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

13 ROBERT JACOBSEN, an individual, )  
14 )  
Plaintiff, )  
15 v. )  
16 )  
MATTHEW KATZER, an individual, and )  
17 KAMIND ASSOCIATES, INC, an Oregon )  
corporation dba KAM Industries, )  
18 )  
Defendants. )  
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24 )  
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No. C-06-1905-JSW  
**OPPOSITION TO DEFENDANTS’  
MOTION TO DISMISS AND MOTION  
TO STRIKE**  
Date: Friday, March 14, 2008  
Time: 9:00 a.m.  
Courtroom: 2, 17th Floor  
Judge: Hon. Jeffrey S. White

1 SUMMARY OF ARGUMENT

2 Plaintiff states a claim for his DMCA cause of action. The plain, unambiguous language of  
3 the statute shows the information that Defendants removed, altered, and falsified constitutes  
4 copyright management information, or CMI. A careful review of the legislative history of Sec.  
5 1202 reveals that CMI, including CMI in royalty-free software and shareware similar to open  
6 source, is separately protected. While Defendants rely on one lone district court decision, later  
7 courts—including one that Defendants claimed “expressly adopted” the ruling—have stepped away  
8 from this ruling. But even under the narrow construction which Defendants propose this Court  
9 adopt, Plaintiff still states a claim for relief because his CMI which Defendants removed, altered,  
10 and falsified, is conveyed through an effective technological protection device as defined by Sec.  
11 1201 and as required by the narrow construction. Defendants knew they induced their dealers and  
12 customers to infringe. Infringement occurred because Defendants induced others to copy, modify,  
13 and distribute Plaintiff’s software in a manner that was outside the license’s restrictions on  
14 reproduction, modification, and distribution. Thus, the Sec. 1202 claim stands.

15 Plaintiff states a claim for breach of contract. If Defendants’ activities are breach of the  
16 contract, then Plaintiff suffered the loss of Defendants’ promise to act within the scope of the  
17 license grant. Even if this breach of this promise is a non-monetary loss, it is still damage just like  
18 a breach of a non-compete agreement. Thus, the contract claim stands.

19 Because there are questions as to when copyright infringement commenced, it is premature  
20 to strike statutory damages or attorneys fees. See Greenfield v. Twin Vision Graphics, Inc., 268 F.  
21 Supp. 2d 358, 386 (D.N.J. 2003). The decisions Defendants cite are irrelevant because the courts  
22 ruled based on established facts, not allegations as here. Also, because the last 2 copyright  
23 registrations—which constitute previously unpublished files and modifications—were registered  
24 within 3 months of publication, statutory damages and attorneys fees should remain.

25 If the Court dismisses any cause of action, Plaintiff should be permitted to amend his  
26 complaint. Very few open source cases have been litigated. Defendants offer no proof of  
27 prejudice and can answer at any time, but choose not to. Because of the cutting edge nature of this  
28 case, Plaintiff should be given another chance to amend his complaint.

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1 Plaintiff respectfully submits this Opposition memorandum in response to Defendants’  
2 Motion to Dismiss and Motion to Strike.

3 **I. STATEMENT OF ISSUES**

4 1. Plaintiff included a copyright notice, author name, copyright holder name, and reference to the  
5 license terms and conditions in each file. Defendants removed this information and included their  
6 own. Is this information “copyright management information”, or CMI, per the statute?

7 2. Infringement occurs when no defense, such as license, can be successfully raised. Are  
8 Defendants’ arguments that they did not know their removal of CMI would induce others to  
9 infringe foreclosed by an admission, in their motion to strike, that they commenced infringement?

10 3. Did Defendants infringe, and induce others to infringe, when they acted outside the restrictions  
11 on copying, modifying, and distributing Plaintiff’s code? Do Defendants infringe by copying,  
12 modifying, and distributing Plaintiff’s code after Plaintiff revoked or rescinded permissions?

13 4. Should Plaintiff’s contract cause of action be dismissed when Plaintiff performed his part of the  
14 contract but Defendants, in exceeding the permitted use, did not?

15 5. Defendants argue they had a license starting with their initial use of the code. Can infringement  
16 have commenced, per Sec. 412, prior to Plaintiff’s registration if Defendants act under a license?

17 6. Can Plaintiff receive statutory damages and attorneys fees when he registered a work within 3  
18 months of publication?

