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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - EASTERN DIVISION
HONORABLE JESUS G. BERNAL, U.S. DISTRICT JUDGE

ASMODUS, INC., a California)
corporation; HSUEH CHENG YIN,)
an individual,)
)
Plaintiff,)
)
vs.) CASE NO. 16-2511-JGB (DTx)
)
JUNBIAO OU, an individual,)
et al.,)
)
Defendants.)
_____)

REPORTER'S TRANSCRIPT OF ORAL PROCEEDINGS
RIVERSIDE, CALIFORNIA
MONDAY, APRIL 24, 2017
9:00 A.M.

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M A S T E R I N D E X

MONDAY, APRIL 24, 2017

Chronological Index of Witnesses

<u>WITNESSES CALLED BY THE PLAINTIFFS</u>	<u>PAGE</u>
JUNBIAO OU	
Cross-Examination by Mr. Chen	10
Direct Examination by Mr. Braunstein	26
HSEUH "EDDIE" YIN	
Cross-Examination by Mr. Braunstein	31
Direct Examination by Mr. Chen	44

1 RIVERSIDE, CALIFORNIA; MONDAY, APRIL 24, 2017

2 9:00 A.M.

3 Monday;April 24, 2017; Jesus G. Bernal;8:58 a.m.

4 THE COURTROOM DEPUTY: Calling Item Number 1 on the
5 calendar, case number EDCV 16-2511-JGB, Asmodus, Incorporated,
6 et al., vs. Junbiao Ou, et al. Would counsel, please, come
7 forward and state your appearances?

8 MR. BRAUNSTEIN: Good morning, your Honor. Clark
9 Braunstein on behalf of defendant Mr. Ou, Sigelei Technology
10 Co., Dongguan Shenxi Hardware Electronics Technology, Global
11 Vaping, LLC, and ACM Supplies, Incorporated.

12 THE COURT: Good morning.

13 MR. LI: Good morning, your Honor. Bin Li on behalf
14 of the same defendants.

15 MR. LIU: Good morning, your Honor. Haoyu Liu on
16 behalf of the same defendants.

17 MR. BRAUNSTEIN: Our client is present as well.

18 THE COURT: Mr. Ou?

19 MR. BRAUNSTEIN: Yes.

20 MR. WALZ: Good morning, your Honor. William Walz
21 representing the plaintiff Eddie Yin as well as his company,
22 Asmodus, Inc.

23 THE COURT: Good morning.

24 MR. CHEN: Good morning, your Honor. Thank you for
25 your time this morning, representing plaintiff Mr. Eddie Yin

1 and Asmodus.

2 THE COURT: What is your name?

3 MR. CHEN: Alexander Chen.

4 THE COURT: Very well. So the matter is on for a
5 motion filed by the plaintiffs for preliminary injunction
6 seeking that defendant and his companies be enjoined from using
7 certain marks that, apparently, belong or allegedly belong to
8 the plaintiff in this case.

9 I will approve the respective request for principle
10 witnesses to be present here. So is there, I guess, foreign
11 language interpreter that has been made available?

12 MR. BRAUNSTEIN: Your Honor, there are two foreign
13 language -- there was miscommunication, so right now we have
14 two translators available for Mr. Ou. I don't believe
15 Mr. Eddie Yin requires a translator.

16 MR. CHEN: Yes. We have a translator for Eddie. We
17 brought our translator.

18 THE COURT: Does Mr. Yin intend to testify in Chinese
19 or English?

20 MR. CHEN: In Chinese, your Honor.

21 THE COURT: Very well. So you have your own
22 interpreter, correct?

23 MR. CHEN: Yes, your Honor.

24 THE COURT: Very well. So it sometimes happens that
25 if there is -- testimony in this case will be in the Chinese

1 language, and then if the interpreter from the other side
2 disputes the translation that is being provided, then the
3 method we're going to use is that you will alert me when and if
4 there's a dispute as to the translation that is being provided
5 and then we can take up the issue then. I'm not encouraging
6 that method. Hopefully, there will be no disagreements, but
7 we'll use that method to start with.

8 Okay. So I have read all the submissions that have
9 been filed. I think there are probably some issues that you
10 should focus on that I think are key issues in deciding this
11 motion. One of them would be whether -- as is alleged by
12 Mr. Ou, whether there is any objection or any evidence of any
13 sort which would indicate that Mr. Ou had ownership of Asmodus
14 either at 49 percent or 51 percent of the stock and what would
15 that ownership -- what is the evidence behind the assertion
16 that he had such ownership in the company and/or documentation.

17 Remember, there was a non-translated document that
18 was submitted some time ago, and also there was an email that
19 was submitted, neither of which were translated, so none of
20 those documents are going to be submitted as evidence because
21 they weren't translated by an official interpreter and that's
22 subject before the Court. That's one of the issues that both
23 parties should focus on, whether there is any evidence to
24 support the assertion that Mr. Ou owned ownership in Asmodus
25 and, therefore, would have authority to use the marks.

1 The second general issue that I think the parties
2 should focus on is what appears to be a contradictory assertion
3 by the defendant in this case which is at one point he said
4 that he had authority to use the marks and at another point he
5 seems to assert that he didn't need authority because he owned
6 part of the company Asmodus. And at other times he also seems
7 to assert that he wasn't using the marks at all or that he
8 owned the marks. So focus on which of those, seemingly,
9 contradictory statements is true.

10 And then let me just get some preliminary
11 representation from the attorneys in this case. What is the
12 plaintiff's position regarding the Snowwolf mark at this point?
13 Is it part of your request or is it not?

14 MR. CHEN: Your Honor, it's not part of the request.

15 THE COURT: So you are, for purposes of this motion,
16 seeking that the defendant be enjoined as to the Asmodus
17 trademarks and copyright Minikin and the Helve.

18 MR. CHEN: Correct. Yes, your Honor. Helve.

19 THE COURT: Helve. And Asmodus?

20 MR. CHEN: Yes, your Honor.

21 THE COURT: The Snowwolf mark is still part of the
22 complaint. Are you planning to abandon that claim, or are you
23 planning on going forward on the claim regardless of my
24 decision on the injunction?

25 MR. CHEN: We would like to request to continue to

1 pursue the rightful ownership of Snowwolf.

2 THE COURT: Very well. You're entitled to that. I
3 just want to be clear what's at issue for purposes of today.

4 MR. CHEN: Thank you, your Honor.

5 THE COURT: Let's see. I had another issue.

6 MR. CHEN: Your Honor, if I may, the issue of
7 trademark ownership isn't as easy as just because they started
8 using it in China. It goes to several factors as to whether or
9 not there was authorization and whether the --

10 THE COURT: You're talking about the Snowwolf?

11 MR. CHEN: Right.

12 THE COURT: We don't need to discuss it today.
13 You're entitled to pursue it as part of your complaint, but I
14 don't want to have a discussion about it today since it's not
15 relevant to today's proceedings.

