

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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MATTHEW BENDER & COMPANY, INC. : Index No. 600369/00

Plaintiff, : Date Purchased: 1/28/00

: SUMMONS

v.

JURISLINE.COM LLC AND LEE EICHEN, : Plaintiff designates New York County  
as the place of trial.

Defendants,  
: :  
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TO THE ABOVE NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to serve upon plaintiff's attorney an answer to the complaint in this action within twenty days after service of this summons, exclusive of the day of service, or within thirty days after service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of venue is the residence of the plaintiff - Matthew Bender & Company, Inc., 2 Park Avenue, New York, New York 10016-5675.

These papers adhere to Section 130-1.1 of 22 NYCRR, Part 130.

Dated: January 28, 2000

PROSKAUER ROSE LLP

By:  \_\_\_\_\_  
Stephen Rackow Kaye

Jon A. Baumgarten  
Charles S. Sims  
Michael T. Mervis

1585 Broadway  
New York, New York 10036-8299  
212-969-3000

*Attorneys for Matthew Bender &  
Company, Inc.*

**Defendants' Addresses:**

**Lee Eichen  
230 Central Park West  
New York, New York 10024**

**Juriline.com LLC  
c/o Lee Eichen  
230 Central Park West  
New York, New York 10024**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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MATTHEW BENDER & COMPANY, INC., :

Index No. 600369/00

Plaintiff, :

v. :

VERIFIED COMPLAINT

JURISLINE.COM LLC AND LEE EICHEN, :

Defendants. :

----- X

Plaintiff Matthew Bender & Company, Inc., by its attorneys, Proskauer Rose LLP, for its verified complaint alleges as follows:

**INTRODUCTION**

1. This is an action for fraud and breach of contract arising out of defendants' procurement and use of plaintiff's CD-ROMs and CD-ROM System. Defendants fraudulently obtained Lexis CD-ROMs and the Lexis CD-ROM System through intentional misrepresentation, false pretenses and deceit, knowing that access would not otherwise have been provided to them. Defendants have also breached their contracts as the result of their use of the Lexis CD-ROMs and Lexis CD-ROM System in violation of express restrictions and prohibitions to which they agreed in obtaining a license for access and use. Defendants' activities, as described below on information and belief, are causing plaintiff irreparable injury and, absent the equitable relief plaintiff seeks in this action, will continue to cause plaintiff irreparable injury.

## **PLAINTIFF AND THE LEXIS LAW ON DISC SERVICE**

2. Plaintiff is a corporation organized under the laws of the State of New York with its principal place of business in the City, County and State of New York.

3. Plaintiff acquired the well known "Lexis Law On Disc™" computerized legal research service (the "Law On Disc Service") and the written publication business of Lexis Law Publishing, a division of Reed Elsevier Inc. ("Lexis Law Publishing"), as the result of an asset transfer that occurred on July 1, 1999.

4. Prior to that transfer of assets, Lexis Law Publishing, a division of Reed Elsevier, Inc., was the owner of the Lexis Law On Disc Service. Since July 1, 1999, by virtue of the asset transfer, plaintiff has owned the Law On Disc Service and Lexis CD-ROM System business.

5. The Lexis Law On Disc Service provides attorneys with comprehensive, reliable, easily used and continuously updated access to the published and unpublished opinions of state and federal courts, as well as state and federal statutes and regulations.

6. The Lexis Law On Disc Service is made available to subscribers by licensing access to and use of the Lexis CD-ROM System pursuant to written license agreements with such customers. The Lexis CD-ROM System, as defined in those license agreements, consists of Lexis CD-ROMs and CD-ROM updates, a Licensed Database and a Licensed Program stored on the CD-ROMs, and related documentation.

7. The Law On Disc Service provided through the Lexis CD-ROM System has been created and maintained at great expense to plaintiff and its predecessors-in-interest and as a consequence of their extraordinary skill and effort. It is and has been for many years, and will continue in the future to be, an important and useful legal research tool for attorneys practicing

throughout the United States, and is expected to continue, as it has in the past, to generate many millions of dollars in revenues and profits. As a result, the Law On Disc Service has generated valuable good will which is owned by plaintiff.

