

Here we are in August 2014. We are now starting to file Motions. Our first Motion is a Motion to Dismiss. We don't really expect to win this particular motion, but we do expect to get some facts in front of the judge. Here are some of the comments that Judge Brown made along with some interesting questions that she asked during oral arguments:

- 1) Why were the works at issue here not registered?
- 2) Was it because Mercedes Benz chose not to or was it because the works are not ripe for copyright protection?
- 3) How can you infringe on an unregistered copyright?
- 4) Why would Mercedes Benz expect the government to pursue someone?
- 5) How does the government decide what to prosecute?
- 6) You just can't go around indicting people and then see what happens at trial.
- 7) When the copyright isn't registered, how are you expected to know?
- 8) Is the criminal statute clear?

These are a couple of things that the reader should note:

- 1) You would think that if this particular case was really important to Mercedes Benz that, at least, they would have their local counsel attend the Motion to Dismiss oral arguments on August 21, 2014. They did not.
- 2) After having read our Motion to Dismiss brief, AUSA Ginsberg decides to LIE IN WRITING in the government's response:

"Wittich and TBC... manipulated the real SDS software to make it operate with their hardware without the authorization or knowledge of Daimler AG or MBUSA."

Are you kidding me? We did NOTHING to the actual SDS diagnostic software. We only made some changes to the operating system so that the

diagnostic software would work on one of our laptops. And as far as MBUSA not having knowledge, that is just a bald face LIE. What did they think Excerpt # 1 was? Of course, AUSA Ginsberg knows full well that lying to Judge Brown at this stage will carry absolutely no consequences.

I should also note, that once the government had guilty pleas from Vellozzi and Beckmann, no matter how strong our argument was, there was absolutely no way that Judge Brown could have dismissed the case.

Also, AUSA Ginsberg mentions (on page 4) my knowledge of a Cease & Desist letter. He "forgets" to mention that this C&D letter was issued in another country. I'm sure it was just an oversight on his part.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

CRIMINAL ACTION

VERSUS

No. 14-35

RAINER WITTICH  
THE BRINSON COMPANY

SECTION AG@

**SUPPLEMENTAL BRIEF IN FURTHER SUPPORT**  
**OF DEFENDANT=S**  
**MOTION TO DISMISS**

NOW INTO COURT, through undersigned counsel come defendants Rainer Wittich and the Brinson Company who provide this memorandum in further support of their motion to dismiss as requested by the Court at oral argument held on August 21, 2014.

As previously set forth in defendants' motion to dismiss, defendants moved for dismissal of indictment on three (3) grounds:

- 1) The indictment itself is facially deficient because it does not allege the existence of a copyright;
- 2) The statutes at issue cannot be applied to a work that is not registered with the United States copyright office;
- 3) The criminal copyright statutes even if Congress intended to be applied to unregistered works, is unconstitutionally vague as applied in the context of an

unregistered work.

Defendants' maintain all three (3) grounds for dismissal but focus this supplemental brief on the third ground for dismissal – that the criminal copyright statutes here are unconstitutionally vague as applied.

### UNCONSTITUTIONALLY VAGUE AS APPLIED

The United States Supreme Court has noted that the Vagueness doctrine is an outgrowth not of the First Amendment, but of the due process clause of the Fifth Amendment. *United States v. Williams*, 553 U.S. 285 (2008). Vague statutes are invalidated for three reasons: (1) to avoid punishing people for behavior that they could not have known was illegal; (2) to avoid subjective enforcement of laws based on arbitrary and discriminatory enforcement by government officers; and (3) to avoid any chilling effect on the exercise of the First Amendment freedom. *Humanitarian Law Project v Casey*, 552 F.3d 916, 928 (9th Cir. 2009) (quoting *Foti v. City of Menlo Park*, 146 F.3d 629, 638 (9th Cir. 1998)) (internal citations omitted).

Whether the criminal statute is unconstitutionally vague as applied to the defendants is a question of law. See *United States v. Rudzavice*, 586 F.3d 310, 315 (5th Cir. 2009) (Whether criminal statutes is unconstitutionally vague is a question of law). However, the Fifth Circuit allows district courts to look beyond the face of the indictment and make preliminary findings of fact necessary to decide the questions of law presented by pre-trial motions so long as the Court's findings on the motions do not invade the province of the ultimate finder of fact. *United States v. Flores*, 404 F.3d 320, 324 (5th Cir. 2005). Here, the legal question is- can the criminal copyright statutes be applied when the works at issue have not been registered with the United States Copyright office. During oral argument, the government conceded that despite having investigated this case for over two (2) years, they have been unable to find registration certificates

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for any of the works at issue. Thus, this Court under Fifth Circuit precedent can consider this fact especially in light of the acknowledged by the government.

Therefore, the discrete issue before this Court is:

Are the criminal copyright statutes vague as applied to works that the government has acknowledged have not been registered with the United States copyright office?

Defendants maintain that in this limited circumstance, the statutes which all rely upon the existence of a valid copyright are unconstitutionally vague in their application.

A statute may be vague as applied if the Defendants can show that they could not have reasonably understood that their alleged conduct or behavior was proscribed by statute. *See United States v. Kelly*, 973 F2d 1145, 1152 (5<sup>th</sup> Cir. 1992); *Maynard v. Cartwright*, 486, U.S. 356, 361 (1988). A vagueness challenge may also succeed where the statute is so standardless as to provide no notice and no guidance to law enforcement. *See Palmer v. City of Euclid, Ohio*, 402 U.S. 544, 545 - 46 (1971).

