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8 *and Alan Gray*

8 **UNITED STATES DISTRICT COURT**  
9 **DISTRICT OF NEVADA**

10 RIGHTHAVEN, LLC, a Nevada limited-liability  
11 company  
12 Plaintiff,  
13 vs.  
14 NEWSBLAZE LLC, a California limited  
15 liability company; and ALAN GRAY, an  
16 individual,  
17 Defendants.

Case No.: 2:11-cv-00720

**DEFENDANTS’ REPLY TO  
PLAINTIFF’S RESPONSE TO  
DEFENDANTS’ MOTION TO  
DISMISS FOR LACK OF SUBJECT  
MATTER JURISDICTION**

17 **DEFENDANTS’ REPLY TO PLAINTIFF’S RESPONSE TO DEFENDANTS’ MOTION  
18 TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION**

19 Defendants NewsBlaze, LLC and Alan Gray (collectively, “NewsBlaze,” or the  
20 “Defendants”), by and through counsel, reply to Plaintiff Righthaven, LLC’s (hereinafter  
21 “Righthaven[’s],” or the “Plaintiff[’s]”) Response to Defendants’ Motion to Dismiss for Lack of  
22 Subject Matter Jurisdiction (Doc. # 13) filed on July 19, 2011 in opposition to Defendants’  
23 Motion to Dismiss for Lack of Subject Matter Jurisdiction (Doc. # 6), filed on June 16, 2011.

23 **I. Introduction**

24 On July 19, 2011, Righthaven responded to Defendants’ Motion to Dismiss (Doc. # 6)  
25 after executing an Amendment and Restatement (hereinafter, the “Restatement”) of the Strategic  
26 Alliance Agreement (hereinafter, the “SAA”) between Righthaven and Stephens Media LLC  
27 (hereinafter, “Stephens Media”). Decl. of Shawn Mangano (Doc. # 17); Restatement (Doc. # 17-

1) The Restatement supposedly rectifies the defects in Righthaven's SAA, which governs the terms on which Stephens Media assigns its copyrights to Righthaven – just as its previously filed Clarification was supposed to do. This Restatement, however, does no such thing.

First, the Restatement is just the latest version of the SAA, which this District has repeatedly held failed to convey Righthaven any copyright rights sufficient to sustain its lawsuits, including this one. Second, Righthaven is bound by the facts as they existed at the time it filed suit on May 5, 2011 (Doc. # 1) – before its “Clarification” (*see* Docs. 13, 14) was effective, and long before this latest Restatement was signed (Doc. # 17-1). Righthaven cannot now claim that the facts as they existed at the time of filing have changed – in fact, they have done so already, each time being rebuffed by this District for doing so. Righthaven cannot now step into a TARDIS<sup>1</sup> and change the transaction by which it obtained its copyright rights at the time of filing, and indeed it has not – in fact, Righthaven repeatedly has attempted this, each time being rebuffed by this District, and resulting in judgment entered against it. *Righthaven, LLC v. Hoehn*, No. 2:11-cv-00050-PMP-RJJ (Doc. # 30) (D. Nev. June 20, 2011); *Righthaven, LLC v. DiBiase*, No. 2:10-cv-01343-RLH-PAL, (Doc. # 73) (D. Nev. June 22, 2011); *Righthaven LLC v. Mostofi*, Case No. 2:10-cv-1066 (Doc. 35) (D. Nev. July 13, 2011). This Restatement simply represents Righthaven's latest desperate attempt to acquire whatever rights are necessary to stay in court, while using its allegedly owned copyrights for no purpose other than litigation.

The restructuring of Righthaven's and Stephens Media's Agreement, supposedly effected by the May 9 Clarification (Doc. # 14, 15), and now by the Restatement (Doc. # 17-1), do not affect the nonexistent rights that Righthaven possessed when it filed suit on May 7, 2011. As seen in the rest of the SAA, which remains in effect, Righthaven has no purpose for existence other than to sue on copyrights that it obtains *only after* finding evidence of infringement (Doc. # 6-1). Setting aside the fact that Righthaven has not produced any evidence that would indicate it owns the copyright at issue for anything more than litigation – the stated purpose of its business operating agreement at Section 3.2 – *DiBiase*, Case No. 2:10-cv-01343 (Docs. # 51-1 through

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<sup>1</sup> The Time And Relative Dimensions in Space machine, or “TARDIS,” is the device used by The Doctor to travel through space and time in the long-running British Broadcasting Corporation series *Doctor Who*. *See* <http://www.bbc.co.uk/doctorwho/characters/tardis.shtml> (*last accessed* July 27, 2011).

