

1 DANIEL J. KELLY SBN 145088
2 TUCKER ELLIS LLP
3 daniel.kelly@tuckerellis.com
4 One Market Plaza
5 Steuart Tower, Suite 700
6 San Francisco, CA 94105
7 Telephone: 415.617.2400
8 Facsimile: 415.617.2409

9 KEVIN P. ALLEN (Pro hac vice)
10 ECKERT SEAMANS CHERIN & MELLOTT, LLC
11 kpallen@eckertseamans.com
12 600 Grant Street, 44th Floor
13 Pittsburgh, PA 15219
14 Telephone: (412) 566-6866

The Initial Case Management Conference has been continued to 5/13/16 at 2:30 p.m. A Joint Case Management Conference Statement shall be filed on May 6, 2016.

15 Attorneys for Defendant
16 SCHAWK DIGITAL SOLUTIONS, INC.

17 **UNITED STATES DISTRICT COURT**
18 **NORTHERN DISTRICT OF CALIFORNIA**

19 AUTOMATED MEDIA PROCESSING
20 SOLUTIONS, INC., dba EQUILIBRIUM, a
21 corporation,

22 Plaintiff,

23 v.

24 SCHAWK DIGITAL SOLUTIONS, INC., a
25 business entity; BLUE SOFTWARE, LLC,
26 a business entity,

27 Defendants.

Case No. **3:15-cv-05018-SI**

DEFENDANT SCHAWK DIGITAL SOLUTIONS, INC.'S EX PARTE MOTION FOR AN ORDER ENLARGING TIME TO RESPOND TO THE COMPLAINT AND CONTINUING CASE MANAGEMENT CONFERENCE

Case Management Conference
Date: March 18, 2016
Time: 2:30 PM
Department: Courtroom 1
Judge: Hon. Susan Illston

28 **MOTION AND GROUNDS**

Defendant Schawk Digital Solutions, Inc. ("SDS") hereby moves pursuant to Civil L.R. 6-1(b) and Civil L.R. 6-3 for an order enlarging the time for its response to the complaint filed November 2, 2015 [Document 1]. Based on the agreement of counsel, SDS considered itself served with the summons and complaint by mail on February 16, 2016, making its response to the complaint due March 11, 2016. SDS respectfully requests a fourteen (14) day enlargement of time to respond to the complaint. SDS also requests that the case management conference scheduled for March 18, 2016 be

TUCKER ELLIS LLP
Cleveland ♦ Columbus ♦ Denver ♦ Los Angeles ♦ San Francisco


1 continued for sixty (60) days to allow the parties to complete a contractual dispute resolution process,
2 settle the pleadings, and meet and confer with respect to discovery and case management issues.

3 Plaintiff's complaint alleges causes of action for breach of contract, copyright infringement, and
4 unfair business practices against SDS and BLUE Software, LLC ("BLUE"). The contract at issue is a
5 MediaRich® Server – Software License Agreement between plaintiff Automated Media Processing
6 Solutions, Inc. dba Equilibrium ("Equilibrium") and SDS dated June 28, 2010. The contract is not
7 attached to the complaint. However, it contains a provision that requires the parties to engage in a 30
8 day Dispute Resolution process prior to commencing legal proceedings. In addition, SDS submits that
9 the unfair competition cause of action is preempted by the Copyright Act. As detailed in the attached
10 Declaration of Daniel J. Kelly, the defects in the complaint were brought to the attention of plaintiff's
11 counsel Michael T. Welch by letter dated March 8, 2016. On March 9, 2016, Mr. Welch agreed to the
12 relief requested in this motion.

13 SDS's counsel Daniel J. Kelly first appeared in the case on March 8, 2016. Kevin P. Allen's
14 application to appear pro hac vice for SDS was granted on March 9, 2016. Defendant BLUE has not yet
15 been served with the summons and complaint. Under the circumstances, good cause exists to enlarge
16 the time for SDS to respond to the complaint so that plaintiff's counsel can consider the pleading issues
17 and determine whether to file an amended complaint. This enlargement of time will necessarily affect
18 the case management conference currently scheduled for March 18, 2016. Good cause also exists to
19 continue the case management conference to allow both defendants to respond to the complaint and
20 counsel to meet and confer and prepare the required joint case management statement.

