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Attorneys for Defendants
Matthew Katzer and Kamind Associates, Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ROBERT JACOBSEN, an individual,

Plaintiff,

vs.

MATTHEW KATZER, an individual, and
KAMIND ASSOCIATES, INC., an Oregon
corporation dba KAM Industries,

Defendants.

Case Number C06-1905-JSW

Hon. Jeffrey S. White

**DECLARATION OF MATTHEW
KATZER IN OPPOSITION TO
PLAINTIFF’S MOTION FOR A
PRELIMINARY INJUNCTION**

1 I, Matthew Katzer, declare:

- 2 1. I am control shareholder and operator of the close corporation Kamind Associates,
3 Inc. ("KAM"). KAM and I are the only two defendants in this lawsuit. If called as a
4 witness, I would and could testify to the following as a matter of personal knowledge.
- 5 2. I am authorized by KAM to make this declaration in opposition to plaintiff's motion
6 for a preliminary injunction.
- 7 3. Since 1991 KAM has developed and continues to develop computer software for
8 operating digitally controlled model trains.

9 **KAM'S PAST COPYING OF THE JMRI DECODER DEFINITION FILES**

- 10 4. I reviewed Plaintiff's Decoder Definition Files in 2006 when Plaintiff first filed his
11 motion for a preliminary injunction. These files are data files that are part of JMRI's
12 software product, Decoder Pro. The files consist of manufacturer specifications data
13 relating to the computer chips in model train engines (these are called decoders) as
14 well as program configuration information.
- 15 5. KAM software code is written in Microsoft Programming Languages (C#, VB, .NET
16 and C++). JMRI's Decoder Pro uses JAVA as the programming language for its
17 code. JAVA code is not compatible with C#, VB, .NET and C++ code. KAM's
18 Decoder Commander does not use any JAVA code.
- 19 6. In June 2004, KAM began developing the software that would become Decoder
20 Commander. This software is similar in functionality to JMRI's Decoder Pro in that it
21 also facilitates the programming of decoders by a user. KAM and JMRI are the only
22 two primary entities that provide such software in the U.S. market and they are
23 competitors with each other.
- 24 7. Originally, Defendants' Decoder Commander did contain information copied and then
25 converted from JMRI's Decoder Definition Files. During the software development
26 phase of Decoder Commander, a KAM independent contractor, Mr. Robert Bouwens,

1 downloaded the JMRI open source Decoder Definition Files in early 2005.

2 8. This independent contractor then created a tool, called the template verifier, to extract
3 the manufacturer specifications data from the JMRI Decoder Definition Files. This
4 raw data was then incorporated, along with other manufacturers' specifications
5 (National Model Railroad Association (NMRA) specifications and others such as the
6 QSI specifications) into what became known as KAM's decoder template data files.

7 9. The KAM decoder template files were raw data files which provides descriptive
8 names to numerical locations in a computer chip (decoder) in a model train to aid
9 programming of a decoder. These named numerical locations are described in the
10 manufacturer's decoder specifications. Different manufactures products have
11 different specifications with unique names for the decoder's numerical locations The
12 manufacturer specifications assist users to "see" the internal numerical locations of a
13 particular decoder, and identify that location using names like "Primary Address"
14 (from the NMRA 1994 specification).

15 10. In addition to including these decoder template data files, the KAM Decoder
16 Commander software suite includes multiple separate application programs. The
17 Decoder Commander and the other separate application program code are unrelated to
18 the decoder template data files and do not contain any of the information that the
19 Plaintiff has copyrighted.

20 11. Neither Plaintiff's Decoder Definition Files, nor the manufacturer specifications data
21 are required for KAM's Decoder Commander to execute its program code. KAM's
22 Decoder Commander was, at one time, capable of using converted JMRI Decoder
23 Definition Files, but the current version of Decoder Commander is incapable of using
24 converted Decoder Definition Files or original JMRI Decoder Definition Files.

