Exhibit A

of

Motion for Leave to File Surreply

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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

ROBERT JACOBSEN, Plaintiff, v. MATTHEW KATZER, et al., Defendants.	No. C-06-1905-JSW **PLAINTIFF ROBERT JACOBSEN'S SURREPLY TO DEFENDANTS' REPLY IN THE BRIEFING FOR DEFENDANTS' MOTION TO DISMISS AND MOTION TO STRIKE** Courtroom: 2, 17th Floor Judge: Hon. Jeffrey S. White Date: Fri., December 19, 2008 Time: 9:00 a.m.

I. INTRODUCTION

Defendants raised new issues relating to their motion to strike statutory damages. Jacobsen addresses these issues. He also addresses Defendants' contention that allegations as judicial admissions.

II. FACTS

JMRI released the first version of its software in 2001. JMRI regularly releases updates.

These updates add features to earlier versions. They also add decoder definition files and bug fixes. In version 1.7.3, JMRI had approximately 100 decoder definition files. By version 2.3, JMRI had approximately 200 decoder definition files. Each release has its own copyright registration. Several licensees use only the decoder definition files.

III. ARGUMENT

A. Statutory Damages Are Available to Jacobsen

Jacobsen can elect statutory damages for at least some of his works because they were registered within three months of publication. See 17 U.S.C. § 412(2). When multiple works or registrations are involved, two issues arise: (1) what constitutes a work for purposes of calculating statutory damages, and (2) when did infringement of that work commence. Because Jacobsen's registrations are separate works, statutory damages are available for those which were registered within three months of publication.

Jacobsen's copyrighted updates are separate works for the purposes of statutory damages. The Ninth Circuit uses the Second Circuit's test for determining whether multiple copyrights are separate works. Columbia Pictures Television, Inc. v. Krypton Broadcasting of Birmingham, Inc., 259 F.3d 1186, 1193 (9th Cir. 2001). Under this test, separate copyrights are not distinct works unless they can live their own copyright life. The query centers on whether each copyright has independent economic value, and is, in itself, viable. Id. (quoting Walt Disney Co. v. Powell, 897 F.2d 565, 569 (D.C. Cir. 1990) and Robert Stigwood Group Ltd. v. O'Reilly, 530 F.2d 1096, 1105 (2d Cir. 1976)).

Each JMRI copyright has independent economic value. Software releases can be divided into 3 classes: full versions, upgrades, and bug fixes. A full version includes all executables, libraries, and other files that are needed to run the program. An upgrade contains only new files and updated files. A bug fix corrects small problems in the program. When a consumer buys, say, the full version of Adobe Acrobat Professional 7.0 for $450, he gets the entire package. Bug fixes for this version are available for download for free. When Adobe Acrobat Professional 8.0 is released, the consumer will typically not buy another full version, but will buy the upgrade from

version 7.0 to version 8.0. This upgrade will cost substantially less than the full version, but it will still cost. For purposes of statutory damages, courts recognize that an original software release and its later versions, which are derivatives of the original, are separate works. E.g., Microsoft Corp. v. Black Cat Computer Wholesale, Inc., 269 F. Supp. 2d 118, 120-21, 124 (W.D.N.Y. 2002) (awarding statutory damages for Windows 95 and its later version, Windows 98[1], among other Microsoft products); Microsoft Corp. v. Compusource Distribs., Inc., 115 F. Supp. 2d 800, 805, 812 (E.D. Mich. 2000) (same). JMRI offers similar full versions and upgrades. Like other full versions and upgrades, JMRI versions have independent economic value.[2] Similarly, each JMRI copyright is, in itself, economically viable because consumers generally pay for individual software packages with significant upgrades. Therefore, each registration represents a separate work for purposes of the statutory damages calculation.

Defendants' argument that all JMRI copyrights constitute one work is contrary to the bulk of case law. As shown above, original software releases and later versions are treated as separate works for calculating statutory damages. Also, courts treat television episodes as separate works. The characters, and their relationships to other characters, are taken from earlier episodes, as is the history of the series and the backdrops against which the characters interact. Thus, later episodes are derivative works of earlier episodes. Courts examine whether the public would buy or rent an episode separate from other episodes in the series, and whether each episode is separately produced. Gamma Audio & Video, Inc. v. Ean-Chea, 11 F.3d 1106, 1116-18 (2d Cir. 1993); Twin Peaks Prods., Inc. v. Publ'ns Int'l, Inc., 996 F.2d 1366, 1381 (2d Cir. 1993). Using the same reasoning as applied to software versions, courts come to a similar result—later versions of software are separate works for purposes of calculating statutory damages.