#### DEFENDANTS

8. Defendant Jurisline.com LLC ("Jurisline") is, on information and belief, a limited liability company organized under the laws of the State of Delaware with its principal place of business in the City, County and State of New York. Jurisline operates an internet web site (the "Jurisline Web Site") that provides users with a legal research service containing various legal research materials, including certain opinions of state and federal courts as well as state and federal statutes. The Jurisline Web Site operates and is available on the internet, the largest computer network in the world.

9. The Jurisline Web Site is competing with the Law On Disc Service and, on information and belief, was and is designed to compete with the Law On Disc Service.

10. Defendant Lee Eichen ("Eichen") is, on information and belief, a graduate of Harvard College and the University of Pennsylvania School of Law, an attorney admitted to practice in the State of New York and a resident of the City, County and State of New York. On information and belief, Eichen is the notice representative of the Jurisline Web Site and has participated in and directed, either alone or in concert with others whose identities and roles are presently unknown to plaintiff, the acts and wrongful conduct alleged in this complaint.

**THE SUBSCRIPTION AGREEMENTS AND THE REPRESENTATIONS  
MADE BY DEFENDANTS**

11. On or about March 24 and March 30, 1999, Eichen, on behalf of himself individually and, on information and belief, on behalf of Jurisline, as he was authorized to do, ordered from Lexis Law Publishing the entire Lexis CD-ROM System, which included Lexis CD-ROMs for 39 specified states (including the District of Columbia) and each federal circuit, comprising every Lexis CD-ROM with federal or state case law or statutes then published by Lexis Law Publishing.

12. In order to obtain a license to use the Lexis CD-ROM System and to obtain physical access to and possession of the Lexis CD-ROMs that are a part of that Lexis CD-ROM System, Eichen executed five Subscription Agreements (each covering multiple jurisdictions) and faxed those Subscription Agreements to Lexis Law Publishing. True and correct copies of the Subscription Agreements are annexed hereto collectively as Exhibit "A."

13. As alleged below in the First Cause of Action, at the times Eichen executed the Subscription Agreements, he did not disclose that he was acting on behalf of Jurisline. At such times, Lexis Law Publishing, plaintiff's assignor with respect to those Agreements, did not know that he was acting on behalf of Jurisline.

14. The Subscription Agreements which Eichen executed on March 24 and March 30, 1999 (Exhibit A), on behalf of himself and, on information and belief, on behalf of Jurisline, as he was authorized to do, licensed certain defined rights to obtain and make certain specified uses of each Lexis CD-ROM. Those Agreements also set forth the applicable monthly subscription fees.

15. For each state or federal product ordered, the Subscription Agreements contained a handwritten certification by Eichen stating that the license did not extend the right to use the

specified Lexis CD-ROMs on any network.

16. Each Subscription Agreement also contained Eichen's initialed certification that the Lexis CD-ROM System would not be available to any law firm, research firm, or other organization performing research or other services for law firms or legal practitioners, and indicated immediately below his initials that he was obtaining and would be using the Lexis CD-ROM System and the Lexis CD-ROMs as a "sole practitioner."

17. Each Subscription Agreement further contained Eichen's initialed certification that only one attorney would have access to each product being obtained under license.

18. Each of the Subscription Agreements provided, in pertinent part, that:

"Subscriber ('You') hereby accepts and agrees to the terms and conditions set forth below and on the reverse side hereof as well as the Master Agreement, set forth in the CD-ROM system box and as a license on the CD-ROM System (the 'Master Agreement') . . . By signing this Amendment or installing the CD-ROM System, you certify that you have reviewed the Master Agreement . . . , you understand [it] represent[s] [a] valid agreement[] and you will abide by the terms."

Copies of the "Master Agreement" were provided to Eichen and Jurisline with the Lexis CD-ROMs delivered to Eichen on April 7, 1999 pursuant to the Subscription Agreements. A true and correct copy of the Master Agreement is annexed hereto as Exhibit "B."

