek to bar Plaintiff from seeking another
27 amendment to the Complaint. Leave to amend should be freely given. Defendants complain of
28 delays, but nothing bars them from filing an Answer. Their motions should also fail.

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1 Plaintiff Robert Jacobsen, through his undersigned counsel, submits this Opposition to
2 Defendants Matthew Katzer and KAMIND Associates, Inc.’s various motions [Dkt #100]. For the
3 sake of brevity, Plaintiff refers to his Opposition as “Opposition” and to Defendants’ various
4 motions as “Motion” or “Motions”, unless more detail is required for clarity.

5 **I. ISSUES TO BE DECIDED**

6 Should the copyright claim be dismissed when Defendants can point to no evidence that
7 supports they obtained a license or contract from Jacobsen as a matter of law?

8 If Defendants can show they had a license or contract from Jacobsen, should the copyright
9 claim be dismissed when they infringed after revocation/rescission?

10 Should the motions to dismiss Count 5 and 6, and motion to strike be considered when they
11 constitute improper successive motions to dismiss under Rule 12(g)?

12 Should the § 17200 claim be preempted when it is based on more than a pure copyright law
13 claim? Should the same claim be dismissed under Rule 12(b)(6) when Defendants have engaged in
14 unlawful, unfair and fraudulent activities which has caused Jacobsen to lose money or property?

15 Should the Unjust Enrichment claim be preempted when the right sought to be enforced has
16 an extra element required to foreclose preemption? Should the same claim be dismissed under
17 Rule 12(b)(6) when a constructive trust should be imposed on Defendants?

18 Should the Cybersquatting claim be dismissed for failure to join Jerry Britton if Britton
19 agrees to be joined, or is not interested in protecting his “rights” in the settlement agreement, or
20 alternatives exist which may permit the Court to resolve the claim without Britton?

21 Should the trademark dilution claim be made more definite when Defendants specifically
22 know which JMRI trademarks they are diluting?

23 Should Defendants be permitted to edit Plaintiff’s pleadings?

24 Should Plaintiff be permitted to amend his complaint again when leave to amend should be
25 freely granted per Rule 15(a)?

26 **II. FACTS**

27 Copyright and State Law Claims

28 The JMRI Project is an open source group whose members write software code in the Java

1 language to run model trains on layouts. Amended Complaint [hereinafter “AC”] at ¶ 39. JMRI
2 releases two products – DecoderPro® and PanelPro™ which are both copyrighted products. Id.
3 Many model trains come with decoders – computer chips – embedded in them, to allow for more
4 realistic control. AC at ¶ 40. A number of manufacturers offer a wide range of decoders, and some
5 are challenging to program. Id. DecoderPro® makes it easier to program these decoders. Id. The
6 JMRI Project programmers have spent hundreds, if not thousands, of hours writing Decoder
7 Definition Files which expresses what they believe is the best way to permit users to easily
8 program the decoders through screens. Id.; AC at ¶ 16. There is one file per decoder type. See
9 AC at ¶ 40. Jacobsen is the owner and assignee of numerous Decoder Definition Files. Id.

10 DecoderPro® is subject to a software license called the Artistic License. AC at ¶ 41, and
11 Ex. A. There are no click-through agreements or shrink-wrap agreements that a user must accept
12 prior to downloading the software. See AC at ¶ 7. The JMRI Project permits use of the software
13 provided that the user follows the terms of the license. Ex. A.

14 Katzer and/or his employees downloaded the Decoder Definition Files, and converted them
15 for KAMIND Associates, Inc.’s own product and distributed them. AC at ¶ 41. They removed the
16 JMRI copyright notice, and JMRI authors’ names, but misspelling, grammar quirks, ordering and
17 versions dates and numbers remained. Id. In doing so, Defendants rejected the terms of JMRI’s
18 license. See id.; Ex. A. They never contracted with Jacobsen to use the files. See id.

19 The decoderpro.com domain name, and the Katzer v. Britton lawsuit

20 In early 2004, Mr. Katzer registered the domain name for the JMRI trademark
21 DecoderPro® with the intent to profit from it. AC at ¶ 44. Jacobsen owns the trademark. Id. at ¶
22 45. Jerry Britton, who lives in Pennsylvania, tried to get the JMRI trademark name back by
23 registering a KAMIND Associates, Inc. trademark, and offering to give it to Katzer in exchange for
24 the JMRI trademark. See AC at ¶ 46; Ex. B. Instead of swapping domain names, Katzer sued in
25 Oregon federal court. See AC at ¶ 46. Katzer did not join Jacobsen as a party, and Britton,
26 unrepresented by counsel, did not know to seek dismissal for failure to join Jacobsen as an
27 indispensable and necessary party. Id.; Ex. B. As a part of the settlement, attached as Ex. B,
28 Katzer forced Britton to promise never to transfer ownership of the decoderpro.com domain name.

