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6 *Attorneys for Plaintiffs and Counter-Defendants*
 PANASONIC CORPORATION, SANYO
 7 ELECTRIC CO., LTD., WARNER BROS.
 HOME ENTERTAINMENT INC. and
 8 MITSUBISHI ELECTRIC CORPORATION

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 10 UNITED STATES DISTRICT COURT
 11 CENTRAL DISTRICT OF CALIFORNIA
 12 WESTERN DIVISION

13 PANASONIC CORPORATION, et al.,)
 14 Plaintiffs,)
 15 v.)
 16 ENCORE MEDIA SERVICES, INC.,)
 et al.,)
 17 Defendants.)

Case No. LA CV 15-2050 JAK (JEMx)

**[PROPOSED] FINDINGS OF FACT
 AND RECOMMENDATIONS TO
 DISTRICT JUDGE JOHN A.
 KRONSTADT REGARDING A
 CONTEMPT CITATION AGAINST
 MAX OPTICAL DISC, INC. AND
 MILESTONE ENTERPRISES**

18
 19 AND RELATED COUNTERCLAIMS)
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1 This Court having taken evidence and heard from Plaintiffs Panasonic Corp.,
2 SANYO Electric Co., Ltd., Warner Bros. Home Entertainment Inc. and Mitsubishi
3 Electric Corp. (collectively “Plaintiffs”) on June 17, 2016, makes the following

4 **FINDINGS:**

5 1. This is a patent case. Plaintiffs sued Defendant Encore Media Services,
6 Inc. (“Encore”) and other defendants for patent infringement on March 19, 2015.
7 *See* ECF No. 1.

8 2. Entry of default was recorded against Encore on March 8, 2016. *See*
9 ECF No. 93.

10 3. Encore’s address as provided to the California Secretary of State is
11 24853 Avenue Rockefeller, Valencia, CA 91355, and its CEO is Ping Liu. *See* ECF
12 No. 97-5.

13 4. Encore, Max Optical Disc, Inc. (“Max Optical”) and Milestone
14 Enterprises (“Milestone”) are related companies, and Plaintiffs have reasonably
15 sought discovery of Plaintiffs’ purported damages resulting from patent
16 infringement by Encore by serving subpoenas on Max Optical and Milestone. Both
17 Max Optical and Milestone failed to respond to the subpoenas. *See* ECF No. 97
18 (Plaintiffs’ Ex Parte Application For Order To Enforce Plaintiffs’ Subpoenas To
19 Max Optical Disc, Inc. And Milestone Enterprises) and ECF 97-1 (supporting
20 declaration and exhibits attached thereto).

21 5. Max Optical’s business and registered agent address as provided to the
22 California Secretary of State is 24865 Avenue Rockefeller, Valencia, CA 91355, and
23 its CEO and Registered Agent is Ting Hua Yu. *See* ECF No. 97-6.

24 6. Milestone’s business and registered agent address as provided to the
25 California Secretary of State is 24865 Avenue Rockefeller, Valencia, CA 91355, and
26 its CEO is Ping Liu and its Registered Agent is Yun Zhong Jin. *See* ECF No. 97-11.

1 7. Service of Plaintiffs' Ex Parte Application For Order To Enforce
2 Plaintiffs' Subpoenas was duly served on Max Optical and Milestone. *See* ECF No.
3 105, including ECF No. 97-20 and ECF No. 98, referenced therein.

4 8. On April 29, 2016, this Court issued an Order enforcing Plaintiffs'
5 subpoenas. *See* ECF No. 106.

6 9. On May 2, 2016, the Order enforcing Plaintiffs' subpoenas was duly
7 hand served on both Max Optical and Milestone at 24865 Avenue Rockefeller,
8 Valencia, CA 91355. *See* ECF No. 111.

9 10. Both Max Optical and Milestone failed to respond to the Order
10 enforcing Plaintiffs' subpoenas. *See* ECF No. 116 (Plaintiffs' Ex Parte Application
11 For An Order To Show Cause Why A Contempt Citation Should Not Issue And
12 Request For Hearing Date And Attorney Fees And Costs), ECF 116-1 (supporting
13 declaration and exhibits attached thereto), and ECF 118, Exhibits A and B
14 (certificates of hand service of Ex Parte Application).

15 11. On May 23, 2016, this Court issued an Order to show cause why Max
16 Optical and Milestone should not be held in civil contempt for failing to comply
17 with the Court's Order. *See* ECF No. 117.

18 12. On May 24, 2016, the Order to Show Cause was duly hand served on
19 both Max Optical and Milestone at 24865 Avenue Rockefeller, Valencia, CA 91355.
20 *See* ECF No. 118, Exhibits C and D.

21 13. In accordance with Order to Show Cause, Plaintiffs filed a declaration
22 of fees and costs that had been reasonably incurred relating to Plaintiffs' efforts to
23 take discovery from Max Optical and Milestone, and which was served on them.
24 *See* ECF No. 119.

25 14. Both Max Optical and Milestone failed to file any objections to being
26 held in civil contempt, in accordance with Order to Show Cause. *See* ECF No. 117,

27 ¶ 4.

1 15. Both Max Optical and Milestone failed to appear at the hearing in
2 accordance with Order to Show Cause. *See* ECF No. 117, ¶ 3 and ECF No. 121.


3 16. Plaintiffs have incurred substantial fees in pursuing reasonable discovery
4 from Max Optical and Milestone in the amount of \$19,082, comprising \$17,672 as
5 set forth in ECF No. 119-1, p. 4, and an additional one hour (\$470) for attending the
6 June 17, 2016 hearing and an additional two hours (\$940) for preparing the draft
7 findings and recommendations.

8 17. Plaintiffs have incurred substantial costs in pursuing reasonable
9 discovery from Max Optical and Milestone in the amount of \$2,099.06 as set forth in
10 ECF No. 119-1, p. 2.

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12 In view of these findings and for good cause shown, to District Judge John A.
13 Kronstadt, this Court makes the following **RECOMMENDATIONS**:

- 14 1. Both Milestone and Max Optical are held in civil contempt;
15 2. As against Milestone, and its CEO Ping Liu, and Max Optical, and its
16 CEO Ting Hua Yu, jointly and severally, Plaintiffs are awarded both their
17 reasonable attorney fees of \$19,082 and their actual costs of \$2,099.06; and
18 3. Milestone and Max Optical shall provide all of the discovery set forth
19 in the Order enforcing Plaintiffs' subpoenas, *see* ECF No. 106, by July 11, 2016, or
20 additional sanctions will be considered by this Court.

21 Dated: June 21, 2016

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24 JOHN E. McDERMOTT
25 United States Magistrate Judge
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