

Jacobsen Declaration Exhibit C



LAW OFFICES
CHERNOFF, VILHAUER, McCLUNG & STENZEL, LLP

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

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

August 24, 2005

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

DANIEL P. CHERNOFF
(1935-1995)

* TIM A. LONG
* KURT ROHLES
* BRENNAN K. LEGAARD
* SUSAN D. PITCHFORD
* J. DOUGLAS WELLS

* REGISTERED PATENT ATTORNEY

DAVID S. FINE
SENIOR LAW CLERK

Our File No.: 7431.0081

CERTIFIED MAIL
Return Receipt Requested

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

Dear Mr. Jacobsen:

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

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

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

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

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



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

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

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

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

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

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

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

Best,

A handwritten signature in blue ink, appearing to read 'Kevin L. Russell'.

Kevin L. Russell

KLR:kk
Enclosure



KAMIND Associates, Inc

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

Sales Receipt

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

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

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

Rep	Item Lookup Code	Description	Quantity	MSRP	Price	Extended
	TrainServerLic	Train Server Single User	7000	\$29.00	\$29.00	\$203,000.00

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

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