

Federal Court Issues \$1 Million Contempt Award for Repeated Cell Phone Unlocking Misconduct

March 31, 2016



On March 18, United States District Judge Ursula Ungaro of the United States District Court for the Southern District of Florida entered an order against a Hong Kong-based company that was improperly distributing prohibited cell phone unlocking solutions and imposed a damages award of \$1 million. The case, *TracFone Wireless, Inc. v. Technopark Co., Ltd., et al.*, 2016 WL 1127833 (S.D. Fla. Mar. 17, 2016), was originally filed by TracFone against Technopark on January 4, 2012.

TracFone sued Technopark for its conduct related to the sale and distribution of devices capable of unlocking TracFone cell phones for use on other carriers' wireless networks without TracFone's authorization. TracFone subsequently obtained a final judgment and permanent injunction against Technopark, which prohibited the company from engaging in the sale or distribution of prohibited unlocking devices at any point in the future. In February 2016, after discovering that Technopark had renewed its illicit activities and was again engaging in the sale and distribution of a device capable of unlocking TracFone cell phones, TracFone moved to hold Technopark in contempt for its violation of the court's permanent injunction. While Technopark is based in Hong Kong, it was working with companies around the world to carry out its improper activities, including one company based in South Florida. The court found that Technopark's "Prohibited Unlocking Device Selling Scheme" violated the permanent injunction and held Technopark in contempt. The court granted TracFone's motion, entered a damages award in favor of TracFone in the amount of \$1 million, gave TracFone the opportunity to submit proof of additional damages. TracFone's substantial award is the latest of several Carlton Fields victories on behalf of many of the world's largest wireless service providers seeking to prevent improper cell

phone trafficking. Carlton Fields has represented telecommunications companies in hundreds of lawsuits against cell phone traffickers and unlockers across the country, resulting in nearly 200 final judgments and permanent injunctions, and over \$800 million in damages awards.

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