51-4), all that needs to be considered are the rights Righthaven possessed at the time of filing, which are governed by the SAA and consist solely of the specious “right” to sue. *Hoehn*, 2011 WL 2441020 at \*6 (D. Nev. June 20, 2011); *Righthaven LLC v. Democratic Underground LLC*, Case No. 2:10-cv-01356, 2011 WL 2378186 at \*5 (D. Nev. June 14, 2011); see *Sybersound Records v. UAV Corp.*, 517 F.3d 1137, 1144 (9th Cir. 2008); *Silvers v. Sony Pictures Entm’t, Inc.*, 402 F.3d 881, 885, 890 (9th Cir. 2005).

In sum, this District has consistently looked to Righthaven’s standing as it existed at the time of filing and found it lacking. While the *Hoehn* court did not find Righthaven’s Clarification controlling in any way, it analyzed it and found that it, too, did not grant standing to Righthaven. Resisting the obvious conclusion that facts at the time of filing are fixed, Righthaven once again is trying to revive its litigation campaign, including this lawsuit, with yet another change to its underlying contract after its suit has already been filed (Doc. # 1). This case is no different from the nearly half-dozen others that have been dismissed, and should be treated no differently.

## II. Legal Standards

Subject matter jurisdiction is an essential element to every lawsuit and must be demonstrated “at the successive stages of the litigation.” *Chapman v. Pier 1 Imports (U.S.), Inc.*, 631 F.3d 939, 954 (9th Cir. 2011) (citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 561 (1992)). “The existence of federal jurisdiction ordinarily depends on the facts as they exist when the complaint is filed.” *Lujan*, 504 U.S. at 571 n.4 (quoting *Newman-Green, Inc. v. Alfonzo-Larrain*, 490 U.S. 826, 830 (1989)).

A central component to subject matter jurisdiction is the question of standing, which requires that the party experience actual or imminent harm. *Lujan*, 504 U.S. at 561 (citing *Whitmore v. Ark.*, 495 U.S. 149, 155 (1990)). A party’s standing to bring a case is not subject to waiver, and can be used to dismiss the instant action at any time. Fed. R. Civ. P. 12(h)(3); *U.S. v. Hays*, 515 U.S. 737, 742 (1995); *Chapman*, 631 F.3d at 954. Within the realm of copyright law, 17 U.S.C. 501(b) allows only the legal or beneficial owner of an exclusive right in a copyright, specified in 17 U.S.C. § 106, to sue for infringement. *Silvers*, 402 F.3d at 884.

### 1 III. Argument

2 This Court is presented with an inquiry of what rights Righthaven obtains as a result of  
3 the assignment of Stephens Media's copyrights to Righthaven, governed by the SAA. The  
4 answer to this latter question, as to what rights Righthaven acquired, is "none." This point has  
5 been litigated repeatedly and, in numerous cases, reduced to judgment. *Hoehn*, No. 2:11-cv-  
6 00050-PMP-RJJ (Doc. # 30); *DiBiase*, No. 2:10-cv-01343-RLH-PAL, (Doc. # 73); *Mostofi*, Case  
7 No. 2:10-cv-1066 (Doc. 35). This case is indistinguishable from those in which judgment has  
8 been entered against Righthaven on the issue of its standing, and also should similarly be  
9 summarily disposed.