1 Katzer himself is under no such requirement with respect to his company's trademark domain
2 name. Ex. B. Katzer also required Britton to never criticize KAMIND Associates, Inc. See id.
3 Katzer is under no similar requirement. Id. Katzer also included a penalty clause of \$20,000, plus
4 attorney's fees, if "either" party breached the agreement. Id. The agreement was supposed to be
5 confidential, but Katzer, through his attorney Russell, breached the agreement when Russell efiled
6 the settlement agreement on PACER. Id.

7 **III. ARGUMENT**

8 **A. Plaintiff May Maintain A Copyright Infringement Action Against Defendants**

9 For purposes of the 12(b)(6) motion, "[a]ll factual allegations set forth in the complaint are
10 taken as true and construed in the light most favorable to [p]laintiff[]." Lee v. City of Los Angeles,
11 250 F.3d 668 (9th Cir. 2001) (citation, quotation omitted). The Court may not refer to documents
12 outside the complaint unless the documents are attached to the complaint, the complaint necessarily
13 relies upon them, or the Court takes judicial notice of matters of public record. Id. at 688-89.¹

14 In appraising the sufficiency of the complaint [the Court] follow[s] ... the accepted
15 rule that a complaint should not be dismissed for failure to state a claim unless it
16 appears beyond doubt that the plaintiff can prove no set of facts in support of his
17 claim which would entitle him to relief.

18 Conley v. Gibson, 355 U.S. 41, 45-46 (1957).

19 Plaintiff can show he is the owner of a valid copyright, Defendants made, and caused others
20 to make, unauthorized derivative works, and they have no contract or license that permits this use.

21 1. **Plaintiff Has Pled Making of Unauthorized Derivative Works and Shown He**
22 **is the Owner of a Valid Copyright**

23 In order to state a claim for copyright infringement, Jacobsen must plead he is the
24 owner/assignee of a valid copyright and Defendants have infringed one of the exclusive rights in
25 17 U.S.C. § 106. Attached to the Amended Complaint is Exhibit C, the registration from the U.S.
26 Copyright Office. This registration is prima facie evidence of a valid copyright. Lamps Plus, Inc.
27 v. Seattle Lighting Fixture Co., 345 F.3d 1140, 1144 (9th Cir. 2003); 17 U.S.C. § 410(c). Jacobsen
28 has also shown that Defendants made derivative works, and encouraged others to make derivative

¹ The Artistic License is a document which the Amended Complaint necessarily relies upon because the theory behind federal copyright claim is that relief is not based in state law.

1 works, based on his copyrighted work. “A derivative work ... incorporate[s] a protected work in
2 some concrete or permanent ‘form.’” Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc., 964 F.2d
3 965, 967 (9th Cir. 1992). It must also incorporate protected material from the preexisting work.
4 Micro Star v. Formgen Inc., 154 F.3d 1107, 1110 (9th Cir. 1998). Jacobsen investigated
5 Defendants’ products, and recognized the names of their decoder templates since they were based
6 on the same names as the Decoder Definition Files. See AC at ¶ 41. He compared the Decoder
7 Definition Files to the decoder templates as well as output files created by Defendants’ software
8 tool. Id. He found the same elements in Defendants’ decoder templates and the software tool’s
9 output files. Id. He also found the same grammar quirks, misspellings, version dates and numbers.
10 Id. These strongly suggest literal copying of the Decoder Definition Files. Eckes v. Card Prices
11 Update, 736 F.2d 859, 861, 863-64 (2d Cir. 1984); Tradescape.com v. Shivaram, 77 F. Supp. 2d
12 408, 417-18 (S.D.N.Y. 1999). He also saw that the Decoder Definition Files’ authors’ names and
13 the copyright notice had been removed from each file, but no notice regarding the changes was put
14 in, as required by the license. See AC at ¶ 41. To prevail on a 12(b)(6) motion, Defendants have
15 to show that a defense – specifically, a contract or license currently in force – exists which defeats
16 the claim for direct, contributory and vicarious copyright infringement as a matter of law. See Sun
17 Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115, 1122 (9th Cir. 1999). They cannot.

