

Exhibit A

of

Motion for Leave
to File Surreply

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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.)

No. C-06-1905-JSW
**PLAINTIFF’S SURREPLY
MEMORANDUM IN BRIEFING FOR
MOTION TO DISMISS FOR MOOTNESS**
Date: Friday, December 19, 2008
Time: 9:00 a.m.
Courtroom: 2, 17th Floor
Judge: Hon. Jeffrey S. White
Filed concurrently:
Supplemental Request for Judicial Notice
Supplemental Declaration of Victoria K. Hall

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27)
28)

1 SUMMARY OF ARGUMENT

2 Contrary to Defendants’ and Kevin Russell’s contentions, Jacobsen’s arguments relate only
3 to standing, not to a motion for reconsideration. In order to show standing at the pleading stage,
4 Jacobsen must merely make allegations. He does not need to prove his case to show standing at
5 the pleading stage. In contrast, to prevail in a motion for reconsideration of the anti-SLAPP award
6 under Flatley, Jacobsen would need to demonstrate that the evidence conclusively shows that
7 Defendants and Russell were engaged in an unprotected activity. This standard is much higher
8 than that for standing. Discovery is needed. Thus, Jacobsen’s arguments only relate to whether
9 this Court retains jurisdiction over the ‘329 patent.

10 Russell, with his filing overdue by four weeks, does not have standing to challenge the
11 Court’s jurisdiction over the ‘329 patent. Russell is neither an owner nor assignee. He is, at best,
12 an interested bystander. This status does not grant him the right to challenge the Court’s
13 jurisdiction over the declaratory judgment causes of action.

14 Because of the controversy over Defendants’ and Russell’s statements that led to the anti-
15 SLAPP ruling in their favor, the Court retains jurisdiction over the declaratory judgment causes of
16 action relating to the ‘329 patent. Nothing that Defendants or Russell argue change this.
17 Defendants and Russell repeatedly cite inapposite, pre-MedImmune case law in support of their
18 arguments. Continuing a pattern of failing to cite mandatory precedent, Defendants fail to
19 acknowledge that federal law governs the appealability of anti-SLAPP orders and that this Court
20 cannot use anti-SLAPP procedure to strike the patent declaratory judgment causes of action.

21 Defendants and Russell argue that Jacobsen is not the prevailing party, but their arguments
22 rely on rigid fact patterns instead of the governing rules relating to judicial imprimatur.

23 Finally, under MedImmune and its Federal Circuit progeny, this Court has declaratory
24 judgment jurisdiction over the remaining Katzer patents. Katzer and Russell, and their counsel,
25 repeatedly accused Jacobsen of infringing multiple Katzer patents. Jacobsen denies infringement.
26 These facts, and others described in the Opposition, show that the Court has jurisdiction over all
27 issued Katzer patents.

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1 Plaintiff respectfully submits this Surreply memorandum in the briefing of Defendants’
2 Motion to Dismiss for Mootness.

3 **I. SUPPLEMENTAL FACTS**

4 Because Defendants’ intellectual property counsel Kevin Russell filed a response to
5 Jacobsen’s Opposition, and Katzer added new arguments and facts, Jacobsen supplements his
6 earlier Opposition with several newly disclosed facts.

7 First and foremost, Russell has not alleged or disclosed in any filing that he is the owner or
8 assignee of the Katzer patents. He has not stated any other basis for Article III standing to
9 challenge jurisdiction over the Katzer patents.

10 Second, Defendants and Russell admit they accused Jacobsen of infringement, but evade
11 providing a claim construction to the Court. Defendants and Russell repeatedly accused Jacobsen
12 of liability for 7,000 infringements, but neither Russell nor Defendants have been able to identify
13 even one person who has practiced the method of claim 1 of the ‘329 patent. Russell’s excuse for
14 withholding a claim construction is that claim construction “... [is] even in the clearest of cases
15 extremely expensive and time-consuming.” Declaration of Kevin Russell Supporting Reply to
16 Plaintiff’s Opposition Brief [Docket #254] [hereinafter Russell Decl.] at ¶ 6. Avoiding the cost of
17 claim construction would only be a valid argument if Katzer and Russell had not, to date, already
18 construed the claims. Meanwhile, Russell—as well as Katzer—maintain their “beliefs” that
19 Jacobsen infringed a valid and enforceable patent.¹ If true, then they had to do a claim
20 construction to find 7,000 infringers.