19 **II. RELEVANT FACTS**

20 **A. DMCA**

21 Per the Second Amended Complaint, Plaintiff is the owner and/or assignee of copyrights in  
22 JMRI software, including the Decoder Definition files. ¶¶ 248, 254, 255, 259, 262, 268, 269, 312,  
23 320, 336, and 337. Plaintiff uploaded the files via the Internet to SourceForge.net, an open source  
24 incubator website. Id. Each file included the name of the author and the copyright holder, title,  
25 reference to license and where to find the license, and a copyright notice. ¶ 479. Plaintiff uses a  
26 software script to automate adding copyright notices and information regarding the license. ¶¶ 267,  
27 480. Users downloaded the files via the Internet from SourceForge.net. Id. Defendants knew  
28 about the license terms. ¶¶ 260-263. Defendants downloaded the files, and removed from the files

1 the names of the author and copyright holder, title, reference to license and where to find the  
 2 license, and copyright notice. ¶¶ 271-276. They put their own copyright notice and named  
 3 themselves as author and copyright owner. ¶¶ 289-291. They re-named the files and referred to  
 4 their own license. Id. Defendants did not have permission from Plaintiff to make these  
 5 modifications. ¶ 287. Defendants incorporated these files in their own product, which they sell for  
 6 \$49-\$249, but do not make freely available. ¶¶ 9, 281. In selling and distributing the files, they  
 7 intended their re-sellers to distribute the files, and their customers to copy and modify the files.  
 8 See ¶¶ 288-289, 319. For the purposes of their motion to dismiss the DMCA claim, Defendants  
 9 deny infringement, claiming they had permission to use the files or committed a mere breach of  
 10 contract. See Defs.' Mot. to Dismiss & Mot. to Strike at 6.

### 11 **B. Motion to Strike**

12 Plaintiff has sought statutory damages for newly added JMRI copyrights. The following  
 13 are all versions, their dates of publication, and their registration dates.

JMRI version	Date of publication	Registration date	
0.9	March 12, 2002	Jan. 29, 2007	¶ 248; Ex. C
1.0	July 14, 2002	Jan. 22, 2007	¶ 254; Ex. D
1.1	Oct. 7, 2002	June 4, 2007	¶ 255; Ex. E
1.2.5	Aug. 17, 2003	June 4, 2007	¶ 259; Ex. F
1.4	Apr. 8, 2004	June 6, 2007	¶ 262; Ex. G
1.6	June 18, 2005	June 4, 2007	¶ 268; Ex. H
1.7.1	June 18, 2005	June 13, 2006	¶ 269; Ex. I
1.7.3	Feb. 27, 2006	Filed Sept. 5, 2007	¶ 312; Ex. J
1.7.7	June 8, 2007	Filed Sept. 5, 2007	¶ 336; Ex. K
1.8	July 22, 2007	Filed Sept. 5, 2007	¶ 337; Ex. L

25 Plaintiff states that infringement commenced for v. 0.9 to 1.7.1 by 2005. Defendants earlier  
 26 argued that because they had a license, infringement never commenced. Now, for purposes of the  
 27 motion to strike, Defendants appear to admit they commenced infringement prior to registration.  
 28

1 **C. Breach of Contract**

2 Per the Second Amended Complaint, Plaintiff made an offer to use the Decoder Definition  
 3 files, with conditions on the use of those files. ¶ 488. Defendants accepted the offer. ¶ 488.  
 4 Plaintiff performed his side of the bargain, that is, he permitted use of the files. ¶ 489. Defendants  
 5 did not perform their side of the bargain, that is, they used the files in a manner that was not  
 6 permitted. ¶ 490. Plaintiff has not received the benefit of the bargain. See ¶ 490. Because  
 7 Plaintiff did not receive the benefit of his bargain, he suffered harm through Defendants' uses  
 8 outside those uses which were permitted. ¶ 491.

9 **III. ARGUMENT**

10 **A. DMCA Cause of Action States a Claim on Which Relief Can Be Granted**

11 Because Defendants intentionally removed Plaintiff's copyright management information,  
 12 and because they did so knowing it would induce others to infringe Plaintiff's code, Plaintiff's  
 13 DMCA cause of action states a claim on which relief can be granted. "All allegations of material  
 14 fact are taken as true and construed in the light most favorable to plaintiff". Epstein v. Wash.  
 15 Energy Co., 83 F.3d 1136, 1140 (9th Cir. 1996). A court may dismiss a cause of action only if it is  
 16 clear that no relief could be granted. Swierkiewicz v. Sorema N.A., 534 U.S. 506, 514 (2002).  
 17 "The court should be especially reluctant to dismiss on the basis of the pleadings when the asserted  
 18 theory of liability is novel ..., since it is important that new legal theories be explored and assayed  
 19 in the light of actual facts ...." Elec. Const. Maint. Co. v. Maeda Pac. Corp., 764 F.2d 619, 623  
 20 (9th Cir. 1985) (citation omitted). Defendants violated 17 U.S.C. § 1202 (a) and (b) for providing  
 21 false CMI and for removing or altering CMI. Section 1202(a) states: "No person shall knowingly  
 22 and with intent to induce, enable, facilitate, or conceal infringement -- (1) provide copyright  
 23 management information that is false, or (2) distribute ... copyright management information that  
 24 is false." Section 1202(b) states:

25 No person shall, without the authority of the copyright owner or the law—

26 (1) intentionally remove or alter any copyright management information,

27 (2) distribute ... copyright management information knowing that the copyright  
 28 management information has been removed or altered without authority of the  
 copyright owner or the law, or



1 (3) distribute ... works, [or] copies of works, ... knowing that copyright  
2 management information has been removed or altered without authority of the  
copyright owner or the law,

3 knowing, or, with respect to civil remedies under section 1203, having reasonable  
4 grounds to know, that it will induce, enable, facilitate, or conceal an infringement of  
any right under this title.