25 12. KAM copied the JMRI Decoder Definition Files, at the time, in an effort to promote
26 the idea of a national standard for manufacturers' specifications data. Since the JMRI

1 open source software is available to the public for free, I did not believe that the
2 Plaintiff would become upset by my inclusion of portions of the decoder definition
3 data files (i.e. the manufacturer specifications) in KAM's decoder template data files.
4 I based this conclusion on the following facts. Plaintiff's decoder definition files are
5 not themselves foundational works, rather they build on an effort to construct a
6 master, uniform template of manufacturer's specification data. The Decoder
7 Definition Files themselves incorporate manufacturer's specification data initially
8 created by multiple different manufacturers, including QSI, as well as manufacturer's
9 specifications data created by the National Model Railroad Association (NMRA).
10 This idea of creating a national standard was supported by numerous members of the
11 model train community including myself. Exhibit V to the Declaration of Robert
12 Jacobsen in Support of Plaintiff's Motion for Preliminary Injunction contains email
13 correspondence between myself and others (plaintiff included) discussing a national
14 standard. Incorporating the manufacturer specification data in the KAM decoder
15 template files was an effort to promote the idea of a national standard.

16 13. The JMRI project was not given credit in my decoder template data files because the
17 JMRI credit information was contained in comment fields of the Decoder Definition
18 Files. The template verifier tool that I discussed above was written only to extract
19 manufacturer data information, all other information was ignored, including the
20 comment fields. This was not intentional.

21 **KAM HAS IRREVOCABLY CEASED ALL ALLEGEDLY INFRINGING**
22 **ACTIVITY**

23 14. In early September 2006, I first learned about Plaintiff's allegations that Decoder
24 Commander contained infringing works from the JMRI Decoder Definition Files.

25 15. In response to this allegation, I immediately recalled all allegedly infringing product
26 (at this time version 305 of Decoder Commander) from the market, removed version

1 305 from the KAM website, and sent KAM customers upgrades that did not contain
2 any allegedly infringing material. I also ensured that the template verifier tool was no
3 longer available on the KAM website. All outstanding copies of version 305 became
4 non-functional on January 21, 2007, and accordingly any allegedly infringing material
5 is no longer functional.

6 16. On September 18, 2006, I released version 306 of Decoder Commander. Plaintiff
7 continued his allegations of infringement and therefore I recalled version 306 from the
8 market and removed version 306 from the KAM website in late October 2006. All
9 outstanding non-registered copies of version 306 became non-functional on March 21,
10 2007. On this same date I ensured that the template verifier tool was no longer
11 available on the KAM website.

12 17. Version 304, the version that Plaintiff uses as evidence of alleged copyright
13 infringement in his declaration became fully non-functional on October 10, 2006.

14 18. On November 2, 2006, KAM released V307 and began mailing replacement product
15 to all registered customers and dealers. V307 does not contain any of the decoder
16 definition file data (*i.e.* manufacturer specification data) complained of in either the
17 amended complaint or the cease and desist letters attached to the Declaration of
18 Victoria Hall in support of Plaintiff's motion for a preliminary injunction. V307
19 cannot read or write any decoder template files, including all of the JMRI decoder
20 definition data and KAM's previous decoder template files. V307 will not read, write
21 or run previous applications of Decoder Commander. KAM's template verifier tool is
22 not contained in and does not function with version 307 of Decoder Commander or
23 any subsequent version. Decoder Commander V307 ensures that Decoder
24 Commander will not allegedly infringe any JMRI work because Decoder Commander
25 V307 now looks to an entirely new database for manufacturers' specification data.
26 This database is an SQL database which means that data is retrieved from and stored

1 in the database using standard query language. JMRI decoder definition data was not
2 used in any way to construct this database. Using this type of Microsoft SQL database
3 technology was cost prohibitive until 2006. Now, however, it is cost effective and is a
4 vastly superior technology when compared to the old versions of Decoder
5 Commander.

6 19. KAM has released numerous updates to Decoder Commander since November 2,
7 2006. The current version is V400. Since November 2006, all versions of Decoder
8 Commander can only read data from an SQL database and is incapable of reading
9 data from a JMRI Decoder Definition File, a translated Decoder Definition File or a
10 KAM decoder template file. The SQL database includes a collection of data that was
11 not derived from any JMRI work.

12 20. Decoder Commander does not now include support for old decoder definition file
13 technology and will never revert to the old decoder definition file based technology.
14 The SQL database is not encrypted and is readily viewable by anyone with
15 appropriate software tools.

16 21. All software released prior to November 2006 (V306 and earlier) is incompatible with
17 any software released after that date and all previous copies of Decoder Commander
18 were recalled or destroyed. All registered customers and dealers were sent new
19 updated replacement copies of Decoder Commander.

20 22. Decoder Commander is a fully functional software program containing decoder
21 definitions for those decoders that it supports.