“The Fifth Amendment’s due process clause protects against criminal convictions based on impermissibly vague statutes.” *United States v. McCrae* 702 F. 3d, 806, 836-37 (5<sup>th</sup> Cir. 2012). *cert. denied*, 133 S. Ct. 2037, 185 L. Ed. 2<sup>d</sup> 887 (U.S. 2013). Generally, the void for vagueness doctrine provides that the statute may be vague based upon two independent grounds:

(1) where persons of ordinary intelligence have no fair notice or reasonable opportunity to understand what conduct is proscribed, and

(2) where the statute prohibits conduct in such a manner that it encourages arbitrary and discriminatory enforcement.

*See United States v. Kaluza*, 2014 U.S. Dist. LEXIS 9601 (E.D. La Jan. 27, 2014) citing *Kolender v. Lawson*, 461 U.S. 352 (1983); *Grayned v. City of Rockford*, 408 U.S. 104

(1972). The first ground is founded upon the notion that vague laws may trap the innocent by not providing fair notice. *Grayned* 408 at 108 - 09. Even if the law provides fair notice, however, it may be impermissibly vague if it does not provide sufficiently clear standards for enforcement. *See Chicago v. Morales*, 527 U.S. 41 (1999). The second ground - of which the Supreme Court has declared is the more important aspect of the vagueness doctrine - requires that law must establish a minimal guidelines to govern law enforcement - *Kolender* 461 U.S. at 359. To protect against arbitrary enforcement, the law must establish explicit standards that avoid a resolution based on ad hoc and subjective basis or those resolutions which accompany by the attendant dangers of arbitrary and discriminatory applications. *Grayned*, 408 U.S. at 109.

Here, defendants urge that both of these grounds for a vagueness challenge apply. First, the lack of registration of the work, fails to provide defendant with adequate notice as to what conduct is proscribed. *See Grayned* 408 at 108 - 09. Second, without requiring registration of a copyright prior to criminal enforcement it strips the Copyright office of its primary function to determine which works are subject to protection and gives the department of justice unfettered discretion as to which works are entitled to copyright protection. Such enforcement and logic completely deprives the copyright office of its power. As this Court astutely noted: why were the works at issue here not registered? Was it because Mercedes Benz chose not to or what it because these works are not ripe for copyright protection? The fact that this Court has discerned that these very questions are not answered should give pause at to the criminal enforcement of the copyright laws in this unprecedented situation. Absent registration of a work with the United States copyright Office, the department of justice in pursuing a criminal enforcement of an unregistered work has supplanted the powers and duties of the copyright office. Here, the department of justice on its own has determined that the works at issue are subject to copyright protection. Such

a decision is arbitrary and lies at the very heart of the most basic notions of due process required under the constitution.

Clearly, in a situation where: 1) a work is registered with the copyright office, 2) the copyright holder has notified an alleged offender of the copyright protection, but the offender stiff refuses to stop the infringing, it is appropriate that criminal enforcement of a copyright violation occur. This is not the case. Here, the government has acknowledged two basic things: (1) that the works at issue here were not registered and have not been registered with the United States copyright office and (2) that the defendants have not received any notice from Mercedes Benz of a purported copyright infringement.

The department of justice should not be the sole arbiter of which unregistered works are deemed protected such that an individual maybe subject to criminal violations for a purported infringement. Such application and endorsement of government power allows the department of justice to have more rights than the actual owner of a work would have in the civil arena. This application would allow the department of justice, on its own, to choose any work that it felt was protected by the copyright laws of this country without any proceedings or determination by the United States copyright office. Such application provides no notice and no guidance to law enforcement. *See Palmer*, 402 U.S. at 545-46 (1971).

Defendants fully appreciate the unique nature of requesting that a constitutional challenge be upheld by this Court. However, the unprecedented prosecution in this matter warrants such a unique remedy.

WHEREFORE, for the reasons more fully set forth in the attached memorandum, defendants hereby request that this Court dismiss the superseding indictment in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on \_\_\_\_\_ day of \_\_\_\_\_ 2014, I electronically filed the foregoing with the Clerk of Court by using the CM/ECF system which will send a notice of electronic filing to the following: Jordan Ginsberg, Assistant United States Attorney, 650 Poydras Street, New Orleans, Louisiana 70130.

/S/BRIAN J. CAPITELLI

BRIAN J. CAPITELLI



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA \* CRIMINAL NO. 14-035  
v. \* SECTION: "G"  
RAINER WITTICH \*  
THE BRINSON COMPANY \*  
\* \* \*

**GOVERNMENT'S RESPONSE AND OPPOSITION TO DEFENDANTS'  
MOTION TO DISMISS INDICTMENT**

On July 31, 2014, defendants Rainer Wittich and The Brinson Company (collectively, "the defendants") filed a joint motion to dismiss the superseding indictment now pending against them. (*See* Defendant's Motion to Dismiss, Document Number (Doc. No.) 36.) The defendants' motion and supporting memorandum asserts three grounds for dismissal. First, the defendants claim the superseding indictment is facially insufficient because it charges criminal copyright infringement but fails to allege the existence of the copyright infringed. Second, the defendants argue that copyright registration is a prerequisite for criminal copyright infringement prosecutions, but the superseding indictment fails to allege such registration. Third, the defendants contend that the criminal copyright infringement statute is unconstitutionally vague because it does not state explicitly that one can be prosecuted for infringing an unregistered copyright.

The defendants' claims are meritless, and their motion should be denied. First, the indictment clearly alleges the existence of the copyright that was infringed: that in proprietary software for Mercedes Benz Star Diagnostic Systems. *See* Superseding Indictment (Doc. No. 20) at 4. Second, the Copyright Act of 1976, as amended, provides specifically that registration

is not required for criminal prosecutions. *See* 17 U.S.C. § 411(a). Third, the lack of a registration requirement does not make the criminal copyright statute unconstitutionally vague because criminal copyright infringement requires that a person's conduct be willful, so he cannot be convicted unless he knew his actions were unlawful.