21 If Katzer and Russell engaged in good faith prosecution before the Patent Office, and had a
22 good faith belief that Jacobsen infringed, there should be no reason to evade a claim construction,
23 especially one with terms as simple as those in the ‘329 patent. The claim at issue in U.S. Patent
24 No. 6,530,329 (hereinafter “the ‘329 patent”) reads:

25 1. A method of operating a digitally controlled model railroad comprising the steps
26 of: (a) transmitting a first command from a first program to an interface; (b)
27 transmitting a second command from a second program to said interface; and (c)

28 ¹ Jacobsen filed a separate motion to strike portions of Russell’s and Katzer’s declarations for their failure to state the basis of their “beliefs”. [Docket #267]

1 sending third and fourth commands from said interface representative of said first
2 and second commands, respectively, to a digital command station.

3 Russell, having drafted and prosecuted the application that led to the ‘329 patent, must have used a
4 claim construction to determine the materiality of references during prosecution for that
5 application. In the alternative, Russell could have, but did not, use the claim construction which
6 Jacobsen offered in paragraphs 17 (command), 18 (program), 19 (interface) and 20 (digital
7 command station) of the Second Amended Complaint [Docket #191].² But Russell did not, and
8 neither did Defendants. Jacobsen believes that he knows why, which is discussed next.

9 Third, Russell referred to “plaintiff’s ... attempt to litigate the issues in the patent office....”
10 Russell Decl. at ¶ 6. With this statement, Jacobsen believes that Defendants and Russell have
11 publicly admitted a new fact which they kept concealed, while telling this Court that they
12 disclaimed U.S. Patent No. 6,530,329 “for practical reasons”, *id.*, and “purely economic
13 considerations”, Declaration by Matthew Katzer Supporting the Reply of Kevin Russell to
14 Plaintiff’s Opposition Brief [Docket #256] [hereinafter Katzer Decl.] at ¶ 6. See also Transcript of
15 April 11, 2008 hearing [Docket #224] at 15-16 (“In this case, the Defendants have disclaimed the
16 patent with the U.S. Patent Office completely voluntarily and independently of anything that either
17 Plaintiff or this Court has done.”) That new fact is this: Kevin Russell has been charged with
18 inequitable conduct by the Office of Enrollment and Discipline (OED), bar counsel for the PTO.
19 OED held off further investigation, pending the outcome of this case. In order to put an end to the
20 investigation, Russell and Katzer disclaimed the entire ‘329 patent and then had Defendants move
21 to dismiss for mootness. Russell then planned to seek a dismissal of OED charges because of this
22 Court’s dismissal. Plaintiff describes how he came to this conclusion, but first some background.

23 Despite having material references in his possession, Russell has repeatedly failed to
24 disclose the references to the Patent Office—unless Jacobsen produced the references and showed
25 that they were material. When Jacobsen filed suit in March 2006, Russell filed a Request for
26 Continued Examination in early April 2006 and on May 25, 2006 submitted the original complaint,

27 _____
28 ² Jacobsen based his construction on definitions from dictionaries in the Federal Circuit law library
and from information that a person having ordinary skill in the art would possess.

1 material references, and prior art that he and Katzer had been withholding. Declaration of Robert
2 Jacobsen in Opposition to Motion to Dismiss for Lack of Personal Jurisdiction [Docket #56] Ex. U;
3 Supplemental Request for Judicial Notice [hereinafter Supp. Req. Judicial Notice] Ex. A. When
4 Jacobsen filed his opposition to Russell's and Katzer's anti-SLAPP motions on June 9, 2006,
5 including more material references, Russell submitted those material references on June 26, 2006
6 to the Patent Office. Request for Judicial Notice [Docket 246] Ex. E. When Jacobsen pled in his
7 Second Amended Complaint on October 19, 2007 that Russell had not been providing examiner
8 rejections to other examiners who were working on related applications, Second Amended
9 Complaint [Docket #191] ¶¶ 112-133, Russell a few days later submitted those rejections buried in
10 2,000 pages of application file wrappers. See Request for Judicial Notice [Docket #246] Ex. B.
11 When Judge Laporte issued her order requiring a claim construction, and infringement, validity,
12 and enforceability analysis for claim 1 of the '329 patent, Russell and Katzer disclaimed rather than
13 provide the analysis to Jacobsen to obey the order. Supp. Req. Judicial Notice Ex. B. But at the
14 same time, Russell disclaimed another patent, U.S. Patent No. 7,177,733, a patent that is invalid for
15 Sec. 101 double patenting over U.S. Patent No. 6,909,945. Supp. Req. Judicial Notice Ex. A. The
16 '945 and '733 patents issued from applications that were parent-child continuation applications.
17 Second Amended Complaint [Docket # 191] Ex. A. This second disclaimer appears to be
18 disconnected from anything, but it was not. With Defendants' public confirmation that they
19 viewed Jacobsen's acts as "an attempt to litigate issues in the patent office", Russell Decl. ¶ 6,
20 Jacobsen discloses what he believes has happened.

