

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

**DREW TECHNOLOGIES, INC.,
a Michigan corporation,**

Plaintiff,

v.

**SOCIETY OF AUTOMOTIVE
ENGINEERS, INC.,** individually
and d/b/a **SAE** and d/b/a **SAE
INTERNATIONAL,**

Defendants.

C.A. No. 03-CV-74535 DT

Hon. Nancy G. Edmunds
United States District Judge

Hon. Paul J. Komives
United States Magistrate Judge

**REPLY MEMORANDUM IN SUPPORT OF PLAINTIFF'S FED. R. CIV. P. 12(b)(1)
MOTION TO DISMISS FOR LACK OF SUBJECT-MATTER JURISDICTION,
AND LOCAL RULE 7.1(g) NOT TO DELAY SUMMARY JUDGMENT**

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REPLY MEMORANDUM

Introduction: The SAE’s state-law claim for “conversion” needs to be dismissed because it remains completely frivolous, and is subject to pre-emption under federal law. 17 U.S.C. § 301; Murray Hill Pubs. v. ABC Comms., 264 F.3d 622, 636-37 (6th Cir. 2001); Wrench, LLC v. Taco Bell Corp., 256 F.3d 446, 453-55 (6th Cir. 2001); Sarver v. Detroit Edison Co., 225 Mich. App. 580, 585, 571 N.W.2d 759 (Mich. Ct. App. 1997). Likewise, the SAE’s “declaratory judgment” count remains subject to dismissal for at least two reasons: (1) because the SAE’s registration form covers only the “OBD II Compliance Test Cases” (the “*Document*”), not the *Program*, see Murray Hill, *supra*; and (2) because the form’s effective date (Mar. 1, 2004) is over a year *too late* to support any complaint about DrewTech’s July 26, **2002**, release of the Program under the GPL. E.g., Coles v. Wonder, 293 F.3d 798, 801 (6th Cir. 2002). The SAE’s claims should therefore be dismissed.¹

Issue Presented: In order to cut through the clutter, the *real* issue presently before this Court is a question involving Rule 15 of the Federal Rules of Civil Procedure. See, e.g. Yuhasz v. Brush Wellman, Inc., 341 F.3d 559, 569-70 (6th Cir. 2003) (affirming the district court’s refusal to permit an amended pleading – on grounds of futility). The question, succinctly stated, is whether the SAE – once its patently-frivolous state-law allegations of “conversion” are dismissed² – should

¹Plaintiff Drew Technologies, Inc. (“DrewTech”), already has prevailed on its affirmative claim (not at issue, here), for a “takedown,” from the SAE’s Website, of a copyrighted work – under the “notice and takedown” provisions of the Digital Millennium Copyright Act of 1999 (“DMCA”). See 17 U.S.C. § 512(c), (g). Of course, the “takedown” command was not obeyed by the SAE until *after* a lawsuit already had been filed. However, the SAE finally complied prior to the Amended Complaint. Thus, the SAE remains liable for (1) attorneys’ fees, and (2) any copies made illegally between the time the SAE received Plaintiff’s written “takedown” notice, and the time that the SAE actually complied with DrewTech’s “takedown” command.

²The SAE has no basis in Michigan law to allege “conversion” in this situation. Michigan state courts are entirely clear about this point of law. Sarver, 225 Mich. App. at 585, 571. Likewise, federal statutory and case law clearly establishes that the SAE’s state-law causes of action are pre-empted. Murray Hill, 264 F.3d at 636-37; Wrench, LLC, 256 F.3d at 453-55.

be permitted to amend its Counterclaim, in order to substitute a count (never previously pleaded – *ever* – in this case, by the SAE) based on the Copyright Act – Title 17 of the U.S. Code.

Although parties whose claims are dismissed often are permitted to amend one (1) time, the Sixth Circuit recognizes an important exception to the general rule – when an amendment would represent an exercise in futility. See Yuhasz, supra; Moss v. United States, 323 F.3d 445, 476 (6th Cir. 2003). The SAE should not be permitted to re-plead, because amendment would be futile. Id.