16 MR. CHEN: Yes, your Honor.

17 THE COURT: The other issue that I want you to
18 discuss -- and this is partly a legal issue -- is whether or
19 not the Miniken and Helve marks were ever used in commerce
20 independently of the Asmodus name and/or copyrighted logo and
21 what the legal significance of that is for purposes of -- if I
22 should find that the plaintiffs have not established a
23 likelihood of success on the merits as to Minikin and/or Helve,
24 whether I can enjoin the defendants from using that mark in
25 conjunction with Asmodus. So it would be important for me to

1 know whether or not Helve and/or Minikin have ever been
2 introduced into commerce without the packaging that would
3 involve the Asmodus name and/or the Asmodus copyrighted logo.

4 Very well. So it is plaintiff's motion. They bear
5 the burden, so I will allow plaintiffs to cross-examine Mr. Ou
6 at this time. Mr. Ou should come forward and take the witness
7 stand.

8 MR. BRAUNSTEIN: Your Honor, may we be seated?

9 THE COURT: Yes. You only need to stand when you're
10 speaking.

11 THE COURTROOM DEPUTY: Actually, I'm going to swear
12 you in. Can you, please, stand and raise your right hand? If
13 you can stand, please.

14 Do you solemnly swear that the testimony you are
15 about to give in the cause now pending before this Court will
16 be the truth, the whole truth, and nothing but the truth so
17 help you God?

18 THE WITNESS: Okay. I can swear.

19 THE COURTROOM DEPUTY: Thank you.

20 THE COURT: You may be seated. Ask him to state his
21 name on the record and spell it.

22 THE COURTROOM DEPUTY: Oh, yes. If you can please
23 state your name for the record and spell your first and last
24 name.

25 THE WITNESS: My name is Junbiao Ou, J-u-n-b-i-a-o,

1 O-u.

2 THE COURT: Very well. And would the interpreter
3 please state her name for the record.

4 THE INTERPRETER: The interpreter's name is Lingling
5 Martin.

6 THE COURT: Can you spell your last name?

7 THE INTERPRETER: M-a-r-t-i-n.

8 THE COURT: Are you a certified court reporter (sic)?

9 THE INTERPRETER: Yes.

10 THE COURT: Is your oath on record?

11 THE INTERPRETER: Yes.

12 THE COURT: Very well. You may proceed.

13 MR. CHEN: Thank you, your Honor.

14 **DEFENDANT, JUNBIAO OU, WAS SWORN,**

15 **CROSS-EXAMINATION**

16 BY MR. CHEN:

17 Q. Good morning, Mr. Ou. How are you doing today?

18 A. Very good. Thank you.

19 Q. My name is Alexander Chen. I'm the attorney for the
20 plaintiff Asmodus and Eddie Yin. How are you?

21 I'm going to ask you that you have claimed that you
22 are the chairman and owner of Shenzhen Sigelei, correct?

23 A. I am the boss of Sigelei.

24 Q. The chairman, right?

25 A. Yes.

1 Q. How many people do you employ at Shenzhen Sigelei?

2 A. Currently a little over 160 people.

3 Q. Okay. And it also states that you are the chairman and
4 shareholder of Dongguan Shenxi Hardware Electronics, correct?

5 A. Yes. I am the chairman of the Shenxi electronics parts
6 company.

7 Q. How many people do you employ at the Shenxi -- Dongguan
8 Shenxi Hardware Electronics Company?

9 A. Also a little over 100 people.

10 Q. Okay. And are you also a member and manager of Global
11 Vaping?

12 A. I am the chairman of Global Vaping.

13 Q. And how many people do you employ at Global Vaping?

14 A. Currently, only a little over ten people.

15 Q. And do you also control ACM Supplies?

16 A. This company is also mine. Actually, this company is my
17 wife's.

18 Q. Okay. And do you also control or own Wehe Technology?

19 A. No.

20 Q. Okay. Is it fair to say that -- at least what we have on
21 the record, that you at least employ close to 300 people?

22 A. Yes.

23 Q. When you run your company, do you observe with the
24 requirement of enter into agreement with signatures?

25 A. I didn't really understand what you said.

1 Q. Running the size of the companies that currently own, is
2 it mostly that you enter agreement orally or is it mostly by
3 written agreement?

4 MR. BRAUNSTEIN: Objection, your Honor. Relevance.
5 Where this is going?

6 THE COURT: Stand when you object, please.

7 I'll sustain it as to vague. What type of agreements
8 are you referring to?

9 BY MR. CHEN:

10 Q. Mr. Ou, do you understand the distinction between oral
11 agreements as opposed to written agreements?

12 A. The differences between the written agreement and oral
13 agreement? I'm not really sure what you really mean.

14 Q. In your regular course of conducting business, when you
15 reach an agreement with your employees or vendors, do you
16 generally enter into a written agreement?

17 MR. BRAUNSTEIN: Objection, your Honor. Vague.
18 Relevance of what this relates to in this matter.

19 THE COURT: Overruled.

20 THE WITNESS: I am the chairman of the board. And in
21 our companies we have professional people or specialized people
22 who would be doing in charge of the area that they're
23 specialized in.

24 BY MR. CHEN:

25 Q. I'm sorry. You didn't answer the question. So do you

1 enter into written agreements with your employees and vendors?

2 A. In China we have the labor law; therefore, our employees
3 did sign labor contract with our company.

4 Q. Okay. What about your vendors?

5 A. The vendors will be under the management of the
6 procurement department, so I wasn't really in charge of that
7 area.

8 Q. So you don't supervise the purchasing department?

9 A. That's correct.

10 Q. Do you have any partners in any of your entities as
11 mentioned here?

12 MR. BRAUNSTEIN: Objection, your Honor. Beyond the
13 scope and relevance.

14 THE COURT: Overruled.

15 THE WITNESS: For Sigelei that was just my own
16 company, and Global Vaping, that company was mine and my
17 wife's.

18 BY MR. CHEN:

19 Q. I'm not sure if you answered the question, but I'll ask
20 again. Do you have other shareholders in either Sigelei or
21 Dongguan Shenxi or Global Vaping or ACM Supplies?

22 A. For Sigelei it was my own company. I was the only -- I am
23 the only shareholder. For Dongguan Shenxi currently I am the
24 only shareholder as well. For Global Vaping is my wife and my
25 company. For ACM it is my company.

1 Q. Okay. Do you have any written documentations that you are
2 aware of that supports that you are the shareholder or the
3 owner of Shenzhen Sigelei or Dongguan Shenxi Hardware
4 Electronics?

5 MR. BRAUNSTEIN: Objection, your Honor. Prejudicial.
6 Relevance what this has to do with the motion, your Honor?

7 MR. CHEN: Your Honor, I'm getting there.

8 THE COURT: Very well. Get there soon. But it's
9 overruled. You may answer it.

10 MR. CHEN: Thank you, your Honor.

11 THE WITNESS: For this we could go online and look
12 for it. I did not bring the document with me right now.

13 BY MR. CHEN:

14 Q. Okay. If you go online, what would you find?

15 A. Sigelei this would be something that you would have to go
16 on to look for. If you want to have the supporting documents
17 from me, I would have to have my company to send over or email
18 over the business license.