18 2. Defendants Cannot Sustain Any Defense to Remove Their Infringing
19 Activities From Copyright to Contract or License

20 Defendants cannot successfully raise any defense to remove their infringing activities from
21 copyright to contract or license as a matter of law. There is no evidence Defendants had
22 permission to engage in such uses of the Decoder Definition Files or negotiated a contract with
23 Jacobsen for the use of the files, so the contract-based case law they rely upon is simply irrelevant.

24 Copyright licenses “must be construed in accordance with the purposes underlying federal
25 copyright law.” S.O.S., Inc v. Payday, Inc., 886 F.2d 1081, 1088 (9th Cir. 1989). “Chief among
26 these is the protection of the author’s rights.” Id. See also Apple Computer, Inc. v. Microsoft
27 Corp., 759 F. Supp. 1444, 1451 (N.D. Cal. 1991) (“[T]he Ninth Circuit has directed district courts
28 to interpret copyright licenses narrowly, consistent with federal copyright policy of providing

1 incentives in the form of copyright protection to authors.”) The Court may look to a state’s law to
 2 provide canons of construction, but only to the extent that they do not conflict with federal
 3 copyright law or policy. S.O.S., 886 F.2d at 1088. For these reasons, “the license is assumed to
 4 prohibit any use not authorized.” Id. In practice, courts limit the scope of copyright licenses.

5 In S.O.S. v. Payday, the court concluded that a software developer's grant of a “right of
 6 use” of several software programs to a company which provided financial services to
 7 clients did not confer the right to copy and prepare a modified version of the software
 8 programs without the licensor's permission. The court concluded that the licensee had only
 9 acquired the right to possess copies of the software programs for purposes of producing a
 10 product for its clients, and, therefore, had exceeded the scope of its license. Similarly, the
Cohen court [Cohen v. Paramount Pictures Corp., 845 F.2d 851 (9th Cir. 1988)] construed a
 license of a copyrighted work narrowly. Cohen involved a license to record and copy a
 motion picture and exhibit it “by means of television,” which was construed not to include
 the distribution of videocassettes for home viewing, VCRs for home use not having been
 invented at the time the license was executed.

11 Apple Computer, 759 F. Supp. at 1451.

12 Thus, Ninth Circuit precedent supports a narrow interpretation of the Artistic License.

13 3. Use of JMRI File is Governed by a Condition Precedent in Artistic License

14 Users may copy, distribute or modify the JMRI files subject to a condition precedent in the
 15 Artistic License. In the Preamble of the Artistic License, it states: “The intent of this document is
 16 to state the conditions under which a Package may be copied...” Relating to modifications:

17 3. You may otherwise modify your copy of this Package in any way, provided that
 18 you insert a prominent notice in each changed file stating how and when you
 changed that file, and provided that you do at least ONE of the following...

19 Ex. A (emphasis added).

20 The Preamble expresses that there are conditions which a user of the files must meet prior
 21 to gaining the permissions listed in the Artistic License. If the conditions are not met, then the user
 22 does not have permission. Also, the word “provided” in Sec. 3 expresses that Defendants’ right to
 23 make modifications vests only upon performance of the condition precedent – it “is one of the apt
 24 words commonly used to create a condition.” See City of Stockton v. Weber, 98 Cal. 433, 440
 25 (1893). As noted in Apple Computer, both S.O.S. and Cohen decisions support a narrow
 26 construction of the license terms to protect the copyright owner’s rights. 759 F. Supp. at 1451.
 27 Construing “provided” as a condition precedent is in line with federal copyright policy because it
 28 preserves the copyright holder’s rights. Otherwise, a would-be licensee/infringer gets the

1 equivalent of a free “bite of the apple” before the licensor/copyright holder revokes licensee’s
 2 permission. Given the nature of open source groups, and the number of one-time “free bites”
 3 would-be licensees/infringers could get, the copyright holder/licensor would find it difficult if not
 4 impossible to enforce the license if “provided” were not read as a condition precedent.

5 Because federal copyright policy makes it necessary to read in a condition precedent, and
 6 because Defendants have not met the condition precedent, Defendants do not have permission
 7 under the license or any rights under any contract.

