

Nos. A07-2293, A07-2428

STATE OF MINNESOTA  
IN SUPREME COURT

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State of Minnesota,

Respondent,

vs.

Dale Lee Underdahl,

Appellant,

Timothy Arlen Brunner,

Appellant.

**RESPONDENT'S PETITION FOR REHEARING**

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JEFFREY S. SHERIDAN  
Atty. Reg. No. 0183222  
Strandemo, Sheridan & Dulas, P.A.  
1380 Corporate Center Curve, Suite 320  
Eagan, Minnesota 55121  
(651) 686-8800

ATTORNEY FOR APPELLANT DALE LEE  
UNDERDAHL

DEREK A. PATRIN  
Atty. Reg. No. 0291328  
Meaney & Patrin, P.A.  
6225 Ginger Drive  
Eden Prairie, MN 55346  
(612) 333-3636

ATTORNEY FOR APPELLANT  
TIMOTHY ARLEN BRUNNER

LORI SWANSON  
Attorney General  
State of Minnesota

ALAN I. GILBERT  
Solicitor General  
Atty. Reg. No. 0034678

445 Minnesota Street, Suite 1100  
St. Paul, Minnesota 55101-2128  
(651) 296-9717 (Voice)  
(651) 296-1410 (TTY)

JAMES C. BACKSTROM  
Dakota County Attorney  
Atty. Reg. No. 0003797

Dakota County Judicial Center  
1560 Highway 55  
Hastings, MN 55033-2392  
(651) 438-4438

ATTORNEYS FOR RESPONDENT

TO: The Supreme Court of the State of Minnesota.

Pursuant to Minnesota Rule of Civil Appellate Procedure 140.01, Respondent State of Minnesota and the Dakota County Attorney's Office request rehearing in the above-referenced matter. In particular, the State seeks rehearing with respect to the holding in Section III of the Court's decision that the district courts did not abuse their discretion in finding the State had possession or control of the source code for the Intoxilyzer 5000EN ("Source Code"). This petition is based on the grounds that the Court overlooked, failed to consider or misapplied the following:

1. The settlement in *State of Minnesota, by Michael Campion, its Commissioner of Public Safety v. CMI of Kentucky, Inc. a Kentucky Corporation*, No. 08-CV-603 (D. Minn. 2008) ("Federal Litigation") was conditioned on the court's approval of a proposed Consent Judgment. The court declined to approve the Consent Judgment and therefore the settlement is void.

2. The Federal Litigation is pending and involves the issue of whether CMI of Kentucky, Inc. ("CMI") has a contractual obligation to provide access to the Source Code. Cross-motions for summary judgment will soon be heard by the court.

3. The "copyright" provision in the Request for Proposal ("RFP") and applicable copyright law only give the State ownership in any copyrightable portion of the Source Code created for the State as part of the contract. Accordingly, in the Federal Litigation the State is not taking the position that it has an ownership interest in the entire Source Code.

## DISCUSSION

### **I. THE SETTLEMENT IN THE FEDERAL LITIGATION IS VOID BECAUSE THE COURT DID NOT APPROVE THE PROPOSED CONSENT JUDGMENT.**

The Court's opinion in footnote 7, references a settlement between the State and CMI in the Federal Litigation. The Minnesota Department of Public Safety (DPS), on behalf of the State, and CMI did indeed reach a settlement that included a proposed Consent Judgment to be approved by the federal court. However, on February 9, 2009, the federal court did not approve the proposed Consent Judgment.<sup>1</sup> Order of Frank, J., at R.A.<sup>2</sup> 1 - 11. Since the settlement was conditioned on the court's approval of the Consent Judgment, the settlement is void. *Id.* at R.A. 3.

This Court's opinion indicates that it relied on the settlement to support its holding that the district courts did not abuse their discretion in ordering production of the Source Code. See footnote 7 and accompanying text. Accordingly, this Court should reconsider its decision in light of the material fact that the settlement is void.