**I. The Allegations in the Indictment and Procedural History**

Daimler AG, the maker of Mercedes-Benz automobiles, developed, created, produced, and sold the Star Diagnostic System ("SDS"), a hand-held computer designed to aid in the diagnosis of automotive systems with electronic controls and interfaces. *See* Doc. No. 20 at 2. Mercedes-Benz USA ("MBUSA") was a division of Daimler AG responsible for distributing and selling Mercedes-Benz automobiles, automobile parts, and automobile equipment in the United States, including the SDS. *See id.* at 2. The hardware for the SDS included a tablet-type computer (somewhat similar to an iPad) that ran the Windows XP operating system. *See id.* at 2. The SDS operated using software programs created by Mercedes-Benz to diagnose and repair Mercedes-Benz automobiles. *See id.* Daimler AG (and, by extension, MBUSA) created and distributed regular software updates to SDS purchasers and lessees. *See id.* Daimler AG and MBUSA protected its proprietary SDS software by requiring an alpha-numeric code sequence ("key") to unlock and operate it. *See id.* at 3.

To purchase or lease an SDS from MBUSA, a purchaser or lessee needed to execute a license agreement. *See id.* The license agreement stated, in part, that the SDS software was "confidential, proprietary, trade secret information" and that recipients of such a license were not allowed to transfer, assign, or provide the software to others without prior authorization from Daimler AG or, in the United States, MBUSA. *Id.*

Beginning in about 2001, The Brinson Company (“Brinson”), a company based in Harahan, Louisiana, through its owner and operator, Rainer Wittich, began working with other entities to develop and sell fake SDS. *See id.* at 1, 5. Specifically, they purchased particular models of run-of-the-mill laptop computers and loaded them with stolen, hacked, and modified authentic SDS software. *See id.* at 5. Wittich and TBC, with the assistance of other entities and individuals, manipulated the real SDS software to make it operate with their hardware (*i.e.*, laptop computers) without the authorization or knowledge of Daimler AG or MBUSA. This included, in Wittich’s words, “pay[ing] other people overseas to write software that tells the factory software it’s ok to go onto a laptop.” *Id.* at 6. Even after Daimler AG amended its software with additional security measures, Wittich, Brinson, and their co-conspirators worked to overcome the measures so that they could continue to manufacture and sell fake SDS. *See id.* at 7. Wittich and his co-conspirators believed that Daimler AG’s updates and additional security were “a direct result of cracks and fixes” that Wittich and his cohorts made. *Id.* at 7. Wittich and his co-conspirators then collaborated on the price they charged for the fake SDS units (often times selling fake units for one-quarter the price of authentic units) and shared the responsibility for distributing, fixing, and updating fake units they sold. *See id.* at 7-12.

In June 2012, Wittich and his co-conspirators discussed how to continue their operation after Daimler AG notified one of the co-conspirators, J.C., that his involvement in manufacturing fake SDS was in violation of civil and criminal laws. *See id.* at 8. Daimler AG, through their local counsel, notified J.C. that he had, among other things, improperly offered “a range of means to be used for circumventing or removing the various technological measures and technical devices applied by Daimler or its computer programs and other copyright works . . . .”

(April 13, 2012 Letter from Nabarro LLP to John Coupland, attached hereto as Exhibit 1 (Bates Number 255-262), at 2).<sup>1</sup> The letter also stated, in relevant part, as follows:

Daimler is also the owner of the copyright in, and distributor of, a range of computer programs comprising diagnostic software used in the servicing of Mercedes-Benz and SMART motor vehicles, as well as other computer software used in connection with Mercedes-Benz motor vehicle servicing, including those set out in the fourth column of Schedule 2. The computer programs are variously referred to as WIS and EPC; DAS and Xentry Diagnostic software; as well as developer kit software. In addition, Daimler is the owner of the copyright in, and distributor of, a wide range of artistic and literary works comprising diagrams and text displayed during the operation of those computer programs, including those set out in the fourth column of Schedule 2.

*Id.* at 1-2.

On July 13, 2012, Special Agents from the Federal Bureau of Investigation (“FBI”) executed a search warrant on Brinson’s Harahan, Louisiana headquarters and seized a significant volume of materials. *See* Doc. No. 20 at 3. Despite Wittich’s awareness of the cease-and-desist letter and the execution of the search warrant, he continued to manufacture and sell fake SDS. *See id.* at 8. On May 9, 2013, pursuant to a grand jury subpoena, Wittich appeared before a federal grand jury and produced documents related to this matter; he also continued to sell fake SDS. *See id.* at 3. On September 26, 2013, Wittich and his counsel met with FBI Special Agents, during which time the agents detailed their investigative findings about Wittich’s involvement in the scheme to manufacture and sell fake SDS, presented numerous documents that supported those findings, and explained why his actions were criminal. *See id.* at 3. Wittich continued to manufacture and sell fake SDS, without stopping, through at least December 2013. *See id.* at 8.

A federal grand jury initially charged Wittich and Brinson in this matter in February 2014. *See* Doc. No. 1. Wittich and Brinson were charged in a four-count superseding indictment

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<sup>1</sup> Exhibit 1 was produced to defense counsel on February 27, 2014.

on May 29, 2014, including with conspiring “to willfully and for purposes of commercial advantage and private financial gain infringe a copyright” in Count One, *see* Doc. No. 20 at 4, and in Counts Two and Three, substantively “willfully and for purposes of commercial advantage and private financial gain infring[ing] a copyright,” *see id.* at 9.