21 DATED: March 9, 2016

TUCKER ELLIS LLP

22
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24 By: 
25 Daniel J. Kelly
26 Attorneys for Defendant
27 SCHAWK DIGITAL SOLUTIONS, INC.
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CERTIFICATE OF SERVICE

Automated Media Processing Solutions, Inc. v. Schawk Digital Solutions, et al.

U.S.D.C (N.D. CAL.) CASE NO. Case No. **3:15-cv-05018-SI**

I, Daniel J. Kelly, certify and declare as follows:

I am over the age of 18 years and not a party to this action. I am a partner in the law firm Tucker Ellis LLP, and my business address is One Market Plaza, Steuart Tower, Suite 700, San Francisco, California 94105, which is located in the city, county and state where the service described below took place.

On the date indicated below, I served on all interested parties in this action a copy of

DEFENDANT SCHAWK DIGITAL SOLUTIONS, INC.’S EX PARTE MOTION FOR AN ORDER ENLARGING TIME TO RESPOND TO THE COMPLAINT AND CONTINUING CASE MANAGEMENT CONFERENCE; DECLARATION OF DANIEL J. KELLY

by electronically serving the documents described above via United States District Court Electronic Case Filing website (CM/ECF notification system) on the recipients designated on the electronic service list that is located on the PACER website. I also emailed a courtesy copy to plaintiff’s counsel Michael T. Welch at mwwelchlaw@gmail.com because it appears that the CM/ECF system still sends notices to his former email address.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 9, 2016, at San Francisco, California.

/s/ Daniel J. Kelly
Daniel J. Kelly

1 TUCKER ELLIS LLP
2 DANIEL J. KELLY SBN 145088
3 daniel.kelly@tuckerellis.com
4 One Market Plaza
5 Steuart Tower, Suite 700
6 San Francisco, CA 94105
7 Telephone: 415.617.2400
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15 Attorneys for Defendant
16 SCHAWK DIGITAL SOLUTIONS, INC.

17 **UNITED STATES DISTRICT COURT**
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19 AUTOMATED MEDIA PROCESSING
20 SOLUTIONS, INC., dba EQUILIBRIUM, a
21 corporation,

22 Plaintiff,

23 v.

24 SCHAWK DIGITAL SOLUTIONS, INC., a
25 business entity; BLUE SOFTWARE, LLC,
26 a business entity,

27 Defendants.

Case No. **3:15-cv-05018-SI**

**DECLARATION OF DANIEL J. KELLY IN
SUPPORT OF DEFENDANT SCHAWK
DIGITAL SOLUTIONS, INC.'S *EX PARTE*
MOTION FOR ENLARGEMENT OF TIME AND
CONTINUANCE OF CASE MANAGEMENT
CONFERENCE**

28 I, Daniel J. Kelly declare as follows:

1. I am a partner in Tucker Ellis LLP, counsel of record for defendant Schawk Digital Solutions, Inc. (“SDS”). I have personal knowledge of the matters stated herein, except those stated on information and belief, and as to those matters, I believe them to be true. If called upon to do so, I could testify competently about them.

2. Plaintiff Automated Media Processing Solutions, Inc. dba Equilibrium (“Equilibrium”) filed its complaint on November 2, 2016. By agreement of counsel, SDS was served with the summons

1 and complaint by mail with a letter to Kevin P. Allen on February 16, 2016. SDS's response to the
2 complaint is due on March 11, 2016.

3 3. Plaintiff's complaint alleges causes of action for breach of contract, copyright
4 infringement, and unfair business practices against SDS and BLUE Software, LLC ("BLUE"). The
5 contract at issue is a MediaRich® Server – Software License Agreement between plaintiff Equilibrium
6 and SDS dated June 28, 2010. The contract is not attached to the complaint. Paragraph 11.5 of the
7 agreement requires SDS and Equilibrium to engage in a Dispute Resolution process before commencing
8 legal proceedings. It is my understanding that this process has not been initiated or completed. The
9 process contemplates successive review of the dispute at several corporate levels over the course of
10 approximately 30 days.

11 4. I first appeared in this case on behalf of SDS by filing a notice of appearance on March 8,
12 2016. That same day, I sent a letter to plaintiff's counsel Michael T. Welch outlining several
13 deficiencies in the complaint and indicating that SDS intended to file a motion to dismiss if the issues
14 could not be resolved by stipulation. A true and correct copy of this letter is attached as Exhibit A and
15 incorporated by reference.