### **II. THE FEDERAL LITIGATION IS PENDING AND DISPOSITIVE MOTIONS WILL SOON BE CONSIDERED BY THE COURT.**

After the court's denial of the motion to approve the Consent Judgment, DPS and CMI immediately brought dispositive motions. At this time, both DPS and CMI have filed their initial briefing materials in support of their respective motions. The briefing is scheduled to be completed on May 29, 2009 and oral argument is scheduled for June 4,

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<sup>1</sup> Underdahl's counsel, Mr. Sheridan, appeared at the hearing held by the federal court to consider whether to approve the proposed settlement. Mr. Sheridan opposed the proposed settlement on behalf of amicus Minnesota Society for Criminal Justice.

<sup>2</sup> "R.A." refers to Respondent's Appendix to this petition for rehearing.

2009. Amended Pretrial Scheduling Order at R.A. 84 - 86. A settlement conference is scheduled for May 6, 2009. Mar. 5, 2009 Order/Notice of Settlement Conference, Boylan, J., at R.A. 10 - 11.

A copy of the State's Memorandum in Support of its Motion for Partial Summary Judgment and An Order for Specific Performance or Permanent Injunction, Or in the Alternative For a Preliminary Injunction ("State's April 17, 2009 Mem.") is included in the State's Appendix. DPS seeks summary judgment on Counts III (breach of contract) and IV (breach of implied covenant of good faith and fair dealing) of its Complaint. State's April 17, 2009 Mem. at R.A. 21, R.A. 35. CMI also requests summary judgment in its favor on Counts III and IV of the State's Complaint. *See* Def.'s Mot. for Partial Sum. J., at R.A. 46 - 47. DPS's argument that CMI has a contractual obligation to provide the Source Code to defendants and petitioners in DWI and implied consent proceedings is based on Special Condition 12 of the RFP, not the copyright provision. *See* State's April 17, 2009 Mem. at R.A. 21 - 35. *See also Comm'r of Public Safety v. Underdahl*, 735 N.W.2d 706, 708-09 (Minn. 2007) ("*Underdahl I*").

The State does not currently have possession of, or the ability to require CMI to produce, the Source Code. Rather, CMI's contractual obligation to provide access to the Source Code is the subject of the Federal Litigation, and CMI vigorously disputes that it is required to provide such access. The Source Code therefore will not be accessible to litigants unless and until the court determines that CMI is obligated to produce the Source Code or the court approves a settlement that provides for such access.

**III. THE COPYRIGHT PROVISION OF THE CONTRACT ONLY GIVES THE STATE OWNERSHIP IN ANY COPYRIGHTABLE MATERIAL CREATED UNDER THE CONTRACT.**

On pages 16 and 17 of its opinion, this Court concludes that the district courts did not abuse their discretion because the provision of the RFP concerning ownership of copyrights indicates that the State had possession or control of the Source Code. However, the plain language of the contract and applicable copyright law provides otherwise. The copyright paragraph in the RFP states as follows:

All right, title, and interest *in all copyrightable material* which Contractor shall *conceive or originate*, either individually or jointly with others, and *which arises out of the performance of this Contract*, will be the property of the State and are by this Contract assigned to the State along with ownership of any and all copyrights in the copyrightable material[.] Contractor also agrees, upon the request of the State to execute all papers and perform all other acts necessary to assist the State to obtain and register copyrights on such materials. Where applicable, works of authorship created by Contractor for the State in performance of the Contract shall be considered “works for hire” as defined in the U.S. Copyright Act.

*Underdahl I*, 735 N.W.2d at 708 (emphasis added).

This provision only gives the State an interest in *copyrightable material* the contractor *conceives or originates* which *arises out of the performance of the contract*. In other words, the only material the State owns under this provision is copyrightable material created by CMI as part of its performance of the contract. The State does not have a copyright interest in the portion of the Source Code that existed before execution of the contract. This interpretation is consistent with federal copyright law which only gives the State a copyright interest in so-called “derivative works,” that were created after the contract was executed, not the pre-existing work on which the derivative work was

based. 17 U.S.C. §§ 101, 103; *Montgomery v. Noga*, 168 F.3d 1282, 1290-91 (11th Cir. 1999); *see also* Br. Amicus Curiae Minnesota DWI Taskforce (submitted in the Federal Litigation in support of approval of State/CMI settlement) at R.A. 54 - 56.<sup>3</sup>

Although discovery in the Federal Litigation is in progress, CMI claims that virtually all of the Source Code predates the contract between the State and CMI. *See* Aff. of Toby Hall at ¶¶ 16-17 (submitted in Federal Litigation in support of approval of State/CMI settlement) at R.A. 66- 67. Moreover, CMI claims that the portion of the Source Code that was created after execution of the contract, was not copyrightable.

