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

13 ROBERT JACOBSEN,

14 Plaintiff,

15 vs.

16 MATTHEW KATZER, KAMIND
17 ASSOCIATES, INC., and KEVIN
18 RUSSELL,

19 Defendants.

) Case No. C 06 1905 JSW

)
) REPLY MEMORANDUM OF
) POINTS AND AUTHORITIES IN
) SUPPORT OF SPECIAL MOTION
) TO STRIKE COUNTS 5 AND 7 IN
) THE COMPLAINT [Cal. Code Civ.
) Proc. § 425.16]

) Date: August 11, 2006
) Time: 9:00 a.m.
) Dept: Courtroom 17, 16th floor
) Hon. Jeffrey S. White

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REPLY IN SUPPORT OF DEFENDANT RUSSELL'S SPECIAL MTN. TO STRIKE

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1 INTRODUCTION

2 The SLAPP motion procedure has two steps. The first determines whether the
3 case arises out of constitutionally-protected petitioning or speech; the second decides
4 whether the plaintiff has admissible evidence to support the elements in his/her case.
5 Russell has met his threshold burden under the statute’s broad standard. A FOIA request
6 is simply not a “business or commercial transaction,” as Jacobsen contends, it is an
7 important part of a citizens’ right to petition. Moreover, Russell respectfully submits that
8 even if he had advised the government *informally*, rather than in a FOIA request, that he
9 believed it was sponsoring a program that infringed his client’s patent, said informal
10 contact would *still* constitute a protected petitioning activity within the meaning of the
11 SLAPP statute. Cal. Civ. Proc. Code § 425.16(b).

12 Russell’s showing shifts the burden to Jacobsen, who must show he has admissible
13 evidence to support each element of his case. *Before* filing a patent case a plaintiff
14 should conduct a claims analysis or have some other solid, factual basis to support its
15 allegations. *View Engineering, Inc. v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 984-86
16 (Fed. Cir.2000) The basis of Jacobsen’s entire case is his claim that KAM’s patents are
17 invalid. His opposition shows he has **no admissible evidence** to support that claim. His
18 “showing” consists of a great pile of disorganized paper, conclusory accusations, and
19 vague opinion testimony. Moreover, for the reasons stated in Russell’s moving papers,
20 Counts 5 and 7 in the complaint are without merit as a matter of law.

21 One other matter requires mention. When litigation is filed affecting the subject
22 matter of a patent application, the applicant is required to notify the Patent office.
23 *Manual of Patent Examination Procedure*, § 2001.06(c) (8th ed. 2001). When this case
24 was filed Russell sent requests that one patent application be withdrawn from issue, for
25 continued examination of a second patent application and he filed an information
26 disclosure statement as to a third patent application, all of which attached copies of
27 Jacobsen’s complaint in this action. Jacobsen attaches one such request to his declaration
28 opposing this motion, calling it “Russell’s admission of illegal conduct by his client

1 Katzer.” At ¶ 82. Two of the subject applications have now been reexamined, with all
2 the “prior art” allegations in Jacobsen’s complaint clearly before two different examiners,
3 have been allowed, and will issue upon payment of the issue fee. Thus it appears the
4 Patent Office is not impressed by Jacobsen’s complaint and the allegations of prior art
5 therein.

6 **STATEMENT OF FACTS**

7 The following relevant events have occurred since this motion was filed.

8 Jacobsen’s declaration attaches a copy of Russell’s request to withdraw patent
9 application No. **10/989,815** from issue *and for continued examination*, with a disclosure
10 statement indicating Jacobsen’s complaint was attached to the request. Exh. U. Jacobsen
11 characterizes the request as Russell’s “admission of illegal conduct by his client Katzer.”
12 Declaration at ¶ 82.

13 Similar papers were filed by Russell in two other patent applications. On June 8,
14 2006, the Patent Office mailed a Notice of Allowance of application No. 10/976,227, also
15 for a model train control system invented by Matthew Katzer. Request for Judicial
16 Notice filed herewith, Exhibits 1 through 5. The Patent Office Notice states at Exhibit 2,
17 page 2, that Jacobsen’s complaint provides “no further evidence that would suggest an
18 unfavorable ruling for the claims in the instant application.” A true copy of that paper is
19 attached to the accompanying Request for Judicial Notice and authenticated by reference
20 to the Patent Office’s web address.

