

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

AEVOE CORP., a California corporation,)
)
Plaintiff,)
vs.)
AE TECH CO., LTD., a Taiwan corporation;)
S&F Corporation dba SF PLANET)
CORPORATION, a Minnesota corporation,)
and GREATSHIELD INC., a Minnesota)
corporation,)
Defendants.)

Case No.: 2:12-cv-00053-GMN-NJK

ORDER

Pending before the Court is the Motion for Order to Show Cause RE: Failure to Pay Sanctions Award (ECF Nos. 289, 293) filed by Plaintiff Aevoe Corp. (“Plaintiff”). Defendant AE Tech (“AE Tech”) filed a Response (ECF No. 309) and Plaintiff filed a Reply (ECF Nos. 321, 323).

I. BACKGROUND

This motion arises from AE Tech’s continued failure to pay the sanctions previously imposed by the Court in November 2012 (“Sanctions Order”). (ECF Nos. 167, 181.) Specifically, the Court previously determined that AE Tech violated the preliminary injunction by selling its “redesigned screen protector products” and that, as a result, “a finding of contempt [was] appropriate.” (Order 9:4, ECF No. 65; see also Prelim. Inj., ECF No. 66.) Thereafter, the Court held an evidentiary hearing and ordered additional briefing to determine the appropriate amount of sanctions to award for AE Tech’s violation of the preliminary injunction. (See Order, ECF No. 132.)

After the evidentiary hearing, the Court imposed a monetary sanction in the amount of \$1,140,701.83 to be paid by AE Tech to Plaintiff. (Order, ECF Nos. 167, 181.) This amount

1 represented the lost profits suffered by Plaintiff because of AE Tech's violation of the
2 preliminary injunction (\$1,079,760.08) and the reasonable attorneys' fees that Plaintiff incurred
3 in connection with AE Tech's contempt (\$60,941.75). (See *id.*) Notably, the Court filed the
4 Sanctions Order on November 28, 2012. (*Id.*) Nevertheless, more than fifteen months have
5 passed and AE Tech has still not yet complied with the Sanctions Order. For this reason,
6 Plaintiff filed the instant Motion for an Order to Show Cause why AE Tech has failed to
7 comply with this Court's Sanctions Order. (ECF Nos. 289, 293.)

8 **II. DISCUSSION**

9 "Absent a stay, all orders and judgments of courts must be complied with promptly." In
10 re Crystal Palace Gambling Hall, Inc., 817 F.2d 1361, 1365 (9th Cir. 1987) (internal quotation
11 marks omitted). Importantly, AE Tech's disagreement with the Sanctions Order does not
12 warrant AE Tech's failure to comply with that Order. Similarly, the interim decisions by the
13 USPTO in the parallel reexamination proceedings are also irrelevant to AE Tech's duty to
14 comply with an order of the Court. See *id.* ("A party cannot disobey a court order and later
15 argue that there were 'exceptional circumstances' for doing so."). Accordingly, even to the
16 extent that AE Tech believed that changed circumstances warranted reconsideration,
17 modification, or a stay of the Sanctions Order, noncompliance with a Court Order is an ill-
18 advised manner in which to assert these beliefs.

19 For these reasons, the Court hereby orders AE Tech to Show Cause why AE Tech has
20 not yet complied with the Court's November 2012 Sanctions Order. A Show Cause Hearing is
21 hereby set for **Thursday, April 10, 2014, at 2:00 PM**. Both parties shall first meet and confer
22 in an attempt to resolve this issue. In addition, the parties shall jointly file, by Monday, April 7,
23 2014, a Joint Statement certifying that such meet and confer occurred and notifying the Court
24 whether the matter is resolved and whether the hearing may be vacated. At the Show Cause
25 Hearing, AE Tech shall be prepared to present alternative payment options, including a date on

1 which payment shall commence, and, if necessary, be prepared to present evidence on AE
2 Tech's inability to pay the sanctions.

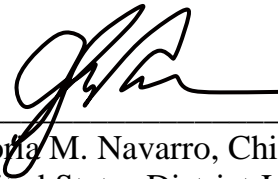
3 **III. CONCLUSION**

4 **IT IS HEREBY ORDERED** that Plaintiff's Motion for Order to Show Cause (ECF
5 Nos. 289, 293) is **GRANTED**.

6 **IT IS FURTHER ORDERED** that a Show Cause Hearing is set for **Thursday, April**
7 **10, 2014, at 2:00 PM** at which AE Tech shall Show Cause why it has not yet complied with the
8 Court's November 2012 Sanctions Order and how and when AE Tech intends to comply in the
9 future.

10 **IT IS FURTHER ORDERED** that, prior to the Show Cause Hearing, the parties shall
11 meet and confer in an attempt to resolve this issue. The parties shall jointly file, by Monday,
12 April 7, 2014 a Joint Statement certifying that such a meet and confer occurred and notifying
13 the Court whether the matter is resolved and whether the hearing may be vacated.

14 **DATED** this 19 day of March, 2014.

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18 Gloria M. Navarro, Chief Judge
19 United States District Judge
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