21 Jacobsen has not made any filings with the Examination units at the PTO. However, the
22 undersigned made a filing on August 20, 2007, and it is the only filing that Russell could be
23 referring to. On August 20, 2007, the undersigned reported Kevin Russell to OED, PTO's bar
24 counsel. Supplemental Declaration of Victoria K. Hall Ex. A. The undersigned is a patent
25 attorney, as is Russell, and is bound by the rules of professional responsibility, which require
26 reporting of ethics violations. 37 C.F.R. §§ 10.24 (a)-(b) & 10.23(16). The undersigned did not
27 reveal this letter publicly. Russell could not have found out about this letter unless OED sent it to
28 him with a complaint letter. See 37 C.F.R. § 11.22. In order to avoid any ruling on inequitable

1 conduct, Russell chose to disclaim the two patents that threatened him—the ‘329 patent and the
2 ‘733 patent.

3 Correspondence between Russell and OED must exist. If and when Russell and Defendants
4 disclose their correspondence with OED on this matter, Jacobsen believes it will confirm the facts
5 as stated above.

6 **II. ARGUMENT**

7 **A. As a Preliminary Matter, Russell Does Not Have Standing to Oppose**
8 **Jurisdiction Over the Katzer Patents**

9 As a preliminary matter, Russell does not have standing to oppose declaratory judgment
10 jurisdiction over the Katzer patents because he is neither the owner nor the assignee of these
11 patents. Article III standing requires injury-in-fact. Diamond v. Charles, 476 U.S. 54, 66-67
12 (1986). The injury-in-fact is to Katzer and KAMIND’s interests in the Katzer patents. Russell has
13 no ownership interests in those patents. Russell has cited no case law that permits a prosecuting
14 attorney, who has no ownership interest in a patent, to litigate patent declaratory judgment
15 jurisdiction on his own behalf. At best, Russell has an interest in the outcome, but that interest is
16 not sufficient to afford standing to Russell. Diamond, 476 U.S. at 67. Therefore, the Court should
17 not consider Russell’s arguments.³

18 **B. Defendants’ and Russell’s Arguments Do Not Change That This Court Has**
19 **Jurisdiction Over the ‘329 patent**

20 **1. Defendants Do Not Contest Any Element of Standing Except Redressibility**

21 Defendants and Russell do not contest any element of standing except redressibility, but
22 their arguments relating to redressibility fail. In order for them to win on redressibility, they have
23 to prove that, even if the Court retained jurisdiction over the patent declaratory judgment causes of
24 action, the Court could not issue an order redressing the harm. As discussed next, the Court can
25 redress the harm.

25 ³ Russell’s filing is 4 weeks late, thus it is untimely. The Court gave Russell until October 10,
26 2008 to file a response. Russell did not seek an extension of time, but filed November 7, 2008.
27 The lateness of this filing worked prejudice on Jacobsen since Jacobsen had other filings due
28 November 21, 2008, whereas he had none due for 5 weeks following October 10, 2008. Russell’s
unwillingness to follow the Court’s rules serves as another basis for the Court to reject Russell’s
filing.

1 (a) If the Evidence Conclusively Proves that Defendants' Activities Are Not
2 Protected by the First Amendment, then Anti-SLAPP Laws Do Not Apply

3 As discussed in Jacobsen's Opposition, if the evidence conclusively proves that
4 Defendants' prelitigation activities were not protected by the First Amendment, then Defendants'
5 cannot claim they were engaged in a protected activity. None of the cases that Defendants or
6 Russell cite holds otherwise.

7 Defendants cite Birkner v. Lam, 156 Cal. App. 4th 275 (Ct. App. 2007), but the case does
8 not advance their arguments. In Birkner, a landlord defendant was charged with various torts for
9 failing to rescind an eviction notice. 156 Cal. App. 4th at 278-280. The Birkner Court held that
10 the eviction notice was an official act for the purposes of the statute because the landlord was
11 required by statute to serve the eviction notice prior to bringing an eviction action. Id. at 282.
12 Because it was a necessary step to the litigation process, it was a protected activity. Id.
13 Defendants also selectively quote a phrase from Birkner that states that allegations of unlawful or
14 unethical acts are not enough for an activity to fall outside the protected status granted by the
15 statute. The case that Birkner cites from, Kashian v. Harriman, 98 Cal. App. 4th 892 (Ct. App.
16 2002), was decided by an intermediate state appellate court several years before Flatley v. Mauro,
17 39 Cal. 4th 299 (Cal. 2006). Also, the important difference between Kashian and Flatley is that
18 Kashian involved allegations as compared to evidence that conclusively proves that Defendants
19 engaged in unprotected activities. Jacobsen seeks to show the latter. Thus, Jacobsen has standing.