5 The statute defines copyright management information in Section 1202(c), stating:

6 As used in this section, the term “copyright management information” means any of  
7 the following information conveyed in connection with copies or phonorecords of a  
work or performances or displays of a work, including in digital form, except that  
8 such term does not include any personally identifying information about a user of a  
work or of a copy, phonorecord, performance, or display of a work:

9 (1) The title and other information identifying the work, including the information  
set forth on a notice of copyright.

10 (2) The name of, and other identifying information about, the author of a work.

11 (3) The name of, and other identifying information about, the copyright owner of  
12 the work, including the information set forth in a notice of copyright.

13 (4) With the exception of public performances of works by radio and television  
broadcast stations, the name of, and other identifying information about, a performer  
14 whose performance is fixed in a work other than an audiovisual work.

15 (5) With the exception of public performances of works by radio and television  
broadcast stations, in the case of an audiovisual work, the name of, and other  
16 identifying information about, a writer, performer, or director who is credited in the  
audiovisual work.

17 (6) Terms and conditions for use of the work.

18 (7) Identifying numbers or symbols referring to such information or links to such  
19 information.

20 [...]

21 1. Plaintiff’s Information is Copyright Management Information Protected by Statute

22 As CMI, Plaintiff’s copyright notice, copyright ownership and author information,  
23 reference to the license, and titles are protected by the statute. “When the statutory ‘language is  
24 plain, the sole function of the courts—at least where the disposition required by the text is not  
25 absurd—is to enforce it according to its terms.’” Arlington Cent. Sch. Dist. Bd. of Educ. v.  
26 Murphy, \_\_ U.S. \_\_, 126 S. Ct. 2455, 2459 (2006) (citation omitted). “Where the language is plain  
27 and admits of no more than one meaning the duty of interpretation does not arise and the rules  
28 which are to aid doubtful meaning need no discussion.” Caminetti v. United States, 242 U.S. 470,

1 485 (1917). The statutory language which Plaintiff relies upon is “the title”, “the name of the  
2 author”, “the name of the copyright holder,” “terms and conditions for use of the work”.  
3 Defendants admit, as they must, that these terms come within the plain meaning of the statute. See  
4 Defs.’ Mot. to Dismiss & Mot. to Strike at 4. Recent case law also shows that courts consider the  
5 information which Defendants removed, altered, and falsified is CMI under Section 1202.

6 In McClatchey v. Associated Press, No. 3:05-cv-145, 2007 WL 776103 (W.D. Pa. Mar. 9,  
7 2007), which Defendants failed to cite, an AP photographer took a picture of a photo that caught on  
8 film the crash of United Flight 93 in a Pennsylvania field on Sept. 11, 2001. Id. at \*1. Plaintiff had  
9 titled and put a copyright notice on the crash photo. See id. at \*2. The photographer cropped this  
10 information from his picture, which the AP copied and distributed. Id. The McClatchey Court  
11 ruled Plaintiff’s title and the copyright notice were CMI as defined by Section 1202. Id. at \*5.

12 In Photo Resource Hawai’i, Inc. v. American Hawai’i Travel Inc., No. 07-00134 DAE-  
13 LEK, 2007 WL 4373549 (D. Haw. Dec. 12, 2007), also not cited by Defendants, Plaintiff Photo  
14 Resource sued American Hawai’i Travel for removing CMI—a copyright notice with the copyright  
15 holder’s name and the statement “All Rights Reserved”—from its photos and posting the photos on  
16 its travel agency website. Id. at \*1; see Exs. B & C, Compl., Photo Res. Haw., Inc. v. Am. Haw.  
17 Travel Inc., No. 07-00134 DAE-LEK (filed D. Haw. Mar. 14, 2007). After American Hawai’i  
18 Travel did not answer, Photo Resource moved for default judgment. Photo Res., 2007 WL  
19 4373549, at \*2-\*3. Although “any doubts as to the propriety of a default are usually resolved  
20 against the party seeking a default judgment”, id., the Photo Resource Court found the information  
21 which American Hawai’i Travel removed or altered was CMI per the statute, granted default  
22 judgment to Photo Resource, and awarded more than \$30,000 in statutory damages and attorneys  
23 fees for violating Section 1202. Id. at \*3-\*5. Based on these rulings, this Court should find that  
24 the information which Defendants removed, altered, and falsified, is CMI per Section 1202.

