

1 HD200, HD201, HD210, and HD250.” (Doc. 428 at 7).

2 On October 31, 2024, Cozy Comfort brought the instant Motion, alleging that Mr.
3 Ngan is “willfully violating the permanent injunction” by continuing to sell “at least the
4 HD100S1 and HD200 product lines found to be infringing by the Court.” (Doc. 446 at 3).
5 In Response, Top Brand argues that it “took immediate, decisive, and appropriate steps to
6 comply with the Court’s injunction,” that Cozy Comfort lacks clear and convincing
7 evidence to support a finding of contempt, and that the Motion should therefore be denied.
8 (Doc. 449 at 2–3).

9 II. LEGAL STANDARD

10 “It is a fundamental principle that federal district courts have the inherent power to
11 enforce compliance with their orders through civil contempt.” *Paige, LLC v. Shop Paige*
12 *LLC*, 2024 WL 4436887, at *2 (C.D. Cal. Sept. 16, 2024) (citing *Chambers v. NASCO,*
13 *Inc.*, 501 U.S. 32, 44 (1991)). Parties may be held in contempt when they fail to take “all
14 reasonable steps within their power to insure compliance” with a court’s order.
15 *Sekaquaptewa v. MacDonald*, 544 F.2d 396, 404 (9th Cir. 1976). To prevail on a motion
16 for civil contempt, a movant must show “(1) that [the alleged contemnor] violated the court
17 order, (2) beyond substantial compliance, (3) not based on a good faith and reasonable
18 interpretation of the order, (4) by clear and convincing evidence.” *In re Dual-Deck Video*
19 *Cassette Recorder Antitrust Litig.*, 10 F.3d 693, 695 (9th Cir. 1993).

20 Civil contempt may be punished by sanctions. “[T]he purpose of civil sanctions is
21 to ‘coerce’ compliance with a court order or to ‘compensate’ the aggrieved party for
22 sustained losses.” *Oracle USA, Inc. v. Rimini St., Inc.*, 81 F.4th 843, 858 (9th Cir. 2023).
23 “[T]here is no good faith exception to the requirement of obedience to a court order,” but
24 “‘substantial compliance’ with the court order is a defense to civil contempt, and is not
25 vitiated by ‘a few technical violations’ where every reasonable effort has been made to
26 comply.” *In re Dual-Deck*, 10 F.3d at 695 (quoting *Vertex Distrib., Inc. v. Falcon Foam*
27 *Plastics, Inc.*, 689 F.2d 885, 892 (9th Cir. 1982)).

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1 **III. DISCUSSION**

2 Cozy Comfort brought the instant Motion after ordering two products through one
3 of Top Brand’s Amazon.com E-stores, “EStarPlus,” on August 2, 2024. (Doc. 446 at 5–7).
4 It alleges that the first product “was advertised as being a slightly modified, (through the
5 addition of a flap of fabric at the top of the pocket) but substantially similar version [of]
6 the HD200 product which was found to infringe,” and the second product “did not even
7 pretend to have been modified” from the HD100S1 product that was found to infringe.
8 (*Id.*). When the physical products arrived, Cozy Comfort found that the products shipped
9 were an HD200 and an HD100S1 with no modifications. (*Id.* at 6, 8). This was purportedly
10 confirmed by the internal tags of the products, which listed the infringing stock keeping
11 unit (“SKU”) product lines. (*Id.* at 6–9). Cozy Comfort argues that “[t]he sale of HD200
12 and HD100S1 products through this EStarPlus directly violates the Court’s Permanent
13 Injunction which prohibits the sale of those products,” and it therefore seeks a contempt
14 order and sanctions.

15 In response, Top Brand argues that it has taken all reasonable steps to comply with
16 the Court’s injunction. (Doc. 449 at 2). It explains that Top Brand uses Amazon’s
17 “Fulfillment by Amazon” (“FBA”) platform to facilitate sales to Amazon customers. (*Id.*
18 at 4–5). The FBA program allows companies to send their products to Amazon’s
19 fulfillment centers, at which point the items are available for customers to buy through a
20 company’s Amazon storefront. (*Id.* at 5). Amazon handles packing, shipping, and order
21 returns. (*Id.*). Top Brand states that on July 2, 2024, the day after the Court entered the
22 permanent injunction, Mr. Ngan sent an email instructing Yen-Hung (Nick) Lin, a manager
23 who is “responsible for coordinating with Amazon regarding Amazon’s FBA inventory,”
24 to “immediately stop any and all importation.” (*Id.*; Doc. 449-1 at 24). That same day, “Mr.
25 Lin used the Amazon Seller Central website to close the Amazon listings for the HD
26 product lines, and instructed Amazon to return all remaining FBA inventory of the HD
27 product lines.” (Doc. 449 at 6). The last day that Top Brand sent any infringing HD
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1 products to Amazon was July 1, 2024, the same day the injunction issued.¹