21 On June 14, 2006, the Patent Office mailed a Notice of Allowance of Application
22 No. **10/989,815**, and stating at Page 2 that the request for continued examination was
23 received and that the patent is allowed. Exhibit 8 to the Request for Judicial Notice
24 shows clearly that *this patent is allowed after a second patent examiner reviewed*
25 *Jacobsen’s complaint*, as indicated by the examiner’s initials YB and signature /Yonel
26 Beaulieu/ (06/09/2006). (Request For Judicial Notice Exhibit 8).

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ARGUMENT

1. Russell has met his initial burden of showing that his FOIA request is a protected activity under Cal. Code Civ. Proc. § 425.16(b).

The SLAPP statute provides a motion to strike a cause of action “against any person arising from any act in furtherance of the person’s right of petition or free speech.” Cal. Civ. Proc. Code § 425.16(b). The statute expressly states that it “shall be construed broadly.” It is. *Briggs v. Eden Council for Hope & Opportunity*, 19 Cal. 4th 1106, 1119 (1999). To meet his burden under the statute, the moving party need not “first establish [his or] her actions are constitutionally protected under the First Amendment as a matter of law.” *Governor Gray Davis Com. v. American Taxpayers Alliance*, 102 Cal. App. 4th 449, 458 (2002). Rather, “a court must generally presume the validity of the claimed constitutional right in the first step of the anti-SLAPP analysis, and then permit the parties to address the issue in the second step of the analysis, if necessary,” in which the plaintiff can establish a probability he will prevail. *Id.*

FOIA’s “broad policy is one of disclosure, as a ‘check against corruption and to hold the governors accountable to the governed.” *R & W Flammann GMBH v. United States*, 339 F.3d 1320, 1323 (Fed. Cir. 2003). It provides a right to *petition* the government for information, including the right to petition for non-protected information about a commercial competitor. *Id.*, at 1321-35. The Constitution guarantees a right to petition, including petitioning administrative agencies.

None of Jacobsen’s cases is to the contrary. *Bosely Medical Institute, Inc. v. Kremer*, 403 F.3d, 672, 682 (9th Cir. 2005) only states that the right of *free speech* does not protect unauthorized use of another person’s trademark. *Blackburn v. Brady*, 116 Cal.App.4th 670 (2004) only states that bidding at a Sheriff’s auction is not a protected activity.¹ In this case, Russell correctly believed that the government was permitting a

¹It is not clear why Jacobsen cites *City of Cotati v. Cashman*, 29 Cal. 4th 69 (2000); and *Kajima Engineering [Etc.] v. Los Angeles*, 95 Cal. App. 4th 921 (2002); both cases consider

1 competitor to use its facilities for purposes of competing with KAM, and had every right
2 to inquire about such use.²

3 Moreover, as Russell believed Jacobsen was using government facilities to foster
4 an infringing product, it was a legitimate petitioning activity to notify the government of
5 his concern—regardless of what formal procedure he used. “Petitioning activity” has not
6 been limited to use of certain specified procedures. It is legitimate to notify the
7 government of one’s concerns about its acts regardless of whether such notice is given in
8 a FOIA request or by other means. And in determining petitioning activity was involved,
9 one may not assume—as Jacobsen appears to assume—that Russell did not believe in good
10 faith that the JMRI product infringed a patent. (Opp. at 11:4-12: 28.) The issue at this
11 initial stage is only whether Russell exercised his right to petition, not whether Jacobsen
12 is correct on the merits. *Governor Gray Davis Com.*, 102 Cal. App. 4th 449, 458.

13 **2. Jacobsen completely fails to show a probability he will**
14 **prevail on any of his claims, against any person.**

15 Once a defendant meets his threshold burden, the burden shifts to plaintiff to show
16 a probability he will prevail. That burden is equal to his/her burden of showing a genuine
17 issue of material fact on motion for summary judgment. The plaintiff must produce
18 evidence that would be admissible at trial. *Roberts v. Los Angeles County Bar Assn.*, 105
19 Cal. App. 4th 604, 614-15 (2003). If at trial the plaintiff will bear a burden of proof by
20 clear and *convincing evidence*, he/she must also meet *that* evidentiary standard to defeat

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22 whether a cause of action may be stricken because allegedly filed in *retaliation* for petitioning
23 activity, which is not an issue here.

24 ²Jacobsen insists that *Katzer* could not have believed the DOE “sponsored” his activity
25 because *Katzer* (not Russell) knew JMRI was a volunteer organization. Opp., 12:2-21. The
26 point is purely semantical. It is a fact that DOE let Jacobsen use its facilities not “incidentally,”
27 but on a large scale, to promote a product. If Jacobsen was authorized to do this, DOE was
28 *promoting* his product, and the fact legitimately concerned KAM. If Jacobsen was not authorized
to make commercial use of government facilities, and used them to promote a product he knew
KAM regarded as infringing, he should not be heard to complain that Russell told the government
that the product infringed.