25 Relying mainly on one district court decision, Defendants maintain that “copyright  
26 management information” can only be that information conveyed when the copyrighted work is  
27 protected by a technological device. In that decision, IQ Group, Ltd. v. Wiesner Publishing, LLC,  
28 409 F. Supp. 2d 587 (D.N.J. 2006), Defendants Weisner Publishing had removed a logo and a

1 hyperlink from IQ Group’s ads and copied and distributed the ads via email. 409 F. Supp. 2d at  
2 589. The logo was a stylized version of “IQ”. Id. Clicking on the hyperlink would direct the user  
3 to IQ Group’s webpage which IQ Group said contained copyright notices. Id. Defendants moved  
4 for summary judgment, which the Court granted on two bases<sup>1</sup>, one of which is relevant here: the  
5 Court reasoned Section 1202 was subject to a narrowing interpretation, which required CMI to be  
6 conveyed with copyrighted material that was protected by a device or process covered by Section  
7 1201. Id. at 592-93, 596-98. Assuming that this Court adopts the IQ Group’s narrow construction,  
8 Plaintiff’s claim still stands. Defendants provided false CMI, and had removed or altered that  
9 CMI, in software—a derivative work of Plaintiff’s work—that was provided via Defendants’ anti-  
10 circumvention device. To the extent that these facts are not pleaded in the Second Amended  
11 Complaint, Plaintiff respectfully asks the Court to take judicial notice that expensive software like  
12 Defendant’s is generally not accessible without a secret code which the copyright holder provides  
13 upon payment. In the alternative, the Court should grant leave to amend the Second Amended  
14 Complaint because Defendants protect their software in the manner described, and hence, it is an  
15 effective technological measure as defined by Sec. 1201, as defense counsel has admitted. See  
16 Transcript of Jan. 19, 2007 at 28, ll. 5-9 (registration code required to make Defendants’ software  
17 work). In these circumstances, leave is to be freely granted. Fed. R. Civ. P. 15(a).

18 A close look at the IQ Group ruling reveals its flaws. The IQ Group Court conducted an  
19 incomplete review of the legislative history, and relied primarily on scholars’ comments<sup>2</sup> on early  
20 drafts of bills that preceded 17 U.S.C. §§ 1201 and 1202. Furthermore, the IQ Group decision’s  
21 statutory construction makes superfluous parts of the statute. A review of the statute, in light of the

22 \_\_\_\_\_  
23 <sup>1</sup> The other basis—protecting a logo would merge trademark and copyright—was also flawed.  
24 Congress intended to protect CMI that identified the copyrighted work, not protect CMI as  
25 copyrightable subject matter. Under IQ Group’s reasoning, devices could never be protected under  
26 Sec. 1201, because they are useful articles whose design cannot be separated from their utilitarian  
27 aspects, Brandir Int’l Inc. v Cascade Pac. Lumber Co., 834 F.2d 1142, 1143-44 (2d Cir. 1987), or  
28 they could be protected under patent law only, see Baker v. Selden, 101 U.S. 99, 102 (1879).

<sup>2</sup> The IQ Group Court relied primarily on Prof. Julie Cohen’s articles, which were directed toward  
one use of CMI—to monitor consumers’ reading habits using a device protected under Section  
1201. In response to Prof. Cohen’s and others’ concerns, Congress specifically excluded “any  
personally identifying information about a user” in the definition of CMI. As shown next in the  
legislative history, this use of CMI was only one of multiple contemplated uses for CMI.

1 complete legislative history, as discussed next, shows that the information which Defendants  
2 falsified, altered, and removed, is indeed CMI. From the initial task force in 1993 to Congress  
3 itself in 1998, all understood that information like Plaintiff's should be separately protected. For  
4 these reasons, later courts have stepped away from the IQ Group ruling. So should this Court.

5 The federal task force charged with updating the nation's laws and communications  
6 infrastructure understood CMI conveyed with copyrighted work to deserve separate protection.

7 Copyright management information will serve as a kind of license plate for a work  
8 on the information superhighway, from which a user may obtain important  
9 information about the work. The accuracy of such information will be crucial to the  
10 ability of consumers to find and make authorized uses of copyrighted works on the  
NII. Reliable information will also facilitate efficient licensing and reduce  
transaction costs for licensable uses of copyrighted works (both fee-based and  
royalty-free).

11 Information Infrastructure Task Force, Intellectual Property and the National Information  
12 Infrastructure, The Report of the Working Group on Intellectual Property Rights 235 (1995),  
13 available at <http://www.uspto.gov/web/offices/com/doc/ipnii> (last visited Jan. 18, 2008)  
14 [hereinafter White Paper] (emphasis added). "The public should be protected from false  
15 information about who created the work, who owns rights in it, and what uses may be authorized  
16 by the copyright owner." Id. Thus, the task force considered CMI protection to be important for  
17 all works made available on the Internet, not just those protected by anti-circumvention devices.

18 The WIPO treaty and its materials show CMI has separate protection. In 1996, the United  
19 States and other countries agreed to protect "rights management information". Article 12,  
20 Obligations concerning Rights Management Information, states:

21 (1) Contracting Parties shall provide adequate and effective legal remedies against  
22 any person knowingly performing any of the following acts knowing, or with  
23 respect to civil remedies having reasonable grounds to know, that it will induce,  
enable, facilitate or conceal an infringement of any right covered by this Treaty or  
the Berne Convention:

24 (i) to remove or alter any electronic rights management information without  
authority;

25 (ii) to distribute, import for distribution, broadcast or communicate to the public,  
26 without authority, works or copies of works knowing that electronic rights  
management information has been removed or altered without authority.

