

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 11-cv-62591**

ACR ELECTRONICS, INC.,
a Florida Corporation,

Plaintiff,

v.

DME Corporation, a Florida corporation,
CCK ELECTRONICS LLC,
a Florida limited liability company,
CHUNG T. TONG,
CLAUDIO CASSINA, and
KAIYU WU,

Defendants.

STIPULATED JUDGMENT AND PERMANENT INJUNCTION

Plaintiff ACR Electronics, Inc. ("ACR") moved for entry of an order granting preliminary injunction pursuant to 65(a) of the Federal Rules of Civil Procedure. The matter came before this Court for hearing on March 19-20, 2012, and April 5, 2012, and oral argument on April 25, 2012, on ACR's Motion for Preliminary Injunction ("MPI"). On October 31, 2012, the Court issued an order granting ACR's MPI in its entirety on its trade secret, breach of contract and breach of loyalty claims ("PI Order").

ACR and Defendants DME Corporation ("DME"), Chung Tong, Claudio Cassina and Kaiyu Wu (the "Individual Defendants"), CCK Electronics LLC ("CCK") (DME, the Individual Defendants and CCK, collectively referred to as the "Defendants") have entered into Confidential Settlement Agreements and Mutual Releases ("Settlement Agreements") to resolve the claims asserted in this action against Defendants and, pursuant to the Settlement Agreements, have agreed to the terms of this Stipulated Judgment and Permanent Injunction. ACR and the Defendants are collectively referred to as the "Parties."

This Stipulated Judgment and Permanent Injunction supersedes Section F (the injunction and bond terms) of the PI Order. The Court hereby orders as follows:

1. The Parties acknowledge and the Court finds that ACR owns proprietary rights to the source code, source code specifications, schematics, and its research, testing, design and development work for its personal locator beacon products, in particular, all models of the PLB-200, PLB-300, PLB-350 and PLB-375, all of which have value from not being known to ACR's competitors (collectively referred to as "ACR's Trade Secrets"). ACR also owns registered and unregistered copyrights in works created by its employees relating to all models of its PLB-200, PLB-300, PLB-350 and PLB-375 beacon products, specifically, schematics, computer source code, and source code specifications ("ACR's Copyrighted Works").

2. Defendants, and anyone acting in concert with or on their behalf, are permanently enjoined as follows:

(a) from use of the source code and schematics for the product that DME announced as the SATRO PLB-110 in October 2011 and that DME in May 2012 advised the Court had been FCC approved (Dkt. No. 154) (hereinafter the "PLB-110"), including all design, development and testing work with respect to the PLB-110 product which the Court finds were derived from the wrongful use of ACR's Trade Secrets and proprietary information;

(b) from making any copies or derivatives of the schematics for the PLB-110, and from any further distribution of such schematics;

(c) from promoting, marketing or selling the PLB-110; and

(d) from disclosing the source code or the schematics for the PLB-110, and from disclosing or using any of ACR's Trade Secrets.

3. DME, and anyone acting in concert with or on its behalf, is further enjoined as follows:

(a) for a period of four (4) years from the entry of this Stipulated Judgment and Permanent Injunction, from marketing, selling, promoting, or publicly announcing the future sales of Personal Locator Beacons (“PLBs”), which are defined as beacons (i) that satisfy the requirements for personal locator beacons as specified in Title 47 of the U.S. Code of Federal Regulations, Part 95, Subpart K, and any revisions thereto (including adopted or proposed revisions to the standards cited therein), (ii) that satisfy the requirements of any regulations for personal locator beacons in countries other than the United States, (iii) that meet the specification for a personal locator beacon as defined in C/S T.001 and for which a Cospas-Sarsat Type Approval Certificate or Cospas-Sarsat Letter of Compatibility has been issued, or (iv) for which a regulatory waiver will be requested, or has been obtained or requested, including personal locator beacons developed for the U.S. government or the military;

(b) for a period of two (2) years from the entry of this Stipulated Judgment and Permanent Injunction, from marketing, selling, promoting, or publicly announcing the future sales of Emergency Position Indicating Radio Beacons (“EPIRBs”), which are defined as beacons (i) that satisfy the requirements for emergency position indicating radiobeacons as specified in Title 47 of the U.S. Code of Federal Regulations, Part 80, Subpart V, and any revisions thereto (including adopted or proposed revisions to the standards cited therein), (ii) that satisfy the requirements of any regulations for emergency position indicating radiobeacons in countries other than the United States, (iii) that meet the specification for an emergency position indicating radiobeacon as defined in C/S T.001 and for which a Cospas-Sarsat Type Approval Certificate or Cospas-Sarsat Letter of Compatibility has been issued, or (iv) for which a regulatory waiver will be requested, or has been obtained or requested, including emergency position indicating radiobeacons developed for the U.S. government or the military; and

(c) permanently from engaging or hiring CCK or any of the Individual Defendants for any work in connection with beacons of any type.