8 4. Even If License or Contract Exists, Terms Must Limited To **Reasonable**
 9 **Modifications**, Not Defendants’ Wholesale Theft

10 Should the Court find that a license or contract exists, the terms must be limited to
 11 reasonable modifications of the Decoder Definition Files, per the S.O.S. decision discussed above,
 12 not the wholesale theft that Defendants engaged in for their own credit and profit.

13 The Preamble states of the License states: “...the Copyright Holder maintains some
 14 semblance of artistic control over the development of the package, while giving the users of the
 15 package ... the right to make reasonable modifications.” Ex. A (emphasis added). To put users on
 16 notice of the copyright and the terms of the license, each Decoder Definition File has a notice at the
 17 beginning of the file regarding the copyright and the license. Defendants stripped the copyright
 18 and license notice and the authors’ names, and provided no indication in the files that they had
 19 done so, as required by the license. Passing off another’s work as one’s own is not a reasonable
 20 modification. Thus, Defendants exceeded the scope of the license and infringed Jacobsen’s
 21 copyright. Rano v. Sipa Press, Inc., 987 F.2d 580, 586 (9th Cir. 1993).

22 5. Defendants Cannot Prove Grant of Implied Nonexclusive License to
 23 Themselves

24 Generally, a copyright owner who grants a license to use his copyrighted material waives
 25 his right to sue the licensee for copyright infringement for conduct within the scope of the license
 26 and can only sue for breach of contract, Sun Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115,
 27 1121 (9th Cir. 1999), **BUT** the existence of a license is an affirmative defense which Defendants
 28 must prove. See Augustine Med., Inc. v. Progressive Dynamics, Inc., 194 F.3d 1367, 1370 (Fed.
 Cir. 1999). These defendants cannot as a matter of law. A nonexclusive license may be granted

1 orally or by conduct. Effects Assocs., Inc. v. Cohen, 908 F.2d 555, 558 (9th Cir. 1990). “An
2 implied nonexclusive license has been granted when (1) a person (the licensee) requests the
3 creation of a work, (2) the creator (the licensor) makes that particular work and delivers it to the
4 licensee who requested it, and (3) the licensor intends that the licensee-requestor copy and
5 distribute his work.” I.A.E., Inc. v. Shaver, 74 F.3d 768, 776 (7th Cir. 1996) (citing Effects
6 Assocs., 908 F.2d at 558-59). This definition is widely accepted. E.g., Kennedy v. Nat’l Juvenile
7 Det. Ass’n, 187 F.3d 690, 694 (7th Cir. 1999); Lulirama Ltd. v. Axxcess Broadcast Servs., Inc., 128
8 F.3d 872, 879 (5th Cir. 1997). “An implied license requires more than a general intent of the
9 author regarding the disposition of his work. As with any other license, the terms – including the
10 identity of the licensee – should be reasonably clear.” David Nimmer, Nimmer on Copyright §
11 10.03[A][7] [hereinafter “Nimmer on Copyright”]; Worldwide Church of God v. Philadelphia
12 Church of God, Inc., 227 F.3d 1110, 1114-15 (9th Cir. 2000).

13 Here, there is no evidence that Katzer nor any KAMIND Associates, Inc. employee
14 contacted Jacobsen to request creation of the Decoder Definition Files. Jacobsen and the JMRI
15 open source group did not make the Decoder Definition Files for Defendants. Jacobsen did not
16 specifically intend Katzer or KAMIND Associates, Inc. to distribute the Decoder Definition Files.
17 Thus, pleadings do not support that Jacobsen granted a license to Defendants as a matter of law.

18 The I.A.E. Court also held that consent in the form of mere permission or lack of objection
19 is also equivalent to a nonexclusive license. I.A.E., 74 F.3d at 775. Neither Katzer nor any
20 KAMIND Associates, Inc. employee sought or received permission from Jacobsen to make
21 derivative works from the Decoder Definition Files for Defendants’ products. Neither Katzer nor
22 any KAMIND Associates, Inc. employee told Jacobsen that they were using the Decoder
23 Definition Files to create decoder templates, so that Jacobsen could object to that use. In fact,
24 Defendants cannot argue that they had permission because they had to know that using the Decoder
25 Definition Files as they did would be highly objectionable to Jacobsen and others at JMRI.