20 Russell cites Navellier v. Sletten, 28 Cal. 4th 82 (Cal. 2002) and Mann v. Quality Old Time
21 Service, Inc., 120 Cal. App. 4th 90 (Ct. App. 2004), but neither advances his arguments. In
22 Navellier, the protected activity arose from a lawsuit that had actually been filed, not from
23 prelitigation activity, as here and in Flatley. The filing of a lawsuit is a protected activity. In
24 Mann, the protected activity arose from reports to law enforcement, again, a protected activity.
25 Here, as in Flatley, Defendants' and Mr. Russell's activities arose from purported good faith
26 prelitigation investigation. However, in Flatley, the prelitigation activity was not protected.
27 Furthermore, Russell's statements regarding subjective belief are irrelevant for the reasons stated
28 above and also because, in Flatley, the plaintiff had every reason to have reasonable apprehension

1 of lawsuit after receiving the letter and phone calls from the would-be rape victim's attorney. With
2 discovery and judgment in the declaratory judgment causes of action, Jacobsen will also be able to
3 conclusively show that Defendants' activities were not protected by the First Amendment, and
4 thus, he would be able to successfully seek reconsideration of this Court's October 20, 2006 order.

5 To divert the Court's attention, Russell discusses at length the previous proceedings and the
6 Court's Oct. 20, 2006 order, but this discussion evades the issues. Jacobsen argued that Russell's
7 and Defendants' activities are unprotected under the sham litigation exception to the Noerr-
8 Pennington doctrine, which courts have applied to both antitrust and unfair competition causes of
9 action in which patent holders sent cease and desist letters. After Flatley, there is no logical reason
10 why this exception should not apply to anti-SLAPP. Defendants and Russell evade this issue
11 through citation to irrelevant case law, instead of addressing the issue head on.

12 (b) Defendants Are Not Entitled to Summary Judgment on the Declaratory
13 Judgment Causes of Action

14 In offering their declarations relating to their beliefs of infringement and validity of the
15 '329 patent, Defendants appear to believe that they are entitled to summary judgment in their favor
16 on these grounds. Because discovery has not opened, the Court should not grant summary
17 judgment in Defendants' favor. See Fed. R. Civ. P. 56(e)-(f). See also Celotex Corp. v. Catrett,
18 477 U.S. 317, 322 (1986) (requiring adequate time for discovery prior to summary judgment).
19 Also, because Defendants' and Mr. Russell's beliefs are unsupported by any facts or claim
20 construction, summary judgment would be inappropriate. Fed. R. Civ. P. 56(e). See generally
21 Jacobsen's Motion to Strike [Docket #267]; Civil L. R. 7-5(b).

22 (c) Rule 60 Does Not Bar a Future Motion for Reconsideration Since Anti-
23 SLAPP Order Was Not Immediately Appealable

24 If Jacobsen elects to file a motion for reconsideration, this Court will have jurisdiction to
25 hear it. Federal Rules of Civil Procedure Rule 60 does not bar a future motion for reconsideration,
26 because this Court's October 20, 2006 was not an appealable order.

27 Federal courts use federal procedure rules to determine whether an anti-SLAPP order falls
28 within a narrow class of non-final decisions that are appealable as collateral orders. Batzel v.
Smith, 333 F.3d 1018 (9th Cir. 2003). Thus, Defendants' citation to the state law case, Kunysz v.

1 Sandler, 146 Cal. App. 4th 1540 (Ct. App. 2007), is inapposite. A district court's decision is
2 appealable as a collateral order if it "(1) [is] 'conclusive,' (2) 'resolve[s] important questions
3 completely separate from the merits,' and (3) 'render[s] such questions effectively unreviewable on
4 appeal from a final judgment in the underlying action.'" Batzel, 333 F.3d at 1024-25 (citation
5 omitted). Here, this Court's order granting the anti-SLAPP motions did not result in an order that
6 was effectively unreviewable. Simply put, if the Federal Circuit disagrees with this Court's ruling,
7 the Federal Circuit will reverse, order this Court's decision be vacated, and order that attorney fee
8 award and costs to be returned to Plaintiff. See Thomas v. Nakatani, 309 F.3d 1203, 1206-08 (9th
9 Cir. 2002) (distinguishing non-final orders denying immunity, which are appealable, from non-
10 final orders granting damages, which are not appealable.). In contrast, district court decisions that
11 deny anti-SLAPP motions are appealable. Batzel, 333 F.3d at 1024-1026. Anti-SLAPP grants an
12 immunity from suit to those who can successfully raise it. Id. at 1025. If the defendant is entitled
13 to an immunity but has to wait until the end of trial to appeal it, the purpose of the statute—to
14 avoid the burdens of trial—would be defeated, and thus make the order effectively unreviewable.
15 Id. at 1025-26. Therefore, like other denials of immunity, a decision denying an anti-SLAPP
16 motion is immediately appealable, whereas a decision granting the same motion is not immediately
17 appealable. Thus, this Court will have jurisdiction over any future motion to reconsider the anti-
18 SLAPP ruling.