27 (2) As used in this Article, "rights management information" means information  
28 which identifies the work, the author of the work, the owner of any right in the

1 work, or information about the terms and conditions of use of the work, and any  
2 numbers or codes that represent such information, when any of these items of  
3 information is attached to a copy of a work or appears in connection with the  
4 communication of a work to the public.

5 WIPO Copyright Treaty, Dec. 20, 1996, art. 12, 112 Stat. 2860, 2872-74, 2186 U.N.T.S.  
6 121, 155-56. Thus, the treaty “require[d] countries to provide ... two types of technological  
7 adjuncts.... These are intended to ensure that rightholders can effectively use technology to protect  
8 their rights and to license their works online.” Int’l Bureau of WIPO, The Advantages of  
9 Adherence to the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms  
10 Treaty (WPPT) 3 (2003). The first adjunct was anti-circumvention to protect technological  
11 measures rightholders use to enforce limits on the rights they grant. Id. This became Section 1201.

12 The second type of technological adjuncts safeguards the reliability and integrity of  
13 the online marketplace by requiring countries to prohibit the deliberate alteration or  
14 deletion of electronic “rights management information”: that is, information which  
15 accompanies any protected material, and which identifies the work, its creators,  
16 performer, or owner, and the terms and conditions for its use.

17 Id. (emphasis added). Per the treaty, the “technological adjunct” was that information in electronic  
18 form. Nowhere does the treaty say that electronic rights management information must be  
19 conveyed with a technological protection system. The IQ Group Court did not discuss the WIPO  
20 Copyright Treaty in detail, nor did it explain why “electronic rights management information”  
21 could not be a technological adjunct by itself.

22 At hearings following the White Paper’s publication and during treaty negotiations,  
23 testimony showed that witnesses understood CMI would be protected separately. After the  
24 Working Group issued its White Paper in 1995, its chairman, PTO Director Bruce Lehman  
25 reiterated the importance of CMI because it would act as a license plate for works available on the  
26 Internet. “In the future, the copyright management information associated with a work—such as  
27 the name of the copyright holder and the terms and conditions for uses of the work—may be  
28 critical to the efficient operation and success of the NII” because they indicate ownership and  
licensing information. NII Copyright Protection Act of 1995, Joint Hearing before the  
Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary and  
the Senate Committee on the Judiciary, 104th Cong. 38 (1995) (prepared statement of Bruce A.

1 Lehman, Ass't Sec'y of Commerce and Comm'r of Patents and Trademarks, Patent & Trademark  
2 Office). See also id. at 52 (prepared statement of Marybeth Peters, Register of Copyrights) (“We  
3 agree with the Working Group that legal protection for ... information [about the authorship,  
4 ownership and licensing terms of works] is necessary in order to ensure its accuracy”).

5 Hearings before House and Senate subcommittees the next year show that industry  
6 witnesses believed that the proposed statute would provide separate protection for CMI.

7 Copyright management information associated with a work—such as the name of  
8 the author or copyright holder and the terms and conditions for use of the work—  
9 will serve to promote licensing and reduce liability concerns. The integrity of this  
10 information will be important in the NII and [the bill proposing the new statute] is a  
11 positive step forward in promoting the development and use of reliable rights  
12 management information.

13 NII Copyright Protection Act of 1995 (Part 2), Hearings Before the Subcommittee on Courts and  
14 Intellectual Property of the Committee on the Judiciary, House of Representatives, 104th Cong. 30  
15 (1996) (prepared statement of Frances W. Preston, president and CEO of Broadcast Music, Inc.)  
16 See also id. at 36-37 (statement of Edward M. Murphy, president & CEO, National Music  
17 Publishers Ass'n, Inc.) (CMI must be protected to assist users in identifying public domain  
18 materials, facilitating licensing, and fostering compliance with copyright law). The National  
19 Association of Broadcasters (NAB) worried that radio and television stations would incur liability  
20 under the proposed Section 1202. Id. at 522. The NAB believed that CMI would include  
21 information broadcast over the public airwaves that had been removed or altered or was now  
22 incorrect. Id. Agreeing that the bill defined CMI broadly and could cover the situations that  
23 concerned the NAB, Congress specifically exempted radio and television broadcasts in parts of  
24 Section 1202(c), and limited their liability in Section 1202(e). Witnesses before a Senate  
25 committee also considered the bill to protect CMI separately. National Information Infrastructure  
26 Copyright Protection Act of 1995, Hearing before the Committee on the Judiciary, United States  
27 Senate, 104th Cong. 112-13 (1996) (prepared statement of Garry L. McDaniels, president, Skills  
28 Bank Corp on behalf of the Software Publishers Ass'n) (shareware developers use CMI to identify  
and protect their free software); id. at 117 (prepared statement of Frances W. Preston, president &  
CEO, Broadcast Music, Inc.) (protecting CMI promotes licensing and reduces liability concerns).



