

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Cadence Design Systems, Inc. v. Intelligent Automation (Zhuhai) Co.,
Ltd.

Case No. 24-cv-07031-PCP (N.D. Cal. Jan. 26, 2026) · No. 24-cv-07031-PCP · Decided January 26, 2026

SUMMARY

The United States District Court for the Northern District of California denied nonparties Intelligent Automation Technology Inc. and Xuejian Wei’s motion for relief from a magistrate judge’s nondispositive order certifying facts regarding their civil contempt for failing to comply with document subpoenas. The court found no legal or clear factual error in the magistrate judge’s ruling under Federal Rule of Civil Procedure 72(a). The court ordered the nonparties to show cause why they should not be sanctioned for civil contempt and set briefing and hearing dates.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Casey Pitts
JURISDICTION	United States District Court for the Northern District of California
DECIDED	January 26, 2026
DOCKET	24-cv-07031-PCP
DISPOSITION	other
PROCEDURAL POSTURE	Nonparties Intelligent Automation Technology Inc. and Xuejian Wei sought relief under Federal Rule of Civil Procedure 72(a) from a magistrate judge's nondispositive order certifying facts concerning civil contempt and recommending an order to show cause.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure 72(a), a district judge may modify or set aside a magistrate judge's order on a nondispositive matter only if the order is clearly erroneous or contrary to law.
PRECEDENTIAL VALUE	Unpublished district court order; nonprecedential.

TOPICS

- contempt
- sanctions
- discovery dispute
- civil procedure

PRACTICE AREAS

civil procedure

commercial litigation

intellectual property

QUESTIONS PRESENTED

1. Whether the magistrate judge's certification of facts concerning IAT and Wei's civil contempt was clearly erroneous or contrary to law under Federal Rule of Civil Procedure 72(a).
2. Whether IAT and Wei bore the burden in the contempt proceeding to rebut Cadence's prima facie showing by demonstrating substantial compliance or that they had taken all reasonable steps to comply.
3. Whether the district court should issue an order to show cause why IAT and Wei should not be sanctioned for civil contempt.

HOLDINGS

1. The magistrate judge's order certifying facts was neither legally erroneous nor clearly erroneous because it correctly applied the civil-contempt standard and was supported by the factual record.
2. Once Cadence made a prima facie showing of noncompliance, IAT and Wei bore the burden to rebut it by showing substantial compliance or that they took all reasonable steps within their power to comply.
3. The district court denied IAT and Wei's motion for relief and issued an order to show cause why they should not be sanctioned for civil contempt.

KEY QUOTATIONS

"The district judge must then hear evidence and, if warranted, "punish such person in the same manner and to the same extent as for a contempt committed before a district judge."" (at 1)

"She properly placed the burden on IAT and Wei to rebut Cadence's prima facie argument by showing "substantial compliance."" (at 2)

FACTUAL BACKGROUND

Cadence served IAT and Wei with document subpoenas containing thirteen requests for production. Although they provided written responses and produced two high-level slide decks, the magistrate judge found that they failed to produce all nonprivileged responsive documents by the court-ordered deadline. Wei searched his emails without counsel's assistance, and Cadence's counsel stated that counsel was not personally involved in the searches and relied on Wei's searches of his own files.

PROCEDURAL HISTORY

Cadence served document subpoenas on IAT and Wei. Magistrate Judge DeMarchi denied their motion to quash, ordered production, found that they failed to comply, certified facts under 28 U.S.C. § 636(e), and recommended that the district court issue an order to show cause. The district court denied relief from the magistrate judge's order and issued the requested order to show cause regarding civil contempt sanctions.

DISPOSITION

other

CASES CITED

- Coleman v. Newsom, 131 F.4th 948, 956 (9th Cir. 2025)

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