19 2. Defendants' and Russell's Mootness Arguments Fail

20 Alternately, Defendants and Russell argue that the dispute over the '329 patent is moot.
21 Defendants argue that Jacobsen entered into a stipulation, which mooted the action. This is not the
22 case. They and Russell also make other mootness arguments, which also fail

23 (a) Contrary to Defendants' Contentions, No Stipulation Has Been Entered Into

24 Unlike the parties in Janssen Pharmaceutica, N.V. v. Apotex, Inc., 540 F.3d 1353 (Fed. Cir.
25 2008) a case cited by Defendants, Jacobsen has not entered into a stipulation that infringement and
26 validity are moot.⁴ A stipulation must be signed by the two parties and presented to the Court to

27 _____
28 ⁴ Prior to the Caraco decision, Jacobsen said he was willing to enter into a stipulation with
Defendants as to mootness of noninfringement and invalidity under certain conditions. Jacobsen

1 sign. Civil L. R. 7-12. Once it is signed, then the stipulation takes effect. In Janssen, the two
2 parties stayed litigation while Janssen, the patent holder, litigated infringement and validity in a
3 related case. See Supp. Req. Judicial Notice Ex. C (Janssen-Apotex stipulation from Janssen Joint
4 Appendix). Both Janssen and Apotex agreed that if the Federal Circuit affirmed that Janssen’s
5 patent-in-suit was valid and infringed, then Apotex would agree to that result. Here, Defendants
6 did not send any written stipulation to Jacobsen, nor did Jacobsen offer any written stipulation.
7 This Court has not signed any stipulation. Hence, there is no stipulation as there was in Janssen,
8 and the case is inapposite.

9 (b) Defendants’ and Russell’s Other Arguments are Inapposite

10 Defendants and Russell made a number of other arguments related to mootness, which do
11 not defeat declaratory judgment jurisdiction.

12 Defendants argue that the disclaimer, like a covenant not to sue, moots all three declaratory
13 judgment actions.⁵ A covenant not to sue can moot declaratory judgment causes of action, Super
14 Sack Manufacturing Corp. v. Chase Packaging Corp., 57 F.3d 1054, 1058 (Fed. Cir. 1995), but
15 does not necessarily do so, Caraco Pharmaceutical Laboratories, Ltd., v. Forest Laboratories, Inc.,
16 527 F.3d 1278, 1296-97 (Fed. Cir. 2008), Highway Equipment Co. v. FECO Ltd., 469 F.3d 1027,
17 1034-36 (Fed. Cir. 2006). Their arguments relating to Super Sack do not help them. Contrary to
18 Defendants’ contentions, Benitec Australia, Ltd. v. Nucleonics, Inc., 495 F.3d 1340 (Fed. Cir.
19 2007) recognized that Super Sack was decided under the “reasonable apprehension of imminent
20 suit” test that the Supreme Court explicitly rejected in MedImmune, Inc. v. Genentech, Inc., 549
21 U.S. 118 (2007). The Benitec Court instead analyzed declaratory judgment jurisdiction using
22 MedImmune’s test and its Federal Circuit progeny. 495 F.3d at 1342.

23 Defendants also argue that Nilssen v. Osram Sylvania, Inc., 504 F.3d 1223 (Fed. Cir. 2007)
24 does not support jurisdiction over the declaratory judgment cause of action for unenforceability.
25 Defendants have not covenanted not to sue for all purported infringement—past, present, and
26

27 said nothing about unenforceability. Defendants misstate Jacobsen’s position when they say he
28 agreed to stipulate to mootness of all three declaratory judgment causes of action.

⁵ Russell makes similar arguments, which are inapposite for the same reasons.

1 future—nor disclaimed the remaining Katzer patents. Until there is no possibility that Defendants
2 will sue Jacobsen for infringement of any Katzer patent, and no possibility of declaratory judgment
3 jurisdiction, dismissing the declaratory judgment cause of action relating to unenforceability of the
4 ‘329 patent is premature.

5 3. Flatley Permits Jacobsen to Seek Evidence Which Conclusively Establishes that
6 Defendants and Russell Were Not Engaged in a Protected Activity

7 Under Flatley, an activity is not protected under anti-SLAPP if Defendants admit it wasn’t
8 protected or if the evidence conclusively establishes that the activity was not protected. With their
9 record of evasive declarations and filings, Defendants and Russell cannot realistically be expected
10 to admit they were engaged in sham litigation and Walker Process fraud, which are unprotected by
11 the First Amendment. Flatley permits Jacobsen to seek evidence which will conclusively establish
12 that Defendants and Russell were engaged in activities that were not protected by the First
13 Amendment. Thus, due process requires that this Court retain jurisdiction over the declaratory
14 judgment causes of action relating to non-infringement, invalidity, and unenforceability.