10 Under the SAA, Righthaven does not have standing to bring this case. Accordingly, this  
11 Court lacks subject matter jurisdiction over the dispute. Righthaven deceptively cites three cases  
12 in which it was the plaintiff for the proposition that Righthaven's assignments are legal under  
13 *Silvers: Righthaven LLC v. Vote For The Worst, LLC, et al.*, Case No. 2:10-cv-01045-KJD-GWF  
14 (Doc. # 28) (D. Nev. March 30, 2011); *Righthaven LLC v. Majorwager.com, Inc., 2010 WL*  
15 *4386499* at \*2 (D. Nev. Oct. 28, 2010); *Righthaven LLC v. Dr. Shezad Malik Law Firm P.C.,*  
16 *2010 WL 3522372*, at \*2 (D. Nev. Sept. 2, 2010).

17 Righthaven's reliance on these cases is doubly flawed. These cases considered only a one-  
18 page assignment between Righthaven and Stephens Media, and not the SAA that set forth the  
19 terms that control that transaction. In those three cases, while Righthaven knew full well of the  
20 existence of the Agreement, it appears to have purposely hidden that agreement from the  
21 defendants in those cases. As the SAA were not on the public record at the time this District  
22 rendered its opinions in these cases, the full scope of Righthaven's relationship with Stephens  
23 Media could not be considered.

24 Similarly, Righthaven's citation of *Righthaven LLC v. Virginia Citizens Defense League*  
25 *Inc. et al*, Case No. 2:10-cv-01683-GMN-PAL (Doc. # 26) (D. Nev. June 23, 2011) is misplaced,  
26 if not deceptive. In that case, the SAA was not placed before the Court in the defendants' motion  
27 to dismiss (*Virginia Citizens* Doc. # 7), which was based on Rules 12(b)(2) and 12(b)(6) – not  
28 12(b)(1), as NewsBlaze's Motion to Dismiss is (Doc. # 6). To some extent, Righthaven is

1 correct: Judge Navarro denied the defendants' motion to dismiss, but on bases that are  
2 inapplicable in this case, where the SAA is squarely before the Court, and brought in a Motion to  
3 Dismiss pursuant to 12(b)(1), which fundamentally looks beyond the complaint and to the  
4 question of whether jurisdiction exists. *Compare Virginia Citizens*, (Doc. # 23) and *Hoehn*, 2011  
5 *WL 2441020* \* 1; *Democratic Underground*, 2011 *WL 2378186* at \*1.

6 **A. Just as With its Clarification, Righthaven's After-the-Fact Restatement Still**  
7 **Does Not Confer the Right to Sue for Infringement.**

8 In May, Righthaven attempted to salvage its beleaguered SAA by executing the  
9 Clarification to the SAA (Docs. # 14, 15). Contrary to Righthaven's ostensible hopes, though,  
10 the Clarification did not reach back and retroactively affect the facts that existed – and lack of  
11 rights Righthaven possessed – at the time of filing the lawsuits to consider this issue. *Hoehn*,  
12 2011 *WL 244020* at \*1; *Democratic Underground*, 2011 *WL 2378186* at \*1. Righthaven spends  
13 much time analyzing the rights allegedly conferred by the Restatement, but this is a misdirection.  
14 The Restatement did not control the transfer of rights from Stephens Media to Righthaven at the  
15 time of this lawsuit's filing, and its existence now, in the midst of a dispute as to whether  
16 Righthaven may even sustain this case, is unavailing. *Hoehn*, 2011 *WL 244020* at \*6.  
17 Furthermore, Righthaven's arguments that the right to sue for past infringements (Doc. # 13 at  
18 13-14) is unavailing, as it unequivocally did not have any rights sufficient to sustain this lawsuit  
19 at the time it was filed. *Id.*

20 Righthaven further confuses the issue by insinuating that the analysis of its May 9, 2011  
21 Clarification rendered by a colleague of this Court, Judge Pro, gives credence to the  
22 Restatement's applicability. (Doc. # 13 at 3-4.) This too is wrong. The *Hoehn* court's analysis  
23 was hinged on the SAA alone, and merely pointed out the deficiencies in Righthaven's  
24 Clarification “*even if*” it were to apply. *Hoehn*, 2011 *WL 244020* at \*6. Such language makes it  
25 clear that the Clarification did not, in fact, apply to Righthaven's acquisition of rights – a long-  
26 settled point in this jurisdiction, supported by several judgments to that effect. *See Hoehn*, No.  
27 2:11-cv-00050-PMP-RJJ (Doc. # 30); *DiBiase*, No. 2:10-cv-01343-RLH-PAL, (Doc. # 73);  
28 *Mostofi*, Case No. 2:10-cv-1066 (Doc. 35). As the Clarification did not apply to previously filed