19 Q. Okay. So you do have supporting documents that supports
20 that you are the owner of Sigelei and also Dongguan Shenxi,
21 correct?

22 MR. BRAUNSTEIN: Objection. Compound. Misstates
23 previous testimony.

24 THE COURT: Overruled.

25 THE WITNESS: We have the business license and

1 others.

2 BY MR. CHEN:

3 Q. What are others?

4 A. The company of mine -- this company of mine is a legally
5 established company in China. All the documentation for the
6 company is legal, and we have all the documents.

7 Q. Okay. Thank you.

8 Now I want to ask you what documents do you have that
9 supports your assertion that you claim to own Asmodus?

10 A. Eddie actually face-to-face actually showed me some paper
11 form documents. These paper form documents -- also through
12 WeChat -- in order for him to prove to me that I had shares of
13 these companies, he actually sent these documents through
14 WeChat for me to see. He also talked to me over the telephone,
15 and I actually have the recording of the telephone as well.
16 That's also another supporting document -- supporting evidence.

17 Q. So you claim that you have documents that support your
18 assertion of ownership. Do you know what type of documents you
19 have?

20 A. I already told you just now.

21 Q. Are you familiar with any type of specific documents that
22 was provided to you?

23 A. He physically showed me these documents at the store, at
24 the physical store. And he also showed me these documents at
25 my home.

1 Q. Can you help me understand, if you can, what documents did
2 he show you?

3 A. Those documents were all in English; however, I can be
4 very sure that the Junbiao Ou's name is on there and also Hsueh
5 Chen Yin is on there. And *Hsueh Chen Yin* is the name of Eddie
6 -- for Eddie. And I also saw on the document that there were
7 writings of Asmodus on there.

8 Q. Okay. Well, were there any writings on the document that
9 reflects the percentage of your ownership?

10 A. There were very clear writings about the percentage of the
11 shares. I owns 49 percent and he owns 51 percent. And in
12 2016, because the company was going to go public, I wanted to
13 bring Asmodus in as well to go public together. And he
14 promised then to transfer two percent of the shares to me so
15 that I can become the majority share owner.

16 Q. Mr. Ou, you said that you clearly saw the document
17 reflecting ownership of 49 percent and 51 percent, correct?

18 A. That's correct.

19 Q. If it's in English, how did you know it says 49 percent as
20 opposed to 51 percent?

21 A. Because these are numbers. These are Arabic numbers and
22 with the percentage sign on there so I can understand.

23 Q. Mr. Ou, do you have a copy of this so-called document?

24 A. He did not make a copy for me; however, he did take a
25 photo of it and sent it to me through WeChat.

1 Q. Did you ever provide this document to any of your
2 attorneys?

3 A. Um, for this I actually have it in my phone right now. If
4 you want to see, I can show it to you, show everyone.

5 Q. Mr. Ou, would it surprise you if I say that the document
6 that you purported to be provided is a Statement of Information
7 in that -- on the Statement of Information it does not indicate
8 shareholders or percentage of the ownership?

9 A. Is it possible that we show everyone the document that I'm
10 talking about and then we decide from there?

11 THE COURT: Just answer the question.

12 THE WITNESS: So what he's saying is if that's what
13 he's saying I would be very surprised?

14 BY MR. CHEN:

15 Q. Mr. Ou -- your Honor, I have a declaration by Mr. Ou in
16 support of defendant's opposition to our preliminary
17 injunction. I wanted to see if I can use this to --

18 THE COURT: Can you tell me what the docket number on
19 it is?

20 MR. CHEN: Yes, your Honor. It's Docket No. 81-1.

21 THE COURT: Mr. Galvez, can you please retrieve it
22 and give it to the witness.

23 81-1?

24 MR. CHEN: Yes, your Honor.

25 THE COURT: Very well. Proceed.

1 That will be marked plaintiff's Exhibit No. 1 for
2 purposes of this motion.

3 MR. CHEN: Thank you, your Honor.

4 BY MR. CHEN:

5 Q. Mr. Ou, are you familiar with this document?

6 A. Let me take a look. Yes, I've seen it before.

7 Q. Very well. By the way, do you know what this document is?

8 A. These are some documents that I provided.

9 Q. Did you sign this document?

10 A. Yes.

11 Q. Are you familiar with the content of this document?

12 A. My translator interpreted the documents to me.

13 Q. I want to ask you to look at number 2 on page 1. I'm
14 going to read this to you, and I just want to confirm that you
15 understand. Number 2 states, *I submit this declaration in*
16 *support of defendant's opposition to plaintiff's motion for*
17 *preliminary injunction, and if called as witness, I could and*
18 *would competently testify as follows:*

19 A. Yes. I can see it.

20 THE COURT: Mr. Chen, maybe I can make you more
21 efficient. I will only give you a half an hour more to
22 cross-examine. You might want to get to the point and
23 highlight the important points you need to make.

24 MR. CHEN: Yes, your Honor. I'll get there.

25 MR. WALZ: Your Honor, may I confer with co-counsel

1 for one moment?

2 THE COURT: Yes.

3 MR. WALZ: Thank you.

4 MR. WALZ: Thank you, your Honor.

5 THE COURT: Proceed.

6 MR. CHEN: Thank you, your Honor.

7 Q. I'm going to ask you to turn to paragraph -- page 6,
8 paragraph 42. It states here on 42, *During this period of time*
9 *ACM Supplies, Inc., with the consent of Asmodus, acquired some*
10 *Helve making products for distribution in the United States.*
11 Are you familiar with this?

12 A. Yes.

13 Q. Can you help me understand? What consent did you receive?

14 A. Because for Asmodus I have half of the shares. And also
15 in terms of the method of collaboration, we could sell these
16 products together.

17 Q. What was the method of collaboration that you're stating
18 about?

19 A. For Asmodus I have 50 percent of the shares.

20 Q. Do you own 50 percent, 49 percent, or 51?

21 A. 49 percent.

22 Q. I see --

23 THE INTERPRETER: The interpreter -- actually he said
24 half in the beginning.

25 BY MR. CHEN:

1 Q. Because you own half of Asmodus, that would be the basis
2 of the consent for ACM Supplies to distribute Helve and Minikin
3 products, correct?

4 A. Asmodus and also another company called Vapor Range also
5 sells our Sigeleis product. So we sell products among
6 ourselves, help each other.

7 MR. CHEN: Your Honor, if I could request this
8 portion be stricken as it's not relevant?

9 THE COURT: It's stricken.

10 MR. CHEN: No question pending.

11 THE COURT: There's no question pending.

12 Next question.

13 BY MR. CHEN:

14 Q. Mr. Ou, were there -- strike that.

15 Mr. Ou, where did you at ACM Supplies bought these
16 Minikin heat products from?

17 A. We purchase from Dongguan Wehe company.

18 The interpreter spelling W-e-h-e.

19 I do not know the specific details because of the
20 time. There was a person called Jade. He was the manager on
21 this side, so I did not get involved with the details.