The cases which Defendants cite are factually distinguishable. Stigwood involved

[1] Later versions of Microsoft software are based on earlier versions. For example, if a user selects the Help option from the drop-down menu at the top in Microsoft Word, and then selects "About Microsoft Office Word", the user will see a range of copyrights from 1983 to the date of the present version.

[2] Licensees have contracted with Jacobsen for use of only the Decoder Definition Files. These licensees—model train software manufacturers such as DigiToys and Freiwald Software—use these files with their own code. Thus, the Decoder Definition Files have independent economic value and are viable—that is, licensees will enter into contracts to use just those files.

infringement of the rock opera "Jesus Christ Superstar". There, the court held that three copyrights on dramatico-musical compositions were "obviously duplicative so far as the protection of performing rights are concerned". 530 F.2d at 1103-04 ("Musical Excerpts Complete Libretto", "Libretto", and "Vocal Score"). The court held that the three copyrights of the play were treated as one work for purposes of statutory damages. Id. at 1105. In RSO Records, Inc. v. Peri, 596 F. Supp. 849 (S.D.N.Y. 1984), an infringer copied recordings and graphics—labels, covers, etc.—for the recordings. The copyright holder sought statutory damages for infringement of the graphics, but the court held the graphics did not have economic value separate from the recordings. Id. at 862 n.16. Software versions are released separately, and upgrades have their own separate economic value. Even the Decoder Definition Files also have their own separate economic value since licensees contract to use them separately from JMRI software. Thus, JMRI's different copyrights should be considered separate works.

Furthermore, other cases which Defendants cite involve a series of the same infringing act. The court rulings often were made after discovery has closed, and after all information relating to infringement and infringing acts are known. In Mason v. Montgomery Data, Inc., 741 F. Supp. 1282 (S.D. Tex. 1990), a court granted partial summary judgment to defendants because the copyright holder registered the work after infringement began and—importantly—that defendants had committed "the same activity each time, for the same purpose, using the same copyrighted material." Id. at 1286 (emphasis added). In Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc., 609 F. Supp. 1325, 1327 (E.D. Pa 1985), the court denied the copyright holder's attorney fee request after judgment had been entered in favor of the copyright holder. The defendant had created an infringing program act prior to registration and had continued infringement with improvements to the infringing program. Id. at 1330-31. The defendant in Whelan was using the same infringing material that it had started with. In Singh v. Famous Overseas, Inc., 680 F. Supp. 533, 534-36 (E.D.N.Y. 1988), the court, after finding at trial that defendants engaged in infringement, denied statutory damages and attorneys fees. The copyright holder had not registered the work prior to infringement, and defendants' infringement of cassette tape recordings

was a series of the same infringing acts. Id. In Parfums Givenchy, Inc. v. C & C Beauty Sales, Inc., 832 F. Supp. 1378, 1381, 1395 (C.D. Cal. 1993), the court barred statutory damages and attorneys fees after finding that the defendant engaged in infringement. The copyright holder had not registered the work prior to infringement. Id. at 1393. The court reasoned that the defendant had "repeated the same [infringing] act each time, using the same copyrighted material", and therefore, statutory damages and attorneys fees were not available. Id. at 1395 (emphasis added). In Johnson v. University of Virginia, 606 F. Supp. 321, 325 (W.D. Va. 1985), the court denied statutory damages and attorneys' fees after determining that the infringer had used the same materials throughout its infringement.

The important differences between Mason, Whelan, Singh, Parfums Givenchy and Johnson on the one hand and Jacobsen on the other, are that (1) the courts in Mason, Whelan, Singh, Parfums Givenchy and Johnson made their rulings at summary judgment or at trial whereas discovery has not opened in Jacobsen, and (2) Jacobsen does not have full information about the different infringing activities that Defendants have engaged in or induced. If the Court struck damages and attorneys fees at the pleadings stage, Jacobsen would be entitled to seek leave to file a motion for reconsideration to expand the record to include Defendants' other infringing acts that Jacobsen learns in discovery. To avoid the additional briefing, the court should not strike any damages for copyrights until the summary judgment stage.

