

1 co-extensive with litigation privilege). Plaintiff produced significant evidence that he believes will
2 show that Katzer and Russell filed their anti-SLAPP declarations in bad faith – knowing that the
3 information in them (specifically, their beliefs that the DOE was involved and that Jacobsen was
4 infringing a valid and enforceable patent) was false. Thus, Jacobsen should be entitled to relief
5 from this judgment under Rule 56(g) and/or 60(b). He asks the Court to stay the deadline to pay
6 until the end of discovery and/or claim construction, so the he may be able to demonstrate that the
7 declarations were made in bad faith. Jacobsen also includes in this motion a request for a
8 clarification regarding the Ruling.

9 **I. Motion for Reconsideration**

10 Plaintiff respectfully asks the Court to reconsider its Oct. 20, 2006 ruling [Docket #111] for
11 the following reasons:

12 **A. Anti-SLAPP**

13 In order for the movant to prevail, he needs to make a prima facie showing that he was
14 engaging in an activity protected by Cal. Civ. P. § 425.16. For pre-litigation activities, he must
15 show, among other things, that he was acting in serious and good faith contemplation of litigation.
16 Mezetti v. State Farm Mutual Auto. Ins. Co., 346 F. Supp. 2d 1058, 1065 (N.D. Cal. 2004). In this
17 case, this requires that Katzer and Russell had a serious and good faith belief that (1) Jacobsen
18 and/or the JMRI Project were infringing a Katzer patent, and (2) the Department of
19 Energy/Lawrence Berkeley Lab (DOE/LBL) was connected to Jacobsen and the JMRI Project
20 when the FOIA (App. A.) was sent. The Ruling discusses the connection between DOE/LBL and
21 Jacobsen, but there is no discussion about Defendants' having a good faith belief that Jacobsen
22 and/or the JMRI Project were infringing – either directly or indirectly – a Katzer patent. Due
23 process requires that the Court make such a finding before entering an anti-SLAPP judgment
24 against Jacobsen. See TeleVideo Systems, Inc. v. Heidenthal, 826 F.2d 915, 917 (9th Cir. 1987).

25 To succeed on direct infringement of a method patent, such as Katzer's patents, Katzer
26 must show that Jacobsen himself practiced the methods of the patent. RF Delaware, Inc. v. Pac.
27 Keystone Techs., Inc., 326 F.3d 1255, 1267 (Fed. Cir. 2003). There is no such evidence in
28 Defendants' filings. To find indirect infringement of a method patent, Katzer must show (1)

1 inducement to infringe, such as providing instructions and (2) direct infringement. Warner-
2 Lambert Co. v. Apotex Corp., 316 F.3d 1348, 1363 (Fed. Cir. 2003). Despite 14 months of charges
3 of infringement against Jacobsen, Defendants produced no evidence that JMRI or Jacobsen
4 provided instructions to practice the steps in the '329 patent, nor any evidence of direct
5 infringement by anyone. The only evidence – aside from conclusory statements by Katzer and
6 Russell – is an isolated paragraph in Russell's August 2005 letter to Jacobsen. Russell Declaration,
7 Ex. 3, at 1 [Docket #25]. There, Russell uses “program” and “interface” interchangeably, in
8 violation of the canons of claim construction. Cf. U.S. Pat. No. 6,520,329 cl. 1 (“A method of
9 operating a digitally controlled model railroad comprising the steps of: (a) transmitting a first
10 command from a first program to an interface; (b) transmitting a second command from a second
11 program to said interface; and (c) sending third and fourth commands from said interface
12 representative of said first and second commands, respectively, to a digital command station.”)
13 (emphasis added). If a patentee uses different words within the same claim, it is presumed that the
14 patentee meant different things. Even if the Court accepts this as a claim construction, the Court
15 still would need to conduct its own claim construction to evaluate whether this definition can
16 support a good faith belief of patent infringement.

17 Thus, we ask the Court vacate its Order, or in the alternative, vacate and defer until after
18 claim construction when the Court may assess whether the description which Russell provided in
19 his August 2005 letter can support a good faith belief of patent infringement.

20 **B. Antitrust**

21 Plaintiff respectfully submits that the threatened injury, which would support standing
22 under Clayton Act § 16 (injunctive relief), is the \$203,000 in licensing fees which Katzer claims is
23 due to him. These fees are in the relevant market – model train control system software.