15 4. Arguments that the Court has Declaratory Judgment Jurisdiction Are Not a Motion
16 For Reconsideration

17 Jacobsen’s arguments relating to redressibility are not a motion for reconsideration because
18 Jacobsen has to address the case law and facts relating to standing as presently known—not as
19 known in summer 2006—or else he risks waiving the arguments. See Civil L.R. 7-9(b). Thus,
20 Jacobsen must discuss newly disclosed facts and new developments in the case law to demonstrate
21 to this Court that it could redress the harm Jacobsen suffered if the Court retained jurisdiction over
22 the patent declaratory judgment causes of action.

23 Since Jacobsen’s arguments are directed to showing that he has standing and not a motion
24 for reconsideration, this Court should decline Defendants’ and Russell’s invitation to convert it into
25 a motion for reconsideration. “[E]ach element of Article III standing must be supported in the
26 same way as any other matter on which the plaintiff bears the burden of proof, i.e., with the manner
27 and degree of evidence required at the successive stages of the litigation.” Bennett v. Spear, 520
28 U.S. 154, 168 (1997) (citation and quotation omitted).

1 [W]hile a plaintiff must set forth by affidavit or other evidence specific facts to
2 survive a motion for summary judgment, Fed. Rule Civ. Proc. 56(e), and must
3 ultimately support any contested facts with evidence adduced at trial, at the pleading
4 stage, general factual allegations of injury resulting from the defendant's conduct
5 may suffice, for on a motion to dismiss we presume that general allegations embrace
6 those specific facts that are necessary to support the claim.

7 Id. (citation and quotations omitted). In order to show standing at the pleading stage, Jacobsen
8 must set forth only the allegations of harm. He has done so. He is not required to put on his entire
9 case at the pleading stage. See id. Therefore, he is not required to put forward all evidence in his
10 possession to conclusively demonstrate that Defendants' and Russell's activities were unprotected
11 by anti-SLAPP laws, as he would be required if he presented a motion for reconsideration.
12 Jacobsen will seek reconsideration after discovery is complete, and will include other arguments,
13 presently available to him, in that motion. For the Court to convert the redressibility arguments
14 into a motion for reconsideration, without any notice, would be work serious prejudice on Jacobsen
15 since it would foreclose those arguments in a later motion for reconsideration.

16 5. Declaratory Judgment Cannot Be Stricken Under Anti-SLAPP Procedure

17 Because the Erie doctrine does not apply to federal causes of action, this Court cannot strike
18 the patent declaratory judgment causes of action under anti-SLAPP laws, Bulletin Displays, LLC v.
19 Regency Outdoor Advertising, Inc., 448 F. Supp. 2d 1172, 1181 (C.D. Cal. 2006), even though
20 Defendants and Mr. Russell implicitly urge the Court to do so.

21 As the Bulletin Displays stated,

22 Erie has no application to federal question claims, only to state law claims in
23 diversity actions and pendent state law claims in federal question cases. Second,
24 while Regency may be correct that federal courts' refusal to apply the anti-SLAPP
25 statute to federal question claims in federal court could result in forum-shopping, at
26 least to the extent state courts would apply the anti-SLAPP statute to federal claims,
27 that argument ignores the competing federal interest in uniform application of
28 federal law. [...] To permit a defendant sued on a federal claim in federal court in
California to bring an anti-SLAPP motion to strike the federal claim simply because
a California statute permits such a motion, when a defendant sued on the same
federal claim in federal court in another state could not do so, would make the
available defenses to the federal claim dependent on the location of the federal court
and the substance of the forum state's laws. This would frustrate federal courts'
interest in prescribing rules of procedure applicable to federal claims, and in
uniformity of federal law. Moreover, as the anti-SLAPP statute has been described
as establishing a rule of "substance," rather than procedure, applying it to federal
claims arguably would permit state law to affect and alter the substance of federal
claims in violation of the Supremacy Clause of the Constitution. While the anti-
SLAPP statute furthers "important, substantive state interests," California has no

1 interest in dictating rules of procedure or substance applicable to federal claims
2 brought in federal court.

3 448 F. Supp. 2d at 1181-82 (citations and quotations omitted). The Bulletin Displays Court then
4 denied a defendants' request to strike federal RICO and Clayton Act claims through an anti-SLAPP
5 motion. Id. at 1182. Other federal courts in California have used similar reasoning to deny a
6 defendant's motion to strike federal claims through an anti-SLAPP motion. E.g., In re Bah, 321
7 B.R. 41, 45 (B.A.P. 9th Cir. 2005); Globetrotter Software, Inc. v. Elan Computer Group, Inc., 63 F.
8 Supp. 2d 1127, 1130 (N.D. Cal. 1999). This Court should decline Defendants' and Russell's
9 invitation to use state law procedure to strike the federal declaratory judgment causes of action.