1 lawsuits, neither should the Restatement. Thus, there is no reason for the Court to consider the  
2 Restatement – this case is governed by the SAA, and there is no dispute that it is an unlawful  
3 attempt to assign Righthaven the “right” to sue. *Hoehn*, 2011 WL 244020 at \*6; *Democratic*  
4 *Underground*, 2011 WL 2378186 at \*5.

5 **1. The Restatement is Not Controlling – But Even if it Were, Righthaven**  
6 **Still Would Not Have Standing To Sue.**

7 Even if the Court were to consider the Restatement, though, it would find that it still fails  
8 to confer Righthaven standing to maintain these lawsuits. The Restatement’s own language, and  
9 Righthaven’s surrounding rhetoric make it clear that this agreement was executed simply so  
10 Righthaven could stay in Court. (Doc. # 13 at 5 (“the Restated Amendment [...] was expressly  
11 prepared in response to the concerns expressed in the *Hoehn* decision”), 17-1 at 1 (stating “the  
12 SAA and [First] Amendment were insufficient to transfer sufficient copyright ownership to  
13 Righthaven such that it had standing to sue for infringement” as a premise for the Restatement’s  
14 existence).)

15 Despite the representations of Righthaven’s witnesses (Docs. # 14, 15), the intent of the  
16 SAA has already been clearly divined by other Courts: To deprive Righthaven of all rights but  
17 the “right” to sue. *DiBiase*, 2011 WL 2473531 at \*1; *Democratic Underground*, 2011 WL  
18 *2378186* at \*4. As Righthaven’s course of action remains unchanged, using its purported rights  
19 solely as the basis for litigation and nothing more, gussied up language between it and Stephens  
20 Media does not change the parties’ intent as it has existed from day one – for Righthaven to  
21 bring lawsuits, nothing more and nothing less. Unless and until this course of action changes –  
22 which is impossible, as it is Righthaven’s sole *raison d’etre* – any change to the SAA will be  
23 futile.

24 The Restatement still reserves sufficient rights for Stephens Media, demonstrating that it  
25 is the true owner of the copyrights, as opposed to Righthaven. Under Restatement § 5, Stephens  
26 Media can maintain its securitization in copyrights transferred to Righthaven – an action  
27 contemplated as a “transfer” of copyright rights under 17 U.S.C. § 101, which recognizes a  
28 mortgage or any other conveyance, alienation or other hypothecation of a copyright or exclusive

1 right therein as a “transfer of ownership.” (Doc. # 17-1 at 3.) This is wholly inconsistent with  
2 Stephens Media’s putative status as a mere non-exclusive licensee under Restatement § 2. (*Id.* at  
3 2.) The Restatement’s flaws do not end there, though. Under provisions of the SAA that remain  
4 in effect, Stephens Media may still settle infringement lawsuits, may have “Recovery  
5 Instruments” in its name, and may even be liable for attorneys’ fees as a result of a lawsuit  
6 brought by Righthaven. (Doc. # 6-1 §§ 9.4, 10.2 and 11.)