26 Also, as the pleadings show, Defendants rejected the terms of the license, so they cannot
27 raise it as a defense as matter of law. “If a would-be licensee repudiates the only license offered,
28 it’s reasonable for the licensor to believe that someone who holds such a view does not intend to be

1 bound by, agree to, accept, or benefit from such a license.” Brian W. Carver, Share and Share
2 Alike: Understanding and Enforcing Open Source and Free Software Licenses, 20 Berkeley Tech.
3 L. J. 443, 479 (2005). In other words, Katzer refused the only license terms offered, yet he copied,
4 distributed and made derivative works. This makes him an infringer. Id. at 481; see Lawrence
5 Rosen, Open Source Licensing: Software Freedom and Intellectual Property Law 53 (2005).

6 6. No Contract Exists that Defendants Can Rely Upon

7 Defendants argue they had a contract. All cases they rely upon to argue that their theft of
8 the Decoder Definition Files is really a state law breach of contract action – all involve contracts.
9 Sun Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115 (9th Cir. 1999) (negotiated contract);
10 Polar Bear Prods., Inc. v. Timex Corp., 384 F.3d 700 (9th Cir. 2004) (negotiated contract); ProCD,
11 Inc. v. Zeidenberg, 86 F.3d 1447, 1450-53 (7th Cir. 1996) (shrink-wrap license is a contract);
12 S.O.S., Inc. v. Payday, Inc., 886 F.2d 1081 (9th Cir. 1989) (negotiated contract). However, the
13 pleadings do not support a finding that Defendants had a contract. They never negotiated with
14 Jacobsen for use of the Decoder Definition Files. A click-through or shrink-wrap license may form
15 a contract. ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1450-53 (7th Cir. 1996); see also Wall Data,
16 Inc. v. Los Angeles Sheriff’s Dept., 447 F.3d 769, 786 (9th Cir. 2006). But here, there was no
17 shrink-wrap license or click-through license for anyone to see and accept. See AC at ¶ 7.

18 Aside from no evidence of Defendants’ acceptance, there is no evidence they paid
19 consideration, a necessary element of a contract. Cal. Civ. § 1550. Even if a contract was formed
20 between Jacobsen and Defendants, it would be voidable because of unilateral mistake on
21 Jacobsen’s part caused by Defendants, Donovan v. RRL Corp., 26 Cal. 4th 261, 280 (2001), or
22 misrepresentation by Defendants, Cal. Civ. § 1689. Any contract that could be formed between
23 consumers downloading the Decoder Definition Files and Jacobsen would be voidable because of
24 mutual mistake, Guthrie v. Times-Mirror Co., 51 Cal. App. 3d 879, 884 (Ct. App. 1974). It would
25 fail because there was no meeting of the minds, Beard v. Goodrich, 110 Cal. App. 4th 1031, 1049
26 (Ct. App. 2003); Cal. Civ. § 1580. Consumers would believe the performance which they offered
27 through use of the software tool meets the license requirements, but this performance does not.

28 Even if Defendants can show that they obtained a nonexclusive license via contract, their

1 license was rescinded due to their own willful, material breach of the license terms. Rano v. Sipo
2 Press, Inc., 987 F.2d 580, 586 (9th Cir. 1993). “A breach of a licensing agreement will justify
3 rescission of a licensing agreement only when it is of so material and substantial a nature that it
4 affects the very essence of the contract and serves to defeat the object of the parties. The breach
5 must constitute a total failure in the performance of the contract.” Id. (quotations and citations
6 removed). Given Katzer’s complete failure to acknowledge the source of “his” files – JMRI –
7 rescission is warranted, and thus Defendants are liable for copyright infringement.

8 7. Plaintiff Did Not Waive His Right to Sue in Copyright

9 Relying primarily on the Sun Microsystems case, Defendants argue that Plaintiff has
10 waived his right to sue anyone because he “gives his software away freely” – that by making the
11 files available on the web, Plaintiff has lost his right to enforce any license, contract or copyright in
12 them. If Defendants prevail in this argument, this would leave open source groups – in particular,
13 fledgling groups like the JMRI Project – naked, without the power to protect their intellectual
14 property from infringers like Defendants. Plaintiff made the software available free of cost, but not
15 free from restrictions. And Defendants misstated Sun Microsystems. It states that a copyright
16 holder waives his right to sue for copyright for conduct within the scope of the license. 188 F.3d at
17 1121. Defendants also failed to acknowledge the Ninth Circuit requirement that licenses be
18 narrowly construed to protect the copyright holder, as noted earlier. S.O.S., Inc v. Payday, Inc.,
19 886 F.2d 1081, 1088, (9th Cir. 1989). To strip the author/assignee of copyright rights would fly in
20 the face of the long-accepted federal policy acknowledged in the S.O.S. decision.