## **II. Argument**

### **A. Summary of Argument**

The defendants Rainer Wittich and the Brinson Company (hereinafter, collectively, “the defendants”) move for dismissal of the above-captioned indictment on three grounds, all of which lack merit, mischaracterize existing precedent, and fail to justify dismissal of any counts of the superseding indictment.

### **B. The Indictment Clearly and Sufficiently Alleges the Existence of a Copyright**

The defendants claim that the superseding indictment fails to allege sufficiently the existence of the copyright infringed and is therefore facially deficient. Specifically, the defendants argue that the superseding indictment should have included the date the copyright was registered with the United States Copyright Office and the registration number. *See* Doc. No. 36 at 6-9. The defendants’ claims are baseless. First, the superseding indictment states clearly that the defendants infringed a copyright by reproducing and distributing a copyrighted work: the proprietary software for Mercedes Benz’s Star Diagnostic System. *See* Doc. No. 20 at 4. Critically, the defendants fail to allege at all how this deficiency prejudices them, which is the proper test of facial sufficiency. Second, and more importantly, the creation and existence of a copyright does not depend on registration, nor must a copyright be registered in order for one to infringe it.

1. *The Indictment is Facially Sufficient and Does not Prejudice the Defendants.*

In reviewing a challenge to an indictment on grounds of facial insufficiency, the Court is required to take the allegations of the indictment as true and to determine whether an offense has been stated. *See United States v. Hogue*, 132 F.3d 1087, 1089 (5th Cir. 1998). The purpose of an indictment is to inform a defendant of the charges against him and set a predicate for a subsequent invocation of the double jeopardy clause. *See United States v. Devoll*, 39 F.3d 575, 578 (5th Cir. 1994). The test for the validity of an indictment is “not whether the indictment could have been framed in a more satisfactory manner, but whether it conforms to minimal constitutional standards.” *See United States v. Cluck*, 143 F.3d 174, 178 (5th Cir. 1998) (internal citation omitted). Although an indictment must allege each and every element of an offense, “the law does not compel a ritual of words.” *Devoll*, 39 F.3d at 579. The validity of an indictment is governed by practical, not technical considerations. *See id.* The proper test for determining the validity of the indictment is whether or not the defendant has been prejudiced by the alleged deficiency. *See United States v. Steen*, 55 F.3d 1022, 1026 (5th Cir. 1995).

Here, the indictment clearly meets this test. Count One charges a multi-object conspiracy: (i) to commit criminal copyright infringement in violation of Title 17, United States Code, Section 506(a)(1)(A) and Title 18, United States Code, Section 2319(b)(1), and (ii) to violate the provisions of the Digital Millennium Copyright Act by circumventing technological measures designed to protect a copyrighted work, in violation of Title 17, United States Code, Sections 1201(a)(1)(A) and 1204(a)(1), and by trafficking in a technology, product, service, and device designed and produced for such circumvention, in violation of Title 17, United States Code, Sections 1201(a)(2)(A) and 1204(a)(1). *See* Doc. No. 20 at 4.

Count One specifies, with respect to the first object, that the defendants conspired to “infringe a copyright, by reproducing and distributing during a 180-day period ten (10) or more copies of one (1) or more copyrighted works, namely, the proprietary software for *Mercedes Benz Star Diagnostic Systems* ...” *Id* (emphasis added). Count One then refers, with respect to the second and third objects of the conspiracy—and plainly tracking the statutory language of the DMCA—to a “work protected under Title 17 of the United States Code.” *Id*. Count One also includes an extensive introductory section and at least seventeen overt acts that explain in great detail Mercedes Benz’s creation and development of, and efforts to protect, that software. Doc. No. 20 at 1-3 and 4-9.

Counts Two and Three, although they do not repeat the description of the Mercedes software and refer instead to “copyrighted works,” reallege and incorporate in “their entirety” the extensive factual allegations included in Count One, making it patently clear that the same copyrighted work is at issue. Doc. No. 20 at 9.

Count Four, similarly, realleges and incorporates the factual allegations from Count One, *id.*, but, like the DMCA allegations in Count One, refers, instead of to a copyrighted work, to a “work protected under Title 17 of the United States Code,” *id.* at 10, plainly tracking the statutory language of the DMCA.

The defendants wholly fail to allege any prejudice from the wording of the indictment, which both clearly tracks the elements of the statutes charged and also goes well beyond that, providing an extensive set of factual allegations which make very clear the government’s theory of prosecution. The defendants simply cannot claim credibly that the indictment fails to inform them of the charges.

2. *Registration is Not Required for Copyright Protection.*

More significantly, the existence of a copyright does not depend on registration. The Copyright Act of 1976 codified this: “[c]opyright in a work created on or after January 1, 1978, subsists from its *creation* ...” (emphasis added). 17 U.S.C. § 302(a). *See also Montgomery v. Noa*, 168 F.3d 1282, 1288 (11th Cir. 1999) (noting that “after 1977, copyright automatically inheres in the work at the moment it is created without regard to whether it is ever registered”). This premise is repeated in the section of the Copyright Act dealing with registration, which provides that “registration is not a condition of copyright protection.” 17 U.S.C. § 408(a). Similarly, one can infringe a copyright regardless of whether it is registered, which is why the sections of the Copyright Act proscribing civil and criminal infringement of a copyright make no reference to registration: respectively, (i) “[a]nyone who violates any of the exclusive rights of the copyright owner ... is an infringer of copyright,” 17 U.S.C. § 501; and (ii) “anyone who willfully infringes a copyright shall be punished as provided under section 2319 of title 18 ...” 17 U.S.C. § 506(a)(1).