1 the motion to strike. *Conroy v. Spitzer*, 70 Cal. App. 4th 1446, 1451-52 (1999).

2 Allegations that a patent is invalid must be proved by *clear and convincing*
3 evidence. *Schumer v. Laboratory Computer Systems*, 308 F.3d 1304, 1316. Above all,
4 the evidence must be *clear*. It is “improper” to accept confusing or generalized testimony
5 as evidence of invalidity. *Id.* “[T]estimony is insufficient if it is merely conclusory.” *Id.*
6 at 1315-16. “And if the testimony relates to prior invention and is from an interested
7 party, it must be corroborated.” *Id.* at 1316.

8 Jacobsen’s initial burden is to show that at least one of KAM’s patents is invalid.
9 Every claim in the complaint is based on his contention that KAM’s patents are invalid,
10 and *without clear, convincing and admissible evidence* of invalidity, the entire complaint
11 should be dismissed. Jacobsen proffers no such admissible evidence; his evidentiary
12 showing fails for at least three independently sufficient reasons.

13 *First*, Jacobsen’s declaration should not even be considered, because it is
14 impossibly confusing. *Schumer*, 308 F.3d 1304, 1316. Jacobsen apparently assumes he
15 can prove invalidity simply by listing a large number of model railroad control systems
16 which were not mentioned as prior art in one of KAM’s patent applications. He fails to
17 analyze even one system to show that it was material to a particular application and
18 *should* have been mentioned. This is the exact opposite of correct analysis, which
19 requires Jacobsen to show that each element in a specific claim, in a specific patent, was
20 included in prior art. E.g. *Digital Control, Inc. v. McLaughlin Mfg. Company, Inc.*, 248
21 F. Supp. 2d 1019, 1021-22 (W.D. Wash. 2003) and cases cited.

22 *Second*, Jacobsen submits only the uncorroborated testimony of two interested
23 parties, himself and Tanner--who admits he has an axe to grind-- about the significance of
24 prior invention. *Schumer*, 308 F.3d 1304, 1316.

25 *Third*, all the testimony is conclusionary. Jacobsen simply refers to other systems
26 and states that they have the “same functionality” as one or another KAM patent--without
27 further elaboration. E.g. Jacobsen decl., ¶’s 87; 107; and 112.

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1 *Fourth*, he repeatedly asks the Court to accept his word about the “functionality”
2 of programs without even attaching documents which would permit comparison. (See,
3 e.g. objections to evidence Nos. 15, 21, and 22.) Counsel has pointed out many of the
4 deficiencies in Jacobsen’s showing in the accompanying objections to evidence; it would
5 require from now until doomsday to find and list them all. As there is no admissible
6 evidence even one KAM patent was invalid, the complaint should be stricken.

7
8 **3. Jacobsen has not met his burden of showing a
probability of prevailing on his libel claim.**

9 Any motion or opposition to a motion must be supported by admissible evidence.
10 Civil L.R. 7-5(b). An allegedly defamatory writing that does not expressly mention the
11 plaintiff is not libelous per se and is actionable only if the plaintiff shows special
12 damages. *Barnes-Hind, Inc. v. Superior Court*, 181 Cal. App. 3d 377, 381-82 (1986).
13 “Special damages’ are all damages which plaintiff alleges and proves that he has suffered
14 in respect to his property, business, trade, profession or occupation, including such
15 amounts of money as the plaintiff alleges and proves he has expended as a result of the
16 alleged libel, and no other.” *Id.* at 382; Cal. Civ. Code § 48a(b). Special damages, in a
17 specific sum, must be pled with particularity. *New.Net, Inc. v. Lavasoft*, 356 F. Supp. 2d
18 1090, 1113 (C.D. Cal. 2003); F.R. Civ. P. 9(g).

19 As the FOIA request did not mention Jacobsen, he must show, by evidence that
20 would be admissible at trial, that he sustained special damages because of the alleged
21 libel. *Roberts*, 105 Cal.App.4th 604, 614-15. He fails to meet that burden; the only
22 “evidence” of damages consists of conclusionary statements that he spent “considerable”
23 time responding to the FOIA requests, and consequently “required to turn down” two
24 contracts, and that he “had to forgo being paid for certain days.” Jacobsen decl., ¶’s 46
25 and 56. It does not identify or attach the alleged contract offers, state the amount of time
26 allegedly diverted. He does not *even* identify the sum of money allegedly lost. His
27 testimony would not even meet his pleading burden, and let alone be admissible at trial.
28 *Roberts*, 105 Cal.App.4th 604, 614-15.