19. Eichen signed each Subscription Agreement next to the certification quoted above in ¶ 18.

20. By executing the Subscription Agreements on behalf of himself individually and, on information and belief, on behalf of Jurisline, as he was authorized to do, Eichen and Jurisline agreed to certain restrictions and prohibitions set forth in the Subscription Agreements and Master

Agreement, described below, governing use of the Lexis CD-ROM System and the Lexis CD-ROMs and Lexis Databases, as defined in the Master Agreement.

21. Paragraphs 1.4.1 through 1.4.5 of the Master Agreement set forth various "Restrictions on Use" of the Lexis CD-ROM System. Paragraphs 1.6.1 through 1.6.8 of the Master Agreement set forth various "Prohibited Uses" of the Lexis CD-ROM System.

22. Paragraph 1.6.3 specifically provided that the licensee could not use the Lexis CD-ROM System "to develop a database, infobase, or other information resource for resale or reuse."

23. The Master Agreement also provided, in paragraphs 2.1, 4, and 9.3, that the Lexis CD-ROMs are and remain the property of Lexis Law Publishing, with any physical possession or use governed by the terms of the contractual licenses.

24. On July 1, 1999, Reed Elsevier assigned all of the Subscription Agreements and Master Agreements with subscribers to the Lexis CD-ROM System, and all its right, title, and interest therein, to plaintiff. Plaintiff, as assignee of those Agreements, possesses the sole right to enforce them and to seek and obtain remedies for their breach.

25. Lexis Law Publishing shipped more than sixty Lexis CD-ROMs to Eichen on April 7, 1999. Since that time, Lexis Law Publishing and plaintiff have shipped, to Eichen, more than a hundred Lexis CD-ROMs, usually many each week, as updates to the Lexis CD-ROMs initially shipped to them. Exhibit "C" to this complaint sets forth in detail the shipment of Lexis CD-ROMs and updates to Eichen.

**FIRST CAUSE OF ACTION**  
**(Fraud Against Jurisline and Eichen)**

26. Plaintiff repeats and realleges paragraphs 1-19 and 23-25.

27. In the Subscription Agreements, Eichen, acting for himself and, on information and belief and without disclosure to Lexis Law Publishing, acting on behalf of Jurisline, represented and certified that (i) he was obtaining the Lexis CD-ROM System and Lexis CD-ROMs in the capacity of a "sole practitioner" engaged in the traditional practice of law, (ii) only one attorney, Eichen, would have access to the Lexis CD-ROM System and Lexis CD-ROMs, (iii) the Lexis CD-ROMs and Lexis CD-ROM System would not be available on any network, (iv) he intended to abide by the terms of the Subscription and Master Agreements, and (v) he would not make the Lexis CD-ROMs and Lexis CD-ROM System available to any law firm, research firm or other organization performing research services or other services for law firms or legal practitioners.

28. Each of the certifications and representations identified in paragraph 27 was false when made, and known by Eichen and Jurisline to be false.

29. In the Subscription Agreements, Eichen also certified that understood and agreed that the Master Agreement and Subscription Agreements represented valid agreements.

30. Each of the certifications and representations identified in paragraph 27 and 29 was made in order to deceive Lexis Law Publishing and to induce Lexis Law Publishing to enter into the Subscription and Master Agreements and provide access to and possession of, and a license to use, the Lexis CD-ROM System, and the Lexis CD-ROMs and updates.

31. Defendants knew that these certifications, representations and omissions were material to Lexis Law Publishing and intended that Lexis Law Publishing rely on them.

32. Lexis Law Publishing reasonably relied on defendants' material certifications, representations and omissions in agreeing to provide Eichen, and thus Jurisline, with the Lexis CD-ROMs and the updates.