1 In 1997 and 1998, Congress held hearings focusing on Section 1201 and liability of online  
2 service providers, but witnesses occasionally addressed Section 1202. Register of Copyrights  
3 Marybeth Peters stated:

4 Information must be easily available that identifies the works, their owners, and  
5 their licensing terms—and the information must be reliable. If authorization can turn  
6 out to be defective because someone changed the name of the copyright owner or  
7 misrepresented the material as available for free, consumers will not be willing to  
8 rely on the system. It is therefore critical to protect the integrity of the electronic  
9 marketplace.

10 WIPO Copyright Treaties Implementation Acts; And Online Copyright Liability Limitation Act,  
11 Hearing before the Subcommittee on Courts and Intellectual Property of the Committee on the  
12 Judiciary, House of Representatives, 105th Cong. 50 (1997) (prepared statement of Marybeth  
13 Peters, Register of Copyrights). Furthermore, Peters stated that the Copyright Office’s analysis  
14 found Section 1202 “goes beyond the bare minimum [WIPO Copyright treaty] obligation in several  
15 respects, mainly in covering the provision of false information and information not in electronic  
16 form. In our view, these extensions are useful and appropriate.” Id. at 50-51. Peters recognized  
17 that the proposed Section 1202 overlapped and “render[ed] redundant at least some of the  
18 provisions of section 506(c)-(d). These sections require careful analysis to determine whether they  
19 should be deleted or amended to accommodate the new prohibitions.” Id. at 52. However, Peters  
20 said, the proposed Section 1202 was needed to meet treaty requirements because it provided  
21 coverage that other existing statutes did not. Id. at 50. In keeping the broad language of the  
22 statutory while aware of potential overlap, Congress indicated an intent to keep the language  
23 broad—but the IQ Group ruling never addressed this. Also in finding a broad reading of the statute  
24 would duplicate other statutes’ coverage, IQ Group did not address why Peters, the head of the  
25 Copyright Office, erred in testifying to the contrary.

26 Three later rulings question the overly narrow statutory construction in the IQ Group  
27 decision. In McClatchey v. Associated Press, No. 3:05-cv-145, 2007 WL 776103 (W.D. Pa. Mar.  
28 9, 2007), the Court acknowledged the IQ Group ruling, but discounted it. See id. at \*5. The  
McClatchey Court found that its plaintiff’s use of a program to add title and copyright notice  
constituted a technological measure within IQ Group’s narrow construction. Id. Like the plaintiff

1 in McClatchey, Plaintiff here uses an automated procedure for adding CMI to his works. SAC ¶¶  
2 267, 480. Thus, because he uses the same type of automated methods to add CMI, that information  
3 falls within the meaning of the statute under the McClatchey Court’s reading of the IQ Group  
4 decision. Furthermore, identifying that IQ Group’s construction made terms in the statute  
5 superfluous, the McClatchey Court ruled the statute defined CMI broadly. McClatchey, 2007 WL  
6 776103, at \*5. Under this reading of Sec. 1202, Plaintiff’s information is without question CMI.  
7 In Photo Resource Hawai’i, Inc. v. American Hawai’i Travel Inc., No. 07-00134 DAE-LEK, 2007  
8 WL 4373549 (D. Haw. Dec. 12, 2007), the Court, although mandated not to enter default judgment  
9 unless the copyright holder was so entitled, nevertheless did so without even citing to IQ Group,  
10 although IQ Group is the only decision interpreting CMI in the annotated version of the U.S. Code.  
11 See 17 U.S.C.A. § 1202 n.1. Thus, Plaintiff’s information qualifies as CMI under Photo Resource.  
12 Finally, in Textile Secrets International, Inc. v. Ya-Ya Brand Inc., No. CV 06-6297-PLA, 2007 WL  
13 4165437 (C.D. Cal. Oct. 31, 2007), the Court used IQ Group’s reasoning “in general” to enter  
14 summary judgment against the copyright holder, but the Court stepped away from completely  
15 endorsing the ruling. Textile Secrets involved a dispute over the removal of markings on the  
16 selvage—part of fabric that is meant to be cut off—which was on the original, and a tag which  
17 contained a copyright notice. See id. at \*6 & n.7. Moving for summary judgment, Ya-Ya Brand  
18 argued that CMI applied only to information on goods and transactions that take place on the  
19 Internet or in the “electronic marketplace”. Id. at \*7. In granting summary judgment to Ya-Ya  
20 Brand, the Textile Secrets Court stated that it agreed “in general” with IQ Group’s reasoning, id. at  
21 \*15, but qualified that it was persuaded only to “some extent”, id. at \*15 n.18. “Considering the  
22 historical context of the DMCA, the Court finds that the Act’s scope was intended to be more  
23 limited, in that its purpose was to give an added layer of protection to certain works that were  
24 vulnerable to infringement due to advances in modern technology, namely the Internet and  
25 electronic commerce.” Id. at \*14 n. 17. The Textile Secrets Court stated that it found it  
26 unnecessary to define the scope of Section 1202, but that the Court was not persuaded that Section  
27 1202 “extends to a copyright notice that is set forth on fabric selvage or a tag, and that can be  
28 physically removed.” Thus, in adopting Defendant Ya-Ya Brand’s arguments and stepping away



1 from a complete adoption of IQ Group's narrow construction, even the Textile Secret decision  
2 suggests CMI, like that in Plaintiff's files here which is uploaded to and downloaded from the  
3 Internet, should be protected under Section 1202.