21 8. Factual Questions Remain Which Preclude Dismissal under Rule 12(b)(6)

22 Should the Court agree with Defendants that a contract or license may exist, the Court
23 should not dismiss the copyright claim under Rule 12(b)(6) because factual issues remain open as
24 to the details of events leading to purportedly granted license or agreed-to contract. For instance, if
25 the Court finds that Defendants initially had permission to use the files per the license, that
26 permission was revoked. A license unsupported by consideration may be revoked. Nimmer on
27 Copyright § 10.02[B][5]; Avtec Sys., Inc. v. Peiffer, 21 F.3d 568, 574 n.12 (4th Cir. 1994). After
28 Jacobsen filed the Amended Complaint, charging Katzer with copyright infringement, there is no

1 question that Katzer knew permission had been revoked. Once permission has been revoked,
2 continued usage makes the user an infringer, and Katzer continued usage. I.A.E., Inc. v. Shaver,
3 74 F.3d 768, 775 & n.10 (7th Cir. 1996). If these factual issues remain unresolved, then Plaintiff
4 may still be able to prevail on his copyright claim, thus barring dismissal for failure to state a claim
5 upon which relief can be granted. See Conley v. Gibson, 355 U.S. 41, 45-46 (1957).

6 **B. Even If the Court Rules to Dismiss the Copyright Claim, an Attorney Fee**
7 **Award Is Not Equitable Given This Is a Matter of First Impression**

8 Should the Court rule in favor of Defendants, an attorney fee award is not in order. The
9 factors to consider in making an attorney fee award under 17 U.S.C. § 505 are “frivolousness,
10 motivation, objective reasonableness ..., and the need in particular circumstances to advance
11 considerations or compensation and deterrence.” Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 n.19
12 (1994). As shown above, this case is one of first impression in the nation. Very few lawsuits over
13 open source software are being litigated. Defendants’ make ignorant assertions that a bare license
14 is a contract when it is clearly not. See Lawrence Rosen, Open Source Licensing: Software
15 Freedom and Intellectual Property Law 53-66 (2005). Books, law review articles, and bar journal
16 articles have been written on the subject. But contrary to Defendants’ claims, no precedent exists
17 that is on point. Thus, the copyright claim can hardly be called frivolous or objectively
18 unreasonable. The motivation behind this claim is to enforce Jacobsen’s copyright and to force
19 Defendants to answer for their unlawful conduct. This case will answer a question which many in
20 the open source community have waited to be answered. And it is important to consider
21 Defendants’ willful theft of JMRI intellectual property for their own profit. Thus, should the Court
22 find in favor of Defendants, Defendants should still take nothing.

23 **C. Plaintiff’s 17200 Claim Is Neither Preempted Nor Fails to State a Claim**

24 Federal copyright law does not preempt the 17200 claim because it is based on several
25 unlawful, unfair and fraudulent acts. The Copyright Act preempts “all legal and equitable rights
26 that are equivalent to any of the exclusive rights within the general scope of copyright.” 17 U.S.C.
27 § 301(a). “If the state law claim includes an ‘extra element’ that makes the right asserted
28 qualitatively different from those protected under the Copyright Act, the state law claim is not

1 preempted by the Copyright Act.” Altera Corp. v. Clear Logic, Inc., 424 F.3d 1079, 1089 (9th Cir.
2 2005).

3 Contrary to Defendants’ assertions, Plaintiff’s 17200 claim is based on more than copyright
4 law. In his Amended Complaint, Plaintiff states the following:

5 Katzer and KAM have engaged in unlawful, unfair and/or fraudulent business acts
6 and practices within the meaning of California Business and Professions Code §
7 17200 *et seq.* Specifically:

8 Katzer infringed copyrights on JMRI Project decoder definition files, in violation of
9 federal copyright laws. In doing so, Katzer took away from Jacobsen, owner and
10 assignee of the copyright, a property right – the exclusive right to reproduce,
11 distribute, and make derivative copies.

12 Katzer obtained a financial benefit by using JMRI Project decoder definition files
13 instead of creating his own, and thus should be forced to disgorge this unjust
14 enrichment.

