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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA CLARA

BLACK SAILS TECHNOLOGY, INC.,	)	Case No: 19CV348400
a California Corporation; ZHUO WANG,	)	
an individual,	)	PLAINTIFFS' TRIAL BRIEF
	)	
Plaintiffs,	)	Trial Date: January 29, 2024
	)	Time: 9:00 a.m.
v.	)	Place: TBD
	)	
RUOXI ZHAO, an individual;	)	
Does 1-10,	)	
	)	
Defendants.	)	
	)	
AND RELATED CROSS ACTION.	)	
	)	
_____	)	

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## INTRODUCTION

Plaintiff Black Sails Technology Inc. (“Black Sails”) is a virtual reality start-up company that owns valuable, cutting-edge virtual reality technology, principally in the area of transmission optimization. Plaintiff/Cross Defendant Zhuo “Mona” Wang (“Ms. Wang”) is the CEO of Black Sails. Defendant Ruoxi Zhao (“Defendant” or “Ms. Zhao”) worked for Black Sails as a computer programmer for nearly two years. During her employment, Ms. Zhao had access to Black Sails’s computer source code and other confidential and proprietary information.

In June 2018, Ms. Zhao quit her job at Black Sails. In doing so, she certified to Black Sails that she had turned in all her company property. That turned out to be untrue. At her deposition, in addition to admitting retaining certain company personal property, Ms. Zhao admitted that she copied Black Sails’s “crown jewel” trade secrets and confidential computer code to her personal computer and cloud accounts, and also uploaded it to GitHub, a public code sharing platform. Meanwhile, her wage claim settlement with Plaintiff Ms. Wang was based on false pretenses and must be rescinded.

These acts of malfeasance constitute breaches of her employment agreements with Black Sails as well as violations of Penal Code section 502, which prohibits computer tampering. In light of Defendant’s admissions, the purpose of this trial is simply to establish the basic elements of the claims and assess Plaintiffs’ damages.