7 Even where the formal terms of the Restatement fail to give Righthaven standing, its  
8 substance further reveals Righthaven’s lack of rights. Under *Nafal v. Carter*, 540 F. Supp. 2d  
9 1128, 1444 (C.D. Cal. 2007), courts look to the substance, rather than mere language, of an  
10 assignment to determine the ownership interests of the parties involved. Righthaven argues that  
11 *Nafal*’s reasoning is inapposite in this case because it interpreted an assignment of rights under  
12 the 1909 Copyright Act. (Doc. # 13 at 8.) The *Nafal* court’s imperative to analyze the parties’  
13 intent is not a function of the 1909 Copyright Act, as opposed to the 1976 Copyright Act, even if  
14 the rights being analyzed are construed under it. Rather, *Nafal* stands for the proposition that  
15 courts must look to the true nature of copyright ownership – whatever version of the Copyright  
16 Act controls those rights. The judicially erected tenants of copyright law do not cease to exist or  
17 need to be re-created with each iteration of the Copyright Act. As an example, the court-created  
18 doctrine of vicarious copyright infringement applies to both the 1909 and 1976 Copyright Acts,  
19 even if the divisibility of rights permitted by the two Acts is different. *See MGM Studios Inc. v.*  
20 *Grokster, Ltd.*, 545 U.S. 913, 930 n. 9 (2005); *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d  
21 259 (1996); *Shapiro, Bernstein & Co. v. H. L. Green Co.*, 316 F.2d 304, 308 (2d Cir. 1963);  
22 *Dreamland Ball Room, Inc. v. Shapiro, Bernstein & Co.*, 36 F.2d 354, 355 (7th Cir. 1929). Just  
23 because the 1909 Copyright Act may provide for different ownership rights than the 1976  
24 Copyright Act does not mean that the Court should refrain from analysis of what the parties’  
25 actual rights are, as evinced by the parties’ conduct and intent.

26 Finally, the SAA, its Clarification (Docs. # 14, 15) and the Restatement (Doc. # 17-1)  
27 contradict themselves to a point where it is impossible to believe that Righthaven is now, finally,  
28 the genuine owner of Stephens Media’s copyrights. Under the SAA, Stephens had an exclusive

1 right, which became a non-exclusive right with Stephens Media retaining significant control over  
2 the transaction under the Clarification. (Docs. # 6 Exh. A, 14, 15.) Now, this Court is expected  
3 to believe that Righthaven is the true and beneficial owner of the copyright while it continues on  
4 with business as usual – suing individuals for obvious fair uses without daring to use Stephens  
5 Media’s content for any other purpose, which the parties were careful to ensure was impossible  
6 under past agreements. (*See* Docs. # 6-1, 14 Exh. 3 (granting Stephens Media the right to buy  
7 back the copyrights assigned to Righthaven before Righthaven could “exploit” them for any  
8 purpose).) Indeed, the Clarification spelled out, Righthaven’s use of Stephens Media’s content  
9 would cause Stephens Media “irreparable harm,” entitling Stephens Media to seek injunctive  
10 relief against Righthaven. *Hoehn*, 2011 WL 2441020 at \*6. Even this provision dialed back the  
11 SAA, which “was anything but silent in making sure that Stephens Media retained complete  
12 control over the Work rather than actually effectuate the necessary transfer of rights. The  
13 entirety of the SAA is concerned with making sure that Righthaven did not obtain any rights  
14 other than the right to sue.” *Democratic Underground*, 2011 WL 2378186 at \*5.

15 Righthaven’s hope in its latest Restatement is that the courts will abide only the language  
16 on paper in that document, ignoring the original SAA and the Clarification. Yet, the  
17 Restatement, representing to be “the parties’ [...] expressed intentions when entering into the  
18 SAA,” is clearly at odds with the original, far more restrictive document. If Righthaven’s full  
19 ownership of the copyrights was the true intention of the parties, why was it rendered impossible  
20 under the SAA, with “ownership” incrementally expanded under the Clarification, and now  
21 supposedly given *en toto* with this agreement (notwithstanding the limitations pointed out  
22 above)? The simple answer is that ownership is not intended by the Restatement – all that was  
23 intended was Righthaven’s ability to bring lawsuits in Stephens Media’s stead, nothing more,  
24 nothing less, and this aim is represented in the evolving language of the same SAA.

25 The Restatement is at least the second version of the parties’ supposed true intent, but this  
26 intent never changed, and is best represented in the SAA as the bare, impermissible “right” to sue  
27 – no matter what disguise Righthaven is attempting to put it in before the Court. Like the  
28 Clarification, the Restatement attempts to keep Righthaven’s lawsuits alive, whether through



1 supposed retroactivity of changes to the SAA, futile amendments to Complaints, or immediately  
2 re-filing lawsuits. These are not active controversies, but zombie lawsuits – litigation on well-  
3 settled and thoroughly litigated issues that should be terminated – that persist despite all factual  
4 and legal indications that their arguments are devoid of vitality. No matter what Righthaven tries  
5 to rationalize *ex post* as its “true intent,” it is belied by the language of the SAA and its  
6 Clarification, which make it clear that Righthaven was never intended to have more than the  
7 unlawful “right” to sue. All subsequent amendments pile more weight upon a foundation  
8 repeatedly held to be fundamentally unsound, and must fail as well.