33. As defendants knew at the time, Lexis Law Publishing would not have accepted the Subscription Agreements, and Lexis Law Publishing and plaintiff would not have delivered and continued to deliver to Eichen the Lexis CD-ROMs and updates, had Lexis Law Publishing and plaintiff known that:

- a) the subscriber was an internet company formed to provide legal research materials on the internet (and not a law firm, corporate legal department, or a government agency legal department engaged in the traditional practice of law), and that the subscriber would be making the Lexis CD-ROM System, or portions thereof, available to one or more organizations, including Jurisline, performing research services or other services for law firms and legal practitioners;
- b) Eichen was not obtaining the Lexis CD-ROMs and updates in the capacity of a "sole practitioner," and that attorneys in addition to Eichen would have access to the Lexis CD-ROM System;
- c) Jurisline and Eichen would make the Lexis CD-ROM System, or portions thereof, available on a network; and
- d) Jurisline and Eichen did not intend to abide by the terms of the Subscription and Master Agreements, which they had certified were valid agreements.

34. As a result of defendants' fraud and misconduct as alleged in this complaint, plaintiff has suffered and, absent the equitable relief plaintiff seeks in this action, will continue to suffer great and irreparable harm.

35. Plaintiff has no adequate remedy at law.

36. By reason of the foregoing, plaintiff is entitled to judgment:

a. ordering defendants to (i) delete from the Jurisline Web Site and all computers and storage media in defendants' possession, custody, or control any of the Licensed Databases as defined in the Master Agreement, or any portions thereof, that were taken, directly or indirectly, from any of the Lexis CD-ROMs and updates defendants obtained from Lexis Law Publishing and plaintiff, and (ii) in accordance with paragraph 9.3 of the Master Agreement, return to plaintiff each of the Lexis CD-ROMs and updates obtained pursuant to the Subscription Agreements and all copies thereof;

b. enjoining and restraining defendants, and their officers, directors, employees, attorneys, representatives and agents, and all other persons under the control of any of them with notice of the Order or Judgment granting such relief, from using the Lexis CD-ROMs and the Lexis CD-ROM System and their updates in any manner; and

c. imposing a constructive trust, for the benefit of plaintiff, over any revenues earned by defendants in connection with the Jurisline Web Site or otherwise derived from defendants' use of the Lexis CD-ROMs from the date on which Eichen and/or Jurisline received the initial shipment of Lexis CD-ROMs from Lexis Law Publishing.

37. In accordance with the law and public policy of the State of New York, Jurisline and Eichen, and such other individuals whose identities are presently unknown to plaintiff who have acted in concert with Jurisline and Eichen in the acts and misrepresentations alleged above, are liable, jointly and severally, to plaintiff for punitive damages in the amount of at least \$25 million.

38. Such an award should be made because of the egregious misconduct, as alleged in this complaint, of Jurisline and Eichen, and others acting in concert with them, in engaging in business with many members of the public, in particular the legal community, based on their

procurement and use of plaintiff's Lexis CD-ROM System, Lexis CD-ROMs and updates by means of fraud, false pretenses and deceit that manifest wanton dishonesty.

39. In addition, plaintiff should be awarded the costs and expenses of this action, including reasonable attorneys' fees, to the extent allowable by law, and such other and further relief as this Court may deem just and proper.

**SECOND CAUSE OF ACTION**  
**(Breach of Contract Against Jurisline and Eichen)**

40. Plaintiff repeats and realleges paragraphs 1 through 25.

41. Plaintiff, as the assignee of the Subscription and Master Agreements, has fully performed its material obligations under those Agreements, including the obligation to provide updated Lexis CD-ROMs. Prior to the assignment of those Agreements to plaintiff, Lexis Law Publishing, plaintiff's assignor with respect to those Agreements, fully performed its material obligations under the Agreements.

42. On information and belief, in breach and violation of paragraph 8 of the Subscription Agreements, during the entire course of defendants' subscription to the Lexis CD-ROM System, Jurisline and Eichen were not, in fact, a law firm, corporate legal department, or a government agency legal department engaged in the traditional practice of law, but rather were (or were acting for) a for-profit business company formed to provide legal research materials on the internet, which has made the Lexis CD-ROM System, or portions thereof, available to one or more organizations, including Jurisline, performing research services or other services for law firms and legal practitioners.

43. On information and belief, in breach and violation of paragraph 5 of the Subscription

Agreements, Jurisline and Eichen have not notified plaintiff or its assignor of the number of attorneys provided access to the Lexis CD-ROM System or portions thereof.