22 Q. By the way -- strike that.

23 Mr. Ou, you stated you don't currently own any shares
24 or control Wehe, correct?

25 A. That's correct.

1 Q. Can you explain why you applied the trademark Wehe in the
2 United States under your name?

3 A. Because Global Vaping is selling this product, and in
4 order to protect this company, we registered this trademark.
5 And we could give this trademark to the manufacturer any time
6 if they wanted.

7 MR. CHEN: Your Honor, may I quickly confer? I think
8 I don't have any -- I don't have much more questions, but if I
9 may confer with my co-counsel.

10 THE INTERPRETER: Actually, the interpreter -- let me
11 add something.

12 We could give this trademark to the manufacturer free
13 of cost at any time if they wanted.

14 THE COURT: Confer.

15 BY MR. CHEN:

16 Q. Now, Mr. Ou, you contend that you own 50 percent of
17 Asmodus, correct?

18 A. Before I had 49 percent, later two percent were added, so
19 I have 51 percent shares. I believe half of the shares -- I
20 believe half of the company is reasonable.

21 Q. Okay. Well, do you contend that you own the mark Asmodus,
22 or is it the company Asmodus owns the mark Asmodus?

23 A. The Asmodus company owns the Asmodus trademark.

24 Q. Okay. Do you have any indication ever that Asmodus, the
25 company, authorized you and your affiliates to use Asmodus

1 trademark without Asmodus's permission?

2 A. I didn't understand what you said.

3 Q. Sure. I can re-ask that question again.

4 Do you have any documentation or any emails or
5 communications that supports that the company Asmodus has
6 granted you or your affiliates the right to use Asmodus other
7 than to manufacture it?

8 A. What do you mean *besides manufacturing use*?

9 Q. Well, for example, did -- do you have any documentations
10 or communication that supports that you have been given a
11 license or right to use the marks Asmodus or Minikin or Helve
12 in connection to selling the products?

13 MR. BRAUNSTEIN: Objection. Compound.

14 THE COURT: Sustained.

15 BY MR. CHEN:

16 Q. Mr. Ou, do you have any documentations that supports your
17 understanding or any sort of authorities to which Asmodus has
18 grant you or your affiliates to use the mark Asmodus?

19 A. I have half of the shares of Asmodus company.

20 Q. Mr. Ou, do you have any documentations or communications
21 that reflects that Asmodus has given you the right to use the
22 mark Minikin for you or your affiliates?

23 A. I didn't really understand what your question is.

24 Q. Mr. Ou, do you have any documents that reflect that
25 Asmodus has grant you the right to use the mark Minikin to you

1 or your affiliates?

2 A. I have 50 -- excuse me. I have half of the shares of
3 Asmodus company.

4 Q. Mr. Ou, do you have any document --

5 THE COURT: Hold on. You're going to ask the
6 question ten times and you're going to get the same answer.

7 So you believe you could use the Asmodus product
8 because you own half of the company? Yes or no?

9 THE WITNESS: No.

10 THE COURT: So you believe that because you owned
11 half of Asmodus, you were entitled to use the Asmodus name?

12 THE WITNESS: I would need to discuss with them. I
13 guess my answer to your question should be no.

14 THE COURT: So did you -- you say you own about half
15 of Asmodus, correct, the shares of Asmodus?

16 THE WITNESS: Yes.

17 THE COURT: And how much did you pay for those
18 shares?

19 THE WITNESS: I use the method of providing goods to
20 support their sales so that they can make more money. That
21 method -- and also, I helped with their advertisement. And
22 through these two methods I gained the shares. They did not
23 tell me that I need to pay money to get the shares.

24 THE COURT: So the answer is that you didn't pay any
25 money to get the shares?

1 THE WITNESS: Yes.

2 THE COURT: And you thought that because you had --
3 you were contributing to the company in other ways, that you
4 were the owner of those shares?

5 THE WITNESS: That's also the result of my discussion
6 with them, that's correct.

7 THE COURT: Did you ever sign any document that
8 specifically granted you ownership of shares of Asmodus?

9 THE WITNESS: Just that document that he sent to me.
10 It was in English.

11 THE COURT: Did you sign that document?

12 THE WITNESS: I don't believe so.

13 THE COURT: Okay. So my question was did you sign
14 any document which gave you shares of Asmodus?

15 THE WITNESS: No.

16 THE COURT: The document that you were talking about,
17 that document was in English?

18 THE WITNESS: That's correct.

19 THE COURT: Were you able to understand the entirety
20 of that document?

21 THE WITNESS: No.

22 THE COURT: Then how can you say that that document
23 gave you ownership of shares of Asmodus?

24 THE WITNESS: Because Eddie in the WeChat clearly
25 told me that these shares were given to me. Actually still

1 have those records in the WeChat.

2 THE COURT: Who told you?

3 THE WITNESS: Eddie.

4 THE COURT: So you're not relying on the document;
5 you're relying on what Mr. Yin told you?

6 THE WITNESS: I trusted him, that's correct.

7 THE COURT: And what did he specifically tell you
8 about your ownership of shares of Asmodus?

9 THE WITNESS: For that I would need to tell you from
10 the beginning when the company was first established.

11 THE COURT: Okay. Give me what he told you in few
12 words of how you believe what he told you made you ownership of
13 Asmodus.

14 THE WITNESS: First of all, the purpose of
15 establishing this company was to do after sale service for our
16 company, and -- we established --

17 THE COURT: But tell me what he told you about you
18 owning Asmodus.

19 THE WITNESS: He first sent this document to me via
20 WeChat. And right after that he used the voice record on
21 WeChat to tell me that these shares were mine. And entry shows
22 he introduced me to everybody, and also right in front of me,
23 saying that I have half of this company. And every time I went
24 to visit this company, the people at the company would call me
25 boss, every time.

1 THE COURT: So you believe that your ownership of
2 Asmodus was due to the arrangement that your company and
3 Mr. Yin's company had with each other?

4 THE WITNESS: Yes.

5 THE COURT: But there was no -- there was never any
6 actual money paid for the shares that you claimed that you
7 owned?

8 THE WITNESS: I provided goods to him.

9 THE COURT: That doesn't answer my question. The
10 question was did you ever pay any money for those shares?

11 THE WITNESS: No, I did not.

12 THE COURT: And you never signed any document that
13 established your ownership of those shares?

14 THE WITNESS: That's correct.

15 THE COURT: Very well. Anything further?

16 MR. CHEN: Your Honor, I have no further questions.

17 THE COURT: Very well. Do you wish to direct?

18 MR. BRAUNSTEIN: Yes, your Honor.

19 THE COURT: Do it briefly.

20 **DIRECT EXAMINATION**

21 BY MR. BRAUNSTEIN:

22 Q. Good morning, Mr. Ou.

23 A. Good morning.

24 Q. Mr. Ou, prior to meeting Mr. Yin in 2014, have you ever
25 conducted business in the United States?

1 MR. CHEN: Objection, your Honor. This may be scope
2 outside of the cross.

3 THE COURT: I'll allow it.

4 MR. BRAUNSTEIN: Thank you, your Honor.

5 THE COURT: I will warn you you only have five
6 minutes.

7 MR. BRAUNSTEIN: Yes, your Honor.

8 THE WITNESS: No, I did not.

9 BY MR. BRAUNSTEIN:

10 Q. And Mr. Ou, you testified that there was a Chinese
11 business license for your company Sigelei; is that correct?

12 A. That's correct.

13 Q. And would it be fair to say that in China you're required
14 to disclose all the shareholders in order to obtain that
15 business license?