B. Statutory Damages May Be Available for All Works

Recent Ninth Circuit precedent suggests that statutory damages may be available for all works, if later infringing acts are sufficiently different from earlier infringement. In Derek Andrew, Inc. v. Poof Apparel Corp., 528 F.3d 696 (9th Cir. 2008), a copyright holder sought statutory damages for an infringer's use of copyrighted labels on clothing. The copyright holder did not register the label prior to infringement. Id. at 701. The Ninth Circuit held that because the infringer committed the same acts of infringement, infringement commenced prior to registration, and thus statutory damages were unavailable. Id. at 701-02. In coming to this conclusion, the Ninth Circuit stated "the first act of infringement in a series of ongoing infringements of the same

kind marks the commencement of one continuing infringement under § 412." Id. at 701 (emphasis added, original emphasis removed). This reasoning suggests that if Defendants engaged in different kinds of infringing acts, then infringement as to those acts will have commenced with the first of those later series of acts. Since discovery has not opened, Jacobsen does not know all the illicit uses which Defendants have engaged in. Without this information, it is premature to strike damages or attorneys fees.

C. Attorneys' Fees Should Not Be Stricken

Attorneys' fees may be available to Jacobsen under 17 U.S.C. Sec. 505. At least one court has found that statutory damages were unavailable for a work, but that attorneys' fees were. In Data General Corp. v. Grumman Systems Support Corp., 795 F. Supp. 501 (D. Mass. 1992), defendant Grumman was found to have infringed versions 0.0 through 4.0 of Data General's software. Data General had not registered its work prior to Grumman's infringement, and Data General admitted that its versions were closely similar to and derived from its original version. The Court found that statutory damages were not available to Data General—but attorney's fees were. The Court noted that statutory damages were available for infringement of each work, if the work was registered prior to infringement. 795 F. Supp. at 504. Because Data General admitted that the versions were closely similar, the Court held that there was only one work for purposes of statutory damages. Id. However, the Court noted that Congress left out the provision from the attorney fee statute that required all parts of a derivative work to be treated as one work. Id. Therefore, the Court held, attorneys fees were available for each separate work that had been registered as required by Sec. 412. Id.

D. Jacobsen's Allegations Are Not Judicial Admissions

On a separate point, the allegations in Jacobsen's Second Amended Complaint are just that—allegations. They are not judicial admissions. When Defendants finally answer the complaint, they will admit or deny the allegation. If they admit, then it will be an admission. Defendants cite a particularly distasteful—and, ultimately, irrelevant—child pornography case as support for their contentions. Here is the cited section from that case:

> Unlike Rhonda McCoy, Adams does not challenge the constitutionality of 18 U.S.C. § 2252(a)(4)(B) "as applied" to his conduct. Nor could he. Adams was prosecuted for possessing commercial, not home-grown, child pornography. [footnote] If constitutional at all, 18 U.S.C. § 2252(a)(4)(B) must reach the possession of commercial child pornography.

United States v. Adams, 343 F.3d 1024, 1030 (9th Cir. 2003).

The footnote states:

> By "commercial child pornography," we mean any sexually explicit depiction of a minor produced for sale, trade, or dissemination to the public. Adams admitted to possessing "prohibited images ... downloaded from a web site." (Def.'s Mot. for Downward Adjustments and Departures, No. 01 CR 1804, at 6 (S.D.Cal., March 12, 2002).) See United States v. Bentson, 947 F.2d 1353, 1356 (9th Cir.1991) ("A judicial admission is binding before both the trial and appellate courts."). He therefore concedes that he possessed commercial child pornography.

As shown, the judicial admission is from a filing where the Defendant himself admitted he did possess "prohibited images", per the statute. Jacobsen cannot admit that Defendants infringed on a specific date—only Defendants can say for certain when they infringed. Jacobsen can only say that which he believes to the best of his knowledge. Therefore, the dates which Jacobsen cites are not fixed in stone and should not be used as a basis for striking damages.

IV. CONCLUSION

For the reasons stated above and in his Opposition, the Court should deny Defendants' motion to dismiss and motion to strike.

Respectfully submitted,

DATED: December 8, 2008

By /s/

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