1 Moreover, Jacobsen has not shown Russell made a defamatory statement. There is
2 persuasive authority that a charge of patent infringement is not defamatory unless it is
3 coupled with other, more damaging accusations. *CMI, Inc. v. Intoximeters, Inc.*, 918 F.
4 Supp. 1068, 1084 (W.D. Ky. 1995); *Atlantic Mutual Ins. Co. v. J. Lamb, Inc.*, 100 Cal.
5 App. 4th 1017 (2002). Jacobsen cannot cite even one case to the contrary. Instead,
6 Jacobsen argues that because he is a professor and can be harmed by charges of
7 *plagiarism*, he is an exception to the rule. He is mistaken. Patent infringement is not the
8 same thing as plagiarism. A professor who becomes involved with patents no longer acts
9 as a professor; he/she is in business. Professors who act as business people are treated
10 accordingly. They are not “shunned” simply because they are accused of infringing
11 patents, and they are not entitled to special treatment. As Jacobsen cites neither evidence
12 nor authority to support his argument, his seventh claim should be dismissed.

13 Finally, the statement alleged was privileged under California Civil Code § 47(b).
14 Jacobsen argues that litigation could not have been intended in good faith because Russell
15 allegedly “knew” that a KAM patent was barred because anticipated by “four references .
16 . . which each constituted a prima facie case of unpatentability.” MPA, 11:4-9. The
17 point is not well taken, because there is no claims analysis, nor any admissible evidence
18 whatever, showing that any of the “four references” barred any patent application.
19 Moreover, Russell’s claim of privilege is not based solely on the fact that litigation was
20 intended, but also on the fact that applications made to the government, for information or
21 to induce action, are privileged. *Fontani v. Wells Fargo Investments*, 129 Cal. App. 4th
22 719, 731 (2005). As no authority or evidence supports Jacobsen, this claim should be
23 dismissed.

24 **4. Jacobsen fails to show a probability that he will prevail**
25 **on Count 5 in the complaint alleging an attorney-client**
26 **conspiracy.**

27 California law bars actions against an attorney for conspiring with a client, unless
28 the attorney violates an independent legal duty to the plaintiff or acts in his/her own
financial interest. *Berg & Berg Enterprises v. Sherwood Partners, Inc.*, 131 Cal. App. 4th

1 802, 815-18 (2005). An attorney charged with an antitrust violation committed in the
2 course of representing a client, such as “sham litigation,” or enforcing an invalid patent,
3 is not potentially liable for conspiracy unless shown to have used his own power or
4 influence to cause the violation. *Amarel v. Connell*, 102 F.3d 1494, 1522-23 (9th Cir.
5 1996).

6 Jacobsen attempts save Count 5 by claiming that Russell committed “fraud” and so
7 violated an independent duty. The elements of fraud are: “a representation, usually of
8 fact, which is false, knowledge of its falsity, intent to defraud, justifiable reliance upon
9 the representation, and damage resulting from the justifiable reliance.” *Stansfield v.*
10 *Starkey*, 220 Cal. App. 3d 59, 72-73. “It is settled that a plaintiff, to state a cause of
11 action based on a misrepresentation, must plead that he or she actually relied on the
12 misrepresentations.” *Mirkin v. Wasserman*, 5 Cal. 4th 1082, 1088-89 (1993) and cases
13 cited.

14 Jacobsen has not pled the elements of fraud and has not made any showing that
15 fraud exists. He does not even deny that the JMRI product literally infringed KAM’s
16 patents; but claims it was “false” to say there was infringement because KAM’s patents
17 were “invalid.” As he makes no prima facie showing of invalidity, he cannot even argue
18 that Russell made a false representation. On top of that, he does not even allege he relied
19 on any representation by Russell or was damaged as a result of such reliance. He cannot
20 show the existence of even one element of fraud, and this argument fails. *Stansfield*, 220
21 Cal. App. 3d 59, 72-73.

22 Jacobsen makes no attempt to show that Russell induced KAM to commit antitrust
23 violations, and therefore the antitrust allegations cannot form the basis of an “independent
24 duty.” *Amarel*, 102 F.3d 1494, 1522-23. Since Jacobsen makes no prima facie showing
25 that any KAM patent was invalid, there was no antitrust violation. Jacobsen has no
26 admissible evidence that any defendant violated any law, and the entire complaint should
27 be dismissed. *Schumer*, 308 F.3d 1304, 1316.

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