16 A. Once the company's established, the shareholders would no
17 longer need to manage the company.

18 Q. But do you have to identify the shareholders to the
19 government of China?

20 A. That's correct.

21 Q. And so when Mr. Yin showed you the document that listed
22 your name, did you believe that that indicated your ownership
23 of shares in Asmodus?

24 A. Yes.

25 MR. CHEN: Your Honor --

1 BY MR. BRAUNSTEIN:

2 Q. And Mr. Ou, have you ever testified in a civil trial
3 before?

4 A. No.

5 Q. Have you ever been deposed before?

6 A. No.

7 Q. And Mr. Ou, currently, are you aware of any of the
8 companies that you've identified that you are involved with,
9 are they currently manufacturing or selling any products that
10 bear the Helve mark?

11 A. No.

12 Q. Do you have any intention to sell any products with the
13 Helve marks at this time?

14 A. No.

15 Q. Mr. Ou, with respect to the businesses that you're
16 involved with, are you aware of your company's manufacturing or
17 selling any products that carry the Minikin mark?

18 A. No. No.

19 Q. Okay. And Mr. Ou, did you see the declaration filed in
20 the reply of Eddie Yin in this matter?

21 A. No, I have not.

22 Q. In the Docket No. -- I believe it's Docket No. 88, your
23 Honor.

24 May I ask co-counsel what the docket identification
25 is?

1 All right. Mr. Ou -- I'd like to approach the
2 witness and show him the documents, a declaration of Hsueh Chen
3 Yin filed in support of his reply?

4 THE COURT: What is the docket number?

5 MR. BRAUNSTEIN: It's 86, I believe. I don't have
6 the dash. 86-1, your Honor.

7 THE COURT: Mr. Galvez.

8 That will be marked as Defendant's Exhibit No. 1.

9 THE WITNESS: What is this?

10 BY MR. BRAUNSTEIN:

11 Q. Mr. Ou, the products that are on those pages, are you
12 aware of your company manufacturing those products?

13 A. No.

14 Q. Is your company currently selling those products?

15 A. No.

16 Q. Do you know who is manufacturing those products?

17 A. I don't know.

18 MR. BRAUNSTEIN: All right. One second, your Honor.
19 May I confer with my co-counsel.

20 THE COURT: Yes.

21 MR. BRAUNSTEIN: No further questions, your Honor.

22 THE COURT: Very well. Mr. Ou, you may step down.

23 THE WITNESS: Thank you.

24 THE COURT: Mr. Braunstein, I assume you want to
25 cross-examine Mr. Yin?

1 MR. BRAUNSTEIN: Yes, your Honor.

2 THE COURT: Mr. Yin, please come forward.

3 THE COURTROOM DEPUTY: Please raise your right hand.

4 Do you solemnly swear that the testimony you are
5 about to give in the cause now pending before this Court will
6 be the truth, the whole truth, and nothing but the truth so
7 help you God?

8 THE WITNESS: Yes.

9 THE COURTROOM DEPUTY: Thank you. Please have a
10 seat. If you can state your full name and spell your first and
11 last name for the record.

12 THE WITNESS: May I sit down?

13 THE COURTROOM DEPUTY: Yes, you may sit down.

14 THE WITNESS: My full name is Hsueh Chen Yin.
15 Spelling last name is Y-i-n. The first time is H-s-u-e-h space
16 C-h-e-n.

17 THE COURT: Mr. Yin, are you going to testify in
18 English or Chinese?

19 THE WITNESS: English.

20 THE COURT: Very well.

21 THE WITNESS: I'll try my best.

22 THE COURT: Why don't we have the interpreter just be
23 on stand-by just in case.

24 THE INTERPRETER: Yes, your Honor.

25 THE COURT: Would the interpreter please state his

1 name?

2 THE INTERPRETER: My name is Samuel Chan, C-h-a-n.

3 THE COURT: Very well. You may proceed.

4 **PLAINTIFF, HSUEH CHEN "EDDIE" YIN, WAS SWORN**

5 **CROSS-EXAMINATION**

6 BY MR. BRAUNSTEIN:

7 Q. Mr. Yin?

8 A. Good morning.

9 Q. Mr. Yin, when did you first meet Mr. Ou?

10 A. 2014.

11 Q. And do you recall the month?

12 A. I'm sorry. Say it again.

13 Q. Do you recall the month that you met him?

14 A. It's either February, March, or April. I'm not sure.

15 Q. Okay. And where did you meet Mr. Yin?

16 A. Las Vegas.

17 Q. And was that at a convention?

18 A. Yes.

19 Q. And when you met Mr. Ou, had you already founded Asmodus
20 at that time?

21 A. No.

22 Q. So you founded Asmodus after meeting Mr. Ou?

23 A. Yes.

24 Q. And what was the purpose of your founding of Asmodus?

25 A. Well, I want to start my own product line because we

1 are -- I also own a distributor company called Vapor Range.

2 Q. Is Vapor Range a distribution company that's incorporated
3 in the state of California?

4 A. Yes.

5 Q. Okay. And at what point did you agree to provide warranty
6 services for Mr. Ou's products?

7 A. Can you repeat that again?

8 Q. When did you agree to -- for your company Asmodus to
9 provide warranty services for Mr. Ou's company's products?

10 A. Okay. Agree with Mr. Ou -- he claim he own IPV, which is
11 Shenzhen Green Leaf, okay, which is not Siglelei. I didn't work
12 with him in the beginning on the Siglelei product. I only work
13 with him on IPV product. And the reason I don't want to work
14 with the Siglelei because there's too many defective product in
15 the history and which I don't want to work with it. So that's
16 why he offer me IPV, which is Green Leaf, the company -- the
17 company is Green Leaf Technology or something like that. It's
18 brand new company, and it's no product history, so which I can
19 work with it. They have a clean history. That's why I can
20 work with it.

21 Q. And you provided post-warranty services for IPV products?

22 A. Yes.

23 Q. And then was that Asmodus or Vapor Range?

24 A. Asmodus.

25 Q. So after meeting Mr. Ou, you agreed that the new company

1 that you founded would provide warranty services for Mr. Ou's
2 products IPV sold in the United States?

3 A. Yes.

4 Q. Did he pay you for those services?

5 A. He didn't pay me.

6 Q. So why did you agree to provide those services?

7 A. Because I see the IPV is a clean company. They got
8 potential. So I could make a profit out of -- if I made the
9 brand name and they make the product good, then I can make
10 money out of the product.