9 **B. Defendants Were Justified in Claiming Righthaven Deceived the Court, and**  
10 **as Righthaven’s Deception Continues, Defendants Renew this Claim.**

11 In its Response brief (Doc. # 13), Righthaven argues, incorrectly, that the cause of  
12 Defendants’ argument for dismissal in light of Righthaven’s misrepresentations is “wholly  
13 without merit” (Doc. # 13 at 11-12). As with most of Righthaven’s contentions, this one is  
14 plainly refuted by reality. To the contrary, this District has *adjudged* Righthaven to have made  
15 “intentional misrepresentations to the Court,” and engaged in conduct that “demonstrated bad  
16 faith, wasted judicial resources, and needlessly increased the costs of litigation.” *Democratic*  
17 *Underground*, Case No. 2:10-cv-01356 (Doc. # 138) (D. Nev. July 18, 2011). In addition to  
18 paying a fine of \$5,000 to that court for its misdeeds, Righthaven was also ordered to provide  
19 every court – including this one – with copies of its SAA, the *Democratic Underground* court’s  
20 order dismissing Righthaven’s complaint for a lack of standing (Doc. # 116), and a transcript of  
21 the July 14, 2011 hearing upon which Document # 138 in that case is based. It is also worth  
22 noting that, to date, Righthaven has declined to comply with that order in this (or, to the  
23 undersigned’s knowledge, any other) case.

24 Based on the SAA and its Clarification (Docs. # 6 Exh. A, 14, 15), which were the only  
25 publicly available information detailing the terms of Stephens Media’s assignments to  
26 Righthaven, Defendants’ arguments were proper under the precedent of this Circuit. *Wyle v. R.J.*  
27 *Reynolds Indus., Inc.*, 709 F.2d 585, 589 (9th Cir. 1983); *Phoceene Sous-Marine, S.A. v. U.S.*  
28 *Phosmarine, Inc.*, 682 F.2d 802, 806 (9th Cir. 1982). As the number of cases dismissed and

1 reduced to judgment due to Righthaven's lack of standing under the SAA, and prospective lack  
2 of standing under the Clarification, there is no question that Righthaven lacked the exclusive  
3 rights asserted in its Complaint – but it asserted them anyway.

4 At the time this argument was made (Doc. # 6) on June 16, 2011, Righthaven's and  
5 Stephens Media's Restatement was not available on the public record, nor did it even exist.  
6 (Doc. # 17-1 at 4.) More to the point, Righthaven apparently operated for almost one and one-  
7 half years without amending the SAA, then quickly executed its Clarification on May 9, 2011,  
8 when it began having to oppose numerous motions to dismiss based on the SAA. *See Hoehn*,  
9 Case No. 2:11-cv-00050 (Docs. # 23-25) (D. Nev. May 9, 2011); *Vote for the Worst*, Case No.  
10 2:10-cv-01045 (Docs. # 40-42) (D. Nev. May 9, 2011). This, along with its latest Restatement,  
11 is clear evidence that Righthaven was caught with its hand in the proverbial cookie jar of  
12 unlawful copyright assignments, and is desperately, retroactively trying to protect its business  
13 model. As explained at the outset of this brief, Righthaven's backward-looking attempt to make  
14 its model legal under the precedent of this Circuit is not only unsuccessful, but does not cure its  
15 existing lack of exclusive rights alleged in Defendants' Motion to Dismiss (Doc. # 6).

16 For the reasons articulated above, Righthaven still has not acquired the copyrights it  
17 allegedly owns through Stephens Media's fraudulent assignments. As such, Righthaven's  
18 assertions that it is the "owner" of the copyrighted work and possesses the exclusive rights to  
19 reproduce the work, create derivatives of the copyrighted work, distribute copies of the work and  
20 publicly display the work under 17 U.S.C. § 106, (Doc. # 1 ¶¶ 11, 23, 30-33) are false.