Presumably, in an amended pleading, the SAE would allege – for the first time, ever – a violation of section 501 of the Copyright Act (making actionable violations of the “exclusive rights” enumerated in 17 U.S.C. § 106), because the SAE contends that the person(s) who developed the Program, have violated 17 U.S.C § 106(2) (prohibiting unauthorized derivative works).

Such an amendment would be completely futile. First, the effective date of the SAE’s copyright registration form (for the Document, only) is over a year *too late* to permit the SAE to do anything about the July, 2002 release of the Program. Second, amendment would be futile because the rule established in 17 U.S.C. § 102(b) is unmistakably clear,³ and the j1699.c Program utilizes no protected expression from the Document, but only unprotected “idea[s], procedure[s], process[es], system[s], method[s] of operation, concept[s], principle[s], [and/]or discover[ies].”

Indeed, the SAE’s argument in this case is indistinguishable from the argument that the Supreme Court squarely rejected in Baker v. Selden, 101 U.S. 99 (1879). The rule from Baker v. Selden – today embodied in section 102(b) of the Copyright Act – prevents copyrights from being transformed into 75-year (or more) super-patents (in contrast, a patent monopoly normally lasts no longer than 20 years). Yet, that is precisely what the SAE wants to accomplish in this case – to

³“In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”

transform its copyright on the Document (the “Compliance Test Cases”) into a 75-year super-patent – and then to charge royalties whenever anyone attempts to transform the ideas and methods in the document, into working software code. The SAE is not permitted, under law, to do so.

Undisputed Facts: Accompanying this Memorandum is a Declaration by Mr. Kerby Suhre, a former employee of Drew Technologies, Inc. (“DrewTech”), who (unlike any witness ever proffered by the SAE) is competent to testify about developing j1699.c (the “Program”), because Mr. Suhre has first-hand knowledge of the Program – from the time development commenced in October, 2001, until June 14, 2003, when Mr. Suhre resigned from the SAE J1699-3 Task Force. See Declaration of Kerby Suhre ¶¶ 1, 5 (June 28, 2004) (“Suhre Decl.”). The following facts – now established beyond peradventure – have not been (and cannot be) disputed by the SAE:

1. Kerby Suhre, along with Mike Drew, released the Program under the GNU General Public License (“GPL”) in July, 2002 (see Suhre Decl. at ¶ 6) – in other words, more than 1 ½ years **prior** to the 3/1/2004 effective date of the SAE’s registration form;⁴
2. Prior to September, 2002, all work done by Kerby Suhre on the Program, was done in his capacity as an employee of DrewTech.⁵ (see Suhre Decl. ¶ 5);
3. As a DrewTech employee, Suhre commenced work on the Program in October, 2001 – several months **prior** to April, 2002, when Suhre joined the Task Force (meaning that DrewTech already owned a huge chunk of j1699.c code – prior to Suhre’s Task Force participation) (see Suhre Decl. ¶ 5; Mike Drew Decl. ¶ 4);
4. Prior to September 9, 2002 (the date Suhre ceased to be a DrewTech employee), at all times, Suhre used DrewTech facilities and equipment in the process of developing the Program (see Suhre Decl. ¶ 12; Drew Decl. ¶ 13; Brink Decl. ¶¶ 5-6);

⁴Significantly, the SAE’s Copyright Office registration form only purports to register “the Document” – i.e., the OBD II Compliance Test Cases – and not any software.

⁵Therefore, as a matter of law, the copyright in the Program – prior to September, 2002, vested in DrewTech, as Suhre’s employer. 17 U.S.C. § 101 (all works made for hire – including j1699.c – automatically belong to employer, not employee, by operation of law).