2 To explain how Cozy Comfort could have ended up with the infringing products,
3 Top Brand notes that it “does not have full control over non-party Amazon,” and that
4 returns of the remaining HD product line inventory “have come back to Top Brand at
5 different times from Amazon’s different FBA locations.” (Doc. 449 at 6). However, to
6 ensure compliance with the injunction, Top Brand has continuously initiated “Manual
7 Removal” orders, and “whenever Amazon shows any product in the HD product lines in
8 Amazon’s FBA inventory (such as from a customer return), Top Brand immediately issues
9 another ‘Seller-initiated Manual Removal’ order to Amazon.” (*Id.* at 6–7). Between July 2
10 and November 1, 2024, Top Brand initiated 133 Manual Removal orders. (*Id.* at 7). Top
11 Brand attests that it “has not imported, advertised, offered for sale, or sold any of the
12 returned HD products,” and that when it receives returns of such products, “it places and
13 maintains the units in locked containers in a secure warehouse.” (*Id.* at 7). Finally, it states
14 that “the only products that are currently available for sale on Amazon are Top Brand’s
15 OSH product lines, which are not listed in this Court’s permanent injunction order and have
16 never been even accused of infringement.” (*Id.* at 8).

17 Ultimately, Top Brand contends that “Cozy Comfort’s allegations at most—at
18 most—suggest that non-party Amazon—not Top Brand—mistakenly sent two HD units to
19 Cozy Comfort’s lawyers, when Cozy Comfort ordered two of Top Brand’s new OSH
20 products, about a month after Top Brand asked Amazon to return all FBA inventory of the
21 HD product lines and modified the Amazon product listings.” (*Id.* at 10 (emphasis in
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23 ¹ Cozy Comfort argues that among Top Brand’s alleged failures to comply with the
24 injunction, it ought to have “contact[ed] the shipping company that had only just picked up
25 these products, and have the company **turn around** back to Plaintiffs’ warehouse.” (Doc.
26 451 at 3 (emphasis in original)). However, Cozy Comfort fails to provide this Court with
27 clear and convincing evidence that such a step would be reasonable. Given that it is unclear
28 (1) what time the shipping company picked up the products on July 1 in relation to the time
this Court dropped its Order (Doc. 428), (2) how long it may have taken Mr. Ngan’s
lawyers to communicate the substance of that Order to him, and (3) the degree of control
Mr. Ngan and the Top Brand companies would have had over a third-party shipping
company’s movements, Cozy Comfort’s contention that Top Brand could have and should
have had the shipping company simply “turn around” is baseless and irrelevant.

1 original)). In its Reply, Cozy Comfort more broadly accuses Plaintiffs of a “long-held
2 practice of intentionally circumventing Amazon takedowns whenever they get caught
3 selling infringing goods” by using the same listing numbers under different storefronts.
4 (Doc. 451 at 2). These allegations, while concerning, are not supported by the clear and
5 convincing evidence required to find Top Brand in contempt of this Court’s July 1
6 injunction (Doc. 428). Based on the parties’ briefings, it is plausible that Cozy Comfort
7 receiving products from the enjoined ‘HD’ product lines was simply the mistake of a non-
8 party, Amazon; furthermore, Top Brand has made a showing that it has taken efforts to
9 substantially comply with this Court’s injunction by removing its HD product listings and
10 continuously monitoring the status of HD product returns. At this juncture, therefore,
11 contempt and sanctions against Top Brand and Mr. Ngan are not warranted.

12 Accordingly,

13 **IT IS ORDERED** that Defendant Cozy Comfort Company LLC’s Motion for
14 Contempt and Sanctions for Violating Permanent Injunction (Doc. 446) is **denied**.

15 Dated this 28th day of January, 2025.

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18 Honorable Steven P. Logan
19 United States District Judge
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