15 AC at ¶ 83 (emphasis added).

16 In stating “specifically”, Jacobsen did not intend to limit himself to only that which was
17 stated. See also AC, at 23 n.20. Defendants marketed Decoder Commander as “theirs”. This has a
18 tendency to deceive consumers, and can be barred as a fraudulent business practice under § 17200.
19 A state law claim that has fraud or misrepresentation as a requirement is not preempted by the
20 Copyright Act. Gladstone v. Hillel, 203 Cal. App. 3d 977, 987 (Ct. App. 1988). Jacobsen lost
21 money when he bought Defendants’ products. Should the Court rule that Count 8 must fail
22 because Defendants can be sued only in contract, then the § 17200 is an appropriate place to force
23 specific performance for Defendants’ unlawful breach. Breach of a contract involving copyright
24 works is not preempted by the Copyright Act. Altera Corp. v. Clear Logic, Inc., 424 F.3d 1079,
25 1089 (9th Cir. 2005). And Jacobsen would have a property interest in the contract – terms of the
26 agreement that Defendants’ promised to follow. Katzer has also engaged in cybersquatting
27 activities, which is an unlawful and unfair business practice, and currently holds a \$20,000 interest
28 in the decoderpro.com domain name. Jacobsen has a property interest in that domain name. These
activities have nothing to do with any rights associated with copyright, and thus are not preempted.
There are also other unlawful activities which Defendants have engaged in which can support
liability under § 17200. Also, this motion should be denied as an improper successive motion to

1 dismiss, per Rule 12(g). Because Defendants have engaged in unlawful, unfair and fraudulent
2 business practices, and Jacobsen has lost money or property, the § 17200 claim may stand.

3 **D. Plaintiff's Unjust Enrichment Claim Is Neither Preempted Nor Fails to State a**
4 **Claim**

5 In order for Jacobsen's unjust enrichment claim to be preempted, (1) the subject matter of
6 Jacobsen's claim must come within the subject matter of copyright, and (2) the rights Jacobsen
7 asserts under California law must be equivalent to those created under the Copyright Act. Laws v.
8 Sony Music Entm't, Inc., 448 F.3d 1134, 1139 (9th Cir. 2006). Jacobsen focuses on the second
9 factor: there is no exclusive right to an unlawful tax break in federal copyright law. Because
10 factual basis for the unjust enrichment claim is not equivalent to the exclusive rights in copyright, it
11 is not preempted. As noted in the previous section, the Copyright Act preempts "all legal and
12 equitable rights that are equivalent to any of the exclusive rights within the general scope of
13 copyright." 17 U.S.C. § 301(a). Here, Jacobsen is not seeking the return of profits from the
14 copying, distribution, performance, making of derivative works, and the like.² These clearly would
15 be preempted because the rights to profits are based on infringement of the exclusive rights under
16 the Copyright Act. Gladstone v. Hillel, 203 Cal. App. 3d 977, 987 (Ct. App. 1988). Instead,
17 Jacobsen seeks the Court to impose a constructive trust on Defendants, who took the Decoder
18 Definition Files and then, on information and belief, have claimed tax benefits for the "creation" of
19 their decoder templates. Restitution is not limited to the examples Defendants cite. Constructive
20 trusts are equitable remedies that Courts impose on wrongdoers who have taken property. Cal.
21 Civ. § 2224; United States v. \$4,224,958.57, 392 F.3d 1002, 1004 (9th Cir. 2004). Any profit that
22 the wrongdoers obtain is returned to the original owner. Nelson v. Serwold, 687 F.2d 278, 281 (9th
23 Cir. 1982); Restatement of Restitution § 151 cmt. e & f (1936). Defendants, having committed the
24 wrong by taking the files, should not be able to keep any monetary benefits that they obtained.
25 Thus, the unjust enrichment claim is neither preempted nor fails to state a claim.

26
27
28 ² Unless the Court find that Defendants had a contract to use the Decoder Definition Files. Recovery there is not
preempted. Selby v. New Line Cinema Corp., 96 F. Supp. 2d 1053, 1059-60 (C.D. Cal. 2000).

1 **E. Defendants' Motion To Edit Is Frivolous, and Does Not Meet Federal Rules of**
2 **Civil Procedure Requirements**

3 Defendants once again misstate the case law. Tapley v. Lockwood Green Eng'rs, Inc., 502
4 F.2d 559 (8th Cir. 1974) discusses collateral orders under 28 U.S.C. § 1291. It does not hold that
5 prayer in the relief may be stricken. And Fantasy, Inc. v. Fogerty, 984 F.2d 1524 (9th Cir. 1993)
6 does not discuss an "essential" Rule 12(f) function.