10 **C. Facts Relating to Judicial Imprimatur Determine Prevailing Party Status**

11 Jacobsen is the prevailing party within the meaning of 35 U.S.C. § 285. Defendants and
12 Russell argue that Jacobsen is not the prevailing party because the facts do not neatly fall within a
13 fact pattern in other precedent. The rules relating to prevailing party are not so rigid. Prevailing
14 party status requires that a party obtain some relief that he sought and that it be judicially
15 sanctioned. Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep't of Health & Human Res., 532
16 U.S. 598, 604 (2001). Litigants obtain prevailing party status a variety of ways aside from an entry
17 of judgment. E.g., Highway Equip. Co. v. FECO Ltd., 469 F.3d 1027, 1034-36 (Fed. Cir. 2006);
18 Inland Steel Co. v. LTV Steel Co., 364 F.3d 1318, 1319-1321 (Fed. Cir. 2004). Through
19 Defendants' disclaimer, the '329 patent is treated as if it never issued. See Vectra Fitness, Inc. v.
20 TNWK Corp., 162 F.3d 1379, 1383 (Fed. Cir. 1998). If it never issued, then the '329 patent was
21 never valid and enforceable, and Jacobsen never infringed it. Thus, through Defendants'
22 disclaimer, Jacobsen has achieved a "material alteration in the legal relationship between the
23 parties." Buckhannon, 532 U.S. at 604 (2001). Contrary to their assertions that the disclaimer was
24 "purely voluntary", the real reason was because of Judge Laporte's order requiring Defendants to
25 disclose their positions on claim construction, infringement, validity, and enforceability. The facts
26 strongly suggest that, in order to avoid a claim construction that might cause problems later with
27 bar counsel, Defendants and Russell disclaimed the '329 and '733 patents. Judge Laporte accepted
28 the '329 patent's disclaimer in lieu of the disclosures. Therefore, the disclaimer has the necessary

1 judicial imprimatur.

2 Defendants argue that the Court does not retain jurisdiction over the declaratory judgment
3 cause of action for unenforceability to determine exceptionalness under Sec. 285. First off, these
4 arguments are relevant only if Jacobsen is not prevailing party and if the Court does not retain
5 jurisdiction over the '329 patent. Next, instead of stating that a covenant not to sue can moot
6 declaratory judgment causes of action, as they did in an earlier section of their Reply, they stated
7 that it must moot the controversy and bar recovery of attorney's fees under Sec. 285. They cite
8 Super Sack and Benitec, as well as the non-patent decision Lewis v. Continental Bank Corp., 494
9 U.S. 472 (1990), as support for their position. Again, Super Sack was decided prior to
10 MedImmune, which Benitec recognized. Lewis did not involve a covenant not to sue, but
11 congressional action that mooted a lawsuit between an out-of-state bank and the State of Florida.
12 494 U.S. at 476-77. Continental Bank did not have prevailing party status, nor would a judgment
13 in Lewis "infect" other bank ownership applications, as a ruling relating to unenforceability might
14 affect other patents. Importantly, the Supreme Court vacated the decision, but did not reverse, to
15 permit Continental Bank to show standing to challenge the law on another basis. Id. at 482-83.
16 Defendants also cited to the pre-MedImmune decisions Sony Electronics, Inc. v. Soundview
17 Technologies, Inc., 375 F. Supp. 2d 99 (D. Conn. 2005) and True Center Gate Leasing, Inc. v.
18 Sonoran Gate, LLC, 402 F. Supp. 2d 1093 (D. Ariz. 2005) in support of their arguments. The fatal
19 flaw in their reliance on these cases is that a covenant not to sue does not necessarily moot a
20 declaratory judgment cause of action. Jacobsen has shown that a case or controversy exists.
21 Defendants fail to rebut declaratory judgment jurisdiction.

