UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Facebook, Inc. v. OnLineNic Inc.

No. 19-cv-07071-SI (N.D. Cal. July 1, 2025) · No. 19-cv-07071-SI · Decided July 1, 2025

SUMMARY

The United States District Court for the Northern District of California partially granted and partially denied plaintiffs’ motion for civil contempt sanctions and appeal bond, denied the defendant’s motion to stay proceedings pending appeal, and denied a motion to seal. The court authorized Leascend Technology Co., Ltd. to purge its contempt by paying the judgment and costs or depositing $5.5 million into a U.S. escrow account. The court imposed a $1,000 daily fine, ordered deactivation of a specified website, awarded plaintiffs reasonable contempt-related attorneys’ fees and costs, and required a $7,500 appeal bond.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Susan Illston
JURISDICTION	United States District Court for the Northern District of California
DECIDED	July 1, 2025
DOCKET	19-cv-07071-SI
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved for civil contempt remedies and an appeal bond after the court found Leascend in civil contempt for violating an escrow order. Leascend moved to stay further proceedings pending appeal.
STANDARD OF REVIEW	Civil contempt remedies are reviewed under the court's broad equitable authority, subject to the requirement that sanctions be the minimum necessary to secure compliance. A stay pending appeal is discretionary and is evaluated under the four Nken factors. An appeal bond under Federal Rule of Appellate Procedure 7 is discretionary.
PRECEDENTIAL VALUE	unpublished
PARTIES	Leascend Technology Co., Ltd. v. Meta Platforms, Inc., Instagram, LLC

TOPICS

contempt · sanctions · appellate procedure · costs · attorney fees

PRACTICE AREAS

civil procedure · intellectual property · commercial litigation · appellate procedure · remedies

QUESTIONS PRESENTED

1. What remedies were appropriate for Leascend's violation of the December 20, 2024 escrow order?
2. Whether Leascend should be permitted to purge its civil contempt by paying the judgment and costs or depositing $5.5 million into a United States escrow account.
3. Whether Leascend was entitled to a stay of further proceedings pending appeal.
4. Whether Leascend should be required to post an appeal bond under Federal Rule of Appellate Procedure 7, and in what amount.
5. Whether material submitted in connection with the contempt-remedies motion should be sealed.

HOLDINGS

1. Leascend may purge its civil contempt by either paying the final judgment and taxed costs or depositing $5.5 million in a United States escrow account to secure satisfaction of the judgment.
2. The court imposed a $1,000 daily fine until Leascend purges the contempt, ordered Verisign to deactivate leasdgrp.com until the contempt is purged, and ordered Leascend to pay plaintiffs' reasonable attorneys' fees and costs incurred in enforcing the contempt order.
3. Leascend's motion to stay further proceedings pending appeal was denied.
4. Leascend was ordered to post a $7,500 appeal bond, and the court declined to include attorneys' fees in the bond.
5. The administrative motion to seal was denied, and plaintiffs were ordered to re-file the unredacted materials on the public docket within seven days.

KEY QUOTATIONS

> *"To succeed on a motion for civil contempt, the moving party must "show by clear and convincing evidence that [the nonmoving party] violated the [court order] beyond substantial compliance, and that the violation was not based on a good faith and reasonable interpretation of the [order].""* (at 2)

> *"To find a prima facie case of contempt, a court must find that (1) the nonmoving party violated a specific and definite court order; (2) beyond substantial compliance; (3) not based upon a reasonable and good faith interpretation of the order; and (4) the foregoing has been shown by clear and convincing evidence."* (at 3)

> *"Leascend may purge its contempt: (1) by paying the final judgment ordered at Dkt. No. 431 ¶¶ 67, 78, 80 and the costs awarded at Dkt. No. 434 OR (2) by depositing $5.5 million (USD) into an escrow account in the United States held by an escrow agent to be security to satisfy the judgment issued by the Court on February 14, 2025."* (at 3-4)

> *“If Leascend’s view of the “impossibility” of compliance were to be credited, then any party could flout a court order and evade contempt remedies by later claiming that it was now too late to comply because the deadline had passed.”* (at 6)

> *“A stay pending appeal “is not a matter of right” but “is instead an exercise of judicial discretion, and the propriety of its issue is dependent upon the circumstances of the particular case.””* (at 8)

FACTUAL BACKGROUND

The court had ordered Leascend to deposit $5.5 million in a United States escrow account by January 31, 2025, and prohibited it from selling or transferring its registrar business or related ownership interests until it complied. Leascend did not make the deposit and subsequently sold the relevant subsidiary and assets, while also failing to pay the approximately $5.5 million final judgment. The court found Leascend in civil contempt and concluded that its inconsistent representations about the asset sale and failure to respond to compliance inquiries unnecessarily prolonged the contempt proceedings.

PROCEDURAL HISTORY

The court entered an escrow and asset-transfer restriction order on December 20, 2024, entered default judgment and a permanent injunction on February 14, 2025, and found Leascend in civil contempt on April 4, 2025. In this order, the court resolved plaintiffs' motions for contempt remedies and an appeal bond and denied Leascend's motion for a stay pending appeal.

DISPOSITION

other

CASES CITED

- Gifford v. Heckler, 741 F.2d 263, 265 (9th Cir. 1984)
- Reno Air Racing Ass’n, Inc. v. McCord, 452 F.3d 1126, 1130 (9th Cir. 2006)
- Balla v. Idaho State Bd. of Corr., 869 F.2d 461, 465 (9th Cir. 1989)
- Wolfard Glassblowing Co. v. Vanbragt, 118 F.3d 1320, 1322 (9th Cir. 1997)
- In re Dual-Deck Video Cassette Recorder Antitrust Litig., 10 F.3d 693, 695 (9th Cir. 1993)
- Verizon Cal. Inc. v. Online NIC, Inc., 647 F. Supp. 2d 1110, 1115 (N.D. Cal. 2009)
- Sekaquaptewa v. MacDonald, 544 F.2d 396, 404 (9th Cir. 1976)
- F.T.C. v. EDebitPay, LLC, 695 F.3d 938, 945 (9th Cir. 2012)
- S.E.C. v. Hickey, 322 F.3d 1123, 1128 (9th Cir. 2003)
- Bright v. Mirant Corp., 596 F.3d 693, 696 (9th Cir. 2010)
- Nken v. Holder, 556 U.S. 418, 433-34 (2009)
- Hilton v. Braunskill, 481 U.S. 770, 776 (1987)
- Senne v. Kansas City Royals Baseball Corp., No. 14-CV-00608-JCS, 2023 WL 4238509, at *1-*2 (N.D. Cal. June 27, 2023)

- Azizian v. Federated Department Stores, Inc., 499 F.3d 950, 961 (9th Cir. 2007)
- Plata v. Schwarzenegger, 560 F.3d 976, 980 (9th Cir. 2009)