7 Here's what a leading civil procedure treatise has to say about the use of Rule 12(f): "Both
8 because striking a portion of a pleading is drastic remedy and because it is often sought by the
9 movant simply as a dilatory or harassing tactic, numerous judicial decisions make it clear that
10 motions under Rule 12(f) are viewed with disfavor by the federal courts and are infrequently
11 granted." Charles Alan Wright & Arthur R. Miller, Federal Practice and Procedure § 1380
12 (footnotes omitted) (emphasis added). With only one exception, Defendants have not even
13 complied with the Rule 7(b) requirement to state with particularity the grounds for striking these
14 parts of the Amended Complaint, leaving it for Plaintiff to guess the basis for the motion to strike.
15 Furthermore, the motion is, in part, an improper successive motion under Rule 12(g). For these
16 reasons, the motion should be denied.

17 Specifically, ¶¶ 1-6 are relevant to Sec. III.A of this motion. Mr. Russell's, as well as Mr.
18 Katzner's, conduct can make a patent unenforceable, and thus footnote 17 is relevant to inequitable
19 conduct. Defendants' complaints about Counts 4 and 7 should be dismissed since Jacobsen can file
20 motions for reconsideration and under Rule 60, as well as seek appeal. ¶ 66 relates to reasonable
21 apprehension of suit. Jacobsen can obtain statutory damages and attorneys' fees under copyright in
22 at least one circumstance – if Defendants had a license that was revoked. Other relief Jacobsen
23 seeks in the Prayer is within the power of this Court, or what he will seek in settlement. The
24 remainder are minor edits not worthy of forcing Jacobsen to file a Second Amended Complaint.
25 One really has to ask, where is this "redundant, immaterial, impertinent or scandalous matter" that
26 Defendants complain is in the Amended Complaint?

27 When it comes down to it, this motion was filed because Defendants disagree with
28 Plaintiff's views. If Defendants disagree with Plaintiff's characterization of the facts, the proper

1 way for Defendants to respond to Plaintiff's Amended Complaint is by filing an Answer, not an
2 inappropriate motion to "edit" that "does nothing but squander time." Custom Vehicles, Inc. v.
3 Forest River, Inc., 464 F.3d 725, 727 (7th Cir. 2006) (Easterbrook, J.). Judge Easterbrook imposed
4 sanctions on the offending party in Custom Vehicles. Plaintiff encourages the Court to do the same
5 to discourage other frivolous "motions to edit" from the Defense.

6 **F. Britton Not Required To Be Joined To Hear Cybersquatting Claim**

7 This motion is improper under Rule 12(g) since Defendants could have raised it in their
8 first motion to dismiss. Also, if Defendant Katzer had joined Jacobsen as a party in the Katzer v.
9 Britton litigation in Oregon, this motion would be unnecessary. Katzer did not, and Britton –
10 unrepresented by counsel – did not know he could dismiss for failure to join a necessary party,
11 Jacobsen, the holder of the DecoderPro® trademark. Jacobsen finds himself in a situation where
12 Katzer has a \$20,000 interest in decoderpro.com, and Britton has possession but cannot transfer it
13 to anyone for fear of being liable for Katzer for that \$20,000. Ex. B, at 6. This situation is unlike
14 any case cited by Defendants. There, all necessary parties were involved in the original contracts,
15 which later litigants sought to invalidate. Jacobsen believes the Court may have personal
16 jurisdiction over Britton or Britton may submit to this Court's jurisdiction. If not, this Court may
17 still fashion relief so that Jacobsen can obtain the decoderpro.com domain name.

18 Britton is not a necessary party to this action, because complete relief can be afforded in his
19 absence. The answer is simple: this Court orders Katzer to transfer his rights in the settlement
20 agreement to Jacobsen. Jacobsen will re-negotiate the settlement agreement with Britton to remove
21 all terms except that Katzer gets to keep his domain name and Britton gets decoderpro.com without
22 the any restrictions on either party – the way the settlement agreement should have been worded in
23 the first place. Jacobsen believes that Britton will transfer decoderpro.com to him once freed of the
24 restrictions. Thus, complete relief can be given.

25 Jacobsen also believes this Court can exercise personal jurisdiction over Britton per
26 Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir. 1998). Jacobsen believes that Britton
27 may be willing to submit to the jurisdiction of this Court, or agree to abide by any changes which
28 Jacobsen and Defendants make to the settlement agreement. Thus, dismissal is not warranted.