Based on the plain language of the contract and applicable copyright law, the State has made it clear to the parties<sup>4</sup> in the Federal Litigation that it does not contend that it has an ownership interest in the entire Source Code. Instead, as discussed above and explained in detail in the State's Memorandum of April 17, 2009, the State believes that under Special Condition 12 of the RFP, CMI must provide the Source Code directly to defendant/petitioner's attorneys in DWI and implied consent proceedings when a state court orders production.<sup>5</sup> State's April 17, 2009 Mem. at R.A. 21 - 35; *see also Underdahl I*, 735 N.W.2d at 708-09. However, the federal court has not yet decided the

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<sup>3</sup> The work for hire doctrine does not apply to this case. *See Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737-38, 743 (1989) (stating a work for hire must either be created by an employee or if the work is created by an independent contractor the work must fall into one of nine enumerated categories that do not include source code); *see also* Br. Amicus Curiae Minnesota DWI Taskforce at R.A. 51 - 54.

<sup>4</sup> In addition to CMI, the other parties to the Federal Litigation are four Plaintiff-Intervenors, who are defendants/petitioners in pending DWI and implied consent cases. *See* Intervenors' Complaint at R.A. 72 - 83.

<sup>5</sup> Of course, production of the Source Code can be subject to a protective order issued by the court in the DWI or implied consent proceeding.

merits of this claim, which is the principal subject of the pending motions in the Federal Litigation.

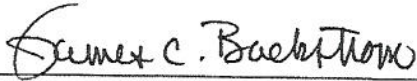
In light of the foregoing, including the pendency of the Federal Litigation, the State requests that the Court grant rehearing and reconsider its decision. The State simply is not currently able to produce the Source Code or otherwise force CMI to do so. DPS commenced the Federal Litigation after the decision in *Underdahl I*, and it is hoped that the federal action will soon resolve the issue over access to the Source Code. This Court's decision in the above-referenced matter presents the real possibility that many DWI and implied consent cases will be dismissed or rescinded because there has been no adjudication at this time in the Federal Litigation regarding CMI's obligation to provide access to the Source Code.

Although DPS seeks to enforce its rights under the contract, it clearly does not currently have physical possession of the Source Code or an adjudicated right to require CMI to make it available to litigants. Accordingly, the State is presently unable to produce the Source Code and therefore the district courts erred in requiring such production by the State. See *Abbott v. Comm'r of Public Safety*, 760 N.W.2d 920, 927 (Minn. App. 2009) *petition for rev. filed* (referring to *Underdahl I* and stating that attempt to obtain access to the Source Code for the Intoxilyzer 5000 "is not the same as saying the Commissioner had possession, custody, or control of it"). Another possible disposition of this case is that, upon rehearing, the Court could delay its decision until the Federal Litigation determines the pending motions regarding CMI's contractual obligation to provide access to the Source Code.

CONCLUSION

The State respectfully requests that this Court grant rehearing.

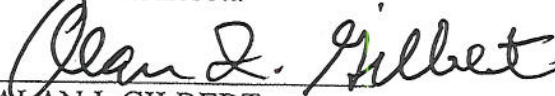
Dated: 5-5-09

  
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JAMES C. BACKSTROM  
Dakota County Attorney  
Atty. Reg. No. 0003797

Dakota County Judicial Center  
1560 Highway 55  
Hastings, MN 55033-2392  
(651) 438-4438

Respectfully submitted,

LORI SWANSON  
Attorney General  
State of Minnesota

  
\_\_\_\_\_  
ALAN I. GILBERT  
Solicitor General  
Atty. Reg. No. 0034678

445 Minnesota Street, Suite 1100  
St. Paul, Minnesota 55101-2128  
(651) 296-9717 (Voice)  
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