Here, the defendants provide no authority for their implicit assertion that registration is a prerequisite for copyright protection, and that without it “[t]he existence of the ‘copyright’ ... a ‘core fact’ [is] absent ....” Doc. No. 36 at 9. They attach as an exhibit to their pleading a single indictment that includes copyright registration information. *See id.*, Exhibit 1. Attached hereto as Exhibit 2 is another indictment in which the government did not include registration information. The government can provide many more, if necessary. These pleadings simply reflect the individual drafters’ varying preferences, however. The law itself is clear and unvarying. A copyright can be created, and infringed, regardless of whether it has been registered.



### C. Copyright Registration is Not Required for Criminal Prosecution

Relatedly, the defendants claim that registration with the United States Copyright Office is a prerequisite for criminal prosecution. The implication of their argument, although not stated explicitly, is that the indictment's failure to include information about registration makes it facially insufficient.<sup>2</sup> Doc. No. 36 at 9-14. The defendants are wrong. The Copyright Act of 1976, as amended by the Prioritizing Resources and Organization for Intellectual Property Act ("PRO-IP Act") of 2008, enacted on October 13, 2008, provides specifically that registration is required only for the initiation of civil actions. *See* 17 U.S.C. § 411(a). The defendants, while acknowledging the statute, argue that it is unclear as matter of law, citing the rule of lenity, and thus the Court should apply the registration requirement to criminal prosecutions as well.<sup>3</sup> The defendants' argument is groundless. The plain language of the statute is clear, the legislative history is unambiguous, and there have been no reported decisions disputing the interpretation of the statute, as amended, that the registration requirement applies only to civil actions.

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<sup>2</sup> The difference between the defendants' first (Doc. No. 36 at 6-9) and second (Doc. No. 36 at 9-14) facial sufficiency arguments appears to be that in the first, they are claiming that a copyright does not exist at all unless and until it is registered, and in the second, that registration is a prerequisite for criminal prosecutions. In both cases, however, they claim the indictment must include registration information to be facially sufficient.

<sup>3</sup> The defendants' argument appears to be lifted almost whole cloth from one law review article: Aaron B. Rabinowitz, *Criminal Prosecution for Copyright Infringement of Unregistered Works: A Bite at an Unripe Apple*, 49 *Santa Clara L. Rev.* 793 (2009). While nothing prohibits the defendants from citing the article, nor the Court from considering its arguments, their reliance is problematic. The article was accepted for publication several months before the PRO-IP Act was enacted into law, and the author acknowledges that the amendment to 17 U.S.C. § 411(a) makes it "clear that registration is a prerequisite for *civil* actions" (emphasis added) and "arguably supports the position that registration is not a prerequisite for *criminal* prosecutions . . ." *Id.* at 795 n.12. The author then gamely tries to save his thesis by arguing that the amendment created a "new ambiguity that the same registration prerequisite applies to criminal prosecutions" (emphasis added), *id.* at 805-806, because Congress did not also create "another statutory section to address the parallel issue of criminal infringement prosecutions." *Id.* at 807. Thus, the author's essential claim, *post*-PRO-IP Act, is that even though the amendment made it patently clear that the registration requirement applies only to civil actions, Congress could have made it even clearer. That hardly warrants application of the rule of lenity, which is reserved for statutes with grievous ambiguities. Notably, the article's author (and the defendants) ignores the actual legislative history of the PRO-IP Act, which makes clear that the sole purpose of the amendment was to clarify that the registration requirement applies only to civil actions, as discussed more fully below. *See* H. Rep. No. 110-617, at 39 (2008).

The Copyright Act of 1976, as amended by the PRO-IP Act of 2008, states explicitly that copyright registration is a prerequisite only for civil actions by including the word “civil”: “no *civil* action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with [Title 17]” (emphasis added). 17 U.S.C. § 411(a), as amended by the Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, § 101, 122 Stat. 4256 4257 (2008). The [only] legislative history addressing this provision makes Congress’s intent absolutely clear:

*Sec. 102. Registration and Infringement Actions.* Section 102<sup>4</sup> of the bill amends 17 U.S.C. § 411, which provides that “[n]o action for infringement of the copyright in any United States work shall be instituted until registration of the copyright claim has been made.” Section 102 amends this provision to clarify that this rule only applies to civil infringement actions and not to criminal prosecutions. This provision is consistent with established DOJ policy (footnote omitted). It makes no change in existing practices of how and when prosecutors prove the existence of a copyright in an infringement case, and it does not affect any pending cases. The Committee does not believe that this clarification will exacerbate the problem of orphan works, nor will it reduce the incentives for creators and authors to register their works. A copyright holder would not give up his or her ability to file a civil suit, collect statutory damages, and get attorney’s fees on the hope that a prosecutor will prosecute an infringer of the copyrighted work. On the other hand, some small, individual copyright holders, such as photographers or journalists who often do not have sufficient resources to register their works or to pursue expensive litigation, would benefit from this change because it clarifies that DOJ is still able to prosecute the violation in these circumstances.

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<sup>4</sup> While this report accompanied the House version of the PRO-IP Act, H.R. 4279, 110<sup>th</sup> Congress (2008), hence the amendment to 17 U.S.C. § 411 has a different section number than in the enrolled bill, S. 3325, 110<sup>th</sup> Congress (2008), actually enacted into law, the language in the House bill was identical to that in the bill as enacted. Moreover, the Senate never issued its own report, nor was there any discussion of the provision on the House or Senate floors. Consequently, the explanation in the House report is the only legislative history addressing the amendment to 17 U.S.C. § 411(a), leaving no ambiguity about Congress’s position.