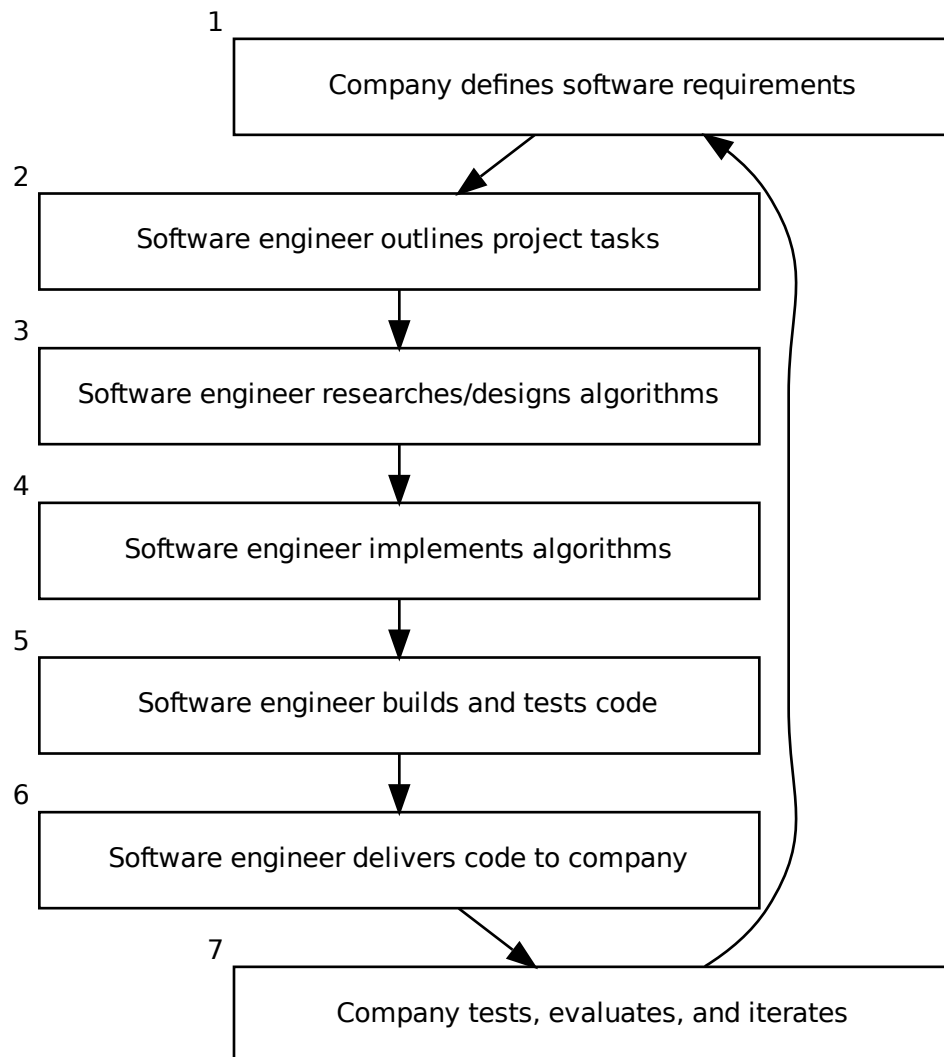
## FACTS

Black Sails is in the business of virtual reality live streaming and virtual reality content production and distribution. Black Sails owns virtual reality technology chiefly created by Ms. Wang and software engineering staff, and the company has one issued patent plus a number of patent applications pending.

The underlying technology focuses on optimization of virtual reality video transmission, which is an emerging field and was an emerging field in the 2018 time frame. The technology is novel because it did not exist before— and virtual reality was and is a niche field, with very recent problems and challenges. In the 2018 time frame, Black Sails’s technology could stably support a 6K resolution transmission, with 8K resolution sometimes possible (7680x4320 pixels). This was a

dramatic leap over prior art, which was limited to High Definition (1920x1080 pixels), or sometimes 4K resolution (3840x2160 pixels) in more advanced systems. Although Black Sails was not creating a new video codec such as H.264 or HEVC, Black Sails was dramatically improving the transmission of virtual reality scenes and data by using an optimal configuration of the existing H.264 codec.

The company's very typical software engineering workflow required complete trust in employees, because they were in a position to (1) greatly benefit the company with excellent software development, or (2) greatly damage the company by disclosing proprietary code costing hundreds of thousands or even millions of dollars to develop. In that connection, the company had essentially the following software engineering workflow:



1 As indicated, most of the workflow is vested in the software engineering employee, who has  
2 substantial discretion and ultimately determines how best to accomplish the given project.

3 On November 9, 2016, Black Sails hired Ms. Zhao as a computer programmer. Ms. Zhao was  
4 focused on the user interface and the front-end, with some smaller amount of back-end work and  
5 efforts on the business logic. She was part of a team with different roles consisting of three  
6 software engineers and one Chief Technology Officer.

7 The parties entered into a number of employment contracts, including the Employment  
8 Agreement and the Confidentiality and Proprietary Rights Agreement. The Employment  
9 Agreement is attached to the Complaint as Exhibit A. The Confidentiality and Proprietary Rights  
10 Agreement is attached to the Complaint as Exhibit B. These Agreements prohibited Ms. Zhao  
11 from disclosing or publishing Black Sails's confidential information or trade secrets. In particular,  
12 the Employment Agreement contained a confidentiality provision wherein Ms. Zhao recognized,  
13 agreed, and certified that:

14 Black Sails Technology Inc has and will have information regarding the following:  
15 inventions, products, product design, processes, technical matters, trade secrets,  
16 copyrights, customer lists, prices, costs, discounts, business affairs, future plans, and  
17 other vital information items (collectively, "Information") which are valuable, special  
18 and unique assets of Black Sails Technology Inc. Ruoxi Zhao agrees that Ruoxi Zhao  
19 will not at any time or in any matter, either directly or indirectly, divulge, disclose, or  
20 communicate any Information to any third party without the prior written consent of  
Black Sails Technology Inc. Ruoxi Zhao will protect the Information and treat it as  
strictly confidential. A violation by Ruoxi Zhao of this paragraph shall be a material  
violation of this Agreement and will justify legal and/or equitable relief.

21 Further, the Employment Agreement specified that the "unauthorized disclosure of  
22 information" would entitle Black Sails to both an injunction and a claim for losses and damages.  
23 These confidentiality provisions *remained in effect for a two-year period after the termination of*  
24 *Ms. Zhao's employment.* Finally, the Employment Agreement required Ms. Zhao to return all of  
25 Black Sails's property, including "keys, records, notes, data, memoranda, models, and equipment,"  
26 upon the termination of Ms. Zhao's employment. The Employment Agreement was signed by  
27 both parties.