4 2. Defendants Intended to Induce Infringement

5 In removing the CMI and replacing it with theirs, Defendants intended to make it easier for  
6 their distributors and their customers to infringe Plaintiff's copyrighted works. Defendants argue  
7 that no intent to infringe can lie because of this Court's earlier ruling, denying Plaintiff's motion  
8 for preliminary injunction based on the Artistic License—but the ruling was not based on the new  
9 license, GPL. SAC ¶ 338. Plaintiff addresses preliminary matters, then Defendants' arguments.

10 The Court should defer or decline to rule on arguments related to copyright infringement.  
11 First, although a question exists regarding when infringement of each work commenced,  
12 Defendants appear to admit for the purposes of their motion to strike that they commenced  
13 copyright infringement prior to registration. If they are using this admission to strike statutory  
14 damages and attorneys fees, then this admission should foreclose any denials here that they  
15 induced infringement. Second, the Federal Circuit will shortly review Plaintiff's copyright  
16 infringement claim. This Court may not have jurisdiction to decide this issue, but also addressing  
17 the matter now would devote this Court's limited time and resources on a matter that may be re-  
18 visited soon. Next, Defendants introduce in their Motion to Dismiss facts and arguments from  
19 their Opposition to Plaintiff's Motion for Preliminary Injunction. This improperly introduces  
20 matters that are outside the pleadings. This Court should rule on it as a motion for summary  
21 judgment, and deny it. Fed. R. Civ. P. 12(b)(6). Also, their motion is 9 pages but incorporates 10  
22 pages of argument by reference—7 pages from their Opposition to Plaintiff's Motion for  
23 Preliminary Injunction which itself incorporates 3 pages from an earlier motion to dismiss. They  
24 circumvent this Court's rules relating to a 15-page limit, by 4 pages. For these reasons, the Court  
25 should defer or decline to consider their arguments, or deny the motion.

26 If the Court intends to proceed and permits Defendants' incorporation by reference,  
27 Plaintiff incorporates by reference his arguments in his earlier filings. Plaintiff is owner and  
28 assignee of copyrights. Defendants exercised Plaintiff's exclusive rights, and encouraged its

1 dealers and customers to exercise those rights. Plaintiff has stated a prima facie claim of copyright  
2 infringement. See S.O.S., Inc. v. Payday, Inc., 886 F.2d 1081, 1085 (9th Cir. 1989). Defendants  
3 can escape liability only if they can successfully raise a defense, such as license, and that  
4 revocation is unavailable and rescission unwarranted. Rano v. Sipa Press, Inc., 987 F.2d 580, 586  
5 (9th Cir. 1993). See Sun Microsystems, Inc. v. Microsoft Corp., 188 F.3d 1115, 1121 (9th Cir.  
6 1999); I.A.E., Inc. v. Shaver, 74 F.3d 768, 775 n. 10 (7th Cir. 1996).

7 Defendants cannot successfully raise the license defense. While a contract to permit use of  
8 a copyrighted work grants an implied license in the work, Sun Microsystems, 188 F.3d at 1121,  
9 Plaintiff and Defendants did not enter into a bilateral contract. Defendants did not accept through  
10 performance, so no unilateral contract exists and Plaintiff's performance—granting an implied  
11 license—never became due. See Neisendorf v. Levi Strauss & Co., 143 Cal. App. 4th 509, 523-24  
12 (Cal. Ct. App. 2006). Permission or lack of objection to use the copyrighted work may grant an  
13 implied license in the work, I.A.E., 74 F.3d at 775, but Defendants did not obtain that permission  
14 nor did Plaintiff know that Defendants were using the work outside the scope of the license grant.  
15 A license does exist, but Defendants, and their distributors and customers, acted outside the license  
16 restrictions and thus infringed. The Artistic License and GPL, the latter of which this Court has not  
17 interpreted, specifically limit how copies may be made, and how modification and distribution may  
18 be done. Exs. A & B; SAC ¶¶ 250-253, 338. These limitations, interpreted narrowly as required  
19 by the Ninth Circuit, S.O.S., 886 F.2d at 1088, reduce the scope of the license so that failure to  
20 copy, modify, and/or distribute in the specified manner results in activity that is outside the scope  
21 of the license and thus constitutes infringement. Sun Microsystems, 188 F.3d at 1121-23.  
22 Furthermore, because of the nature of open source software—that is, it is made available free of  
23 charge and copies, modifications, and distribution are done on an honor system basis—the  
24 requirement that a copyright notice be kept should be construed as a condition precedent.  
25 Otherwise, a copyright holder searching code for his copyright notice may not be able to locate  
26 infringers. Because the license has been revoked or rescinded, any further use is infringement.  
27 Rano, 987 F.2d at 586; see I.A.E., 74 F.3d at 775 n.10. If the license is considered a “bare”  
28 license—that is, a general license grant to act within the terms of the license, then activity outside