H. Rep. No. 110-617, at 39 (2008). Notably, Congress writes that the amendment is merely meant to “clarify that [the registration] rule only applies to civil infringement actions” (emphasis added). *Id.* Congress adds that the amendment “is consistent with established DOJ policy . . . and makes no change in existing practices of how and when prosecutors prove the existence of a copyright in an infringement case, and it does not affect any pending cases,” *id.*, a clear endorsement of the government’s position that even prior to passage of the PRO-IP Act, copyright registration was not a requisite for criminal prosecution.<sup>5</sup>

Here, the defendants ignore the clear language of the statute, the legislative history, and the lack of any judicial authority for their proposition that the registration requirement in Section 411(a) should apply to civil actions *and* criminal proceedings. Both of the cases they cite are inapposite because they address the *pre*-PRO-IP Act regime.<sup>6</sup> *United States v. Backer*, 134 F.2d 533, 535-36 (2d Cir. 1943), Doc. No. 36 at 11, interpreting a prior version of the Copyright Act, which did not specify that the registration requirement was limited to civil actions, held that the requirement applied to both civil and criminal infringement actions.<sup>7</sup> Similarly, *United States v.*

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<sup>5</sup> In fact, the House Report even included a footnote citing DOJ’s manual, which articulated the Department’s *pre*-PRO-IP Act position that copyright registration was not a prerequisite for criminal prosecutions. H. Rep. No. 110-617, at 39 n. 27 (2008), citing Computer Crime and Intellectual Property Section, U.S. Dept. of Justice, Prosecuting Intellectual Property Crime § II.B.1.d (3d ed. 2006). *See also* Michael M. Dubose, Criminal Enforcement of Intellectual Property Laws in the Twenty-First Century, 29 *Colum. J.L. & Arts* 481, 488-89 (2006). The Computer Crime and Intellectual Property Section (“CCIPS”) is co-counsel for the government on this case with the United States Attorney’s Office for the Eastern District of Louisiana. Michael Dubose, in 2006, was the Deputy Chief of CCIPS for Intellectual Property, then the most senior prosecutor in the Department specializing in intellectual property cases.

<sup>6</sup> The defendants do note in passing that the conspiracy to commit criminal copyright infringement alleged in Count One of the indictment began in 2005, before passage of the PRO-IP Act, Doc. No. 36 at 10, suggesting that the amendment to 17 U.S.C. § 411(a) explicitly limiting its reach to civil actions should/would not apply. In fact, 17 U.S.C. § 411(a), regardless of one’s reading of it, does not apply at all to Count One, which is a conspiracy charged under Title 18, United States Code, Section 371, not an “infringement action” (or proceeding) under the Copyright Act. *See* Doc. No. 20 at 1-9. By contrast, Counts Two and Three, which do charge substantive criminal copyright infringement, span time periods in 2011 and 2012, well after passage of the PRO-IP Act. Finally, Count Four charges DMCA violations, not copyright infringement, and 17 U.S.C. § 411(a) does not apply.

<sup>7</sup> *Backer* was of questionable relevance even before passage of the PRO-IP Act because it was interpreting the 1909 Copyright Act, which required registration before an “action or proceeding . . . for infringement of

*Beltran*, 503 F.3d 1, 3 (1st Cir. 2007), Doc. No. 36 at 11, addressed the *pre*-PRO-IP Act version of the Copyright Act. The defendants also misquote *Beltran*, writing that the Court “noted that § 411 ‘appear[ed]’ to apply to civil *and* criminal infringement” (emphasis added), Doc. No. 36 at 11, which completely reverses what the Court actually said: “Section 411 appears to govern *only* civil infringement suits ...” (emphasis added). *Beltran*, 503 F.3d at 3.

The defendants then turn to the rule of lenity, but fail to justify its application. The rule of lenity, a canon of statutory interpretation, provides that ambiguities in criminal statutes should be resolved in favor of the defendant, but its application is not warranted, as the defendants claim, every time a statute is “found to be at all ambiguous ....” Doc. No. 36 at 13. Rather, “the rule of lenity only applies if, after considering text, structure, history, and purpose, there remains a ‘grievous ambiguity or uncertainty in the statute,’ such that the Court must simply ‘guess as to what Congress intended’” (internal citations omitted), *Barber v. Thomas*, 560 U.S. 474, 488 (2010); *see also United States v. Pruett*, 681 F.3d 232, 240 n.4 (5th Cir. 2012) (per curiam) (“We find no ‘grievous ambiguity’ in the ‘access’ requirement sufficient to apply the rule of lenity.”)

Here, contrary to the defendants’ wholly unsupported assertion, the statute is in no way uncertain or ambiguous. Section 411(a) of Title 17 of the United States Code, by its plain text, applies only to civil actions. Its recent history similarly makes clear that Congress intended it to apply only to civil actions; the PRO-IP Act amendment clarified that beyond any doubt. Moreover, Congress, in describing the change made by the PRO-IP Act, made clear that the amendment’s sole purpose was to clarify that registration was a requirement for civil actions only, not criminal proceedings. *See* H. Rep. No. 110-617, at 39 (2008). In this context, it would

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copyright.” Copyright Act, 17 U.S.C. § 12 (1909). The inclusion in the 1909 Act of the word “proceeding” is significant, because elsewhere in the Copyright Act, Congress distinguishes between a “civil actions” and “criminal proceedings.” 17 U.S.C. § 507. By contrast, the Copyright Act of 1976 imposed the registration requirement solely for any “*action* for infringement,” (emphasis added), 17 U.S.C. § 411(a) (1976), dropping the word “proceeding,” indicating an intent to limit its reach to civil *actions*.

have been superfluous to further amend 17 U.S.C. § 411(a) as the defendants suggest—after stating that the section applies only to any “civil action,” to reiterate that “the requirements of this prevision [sic] do not apply to criminal proceedings.”<sup>8</sup> Doc. No. 36 at 12. In short, no ambiguity exists in the statute at issue, much less a “grievous” one to justify applying the rule of lenity in this case.<sup>9</sup>