28 On November 8, 2016, Ms. Wang executed the Confidentiality and Proprietary Rights

1 Agreement on behalf of Black Sails. On November 9, 2016, Defendant executed the Confidentiality  
2 and Proprietary Rights Agreement. Under this Agreement, Ms. Zhao again acknowledged that, by  
3 virtue of her employment, she would have access to proprietary and confidential information,  
4 explicitly including “source code,” belonging to Black Sails. Ms. Zhao agreed, in pertinent part:

5 (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or  
6 indirectly disclose, publish, communicate or make available Confidential Information, or  
7 allow it to be disclosed, published, communicated or made available, in whole or part, to  
8 any [entity or person whatsoever . . . ; and (iii) not to access or use any Confidential  
9 Information, and not to copy any documents, records, files, media or other resources  
containing any Confidential Information, or remove any such documents, records, files,  
media or other resources from the premise or control of the Employer . . . .

10 The Confidentiality and Proprietary Rights Agreement also provided that any inventions  
11 created by Defendant during the course of her employment would belong to Black Sails.

12 The trade secrets of the company consist primarily of the algorithms and specific  
13 implementation techniques used by Black Sails to advance the state of the art on virtual reality  
14 scene transmission. These aspects of the invention are of course not disclosed in the patent or  
15 applications, as they are trade secrets that have independent value and would damage the  
16 company if known to the public.

17 Black Sails performed both Agreements in full. As to the software engineering team, no official  
18 work was done from home and employees did not bring their own devices. The CTO was the only  
19 one who was authorized to used his personal device, which was only done after proper approval  
20 from Ms. Wang. Everyone else used desktop computers provided by Black Sails. There were  
21 substantial safeguards to protect information; for example, source code was only stored at the  
22 office and was password-protected, or else it was in private GitHub repositories that only the  
23 company controlled. Cloud drives and other forms of remote access were not allowed.

24 On the subject of GitHub, Git is a software version control system that allows a software  
25 engineer to have a code repository on a server and then “check out” files for editing, among other  
26 features. Git allows users to take “snapshots” of the codebase at any moment in time, edit, and  
27 “check in” files when editing is completed, and then “merge” the changes with the live codebase.  
28 The mechanics of Git and GitHub are not important here; what is important is that Ms. Zhao

1 was never authorized to go around the company's safeguards regarding access to or storage of  
2 computer code. Yet she did so anyway, as will be discussed.

3 In or around June 2018, all of Black Sails's employees, including Ms. Zhao, quit their jobs due  
4 to the company's financial difficulties. After Ms. Zhao quit, she returned her company keycard  
5 and certified that she had turned in all company property in compliance with the aforementioned  
6 Agreements.

7 In July 2018, Ms. Zhao filed a wage claim against Black Sails with the Labor Commissioner  
8 (the "Labor Proceeding"). The Labor Proceeding was settled on February 20, 2019 for a total  
9 payment of more than \$50,000.00 to Defendant. However, after the settlement, Plaintiffs  
10 discovered that Ms. Zhao, upon her departure, stole electronic devices from Black Sails and falsely  
11 represented that she had returned all company property. Plaintiffs also learned that Ms. Zhao  
12 misappropriated Black Sails's source code, copied it to her personal email and cloud storage  
13 accounts, and posted it online on GitHub, an online code repository, *without authorization and in*  
14 *flagrant violation of her contracts*. The code has independent value and is novel, and disclosure of  
15 these trade secrets was against the law.

16 In September 2019, a company in the same field called DaTangle Group, Ltd. expressed  
17 interest in purchasing Black Sails's intellectual property until it realized that essentially all of  
18 Black Sails's confidential source code had already been uploaded to GitHub, which rendered Black  
19 Sails valueless. An email from Rick Yang, CEO of daTangle Group Ltd. to Mona Wang dated  
20 September 5, 2019, is attached hereto as Exhibit C and shows the withdrawal of an offer to  
21 purchase. As a result of Defendant's misconduct, DaTangle Group Ltd. declined to purchase  
22 Black Sails's intellectual property. In its email, DaTangle Group specifically cited Defendant's  
23 uploading of the source code to GitHub as the reason why it was not purchasing Black Sails's  
24 intellectual property: "[daTangle Group LTD] decided not to purchase [Black Sails's] IPs due to  
25 the fact that your company's confidential information and trade secrets related to these particular  
26 IPs were disclosed and posted publicly by Ms. Ruoxi Zhao, who's one of your previous engineering  
27 staff(s)." Thus, Defendant is directly responsible for damaging Black Sails.