21 Given the progressive nature with which the Clarification and Restatement purport to  
22 retreat from the SAA's clear purpose, it is clear that Righthaven is looking to find the exact point  
23 at which it can speciously claim to have rights and continue its champertous exercise. None of  
24 this changes the fact that, at the time of this suit's filing, Righthaven did not have standing to  
25 sue. And, based on the intent of Stephens Media and Righthaven – to incrementally modify a  
26 document that clearly did not confer Righthaven the right to sue until it hopefully does, each  
27 time claiming that they have finally articulated the parties' true intent (even if it is opposite their  
28 previously stated "true intent") – any rights supposedly conveyed by the Restatement are just as

1 nonexistent as those provided under the SAA. The Court should recognize what these  
2 documents really mean – that the parties conspired to unlawfully create a copyright litigation  
3 entity, with no actual assignment of any intellectual property rights. Upon doing so, this Court  
4 should end this case immediately, and with prejudice. No matter how many amendments and  
5 restatements Righthaven proffers, the supposed changes are just costumes put on an unlawful  
6 operation possessing an intent that is as clear as it is repugnant to the law of this Circuit.

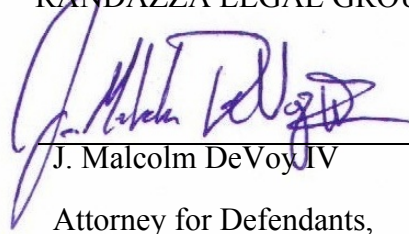
7 **Conclusion**

8 Righthaven’s Restatement does not govern this lawsuit, as much as Righthaven may  
9 argue to the contrary (and, unsurprisingly, generally does not – insisting on the Restatement’s  
10 validity rather than its applicability) (Doc. # 13). As such, Righthaven lacks, and has never  
11 possessed, standing to bring this action. This Court therefore lacks subject matter jurisdiction  
12 over the dispute. Defendants’ allegations of Righthaven’s representations were, and continue to  
13 be, accurate, and provide this Court another justification for dismissing this action.

14 Moreover, the changes Righthaven has made to the SAA in the Restatement (and  
15 presumably will make more of in the future) do not change the parties’ intent as expressed in the  
16 original SAA, its conflicting Clarification, and Righthaven’s conduct to date as a singularly  
17 focused litigation enterprise. Future changes to the SAA will be equally futile, and should be  
18 preemptively denied. If litigation were baseball, Righthaven would have just swung mightily  
19 and utterly missed the ball with its Restatement, racking up its third strike at creating standing in  
20 its cases and being sent back to the dugout by the umpire. Accordingly, Defendants’ Motion to  
21 Dismiss for Lack of Subject Matter Jurisdiction (Doc. # 6) should be granted with prejudice.

22 Dated: July 29, 2011

23 Respectfully Submitted,  
24 RANDAZZA LEGAL GROUP

25 

26 J. Malcolm DeVoy IV

27 Attorney for Defendants,  
28 *NewsBlaze LLC*  
*and Alan Gray*

**CERTIFICATE OF SERVICE**

Pursuant to Federal Rule of Civil Procedure 5(b), I hereby certify that I am a representative of Randazza Legal Group and that on this 29th day of July, 2011, I caused documents entitled:

**DEFENDANTS' REPLY TO PLAINTIFF'S RESPONSE TO DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION**

to be served as follows:

by depositing same for mailing in the United States Mail, in a sealed envelope addressed to Steven A. Gibson, Esq., Righthaven, LLC, 9960 West Cheyenne Avenue, Suite 210, Las Vegas, Nevada, 89129-7701, upon which first class postage was fully prepaid; and/or

Pursuant to Fed. R. Civ. P. 5(b)(2)(D), to be sent via facsimile as indicated; and/or

to be hand-delivered;

by the Court's CM/ECF system.

/s/ J. Malcolm DeVoy

J. Malcolm DeVoy