**D. The Criminal Copyright Infringement Statute is Not Unconstitutionally Vague**

Finally, the defendants claim that the criminal copyright infringement statute is unconstitutionally vague because it fails to give adequate notice that criminal prosecutions do not require registration. The defendants’ claim has no merit. The defendants, who never actually cite or analyze the criminal copyright statute itself, codified at Title 17, United States Code, Section 506, wholly ignore the fact that its plain text requires proof of willful infringement of a copyright—the intentional violation of a known legal duty. This *scienter* is precisely what distinguishes criminal copyright infringement proceedings from civil infringement actions. Thus

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<sup>8</sup> Notably, even the defendants, in their proposed language, refer to “criminal *proceedings*,” Doc. No. 36 at 12, suggesting that they, like the drafters of the Copyright Act, distinguish between a “civil *action*” and a “criminal *proceeding*.” This is an inadvertent concession that, even prior to passage of the PRO-IP Act, use of the word “action” in 17 U.S.C. § 411(a) was some indication that it applied solely to civil actions. *See n.7, supra*; 17 U.S.C. § 507.

<sup>9</sup> The defendants add, still in the section of their moving papers entitled “Rule of Lenity,” that other types of intellectual property violations, such as trademark counterfeiting and patent infringement, require registration, suggesting that this is a reason to impose a registration requirement for criminal copyright infringement prosecutions. Doc. No. 36 at 13. First, this is not actually an argument for application of the rule of lenity (nor, in the underlying law review article from which the defendants apparently drew the argument, was it advanced as such, *see* Aaron B. Rabinowitz, *Criminal Prosecution for Copyright Infringement of Unregistered Works: A Bite at an Unripe Apple*, 49 *Santa Clara L. Rev.* 793, 812-13 (2009) – instead, the article cited it as an argument for administrative review). Second, it is completely inapposite. The criminal trademark counterfeiting statute, codified at 18 U.S.C. § 2320, specifically provides that registration on the Principal Register of the United States Patent and Trademark Office (“USPTO”) is required for prosecution, which cuts strongly against defendants’ argument that the criminal copyright statute, codified at 17 U.S.C. § 506, which does *not* include such a provision, should include the same requirement anyway. The patent regime is even less relevant, since U.S. law (unlike the laws of most other countries) does not criminalize patent infringement at all, so there is no analogous criminal statute. Moreover, copyrights inure automatically and confer protection from the moment a work is created, *see* 17 U.S.C. §§302(a) and 408(a), whereas trademarks and patents require registration (or, in the case of patents, at least pre-registration publication with the USPTO) to inure and confer any legal protection. *See* 15 U.S.C. § 1114, 18 U.S.C. §2320, 35 U.S.C. § 154. Copyrights are simply different animals.

it makes sense that civil actions require registration to assure that the defendant had notice of the copyright, but this is unnecessary in the criminal context because of the heightened *mens rea*.

The vagueness doctrine “bars enforcement of ‘a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application. *United States v. Lanier*, 520 U.S. 259, 266 (1977). A principal element of the vagueness doctrine is “the requirement that a legislature establish minimal guidelines to government law enforcement.” *Kolender v. Lawson*, 461 U.S. 352, 357 (1983) (internal quotation marks and citation omitted). The touchstone of the analysis, however, “is whether the statute, either standing alone or as construed, made it reasonably clear at the relevant time that the defendant’s conduct was criminal. *Lanier*, 520 U.S. at 267.

The criminal copyright infringement statute clearly proscribes only willful infringement of a copyright:

(1) In General—Any person who willfully infringes a copyright shall be punished as provided under section 2319 of title 18, if the infringement was committed—

(A) for purposes of commercial advantage or private financial gain;

(B) by the reproduction or distribution, including by electronic means, of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than \$1,000 ....<sup>10</sup>

17 U.S.C. § 506(a). Further, the statute specifically provides that a conviction requires more than mere proof of intentional reproduction and distribution of copyright works—conduct in which a person could have engaged without realizing it was criminal:

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<sup>10</sup> Depending on the number of infringing copies reproduced and/or distributed, and their total value, felony penalties may apply. *See* 18 U.S.C. § 2319. That said, reproduction and distribution are the only two of the six exclusive rights in copyrighted works, *see* 17 U.S.C. § 106, which expose infringers to felony penalties. 17 U.S.C. § 506; 18 U.S.C. § 2319.

(2) Evidence—For purposes of this subsection, evidence of reproduction or distribution of a copyrighted work, by itself, shall not be sufficient to establish willful infringement of a copyright.

*Id.* This dovetails with judicial interpretations of willfulness. *See Cheek v. United States*, 498 U.S. 192, 200 (1991) (addressing federal tax statutes, requiring a finding of willfulness – the “voluntary intentional violation of a known legal duty”); *United States v. Montgomery*, 747 F.3d 303, 309 (5th Cir. 2014) (same).

The criminal copyright infringement statute provides all the notice that the law requires. It defines the prohibited conduct clearly—willful infringement of a copyright. Moreover, with respect to reproduction and distribution, the only two exclusive rights in copyrighted works that expose infringers to felony penalties, the statute provides specifically that proof of such reproduction and distribution alone is insufficient to sustain a conviction. Taken in conjunction with the *post-PRO* IP Act version of 17 U.S.C. § 411(a), which states explicitly that only civil actions require copyright registration, the criminal copyright infringement statute clearly provides that a person may be prosecuted for infringement of an unregistered copyright, but it protects him from conviction if he did not know that his conduct that was unlawful. In sum, the defendants provide no basis for the extraordinary remedy of dismissing the entire statute as unconstitutionally vague.