28 Defendant was deposed on November 13, 2019. At her deposition, in addition to other

1 admissions, Ms. Zhao admitted that she unlawfully retained a copy of Black Sails's proprietary  
2 source code on her personal computer after she left the company:

3 Q. I'm just asking whether you took any files with you when you left Black Sails?

4 A. Well, it's in my personal computer, yes.

5 Q. So the code base?

6 A. Yes.

7 Q. Anything else?

8 A. I thought I would go back so I didn't change anything. At that time I had the code  
9 base, yes.

10 Q. So we have the blank that we're leaving in the transcript to indicate the date that  
11 you traded in your computer. Between leaving Black Sails and trading your computer,  
12 there was code on your computer that you retained?

13 A. Yes.

14 Ms. Zhao further admitted that she intentionally retained Black Sails's confidential source  
15 code and claimed that she did so because she thought she would return to work— a baseless claim.  
16 She was asked, "Did you deliberately retain the code when you left the company or did you just  
17 forget to delete it?" She answered, "When I left the company, I think I intentionally have the code  
18 because I'm thinking I'm going to work on it and return to work, so yes." Ms. Zhao also testified  
19 that she backed up her work files and other code to her private laptop computer and kept a copy  
20 of the code on the cloud, all without authorization.

21 On May 12, 2019, Plaintiffs filed the Complaint, alleging causes of action for breach of  
22 contract, declaratory relief, computer tampering, misappropriation of trade secrets, conversion,  
23 and unfair competition.

24 On or around August 1, 2019, Defendants filed a Cross-Complaint against Plaintiffs for Breach  
25 of Contract (not the Employment Agreement or Confidential and Proprietary Information  
26 Agreement), Civil Harassment, Malicious Prosecution, and Intentional Infliction of Emotional  
27 Distress. These claims are baseless.

## 28 KEY LAW/DISCUSSION

The elements of breach of contract are (1) the existence of a contract, (2) plaintiff's  
performance of the contract or excuse for nonperformance, (3) the defendant's breach, and (4) the  
resulting damage to plaintiff. *Richman v. Hartley* (2014) 224 Cal. App. 4th 1182, 1186.

First, Black Sails and Ms. Zhao entered into the Employment Agreement and the



1 Confidentiality and Proprietary Rights Agreement. The Agreements are signed by both parties  
2 and contain the requisite material terms. There is consideration supporting both Agreements. For  
3 instance, under the Employment Agreement, Ms. Zhao was paid an annual salary in exchange for  
4 her work as a computer programmer. In the Confidentiality and Proprietary Rights Agreement,  
5 Ms. Zhao acknowledged that the Agreement was made “in consideration of the Employee’s  
6 employment by the Employer.” See Confidentiality and Proprietary Rights Agreement at 1.  
7 Further, Ms. Zhao does not allege the Agreements are invalid in her Cross-Complaint, and she  
8 admitted that she entered into the contracts at her deposition. Also evidencing the Agreements’  
9 validity is that the Parties acted in accordance with the Agreements for nearly two years without  
10 issue, until Ms. Zhao quit her job with Black Sails.

11 There is no question whether Black Sails and Ms. Wang performed the contracts. Black Sails  
12 paid Ms. Zhao a salary under the Employment Agreement in exchange for Ms. Zhao’s  
13 employment. Black Sails provided sick and personal leave and vacation time in accordance with  
14 the Agreement. At no point did Black Sails seek to terminate the Employment Agreement. Under  
15 the Confidentiality and Proprietary Rights Agreement, Black Sails continued to employ Ms. Zhao,  
16 which was the Agreement’s stated consideration. As previously mentioned, Black Sails performed  
17 under the Agreements the entire time it employed Ms. Zhao. Notably, Ms. Zhao does not allege  
18 that Black Sails failed to perform or breached either Agreement in her Cross-Complaint.