4. CCK and all of the Individual Defendants, and anyone acting in concert with or on behalf of any one or more of them, are further enjoined as follows:

(a) for a period of five (5) years from entry of this Stipulated Judgment and Permanent Injunction, from working on or contributing in any way to the design, development, marketing or sales of PLBs, EPIRBs, or Emergency Locator Transmitters (“ELTs”); ELTs are defined as transmitters (i) that satisfy the requirements for emergency locator transmitters specified in Title 14 of the U.S. Code of Federal Regulations, Chapter 1, Subchapter F, and the frequency requirements specified in Title 47 of the U.S. Code of Federal Regulations, Part 87; (ii) that satisfy the requirements of any regulations for emergency locator transmitters in countries other than the United States, (iii) that meet the specification for an emergency locator transmitter as defined in C/S T.001 and for which a Cospas-Sarsat Type Approval Certificate or Cospas-Sarsat Letter of Compatibility has been issued, (iv) that meet government regulatory requirements for emergency locator transmitters, such as FAA Technical Specification Order (“TSO”) standards in the United States and Aviation Safety Agency (“EASA”) standards in Europe, or (v) for which a regulatory waiver will be requested, or has been obtained or requested, including emergency locator transmitters developed for the U.S. government or the military;

(b) for a period of five (5) years from entry of this Stipulated Judgment and Permanent Injunction, from working on or contributing in any way to the design or development of source code or source code specifications for PLBs, EPIRBs or ELTs; and

(c) permanently from working with or being employed or engaged by DME or any affiliate of DME for any purpose.

This Paragraph 4 is not intended to apply to DME unless it is acting in concert with or on behalf of CCK or the Individual Defendants after entry of this Stipulated Judgment and Permanent Injunction.

5. If they have not already done so before entry of this Stipulated Judgment and Permanent Injunction, then by no later than thirty (30) calendar days after issuance of this Stipulated Judgment and Permanent Injunction, DME, CCK and each of the Individual Defendants separately must take the following steps:

(a) return to ACR, and retain no copies thereof, all documents and things (electronic, hard copy, or otherwise) obtained from ACR (other than materials that ACR has publicly distributed or documents that pertain to the terms of the Individual Defendants' former employment with ACR), or certify in writing under oath that it or he has no such documents or things in its or his possession, custody or control;

(b) produce to ACR all documents and things (electronic, hard copy, or otherwise) that contain, incorporate, were derived from or reflect ACR's Trade Secrets or ACR's Copyrighted Works, including all drafts, notes, memos, engineering notes, and emails (other than materials subject to the attorney work product doctrine or the attorney client privilege, which may be retained solely by Defendants' counsel of record pursuant to the Stipulated Protective Order entered in this case ("Protective Order")), or, for its part, DME may destroy and certify in writing under oath that it has destroyed all such documents and things;

(c) produce to ACR all documents and things (or, for its part, DME may destroy and certify in writing under oath that it has destroyed all such documents and things) that (i) CCK and/or any of the Individual Defendants provided to DME, or (ii) DME received from CCK and/or any of the Individual Defendants related to the PLB-110 or any beacon product, including any testing devices; and

(d) provide to ACR an affidavit confirming in writing and under oath that they have not retained any copies (electronic, hard copy, or otherwise) of the documents and things they were required to return, destroy or produce to ACR pursuant to this Paragraph 5.

6. If they have not already done so before entry of this Stipulated Judgment and Permanent Injunction, then by no later than seven (7) calendar days after issuance of this Stipulated Judgment and Permanent Injunction, CCK and the Individual Defendants shall also produce to ACR all documents and things (electronic, hard copy, or otherwise), other than publicly available documents and things, that pertain to the development of any PLB, EPIRB or ELT, including the testing device about which Cassina testified and which is depicted in the Declaration of Claudio Cassina, filed on March 14, 2012, at Exhibit E (page 11 of 11).

7. No later than January 15, 2013, DME shall (1) deliver a written statement to all of its existing and prospective customers for the PLB-110, including but not limited to Aircraft Spruce, Pilotshop.com, and Bass Pro Shops, advising them that the PLB-110, which had been advertised as the SATRO, will not be available for sale or lease; and (2) post a notice on its website for a period not less than six (6) months stating that the PLB-110, which had been advertised as the SATRO, has been withdrawn and will not be available for sale or lease. The statement and notice required by this Paragraph 7 shall be substantially in the form attached hereto as Exhibit A.

8. Each Defendant shall pay ACR the amount specified to be paid by each Defendant in the Settlement Agreements.

9. The terms of this Stipulated Judgment and Permanent Injunction shall be effective worldwide, and shall be binding on all successors and assigns of each of the Parties.