11 Q. Did you ever provide post-sale customer service for
12 Sigelei products?

13 A. Can you repeat again?

14 Q. Did you ever provide post-care customer service for
15 Sigelei products?

16 A. I don't understand. What does *post-care* mean?

17 Q. Warranty service?

18 A. Yes, afterward.

19 Q. And that was Asmodus, correct?

20 A. Yes.

21 Q. Did you ever have an agreement with Mr. Ou to provide
22 these warranty services?

23 A. No, but every product is warranty card in there. They put
24 our name in there. So I don't know if that counts as contract
25 or --

1 Q. Did you agree that your company Asmodus, as you've said,
2 would provide services -- these warranty services?

3 A. Yes.

4 Q. Okay. And you had no written agreement with Mr. Ou to
5 provide those?

6 MR. CHEN: Objection. Misstating prior testimony.

7 THE COURT: Stand when you object. And it's
8 overruled.

9 MR. BRAUNSTEIN: Can you read back the question,
10 please?

11 THE COURT: Just re-ask it.

12 BY MR. BRAUNSTEIN:

13 Q. So let me rephrase that, then. Did you have any written
14 agreement with Mr. Ou or any of his companies to provide
15 warranty services for those products in the United States?

16 A. I have some kind of a document, but it's not really clear.
17 They need provide me -- we're talking about IPV right now,
18 right?

19 Q. I'm talking about any company -- any products sold by
20 Asmodus at which Asmodus provided warranty services in the
21 United States for?

22 A. Okay.

23 MR. CHEN: Objection. Vague.

24 THE COURT: You have to stand when you object.

25 MR. CHEN: Your Honor, objection. Vague.

1 THE COURT: Overruled.

2 BY MR. BRAUNSTEIN:

3 Q. Would you like me to re-ask the question?

4 THE COURT: Yeah. I thought he answered it. Go
5 ahead.

6 THE WITNESS: It's yes-and-no question. Really hard
7 to answer this one. It's yes or no.

8 BY MR. BRAUNSTEIN:

9 Q. Yes and no?

10 A. Yes.

11 Q. What does that mean?

12 A. This one document shows me he provided me 1,000 unit for
13 the warranty before any new product come into the U.S. That's
14 IPV. I mean, I don't want you to mix IPV and Sigelei, two
15 different kind of things that really confuse me now, okay. If
16 you clarify you want to ask me about the question about IPV or
17 if you want to ask me Sigelei product.

18 THE COURT: He can ask you whatever question he wants
19 to ask you. If you don't understand, just say you don't
20 understand.

21 THE WITNESS: Okay.

22 BY MR. BRAUNSTEIN:

23 Q. Mr. Yin, did Asmodus have a written agreement with Sigelei
24 to provide warranty services for Sigelei products sold in the
25 United States?

1 A. No.

2 Q. Okay. And you just testified that Asmodus had an
3 agreement with IPV -- written agreement with IPV to provide
4 warranty services?

5 A. Some kind of agreement, yes.

6 Q. Some kind of agreement?

7 A. Yes.

8 Q. What does that mean?

9 A. Okay. The statement saying I need 1,000 unit before the
10 product release. Yeah, he sent to me 1,000 unit put in my
11 stock as a warranty product. Do you understand? They need
12 1,000 unit first so in case once he sold the U.S. I have the
13 product and warranty for them. That's for the IPV deal. That
14 one will have the writing agreement. But it's not really clear
15 showing, but it's clarify saying that we need 1,000 unit before
16 they really sell to U.S. so I could have the product for
17 warranty.

18 Q. And did you provide Mr. Ou with a copy of a Statement of
19 Information for Asmodus?

20 A. Please specificity what document you're asking.

21 Q. Did you incorporate Asmodus, Inc.?

22 A. Yes.

23 Q. Did you file a Statement of Information with the
24 California Secretary of State?

25 A. Yes.

1 Q. Okay. Did you file one -- and do you recall who in 2014
2 you listed on that Statement of Information as the officers of
3 Asmodus, Inc.?

4 A. Yes. I put Ou Junbiao in my memory. I don't know what
5 member I put in there, but I do put in my corporate book to
6 show the faith that I'm going to work with them.

7 Q. And did you provide a document to Mr. Ou, a Statement of
8 Information to Mr. Ou, which listed his name in the corporate
9 books?

10 A. The corporate book has his name in there, yes.

11 Q. And what was your reason for including Mr. Ou in your
12 corporate books for Asmodus?

13 A. Because I try to work with him.

14 Q. Do you include all individuals who you work with in the
15 corporate books for Asmodus?

16 A. No.

17 Q. And Mr. Yin, are you aware of any products currently being
18 manufactured by my client that are bearing the Asmodus mark
19 today?

20 A. The today? You're talking about today?

21 Q. Yes.

22 A. I'm not sure.

23 Q. And Mr. Yin, are you aware of any products being
24 manufactured by Mr. Ou, or his related companies, that bear the
25 Minikin product today?

1 A. I'm not sure.

2 Q. And Mr. Yin, are you aware of Mr. Ou or any of his related
3 companies manufacturing or selling any products that bear the
4 Helve mark today?

5 A. I don't see any Helve around, but I still see Minikin
6 product that he produce around the market, in Malaysia market,
7 Indonesia market, and China market.

8 Q. But in the United States are those being sold?

9 A. I can't tell because it's a close. It look like my
10 product. How can I tell it's mine or not?

11 Q. What version of the product are those?

12 A. Minikin 1.5 and Minikin 200 watt.

13 Q. How are you aware that those products are being sold in
14 Malaysia?

15 A. I was in Malaysia.

16 Q. And how do you know that those products were manufactured
17 by Mr. Ou?

18 A. Because his produce really bad quality and the customer
19 bring to me want to exchange. I see that's not my product. I
20 can't warranty for the consumer. It's not make a color.

21 Q. So you just assumed it was manufactured by Mr. Ou --

22 A. Yes.

23 Q. -- because it was poor quality?

24 A. Yes. Additional, it's -- I never met those color.

25 Q. And when was this counterfeit product shown to you?

1 A. After 2016 March, I'm start seeing -- I'm not sure March
2 or April I start seeing Wehe is sending blasting email.

3 THE COURT: He's asking when did you see this product
4 in Malaysia? When.

5 THE WITNESS: Oh, Malaysia. April 2017.

6 THE COURT: This month?

7 THE WITNESS: Yes.

8 BY MR. BRAUNSTEIN:

9 Q. Is that the product you identify in your reply
10 declaration?

11 A. No.

12 Q. Is there a reason why you didn't want to bring up that
13 product?

14 A. It just a week ago or two weeks ago I was in Malaysia.

15 Q. But in the United States are you aware of any products --
16 counterfeit products that are being sold here?

17 A. We found one Minikin, two. It look like our product, but
18 we didn't make that version. We're not sure who made it. We
19 don't know where it coming from. I'm just, like, that's what
20 I'm thinking, I don't know where they're coming from. But I
21 see a new product in chrome too, but I'm not sure where it
22 coming from.

23 Q. So how do you know that these manufactured products are
24 being -- these products -- these counterfeits are being
25 manufactured actually by Mr. Ou?