44. On information and belief, in breach and violation of the certification in the Subscription Agreement that Eichen was obtaining and would be using the Lexis CD-ROM System and the Lexis CD-ROMs as a "sole practitioner," Eichen has not used the Lexis CD-ROM System as a sole practitioner, but has instead used it in connection with and for Jurisline, a company providing a legal research service on the internet.

45. On information and belief, in breach and violation of the certification that the Lexis CD-ROM System would not be available to more than one attorney, defendants have made the Lexis CD-ROM System available, in whole or in part, to more than one attorney.

46. On information and belief, in breach and violation of the promise and representation that the Lexis CD-ROM System would not be put on a network, defendants have put the Lexis CD-ROM System, in whole or in part, on a network.

47. On information and belief, the use by Jurisline and Eichen of the Lexis CD-ROM System, the Lexis CD-ROMs and the updates shipped to Eichen has breached and violated each of the restrictions and prohibitions set forth in paragraphs 1.4.2, 1.4.5, 1.6.3 and 1.6.4 of the Master Agreement.

48. By virtue of the foregoing, plaintiff has suffered and, absent the equitable relief plaintiff seeks in this action, will continue to suffer great and irreparable harm.

49. Plaintiff has no adequate remedy at law.

50. By reason of the foregoing, plaintiff is entitled to judgment:

a. ordering defendants to (i) delete from the Jurisline Web Site and all computers

and storage media in defendants' possession, custody, or control any of the Licensed Databases as defined in the Master Agreement, or any portions thereof, that were taken, directly or indirectly, from any of the Lexis CD-ROMs and updates defendants obtained from Lexis Law Publishing and plaintiff, and (ii) in accordance with paragraph 9.3 of the Master Agreement, return to plaintiff each of the Lexis CD-ROMs and updates obtained pursuant to the Subscription Agreements and all copies thereof;

b. enjoining and restraining defendants, and their officers, directors, employees, attorneys, representatives and agents, and all other persons under the control of any of them with notice of the Order or Judgment granting such relief, from using the Lexis CD-ROMs and the Lexis CD-ROM System and their updates in any manner;


c. imposing a constructive trust, for the benefit of plaintiff, over any revenues earned by defendants in connection with the Jurisline Web Site or otherwise derived from defendants' use of the Lexis CD-ROMs from the date on which Eichen and/or Jurisline received the initial shipment of Lexis CD-ROMs from Lexis Law Publishing.

d. awarding plaintiff the costs and expenses of this action, including reasonable attorneys' fees, to the extent allowable by law; and

e. granting plaintiff such other and further relief as this Court may deem just and proper.

**WHEREFORE**, plaintiff prays for judgment and the relief specified in paragraphs 36-39 and 50.

**PROSKAUER ROSE LLP**

By: 

Stephen Rackow Kaye  
Jon A. Baumgarten  
Charles S. Sims  
Michael T. Mervis  
1585 Broadway  
New York, New York 10036  
(212) 969-3000

*Attorneys for Plaintiff  
Matthew Bender & Company, Inc.*

*Of Counsel:*

Gary Reback  
Lisa Davis  
WILSON, SONZINI, GOODRICH & ROSATI, PC  
650 Page Mill Road  
Palo Alto, California 94304-1050

January 28, 2000

VERIFICATION

STATE OF NEW YORK            )  
  : ss.:  
COUNTY OF NEW YORK        )

MICHAEL A. JACOBS, being duly sworn, deposes and says:

I am the General Counsel of Matthew Bender & Company, Inc., the plaintiff in this action. I have read the foregoing Verified Complaint and know its contents. The same are true to my own knowledge, except as to the matters stated to be alleged on information and belief, and as to those matters I believe them to be true.

  
\_\_\_\_\_  
Michael A. Jacobs

Sworn to before me this  
27<sup>th</sup> day of January, 2000

  
\_\_\_\_\_  
Notary Public

THOMAS BASCIANI  
Notary Public, State of New York  
No. 01-000007  
Qualified in New York County  
Commission Expires June 01, 2001