24 **C. Libel**

25 At the August 11, 2006 hearing, Plaintiff also suggested he could succeed on a libel per
26 quod theory, which has not been discussed in the Court's Ruling. The cases cited by Defendants
27 and the Court relate to a libel per se theory. Libel per quod requires that the injurious character or
28 effect of the statement be established by the allegation and proof. Slaughter v. Friedman, 32 Cal.3d

1 149, 153-54 (Cal. 1982). Although the statement appears non-defamatory, extrinsic circumstances
2 impart the defamatory meaning to the statement. Gifford v. Nat'l Enquirer, Inc., (No. CV 93-3655
3 LGB, Dec. 7, 1993), 1993 WL 767192, at *6; Palm Springs Tennis Club v. Rangel, 73 Cal. App.
4 4th 1, 5 (App. Ct. 1999) ("If ... the defamatory meaning would appear only to readers who might
5 be able to recognize it through some knowledge of specific facts and/or circumstances, not
6 discernible from the face of the publication, and which are not matters of common knowledge
7 rationally attributable to all reasonable persons, then the libel ... will be libel per quod."). Special
8 damages must be pled and proved. Cal. Civ. § 45a. As he noted in his arguments, Jacobsen is
9 subject to the rules and regulations of the Lawrence Berkeley Lab and UC Berkeley. Jacobsen
10 Decl. ¶¶ 47-53, Ex. M, N [Docket #56]. Despite his tenured status, he could be dismissed from his
11 job for patent infringement. Id. Further, because of the sensitive nature of his field of work –
12 scientific research, an allegation of taking another's work without giving due credit is defamatory.
13 Id. Thus these allegations of patent infringement have a tendency to injure one in his employment,
14 and meet the requirements of the libel statute. Cal. Civ. § 45. If not understood as such by the
15 public in general, this allegation of patent infringement would be understood as defamatory within
16 Jacobsen's professional circle, which is libel per quod. Jacobsen stated that he lost wages as a
17 result, specifically identifying the source – a contract worth \$3,000 – plus at the hearing, his
18 counsel also stated that Jacobsen had to spend money to get patent file wrappers (\$800) to help him
19 defend himself against these charges. These constitute special damages. Gomes v. Fried, 136 Cal.
20 App. 3d 924, 939-40 (App. Ct. 1982) (special damages encompass pecuniary loss resulting from
21 the defamatory statement). As a result, the libel claim should be permitted to stand as libel per
22 quod.

23 **II. Stay**

24 Plaintiff requests a stay of execution until this Court conducts claim construction for the
25 reasons stated herein. Plaintiff also requests the stay until the end of litigation for the reason noted
26 in the introductory paragraph. In the course of filing his opposition to the anti-SLAPP motions,
27 Plaintiff produced significant evidence of bad faith, and believes he can show that Katzer and
28 Russell filed bad faith declarations in connection with their anti-SLAPP motions. Thus, Plaintiff

1 believes he will be able to re-open the judgment under Rule 56(g) and/or 60(b) and vacate the anti-
2 SLAPP attorney fee awards granted in the Court’s Ruling. As noted earlier, maintaining a
3 declaratory judgment action is not inconsistent with arguing that Katzer and Russell were not
4 acting in good faith pre-litigation activities. Anti-SLAPP laws require Defendants (and then-
5 Defendant Russell) to make a prima facie case of their activities in serious and good faith
6 contemplation of litigation. Mezetti v. State Farm Mutual Auto. Ins. Co., 346 F. Supp. 2d 1058,
7 1065 (N.D. Cal. 2004); cf. Flatley v. Mauro, 39 Cal. 4th 299, 320-24 (Cal. 2006). A declaratory
8 judgment requires imminent apprehension of a lawsuit, Super Sack Mfg. Corp. v. Chase Packaging
9 Corp., 57 F.3d 1054, 1058 (Fed. Cir. 1995), but not that the lawsuit be brought in good faith.

10 For these reasons, Jacobsen asks the Court to stay the requirement to pay until the close of
11 discovery and/or claim construction.

12 **III. Request for Clarification**

13 Plaintiff requests a clarification regarding the Ruling. He seeks the Court’s views on
14 whether the anti-SLAPP ruling constitutes a finding of fact or conclusion of law that affects the
15 inequitable conduct claim. Plaintiff believes that it does not, since the Ruling did not evaluate the
16 inequitable conduct claim, but looked only at Katzer and Russell’s evidence in evaluating whether
17 they had made a prima facie case of engaging in a protected activity. Furthermore, Plaintiff
18 believes that the Ruling could not, since to foreclose this avenue would be to permit anti-SLAPP
19 laws to usurp the federal law for reviewing patent claims, and would also violate the federal
20 preemption doctrine, since California anti-SLAPP laws would preempt federal patent laws and
21 Markman. However, Plaintiff makes this request to seek a clarification on this matter.

22 Respectfully submitted,

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