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*Attorneys for Plaintiffs 3M Company and 3M
Innovative Properties Company*

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION**

3M COMPANY and 3M
INNOVATIVE PROPERTIES
COMPANY,

Plaintiffs,

v.

PHOENIX AUTOMOTIVE
REFINISHING CO., LTD. and K2
CONCEPTS,

Defendants.

Case No. 5:17-cv-649-RSWL-DTB

CONSENT JUDGMENT

1 Plaintiffs 3M Company and 3M Innovative Properties Company (“3M”) and
2 Defendant K2 Concepts (“K2”) (collectively, the “Parties”) have agreed to settle all
3 claims among them in the above-captioned matter, pursuant to a confidential Settlement
4 Agreement (the “Settlement Agreement”), and to entry of this Consent Judgement. The
5 Court, being advised of the Parties’ agreement, **HEREBY ORDERS, ADJUDGES,**
6 **and DECREES THAT:**

7 1. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and
8 1338(a) and personal jurisdiction over the Parties. Venue is proper in the United States
9 District Court for the Central District of California under 28 U.S.C. §§ 1391(b) and
10 1400(b).

11 2. Plaintiff 3M Innovative Properties Company is the assignee and owner of
12 U.S. Patent Nos. 6,820,824; 7,374,111; 8,002,200; 8,424,780; 8,628,026; 8,955,770; and
13 9,211,553 (collectively, the “Patents-in-Suit”). 3M Company is the exclusive licensee
14 of the Patents-in-Suit. The Patents-in-Suit are generally directed to systems and
15 methods for spraying liquids, such as spray guns, and liquid reservoirs for such systems,
16 including disposable lids and liners.

17 3. The claims of the Patents-in-Suit are valid and enforceable.

18 4. K2 acknowledges and agrees that it has infringed at least one claim of each
19 of the Patents-in-Suit by using, offering for sale, and selling disposable lids and liners
20 for use in 3M’s PPS™ paint system, in violation of 35 U.S.C. § 271.

1 5. K2 and its respective officers, agents, representatives, affiliates, assignees,
2 successors, and all persons acting on behalf of or at the direction of, or in concert or
3 participation with K2 are hereby permanently enjoined from making, using, offering to
4 sell, selling, or importing into the United States any products that infringe the Patents-
5 in-Suit, from inducing others to infringe the Patents-in-Suit, and from contributing to
6 the infringement of the Patents-in-Suit. This injunction shall not extend beyond the
7 expiration of the Patents-in-Suit.

8 6. K2 agrees not to challenge, or cause to be challenged, directly or indirectly,
9 the validity and/or enforceability of the Patents-in-Suit in any court or tribunal,
10 including the United States Patent and Trademark Office. K2 further agrees not to
11 directly or indirectly aid, assist, or participate in any action or proceeding contesting the
12 validity or enforceability of the Patents-in-Suit. The foregoing two sentences, however,
13 shall not prevent K2 from responding to a valid subpoena issued by a court or
14 governmental agency of competent jurisdiction.

15 7. This Court shall retain jurisdiction for purposes of enforcing the terms of
16 this Consent Judgement and the Settlement Agreement.

17 8. K2 acknowledges and agrees that any violation of this Consent Judgment
18 would constitute contempt of this Court's order, and therefore subject K2, in addition to
19 any other remedies available to 3M at law or equity, to civil and criminal sanctions.

20 9. If K2 is found by the Court to be in contempt of, or otherwise to have
21 violated this Consent Judgement, and/or to have breached the Settlement Agreement,

1 3M will suffer irreparable harm. In addition to equitable remedies available for
2 contempt or violation of this Consent Judgement, and/or for breach of the Settlement
3 Agreement, 3M shall be entitled to any damages caused by K2's contempt or violation
4 of this Consent Judgement and/or breach of the Settlement Agreement, and to recover
5 its attorneys' fees, costs, and other expenses incurred in enforcing the Consent Judgment
6 and/or the Settlement Agreement.

7 10. K2 acknowledges and agrees that any infringement of the Patents-in-Suit
8 after the date of this Consent Judgment would constitute willful and egregious
9 misconduct and would warrant enhanced, treble damages under 35 U.S.C. § 284.

10 11. Other than provided in paragraph 9 of this Consent Judgement, each party
11 shall bear its own costs and attorneys' fees.

12 12. No appeal shall be taken by K2 from this Consent Judgement, the right to
13 appeal having been expressly waived.

14 PURSUANT HERETO, the Clerk of this Court is directed to enter Final
15 Judgement in favor of Plaintiffs, without further notice.

16 **IT IS SO ORDERED, ADJUDGED AND DECREED** this 26 day of April,
17 2017.

18 **s/ RONALD S.W. LEW**
19 _____
20 Hon. Ronald S.W. Lew
21 United States District Court Judge

1 APPROVED AS TO FORM AND CONTENT:

2 Dated: April 20, 2017

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