22 23. To date, gross sales of the allegedly infringing Decoder Commander are
23 approximately \$1200.00.

24 24. The template verifier tool created by KAM's contractor was removed from the KAM
25 website on September 21, 2006 and all versions of Decoder Commander subsequent
26 to November 2, 2006 cannot read, write or run this tool.

1 25. Plaintiff claims that he cannot operate V307 of Decoder Commander. Declaration of
2 Robert Jacobsen at ¶ 97. V307 operates properly for anyone who follows the
3 installation instructions posted on KAM's website. Exhibit A to this Declaration is a
4 screen shot of those installation instructions. Plaintiff's last login to KAM's website
5 was September 10, 2006.

6 26. Plaintiff alleges that I am distributing infringing CDs via a Link-Vet webpage.
7 Declaration of Robert Jacobsen at ¶ 111. Rod Katzer is my brother. Rod Katzer only
8 shipped newer (post-November 2006) versions of Decoder Commander which do not
9 contain, nor are compatible with, any of the allegedly infringing JMRI Decoder
10 Definition Files.

11 27. Plaintiff alleges that I have motive to infringe since Model Railroad News will be
12 reviewing JMRI and KAM software in early 2009. Until I reviewed the Declaration
13 of Robert Jacobsen stating this, I was unaware that Model Railroad News would be
14 reviewing JMRI and KAM software in 2009.

15 28. It is true, as Plaintiff claims, that V312 and the present version (V400) of Decoder
16 Commander include a limited number of decoder definitions. Decoder Commander
17 only supports decoders to which KAM has permission to use manufacturer's
18 information.

19 **KAM WILL BE IRREPARABLY HARMED BY ENTRY OF AN INJUNCTION**

20 29. This portion of my declaration supplements the declaration filed under seal regarding
21 the harm KAM will suffer if an injunction enters.

22 30. Since 1991, KAM has developed and continues to develop computer software for
23 operating digitally controlled model trains.

24 31. The digital controlled model train software industry in the United States currently has
25 two primary software suppliers. KAM is one and the Plaintiff is the other.

26 32. The Plaintiff and I are competitors.

1 33. In November of 2006, KAM removed all of the Plaintiff's allegedly copyrighted
2 materials from its software.

3 34. Subsequent to November 2006, KAM has not used any of the Plaintiff's allegedly
4 copyrighted materials and has no plans to do so in the future.

5 35. Because KAM has not used the Plaintiff's allegedly copyrighted software since 2006,
6 and because KAM has no plans to do so in the future, the Plaintiff's injunction request
7 would not protect the Plaintiff from any imminent or other harm of which I am aware.
8 Additionally, I know of no reason for this injunction other than the Plaintiff's desire
9 to adversely impact KAM's business through this litigation. This adverse impact
10 would arise from the destruction of KAM's most important business relationship.

11 36. KAM's future is dependent on software it has been developing for a distribution
12 company ("Company") for the last twelve months. If the deal between KAM and the
13 Company falls through, KAM will go out of business.

14 37. I want KAM to succeed in business. The Company and I have studied the market and
15 have budgeted for sales of 45,000 units with revenue from the subscription
16 agreements with customers of \$290,000 annually by the end of the first year. The
17 Company and I expect these revenues to grow by 30% annually thereafter and to be
18 further supplemented by the development of related products financed by these cash
19 flows.

20 38. The Company is litigation adverse. The current litigation has not yet destroyed my
21 business relationship with the Company, though it has negatively impacted our
22 relationship.

23 39. The entry of the injunction will probably destroy my business relationship with the
24 company. Already, the Company has indefinitely postponed all of our heretofore
25 scheduled joint meetings and planning sessions. I believe the Company did this
26 pending the resolution of the injunction motion.

1 40. The Plaintiff asks this Court for an injunction to protect his “copyrighted work,”
2 without identifying with any precision just exactly what this work is.

3 41. The Plaintiff’s requested injunction is so broad that I believe it would scare the
4 Company or any prospective business counterpart away from doing business with
5 KAM, for fear of defending a similar lawsuit from the Plaintiff and for fear of facing
6 a similar barrage of negative publicity from the Plaintiff, under the guise of litigation
7 reporting.

8 42. I do not believe that JMRI has experienced any delay in releasing their product as
9 claimed by Plaintiff in his Motion for a Preliminary Injunction at 13. This is because
10 Plaintiff has continued to release software, including at least fourteen (14) versions of
11 JMRI software, which includes Decoder Pro, in 2008. *See* Exhibit B attached to this
12 Declaration.