10. Defendants Wu and CCK acknowledge and the Court finds that they do not own all of the copyright in source code and schematics that each of them applied to register

with the United States Copyright Office (Reg. No. TXu 1-785-502 and Reg. No. VAu 1-084-669), and that they were not authorized to apply to register the works claimed therein nor to submit to the Copyright Office the deposits submitted therewith. As a result, the registrations never should have been issued to them, and the deposits should be expunged from the publicly available records. Wu and CCK shall assign the registrations and any copyright in the works claimed by them to ACR, and they shall take all reasonable steps, as requested by ACR or required by the Copyright Office, to ensure that all deposits submitted to the Copyright Office for such registrations are expunged from the publicly available records.

11. No later than January 15, 2013, DME and CCK shall provide a copy of this Stipulated Judgment and Permanent Injunction to each of their officers, employees, and independent contractors. The Defendants each represent and warrant that no persons or entities, other than a Defendant or an officer, employee or independent contractor of one of the Defendants, worked on the design, development, promotion or marketing of the PLB-110.

12. ACR's and DME's counsel of record may retain any "Confidential" or "Confidential Attorneys' Eyes Only" documents produced by or testimony of CCK or any of the Individual Defendants (on his own behalf or on behalf of CCK), subject to the terms of the Protective Order. ACR's and DME's counsel of record may retain for a period of five (5) years any "Confidential" or "Confidential Attorneys' Eyes Only" documents produced by or testimony of ACR or DME or any ACR or DME employee or expert, subject to the terms of the Protective Order. To the extent that the terms of this Stipulated Judgment and Permanent Injunction are inconsistent with the terms of the Protective Order, the terms of this Stipulated Judgment and Permanent Injunction shall control. The Protective Order otherwise remains in full force and effect.

13. Pursuant to Federal Rule of Civil Procedure 54(b), the Court hereby directs that this Stipulated Judgment and Permanent Injunction shall be entered immediately as a

final judgment as to the claims alleged by ACR in the Amended Complaint against any one or more of the Defendants and as to the affirmative defenses alleged by any one or more of the Defendants in their Answers to the Amended Complaint. The Parties waive or have waived their rights to appeal from the Stipulated Judgment and Permanent Injunction executed by each of them, and there is no just reason for delay. This Court shall retain ongoing jurisdiction with respect to enforcement of this Stipulated Judgment and Permanent Injunction, the Settlement Agreements and the Protective Order. The Defendants consent to ongoing personal jurisdiction in this Court with respect to enforcement of this Stipulated Judgment and Permanent Injunction, the Settlement Agreements and the Protective Order.

IT IS SO STIPULATED.

ACR ELECTRONICS, INC.



(Signature)

M.S. Wilkinson

Name

CEO

Title

1/14/13

Date

CCK ELECTRONICS, LLC

CHUNG T. TONG
(Signing individually and on behalf of
CCK Electronics, LLC)

Date

DME CORPORATION

(Signature)

Name

Title

Date

CLAUDIO CASSINA
(Signing individually and on behalf of
CCK Electronics, LLC)

Date

KAIYU WU

Date

final judgment as to the claims alleged by ACR in the Amended Complaint against any one or more of the Defendants and as to the affirmative defenses alleged by any one or more of the Defendants in their Answers to the Amended Complaint. The Parties waive or have waived their rights to appeal from the Stipulated Judgment and Permanent Injunction executed by each of them, and there is no just reason for delay. This Court shall retain ongoing jurisdiction with respect to enforcement of this Stipulated Judgment and Permanent Injunction, the Settlement Agreements and the Protective Order. The Defendants consent to ongoing personal jurisdiction in this Court with respect to enforcement of this Stipulated Judgment and Permanent Injunction, the Settlement Agreements and the Protective Order.

IT IS SO STIPULATED.

ACR ELECTRONICS, INC.

CCK ELECTRONICS, LLC

(Signature)

CHUNG T. TONG

(Signing individually and on behalf of
CCK Electronics, LLC)

Name

Date


Title

Date

DME CORPORATION

CLAUDIO CASSINA

(Signing individually and on behalf of
CCK Electronics, LLC)


(Signature)

Date

DAVID C. Burney
Name

Secretary
Title

12/27/12
Date

KAIYU WU

14. THE CLERK SHALL CLOSE THIS CASE. ALL PENDING MOTIONS ^{Ka}
ARE DENIED AS MOOT.

IT IS SO ORDERED.

Dated: JANUARY 15, 2013


KENNETH A. MARRA
United States District Judge

Exhibit A

NOTICE

Proposed Text of Letter Aircraft Spruce, PilotShop.com and Bass Pro Shops

Dear Customer:

Re: SATRO PLB-110

DME had previously announced that it would in the future be offering for sale a personal locator beacon known as the SATRO PLB-110. This product has been withdrawn and will not be available for sale or lease.

Very truly yours,

[NAME]
DME Corporation

Notice For Website Pursuant to Stipulated Judgment ¶ 7

Notice to Customers Regarding Personal Locator Beacons

DME had previously announced that it intended to offer for sale a personal locator beacon known as its "SATRO PLB-110." This product has been withdrawn and will not be offered for sale or lease.