1 these limits constitutes activity outside the scope of the license grant. See Black's Law Dictionary  
2 931 (7th ed. 1999). For instance, a member of the public entering this federal building can do so  
3 only between certain hours, and only if he passes through a metal detector. If he does this, he has a  
4 license to move about the public areas of the building. If he enters the property without following  
5 these terms, the court security officers do not cite him for breach of contract, but for trespass or a  
6 similar crime. In the context of open source software and a bare license, the cause of action is not  
7 contract, but trespass on an exclusive right, or copyright infringement. Defendants were aware of  
8 the license terms. Katzer discussed them with Plaintiff, and discussed the terms on a listserv. SAC  
9 ¶¶ 260-261; 263. Thus, in removing those terms and replacing them with their own, then  
10 distributing the code, Defendants knew they were inducing their distributors and customers to act  
11 outside the scope of Plaintiff's license grant. Thus, they intended to induce others to infringe.

12 Thus, when all is considered, there's no question: Plaintiff's DMCA claim stands.

13 **B. Because Defendants Exceeded the Scope of Permitted Use, Contract Claim Stands**

14 Ignoring black letter law, Defendants seek to dismiss Plaintiff's contract claim because they  
15 say Plaintiff did not suffer any monetary damages. A bilateral contract is formed when one party  
16 makes an offer, the other party accepts, and both agree to do something they would otherwise not  
17 have to do. See Cal. Civ. §§ 1549, 1550, 1605. Assuming Defendants' activities are breach of  
18 contract, Defendants promised that, if they used the Plaintiff's copyrighted material, they would  
19 only use it within the license restrictions. Defendants breached that promise. Although it is a non-  
20 monetary breach, the breach still results in damages because Plaintiff's material is being used in a  
21 manner that he did not authorize. Non-monetary breaches result in breach of contract actions.  
22 E.g., John F. Matull & Assocs., Inc. v. Cloutier, 194 Cal. App. 3d 1049, 1951-52, 1956 (Cal. App.  
23 Ct. 1987) (breach of non-compete agreement). Often, because monetary damages are difficult to  
24 determine, courts often grant equitable remedies such as specific performance. E.g., id. at 1956.  
25 Here, Plaintiff seeks an equitable remedy, including rescission. Thus, Plaintiff's cause of action for  
26 breach of contract stands.

27 **C. Motion to Strike is Premature Because the Time Infringement Began is Unknown**

28 Unless Defendants admit they engaged in copyright infringement on specific dates after

1 publication and before registration, questions exist about when infringement “commenced”. No  
2 case Defendants cited support striking at this stage because those rulings are based on fact, not  
3 allegations as here. Thus, this Court should deny Defendants’ motion to strike. Section 412 states:

4 no award of statutory damages or of attorney's fees, as provided by sections 504 and  
5 505, shall be made for ... any infringement of copyright commenced after first  
6 publication of the work and before the effective date of its registration, unless such  
7 registration is made within three months after the first publication of the work.

8 17 U.S.C. § 412 (emphasis added). “When the allegation is that defendant exceeded the scope of a  
9 license, some exploitation of the copyrighted work might be deemed consensual, whilst other  
10 exploitation of the identical work is deemed actionable. Under those circumstances, minute  
11 parsing may be required to determine when infringement ‘commenced.’” Melville B. Nimmer &  
12 David Nimmer, 2 Nimmer on Copyright § 7.16[C][1]; see also Greenfield v. Twin Vision  
13 Graphics, Inc., 268 F. Supp. 2d 358, 386 (D.N.J. 2003) (deferring ruling on statutory damages and  
14 fees until Court determined when permitted use ended and infringing use began). Last,  
15 Defendants’ arguments and citations relating to infringement of the same work are irrelevant. The  
16 last 2 registrations include new, never before published, Decoder Definition files and thus are  
17 separate copyrighted works. Plaintiff registered the last 2 versions within 3 months of their first  
18 publication. Thus, statutory damages and attorney fees are available.

19 **D. If Needed, Leave to Amend Should Be Granted**

20 Open source software lawsuits are cutting edge litigation. Defendants complain of  
21 prejudice, yet offer no proof of it and could answer at any time. Leave to amend should be granted.

22 **IV. CONCLUSION**

23 For the reasons stated above, Defendants motions should be denied in all respects.

24 Respectfully submitted,

25 DATED: January 18, 2008

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