1 A. Okay. Original 2016 by March, okay, he stop sending the
2 product that we ask him to produce. At the same time Wehe send
3 out blasting email to a lot of my distributor they selling at
4 cheaper price below my cost, which lower distributor are
5 calling me saying, hey, is this your factory. I say yes. They
6 say, hey, they offer their product, which is Renson Li. I told
7 Renson Li to offer whatever we product for. After I got it,
8 everything legit, it was my product.

9 Q. So Mr. Ou was selling your product that you authorized him
10 to manufacture?

11 A. Okay. It's Wehe, and he own Wehe.

12 Q. So wait. Wehe was selling products that you asked them to
13 manufacture?

14 A. Yes.

15 Q. Okay. So they were -- you authorized them to manufacture
16 those products?

17 A. Yes.

18 Q. And this was in 2016?

19 A. You mean authorized to make? It was 2015. After
20 September I authorized them to making the Minikin and Helve.
21 2015 start planning to making them.

22 Q. And that was -- were you in contact with Mr. Ou during
23 that period in September 2015?

24 A. Yes.

25 Q. Did he assist in the manufacturing of the Helve and

1 Minikin products?

2 A. He said I can have the Wehe company do whatever you want
3 to and because he's the owner of Wehe, which I know is his
4 sister owns the company.

5 Q. So he's not the owner of Wehe?

6 A. He is the one who operate and control Wehe.

7 Q. But his sister owns it?

8 A. Well, it's Chinese law or something. I don't know what
9 they do. When I go there, when I call Wehe factory, everybody
10 listened Mr. Ou's order. I was in the Wehe factory.

11 Q. In September 2015?

12 A. No. In 2015? I don't recall what month.

13 Q. So in 2015 you traveled to China with Mr. Ou and you
14 designed the Helve and Minikin products?

15 A. Not with Mr. Ou. I traveled to China and he go to Wehe
16 with me.

17 Q. Okay.

18 A. Yeah.

19 Q. And then when --

20 THE COURT: You've got a couple of minutes. Wrap it
21 up.

22 BY MR. BRAUNSTEIN:

23 Q. And when did you file the trademark registration for the
24 Helve product?

25 A. I don't remember.

1 Q. Do you recall in --

2 A. I just tell my lawyer to apply application for me.

3 Q. When did you tell your lawyer to apply?

4 A. When I --

5 MR. CHEN: Objection, your Honor. Attorney-client
6 privilege.

7 THE COURT: Sustained.

8 MR. BRAUNSTEIN: Your Honor, if I may, the time is
9 not a privilege. When he asked him to apply is not privileged
10 communication. It's the date of when it was.

11 THE COURT: Very well. You can answer that.

12 THE WITNESS: I don't remember.

13 BY MR. BRAUNSTEIN:

14 Q. And do you recall filing your declaration in support of
15 this motion for preliminary injunction?

16 A. Yes.

17 Q. Do you recall Exhibit D that you attached to that
18 declaration?

19 If I may, your Honor, may I approach the witness?

20 THE COURT: No. You don't have time to do that.

21 BY MR. BRAUNSTEIN:

22 Q. Would it surprise you if Exhibit D of your registration
23 states that it was filed on April 2016?

24 A. Can you repeat that question again?

25 Q. Would it surprise you to say that Exhibit D to your

1 declaration shows that your Minikin registration was filed on
2 April 19, 2016?

3 A. Yes, but I were you reason why.

4 Q. Okay. And do you recall the date at which you were
5 granted your Minikin trademark registration?

6 THE COURT: That's all part of the record. You don't
7 need to go through that.

8 MR. BRAUNSTEIN: Yes, your Honor. May I confer with
9 counsel and wrap it up?

10 THE COURT: Yes.

11 BY MR. BRAUNSTEIN:

12 Q. Mr. Yin, do you recall how many Sigelei products that you
13 sold -- that Asmodus sold from 2014 to 2016?

14 A. What do you mean Sigelei?

15 Q. Sigelei.

16 A. Oh.

17 MR. CHEN: Objection, your Honor.

18 THE WITNESS: Can you say that again?

19 MR. CHEN: It's a little vague.

20 BY MR. BRAUNSTEIN:

21 Q. Mr. Yin, you said that you sold Sigelei products, correct?

22 A. Yes.

23 Q. How many Sigelei products did Asmodus sell between 2014
24 and 2016?

25 MR. CHEN: Objection, your Honor. Relevance.

1 THE COURT: Overruled.

2 MR. BRAUNSTEIN: You can answer.

3 THE WITNESS: 2014 I'm not working with Sigelei.

4 BY MR. BRAUNSTEIN:

5 Q. From 2014 to 2016, during that period of time, how many
6 Sigelei products did Asmodus sell?

7 A. I only have record from 2015 to '16. Is that okay?

8 Q. That's fine.

9 A. Okay. It's about 1.6 -- 1.6 -- 1.6 -- I'm not sure
10 billion or million, I'm sorry.

11 Q. Million dollars worth of products?

12 A. Not -- probably billion, not million. One more zero than
13 million.

14 Q. 1.6 billion?

15 A. A month. A month.

16 Q. You sold that much in revenue?

17 A. Let's talk about unit. I'm saying over --

18 THE COURT: No. Let's end this examination. Any
19 direct?

20 MR. CHEN: Yes, your Honor. Just one question.

21 **DIRECT EXAMINATION**

22 BY MR. CHEN:

23 Q. Mr. Yin, did you ever authorize Wehe to sell Minikin and
24 Helve products directly to any distributors or end-users?

25 A. No.

1 MR. CHEN: Thank you, your Honor.

2 THE COURT: I have a few questions. Did you ever
3 represent to Mr. Ou that he was part owner of Asmodus?

4 THE WITNESS: Represent?

5 THE COURT: Did you ever tell him that he owned stock
6 in Asmodus?

7 THE WITNESS: In the beginning I try to show faith, I
8 told him that.

9 THE COURT: You told him that he owned stock in
10 Asmodus?

11 THE WITNESS: We can work on it.

12 THE COURT: Which is it, we can work on it or that he
13 did own?

14 THE WITNESS: Work on it.

15 THE COURT: So listen to the question carefully. Did
16 you ever tell Mr. Ou that he owned shares in Asmodus? Do you
17 understand the question?

18 THE WITNESS: Yes.

19 THE COURT: Okay. What's the answer?

20 THE WITNESS: Yes, but never completed. It's a deal
21 we try to make.

22 THE COURT: So you told him that he owned shares in
23 Asmodus?

24 THE WITNESS: He could own -- could own.

25 THE COURT: Could own.

1 So, again, you're being ambiguous, okay. So either
2 you told him that he did already own or you told him that he
3 could own, which is it? Did you tell him that he did already
4 own shares in Asmodus?

5 THE WITNESS: He did.

6 THE COURT: You did.

7 THE WITNESS: On the IPV on the back then, yes, IPV
8 time.

9 THE COURT: What do you mean *IPV*?

10 THE WITNESS: Okay. Original the deal we making is
11 if he give me the IPV product authority to sell in the U.S.,
12 then I'll give him the 49 percent of Asmodus.

