

A customer brought a diversity action against a company in federal court. The customer's complaint demanded an injunction and monetary damages. At the conclusion of trial, the jury returned a verdict in favor of the customer for \$100,000 and the judge awarded the customer an injunction. That same day, the district court determined that the verdict was reasonable and entered a final judgment consistent with these awards. The judgment did not include language about when the judgment could be enforced.

The company believed that the verdict was excessive and that the injunction was burdensome. Ten days after entry of the judgment, the company filed a motion for remittitur and, in the alternative, a motion for new trial. The company also directed its employees to continue engaging in the enjoined activity until further notice. Fifteen days after entry of the judgment, the customer sought to enforce the injunction and execute the damages portion of the judgment.

Which of the following actions is the court most likely to take?

- A. Enforce the customer's injunction.
- B. Execute the customer's damages award.
- C. Grant the company's motion for new trial.
- D. Grant the company's motion for remittitur.

## Explanation:

### Stay of enforcement/execution

(FRCP 62)

**Most final judgments**      Automatic 30-day stay unless court orders otherwise

**Certain orders**      No stay, unless court orders otherwise, for order that:

- grants injunction or receivership *or*
- directs accounting in patent-infringement action

**FRCP** = Federal Rule of Civil Procedure.

Under Federal Rule of Civil Procedure 62, most **final judgments** are **automatically stayed** for **30 days**. This means that the judgment cannot be enforced or executed during the time in which posttrial motions or a notice of appeal can be filed. However, an automatic stay **does not apply** to orders (1) granting an **injunction or receivership** or (2) directing an accounting in a patent-infringement action. These orders can therefore be enforced and executed during this time period unless otherwise ordered by the court.

Here, the final judgment entered by the district court awarded the customer damages and an injunction. The damages award is subject to the automatic 30-day stay, so the court is not likely to execute the damages award 15 days after entry of the judgment (**Choice B**). However, the injunction is not subject to the automatic 30-day stay, so the court is likely to enforce the injunction.

**(Choices C & D)** A party may move for a new trial within 28 days after the entry of a final judgment, as the company did here. A new trial can be granted on [several grounds](#), including excessive or inadequate damages. If a verdict is excessive, then the court may offer a reduction of the verdict (ie, remittitur). However, the court here already determined that the verdict of \$100,000 was reasonable—not excessive.

### Educational objective:

Most final judgments are automatically stayed for 30 days unless the court orders otherwise. However, this rule does not apply to orders (1) granting an injunction or receivership or (2) directing an accounting in a patent-infringement action. These orders can be enforced and executed immediately.

### References

- Fed. R. Civ. P. 62 (stays).