22 Russell makes similar arguments, often citing the exact same cases. Russell first argues
23 that "a party's desire to recover attorney's fees does not provide a basis for further litigation of a
24 moot cause". These arguments ignore that Jacobsen is prevailing party. Russell then cites the
25 pre-MedImmune case True Center Gate Leasing and three non-patent pre-MedImmune cases, in
26 addition to Lewis: Mortera v. North American Mortgage Co., 172 F. Supp. 2d 1240 (N.D. Cal.
27 2001), Diamond v. Charles, 476 U.S. 54 (1986), Tunik v. Merit Systems Protection Board, 407
28 F.3d 1326 (Fed. Cir. 2005). Montera involved a plaintiff whose case had been removed to federal

1 court, and who sought to have the case remanded to state court. 172 F. Supp. 2d at 1242. The
2 plaintiff had sued for relief under California Business and Professions Code Sec. 17200, but did not
3 meet federal standing requirements for Article III jurisdiction to exist. *Id.* The Montera court
4 agreed with the plaintiff and ordered the case to be remanded, stating that federal courts did not
5 have jurisdiction to hear the claim. *Id.* at 1243-44. No other issue remained to be litigated.
6 Diamond involved a doctor, who had intervened in a lawsuit to defend a statute that restricted a
7 woman's right to abortion. 476 U.S. at 57-58. The Supreme Court held that only the state could
8 defend the statute, and since the state had not petitioned for certiorari, the doctor, as intervenor, did
9 not have standing to defend the statute. *Id.* at 62-68. In Tunik, an administrative law judge
10 objected to interference with his decision-making, and then he voluntarily retired. 407 F.3d at
11 1329. Because the only relief that he sought was to bar the agency from further interfering with his
12 rulings, the case was mooted with his voluntary retirement. *Id.* at 1330-32. Again, no other issue
13 remained to be litigated. These cases are inapposite.

14 Russell argues that Jacobsen is not the prevailing party, and in doing so, appears to argue
15 that, aside from a dismissal under Rule 41, Jacobsen can never be a prevailing party, absent a
16 judgment or consent decree. As stated earlier, the determinative factor is whether Jacobsen has
17 obtained a material alteration of the legal relationship between the parties and whether it is
18 judicially sanctioned. A judicial sanction is not limited to a specific set of facts. *E.g.*, Inland Steel
19 Co. v. LTV Steel Co., 364 F.3d 1318, 1319-1321 (Fed. Cir. 2004). Analysis is necessary to
20 determine whether the facts support that the change has the necessary judicial imprimatur. As
21 Jacobsen has argued earlier, the change in the legal relationship was brought about by Judge
22 Laporte's order.⁶ Thus, it has the necessary judicial imprimatur.

23 **D. Declaratory Judgment Jurisdiction Over Other Katzer Patents Is Not Advisory**

24 Due to Defendants and Russell's contentions that Jacobsen infringed multiple patents, a
25 case or controversy exists as to those patents. The purpose of the case or controversy requirement
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27 ⁶ Defendants state that a magistrate does not have the power to provide "actual relief on the merits.
28 See e.g. ADR Local Rule 7-1." This local rule says no such thing. It merely describes a
magistrate's role in the settlement conference. Magistrates do issue orders which they can enforce.

1 for Article III jurisdiction is so that federal courts do not issue advisory opinions. “[W]here a
2 patentee asserts rights under a patent based on certain identified ongoing or planned activity of
3 another party, and where that party contends that it has the right to engage in the accused activity
4 without license, an Article III case or controversy will arise.” SanDisk Corp. v.
5 STMicroelectronics, Inc., 480 F.3d 1372, 1381 (Fed. Cir. 2007). Here, Defendants and Russell
6 cannot contest that, over the course of three years, they repeatedly charged Jacobsen with
7 infringing multiple Katzer patents for releasing JMRI software. Jacobsen has always disputed that
8 he did not infringe any valid and enforceable Katzer patent. Now that Defendants face declaratory
9 judgment jurisdiction—and potentially, problems with bar counsel—they want to take back their
10 accusations. However, having “rung the bell”, they cannot do so. Declaratory judgment
11 jurisdiction exists over all Katzer patents.

12 Defendants rely upon the “reasonable apprehension of suit” standard, which the Supreme
13 Court rejected in MedImmune, to argue that the Court would be issuing an advisory opinion if the
14 Court permitted Jacobsen to amend his complaint to include the other Katzer patents. This is no
15 “abstract or hypothetical case”, as Defendants contend. Defendants and their counsel made the
16 accusations. Jacobsen has always denied the accusations. Therein lies the dispute.

17 Defendants also make much ado over Jacobsen’s being unable to cite all Katzer patents at
18 the April 11, 2008 hearing. This is irrelevant. In Micron Technology, Inc. v. MOSAID
19 Technologies, Inc., 518 F.3d 897, 898-901 (Fed. Cir. 2008), the Federal Circuit held that the
20 district court had declaratory judgment jurisdiction over patents that defendant patent holder
21 MOSAID had never named in any letter to accused infringer Micron. Under the Micron Court’s
22 reasoning, this Court has declaratory judgment jurisdiction over all Katzer patents.

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III. CONCLUSION

For the foregoing reasons and the reasons stated in Jacobsen's Opposition, the Court should deny Defendants' motions.

Respectfully submitted,

DATED: December 8, 2008

By _____ /s/

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