16 5. On March 8, 2016, I spoke with Brenda Dang, In-House Counsel for defendant BLUE
17 Software, LLC ("BLUE"). She advised that BLUE had not been served with the summons and
18 complaint.

19 6. On March 9, 2016 at 3:37 p.m., I spoke with Michael T. Welch on the telephone. We
20 discussed the status of the case and this motion. Mr. Welch agreed with the requested relief. He also
21 agreed to review the provisions of the Software License Agreement, a copy of which I emailed to him.
22 He agreed to check on the status of service of process on BLUE.

23 7. Under the circumstances, I believe that good cause exists to enlarge the time for SDS's
24 response to the complaint by fourteen (14) days, to March 25, 2016 and to continue the case
25 management conference for sixty (60) days. This will allow all counsel to become more familiar with
26 the case and for the pleadings to be settled. It will also allow for the completion of the Dispute
27 Resolution process.

28 8. There have been no previous time modifications in the case by stipulation or motion. If

1 the requested relief is not granted, SDS will be required to prepare and file its motion to dismiss without
2 having a reasonable opportunity to meet and confer on a potential stipulated resolution. SDS will also
3 be prejudiced by having to expend time and resources in litigation without the benefit of the agreed,
4 contractual Dispute Resolution process. In addition, the Court will be inconvenienced in that one of the
5 parties in the case, BLUE, will not have appeared in the case prior to the case management conference
6 which would likely warrant a continuance.

7 I hereby declare under penalty of perjury under the laws of the United States of America that the
8 foregoing is true and correct.

9 Executed on March 9, 2016 at San Francisco, California.

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/s/ Daniel J. Kelly
Daniel J. Kelly

March 8, 2016

DIRECT DIAL 415.617.2203 | daniel.kelly@tuckerellis.com

VIA EMAIL

Michael T. Welch, Esq.
Law Offices of Michael T. Welch
Four Embarcadero Center, 39th Floor
San Francisco, CA 94111

*Re: Our Client: Schawk Digital Solutions, Inc.
Automated Media Processing Solutions, Inc. dba Equilibrium v. Schawk Digital Solutions, Inc.,
BLUE Software, LLC
U.S.D.C. (N.D. Cal.) Case No. 3:15-cv-05018-SI*

Dear Mr. Welch:

We have been engaged as local counsel for defendant Schawk Digital Solutions, Inc. (“SDS”) in the above action. We are writing in an effort to resolve a number of issues with the complaint filed November 2, 2015. Based on Mr. Allen’s agreement to accept service of the summons and complaint, we are treating your mailing of the documents on February 16, 2016 as service on SDS. The response is due March 11, 2016. We are prepared to file a motion to dismiss.

Given that the summons was not served within 90 days, the complaint is subject to dismissal under Federal Rules of Civil Procedure, Rule 4(m). More importantly, the first cause of action does not sufficiently allege a claim for breach of contract because the Software License Agreement is not attached or its terms pleaded *in haec verba*. We also note that paragraph 11.5 of the agreement requires the parties to complete a Dispute Resolution process prior to commencing legal proceedings. In addition, the third cause of action for Unfair Business Practices must be dismissed because it is preempted by the Copyright Act. See *Kodadek v. MTV Networks, Inc.*, 152 F.3d 1209 (9th Cir. 1998) and *Media.net Advertising FZ-LLC v. NetSeer, Inc.*, --- F.Supp.3d ---- (N.D. Cal. 2016), 2016 WL 141707 (January 12, 2016).

In reviewing the docket, it appears that the case is set for a case management conference on March 18, 2016. SDS was not served with any notice of the case management conference and it appears that defendant BLUE Software, LLC has not yet been served with the summons and complaint. We believe that the complaint should be amended to correct the pleading deficiencies and that the unfair completion claim should be dismissed. We also believe that the case should be stayed pending the completion of the agreed Dispute Resolution process.

The easiest way to accomplish this is for you to simply dismiss the case without prejudice. If you are unwilling to do this, we are prepared to stipulate to an order continuing the case management conference and allowing plaintiff leave to amend the complaint after completion of the

Dispute Resolution process mandated by the Software License Agreement. Please call or email me to discuss these issues. I look forward to speaking with you.

Very truly yours,

TUCKER ELLIS LLP

A handwritten signature in black ink, appearing to read 'DJK', with a long horizontal flourish extending to the right.

Daniel J. Kelly

DJK:stf

cc: Kevin P. Allen, Esq. (via email)