13 **KAM HAD AND CONTINUES TO HAVE A GOOD FAITH BELIEF IN THE**
14 **VALIDITY OF THE NOW-DISCLAIMED ‘329 PATENT**

15 43. At all times prior to the disclaimer of the ‘329 patent, I believed that KAM’s patent
16 was valid and that the JMRI software infringed that patent. To this date, I still believe
17 that the ‘329 patent was valid.

18 44. Nothing that Jacobsen or his attorney has filed in this lawsuit has shaken my belief
19 that KAM’s ‘329 patent was valid prior to the disclaimer. Nothing that Jacobsen or
20 his attorney has filed in this lawsuit has shaken this belief.

21 45. I disclaimed the ‘329 patent based on the advice of my attorney. My attorney advised
22 me that patent litigation is extremely expensive and time-consuming, especially given
23 the aggressive litigation tactics of Plaintiff and his attorney to date.

24 46. Based on this advice, I chose to disclaim the ‘329 patent to avoid the cost of patent
25 litigation. This was based upon purely economic considerations.

26 47. On October 7, 2005, I authorized my attorney to send a FOIA request to the United

1 States Department of Energy. This document became the basis for Jacobsen's claim
2 against me for alleged defamation. This request was to gather information in support
3 of a possible lawsuit against JMRI for patent infringement. Since a Department of
4 Energy email account was being used by Jacobsen in his capacity as a developer of
5 JMRI software, I believed that a FOIA request to the Department of Energy would
6 produce relevant information relating to JMRI's infringement of the '329 patent.

7 **KAM OWNS THE COPYRIGHT TO THE QSI MANUAL, WHICH FORMS THE**
8 **BASIS OF JACOBSEN'S COPYRIGHT INFRINGEMENT ALLEGATION**

9 48. KAM is the owner by signed written assignment of all copyright rights in and to the
10 NMRA DCC Reference Manual for QSI Quantum HO Equipped Locomotives-
11 Version 3.0 (hereinafter "QSI Manual"). This assignment is attached as Exhibit C.
12 KAM registered its copyright rights with the United States Copyright Office and
13 obtained Copyright Registration Number TX 6-445-094, effective November 13,
14 2006. A copy of this registration is attached as Exhibit D. A copy of the QSI manual
15 is attached as Exhibit E (in four parts).

16 49. The QSI manual copyright protects expressions of code, structure, sequence and
17 organization for programming QSI decoders.

18 50. I have reviewed Jacobsen's Declaration [Dkt.# 237] filed in Support of his Motion for
19 a Preliminary Injunction. Paragraphs 71-73, 80 and 109 and Exhibits AD-AE
20 attached to his Declaration discuss Jacobsen's allegations that I have infringed his
21 copyright by "copying the variable structure, selection, naming and default values"
22 contained in ""JMRI Decoder Definition File, 'QSI_Electric.xml.'" This Decoder
23 Definition file is attached as Exhibit AD to his declaration.

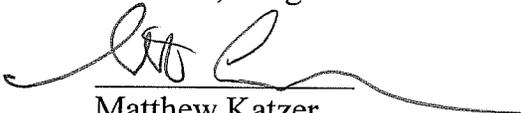
24 51. After reviewing these documents, I determined that the work contained in JMRI
25 Decoder Definition File "QSI_Electric.xml" is not a work to which JMRI holds a
26 valid copyright. This is because the "variable structure, selection, naming and default

1 values” contained in this JMRI Decoder Definition file are copied directly from the
2 QSI Manual. This QSI Manual was first published in February 2005 by QSI
3 Industries, Inc. JMRI Decoder Definition Files containing this information were first
4 published in June 2005. JMRI first alleged that I infringed on the information
5 contained in the QSI Manual in September 2006. Exhibits F through AO attached to
6 this declaration demonstrate information directly copied from the QSI Manual into the
7 JMRI Decoder Definition File, including the textual information used as examples of
8 my alleged infringement by Plaintiff at ¶¶ 72, 80 and 109 of his Declaration.

9 52. Based on this QSI Manual copyright, KAM has the right to use this material in the
10 Decoder Commander software.

11 I declare under penalty of perjury under the laws of the United States of America
12 that the foregoing is true and correct.

13
14 Executed on November 7, 2008 at Portland, Oregon.

15 
16 Matthew Katzer