13 THE COURT: And did he do that?

14 THE WITNESS: He didn't give me the IPV product.

15 THE COURT: So you told him that he would own shares
16 in Asmodus if he gave you the IPV product?

17 THE WITNESS: Yes.

18 THE COURT: But he never gave you the IPV?

19 THE WITNESS: He did, but he -- after I make the
20 company famous, he cut me off. So he cut the deal off. IPV is
21 a share original. It's nothing in the company. He want me
22 promote the company, make it famous. I did. He promise me he
23 would keep giving me supply, but it's just -- it happened in
24 the first two months or three months. Then after I made the
25 company famous, I can't get product.

1 THE COURT: So you told him that he could -- that he
2 owned shares of Asmodus when he gave you the IPV line?

3 THE WITNESS: Yes.

4 THE COURT: So at that point he owned shares of
5 Asmodus?

6 THE WITNESS: Um, by verbal, yes.

7 THE COURT: And that was the consideration that --
8 that was what he gave you for him to have shares of Asmodus?

9 THE WITNESS: Yes.

10 THE COURT: So why wouldn't he have authority, then,
11 to use the Asmodus trade name and trademark?

12 THE WITNESS: Because that was IPV. The deal is off
13 because I'm not working with IPV. He don't give me IPV
14 products it's whatever is over. The IPV, I didn't get quantity
15 and, basically, he just -- I feel --

16 THE COURT: You didn't tell him if you cut me off
17 with IPV in the future, then you're not the owner of Asmodus
18 anymore?

19 THE WITNESS: But he promise he will give me IPV
20 product.

21 THE COURT: All right. Let's hear some argument.
22 You may step down, sir.

23 THE WITNESS: Thank you.

24 THE COURT: Very well. So what about this issue, if
25 Mr. Ou was at least part owner of Asmodus, why wouldn't he be

1 able to use the Asmodus name? Can you answer that?

2 MR. WALZ: Your Honor, could you please rephrase the
3 question?

4 THE COURT: Stand when you speak.

5 MR. WALZ: I beg your pardon.

6 THE COURT: So he was -- Mr. Yin just testified that
7 he represented that Mr. Ou was part owner of Asmodus, that he
8 gave him shares in Asmodus, in exchange for having exclusive
9 rights to market the IPV brand in the United States. So if
10 that is true, why wouldn't Mr. Ou have the right to use the
11 Asmodus trade name?

12 MR. WALZ: Well, there has to be a distinction
13 drawn -- I'm going to pronounce it a little differently. I
14 think it goes by Mr. Ou. But Mr. Ou, I think he was -- the
15 problem with this whole -- I think a big part of this case was
16 he was confusing his personal ownership of things like
17 trademarks, for example, which he actually testified in his
18 declaration that he did grant to Asmodus for -- to the company,
19 the corporation, Asmodus.

20 THE COURT: He granted what?

21 MR. WALZ: He granted the rights to the -- he granted
22 the rights to Asmodus trademark, the Helve trademark and
23 Minikin.

24 THE COURT: Yes, if he's part owner. There are two
25 owners of Asmodus, him and Mr. Yin. So why can't he use the

1 Asmodus trademark?

2 MR. WALZ: Because he didn't retain -- it was granted
3 to the company. Asmodus, Inc., owned the company. But he was
4 not in a company.

5 THE COURT: Asmodus, Inc., owned the trade name and
6 the trade dress.

7 MR. WALZ: That's correct.

8 THE COURT: So what would be the process for the
9 company to allow him to use the trade name and trade dress?

10 MR. WALZ: There would have to be a formal agreement
11 for that. He can't simply willy-nilly -- since he felt --
12 whether it's true or not -- I think the facts will eventually
13 show he never had shares in the company. But he simply can't
14 go around with this sense of this is my baby -- this company is
15 my baby. I helped about build it up. I'm entitled and go
16 ahead. It's self-dealing to go ahead and start using those
17 trademarks wherever he sees fit.

18 And he has a whole bunch of companies throughout
19 China. This is where the trademark confusion comes in. If he
20 starts saying -- which is specifically and registered with the
21 USPTO for that matter. It's not vague. These are
22 definitely --

23 THE COURT: So you're saying that if he were to go
24 out and use the Asmodus name on his own --

25 MR. WALZ: Yes.

1 THE COURT: -- he would have to have official
2 authorization --

3 MR. WALZ: Absolutely.

4 THE COURT: -- from Asmodus as a corporation?

5 MR. WALZ: Absolutely. And the fact that he didn't
6 and he -- and was -- there's a lot of good reasons for that too
7 so that suddenly you think I did it here and maybe I'm going to
8 start doing it here. And next thing you know he -- it's very
9 bad problem with conflict of interest because -- whether it's
10 49, 50, or zero, his real investment is in these very
11 productive manufacturing facilities in China, and once he was
12 able to -- and that was the problem that Mr. Yin just testified
13 to. Once he finds out he can do it on his own, he burns his
14 bridges and starts selling his stuff from whichever company
15 that he wants. So I think that's what caused the big grudge
16 between these two.

17 THE COURT: Very well. What I will have you do is
18 submit supplemental briefing given what's been testified to at
19 this hearing. Focus on that issue. Submit any additional
20 briefing you want me to consider no later than this Friday.

21 MR. WALZ: Yes, your Honor.

22 THE COURT: Do that in no more than seven pages in
23 length. You can file concurrent briefs on the issue. The
24 matter will -- -

25 MR. WALZ: File concurrently with which?

1 THE COURT: With defendants. So they can file
2 something seven pages in length by Friday. You can file
3 something -- -

4 MR. BRAUNSTEIN: Your Honor, the seven pages --

5 THE COURT: You have to stand when you speak.

6 MR. BRAUNSTEIN: I'm sorry, your Honor. Does the
7 seven pages include any declarations submitted or just legal
8 briefings on those issues?

9 THE COURT: It doesn't include declarations.

10 MR. BRAUNSTEIN: Thank you, your Honor.

11 MR. WALZ: Thank you, your Honor.

12 THE COURT: Very well.

13 (Proceedings Concluded.)

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CERTIFICATE OF OFFICIAL REPORTER

I, ADELE C. FRAZIER, FEDERAL OFFICIAL REALTIME COURT REPORTER, IN AND FOR THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, DO HEREBY CERTIFY THAT PURSUANT TO SECTION 753, TITLE 28, UNITED STATES CODE THAT THE FOREGOING IS A TRUE AND CORRECT TRANSCRIPT OF THE STENOGRAPHICALLY REPORTED PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER AND THAT THE TRANSCRIPT PAGE FORMAT IS IN CONFORMANCE WITH THE REGULATIONS OF THE JUDICIAL CONFERENCE OF THE UNITED STATES.

DATED THIS 25th DAY OF APRIL, 2017

/s/ ADELE C. FRAZIER

ADELE C. FRAZIER, CSR No. 9690, CRR, RMR
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