### **III. Conclusion**

The defendants’ motion to dismiss the superseding indictment should be denied. Their three arguments—(i) that the indictment is deficient for failing to allege the existence of the infringed copyright, (ii) that a criminal copyright infringement prosecution *should* require registration of the infringed copyright, and (iii) that the criminal copyright infringement statute is unconstitutionally vague—are meritless. In the first argument, the defendants simply misstate

the law, grafting a registration requirement that simply does not exist. In the second, they acknowledge the law, but argue, in the face of clear statutory language, unambiguous legislative history, and deafening silence from the courts, that the law *should* be interpreted differently. In the third, defendants implicitly concede that the law is clear and that Congress is unlikely to change it, but ask the Court to invalidate the law altogether anyhow. Such aggressive steps may be fanciful, but are neither appropriate nor meritorious. Further, in support of their request for this extraordinary remedy, they produce no supporting authority. The indictment is clearly sufficient, and the government urges the Court to deny the defendants' motion in its entirety.

Respectfully submitted,

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

CRIMINAL ACTION

VERSUS

No. 14-35

RAINER WITTICH  
THE BRINSON COMPANY

SECTION "G"

**REPLY MEMORANDUM IN FURTHER SUPPORT OF**  
**MOTION TO DISMISS**

NOW INTO COURT THROUGH undersigned counsel comes defendants Rainer Wittich and the Brinson Company who respectfully submit this reply memorandum in further support of their motion to dismiss.

**1. No copyright registration.**

The Government in its vitriolic response sidesteps the simple issue raised by the Defendants. Were the works at issue registered with the United States Copyright office? Rather than simply state they were not, the government attempts to mislead by attaching a letter written to an individual in England from British Solicitors as evidence of the purported copyright protection afforded to the works at issue here. *See* Exhibit "1" to Government's Opposition to Rec. Doc. No. 40. The Court should not be misled by this. The government fails to acknowledge that

there is no copyright registration with respect to the alleged works at issue here. While the government goes to great lengths to explain that the purported copyright is properly pled in the indictment and that no registration is required, what is notably absent from the government's brief is a simple acknowledgment that the alleged works at issue here were not registered with the United States Copyright office. The government simply oversteps this fact by stating that the changes to 17 USC § 411 (a) now only require registration in civil cases. (*See* Rec. Doc. No. 40 at page 9). The government in its conclusory reasoning simply states "there have been no reported decisions disputing the interpretation of the statute, as amended, that the registration requirement applies only to civil actions". *Id.* The government logic is flawed. The appropriate question is: Has the government ever brought a criminal enforcement action for an alleged violation of a work that has not been registered with the Copyright office. And, if so, was the validity and constitutionality of the prosecution challenged?

The government cannot point to one case in which a Court has upheld the application of the criminal copyright statutes to a work that was not registered in the United States. Simply put, the government cannot cite to any cases in which they have prosecuted an individual for allegedly violating an unregistered work and this prosecution has been upheld as valid. Furthermore, the government attaches one example of an indictment in the matter of United States v. Michael Moore ("Moore Indictment") to show that the indictment in this matter "simply reflect[s] the individual drafters varying preferences. *See* Rec. Doc. No. 40 at p. 9. However, it should be noted that in the Moore indictment presented by the government itself it is clear that the drafter felt it necessary to make clear that the works at issue were subject to copyright protection. *See* Exhibit 2 to Rec. Doc. No. 40. The government in the Moore Indictment specifically alleged that the works at issue were subject to copyright protection. The Moore Indictment states at Paragraph 1: "**copyrighted**

television broadcast of hockey games and other **copyrighted** works”, and at Paragraph 2: “clips of **copyrighted** television broadcast of hockey games and other copyrighted works”. *Id* (emphasis added).

At no point does the indictment in this matter note that the works were “copyrighted” by Mercedes Benz or any other Mercedes Benz affiliated entity. While the government argues here that such language is not necessary, the drafter in the Moore Indictment clearly felt it necessary to include. The government argues that since no one has challenged this unprecedented extension and application of federal criminal law, this Court should simply dismiss the defendant’s arguments. While the government clearly wants this interpretation and overly broad application of federal law, this unprecedented prosecution before the Court warrants a more discerning view.

**2. No case law applicable.**

As the government points out, there is no jurisprudence addressing the amendment to 17 USC § 411 (a). *See* Rec. Doc 40 at p. 9. The government does correctly note that the Seventh Circuit in *Beltran* stated in *dicta* that the registration requirement appears to apply only to civil cases. However, the government fails to include the essential fact that there was no dispute as to the copyright protection afforded to the registered works at issue. Without having to address the issue, the *Beltran* Court opined that “Section 411 appears to govern only civil infringement suits and in any event, **defendants stipulated to the certificates of registration.**” *See US v Beltran*, 503 F 3d 1 (1<sup>st</sup> Cir 2007). (Emphasis added) <sup>1</sup>

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<sup>1</sup> Defendant did not intend to mislead the Court, as it is clear from the sentence that follows the discussion of *Beltran*. “The previous jurisprudence linking the civil and criminal copyright litigation should not be quickly overlooked.” *See* Defendants’ memorandum in support of motion to dismiss. The point being, simply because one Court notes in *dicta* that the registration

What is clear is that there does not appear to be any cases in which the government has prosecuted an individual criminally for alleged violations of an unregistered copyright and such prosecution had been challenged for lack of such registration. The Court should consider what appears to be an issue of first impression and dismiss this unprecedented Indictment for the reason set forth in the Defendants' Motion to Dismiss.

Respectfully submitted,

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may only appear to apply in civil context, the Court should not dismiss the decades of jurisprudence linking civil and criminal copyright cases.