5. Prior to Sept. 2002 – in July, 2002 – the Program had already been released under the GPL, and Mr. Suhre knew about its release *via* SourceForge (Suhre Decl. ¶ 6);
6. For several months, commencing in mid-September, 2002, Mr. Suhre – acting in a capacity other than as a DrewTech employee – continued contributing code to the Program⁶ (although the Program already had been GPLed) (Suhre Decl. ¶ 5);
7. At no time, whatsoever, during Mr. Suhre’s participation in the Task Force (prior to his written resignation from the Task Force on June 14, 2003), did Mr. Suhre **ever** sign anything purporting to assign any copyrights to the SAE (Suhre Decl. ¶¶ 1, 2);
8. Mr. Suhre did not sign any “copyright form” until May 27, 2004⁷ – several days **after** DrewTech filed its Motion to Dismiss, and almost a year **after** Mr. Suhre had already formally resigned from the J1699-3 Task Force (*see* Suhre Decl. ¶ 2);
9. By signing the May 27, 2004 Copyright Agreement (which the SAE’s own Policies say has no retroactive effect, anyway, *see* note 7, *supra*), Mr. Suhre “intended to relinquish any right that [Suhre] **personally** had” in specified works, “but that is **all** [Suhre] intended to relinquish [to the SAE]” (Suhre Decl. ¶ 4) (emphasis added);
10. “In no way did [Suhre] intend to bind DrewTech,” when he signed the May 27 SAE copyright document, but instead Suhre “intended [the form] to apply **to the work [Suhre] performed between September 2002, and June 14, 2002.**” (*Id.* ¶ 11);
11. The form that the SAE’s lawyers gave Mr. Suhre to sign was not the form approved by the

⁶DrewTech concedes that Mr. Suhre’s additional work – contributed on and after September 9, 2002 – was **not** a “work made for hire” for DrewTech. Therefore, Mr. Suhre’s post-September 9 contributions made him a co-Author, and co-owner of the Program. However, prior to September 9, the program was GPLed, and therefore Mr. Suhre was required by the GPL to release under the GPL all his new contributions to the joint work. It is also the position of DrewTech and of Mr. Suhre (*see* Suhre Decl. ¶ 8), that General Motors Corporation has recently contributed code to the program (the work of GM employee Dave Smyczynski – as a “work made for hire” – belongs to his employer, GM), and GM is also now a co-Author of the Program.

⁷Significantly, the SAE’s “copyright form” does not purport to be an assignment form in accordance with 17 U.S.C. § 201(d). Instead, the form purports to be a “work made for hire” agreement – which means it should only apply *prospectively* to works prepared after it is executed. The SAE’s own Technical Standards Board Governance Policy, at 25 (May 2003), also clearly recognizes the prospective-only operation of the form: “**Before commencing the writing of the technical report**, each person acting as the Official Reporter shall sign a Copyright Agreement” *Id.* (emphasis added).

SAE in its Technical Standards Board Governance Policy. Instead, at the last minute, the SAE's lawyers inserted extraneous and unapproved language, and materially altered the form, without explaining to Mr. Suhre what they were doing. (see Suhre Decl. ¶¶ 9-10) (see also MICH R. PROF. CONDUCT 4.3, 3.3(a), 4.1).

In short, DrewTech fully concurs that the SAE can consider itself the proud recipient of precisely the rights that Mr. Suhre *personally* had in the Program – but no other rights. The SAE did not (and cannot) acquire any of DrewTech's exclusive rights, that arose *prior* to Sept. 9, 2002. What Mr. Suhre personally had was (1) necessarily subject to the GPL at all times from Sept. 9, 2002, to June 14, 2003, and (2) strictly limited to a co-Author status, for contributions made to the Program during that limited time-frame. The document submitted by the SAE does not in any way terminate any of the rights DrewTech enjoys, or in any way exempt the SAE from Suhre's obligation to abide by the terms of the GPL. Nor does the SAE have any legally-valid basis to sue DrewTech for posting the Program on the SourceForge Website, in July 2002 – while Suhre was still an employee.

Legal Analysis: The SAE's only possible legal claim is based on the allegation that the j1699.c Program is impermissibly "derivative" of the "OBD II Compliance Test Cases" Document. The SAE's claim is indistinguishable from the argument that the Supreme Court squarely rejected in Baker v. Selden, 101 U.S. 99 (1879). The Rule from Baker v. Selden, has been enshrined in 17 U.S.C. § 102(b). Any amendment of the Counterclaim would be futile, because the SAE's position is squarely foreclosed by the Baker decision and Section 102(b). The SAE should therefore not be permitted to amend. The SAE's approach is doubly futile because the effective date of its Copyright Office form (3/1/04) is over a year too late to support any viable statutory claim under Title 17.

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