19 Ms. Zhao breached sections 5 and 13 of the Employment Agreement. Under Section 5, Ruoxi  
20 could not “divulge, disclose, or communicate any Information to any third party without the prior  
21 written consent of [Black Sails]” and was obligated to “protect the Information and treat it as  
22 strictly confidential.” Employment Agreement § 5. The term “Information” included “inventions,  
23 products, product design, processes, technical matters, trade secrets,” among other information.  
24 Id. Further, the contract specified that any violation of Section 5 was a material violation of the  
25 Employment Agreement. Id; see also id. § 6 (“unauthorized disclosure of information” entitles  
26 Black Sails to both an injunction and a claim for loss and damages).

27 Ms. Zhao admitted to breaching Section 5 of the Employment Agreement. She admits that  
28 she intentionally retained Black Sails’s code from the time she left Black Sails until she traded in

1 her computer. She also admits she did so deliberately. Ms. Zhao further admits she retained  
2 Black Sails' source code on her cloud accounts after she left Black Sails. Source code clearly falls  
3 within the definition of "Information" under Section 5. Posting the source code on GitHub  
4 constitutes divulging, disclosing, or communicating Information to a third party without Black  
5 Sails' consent. Therefore, Ms. Zhao breached Section 5 of the Employment Agreement.

6 Ms. Zhao also breached Section 13 of the Employment Agreement. Section 13 required Ms.  
7 Zhao to return all of Black Sails's property, including "keys, records, notes, data, memoranda,  
8 models, and equipment," upon the termination of Defendant's employment. Id. § 13. Ms. Zhao  
9 admitted to keeping Black Sails's source code and other personal property after quitting the  
10 company. Given that source code is "data" that Ms. Zhao did not return to Black Sails upon the  
11 termination of her employment, she breached Section 13 of the Employment Agreement.

12 Ms. Zhao also breached the Confidentiality and Proprietary Rights Agreement. Section 1(a) of  
13 the Agreement prohibited Ruoxi from disclosing, publishing, communicating, or making available  
14 Black Sails' confidential information and from copying or removing any confidential information.  
15 Confidentiality and Proprietary Rights Agreement § 1(a). As Ms. Zhao admits to copying the  
16 source code onto her personal computer and her cloud account, as well as publishing the code to  
17 GitHub, there is no remaining issue of fact that Ms. Zhao breached Section 1(a). Ms. Zhao copied  
18 Black Sails's confidential source code to her personal OneDrive on August 22, 2018, *over two*  
19 *months after her employment ended*. There is no excuse or justification for doing so.

20 Finally, there is no issue as to the final element of the breach of contract claim: that Ms.  
21 Zhao's breach caused Plaintiffs damage, i.e., the withdrawal of the offer to purchase the I.P.

22 Ms. Zhao's act of copying all of Plaintiffs' confidential source code to her personal computer  
23 and cloud accounts and uploading it to GitHub without authorization, was in express violation of  
24 the Employment Agreement and Confidentiality and Proprietary Rights Agreement, and also  
25 violated Section 502 of the Penal Code.

26 A defendant violates Section 502 if he or she "[k]nowingly accesse[d] and without permission  
27 [took], copie[d], or ma[de] use of any data from a computer, computer system, or computer  
28 network. See Penal Code § 502(c)(2); see also DocMagic, Inc. v. Ellie Mae, Inc., 745 F. Supp. 2d

1 1119, 1151 (N.D. Cal. 2010) (concluding that cross-complainant adequately stated claim for relief  
2 under CCDAFA where “third-parties’ log-in credentials” were used “with the third-parties’  
3 consent, to access [cross-defendant’s] servers”); United States v. Christensen, 828 F.3d 763, 789  
4 (9th Cir. 2015) (“[T]he [CCDAFA] does not require unauthorized access. It merely requires  
5 knowing access.”).

6 There is no disputed fact as to whether Ms. Zhao violated Section 502. Ms. Zhao does not  
7 dispute that she knowingly accessed Black Sails’s data without permission, copied it, stored it on  
8 her computer, and uploaded it onto GitHub. Indeed, she repeatedly confirmed these facts at her  
9 deposition. Ms. Zhao also admits that she accessed and copied Black Sails’s code “knowingly”  
10 because she did so deliberately. Ms. Zhao’s excuse, that she thought she was still employed or  
11 would be returning to employment, is completely disproved by the evidence, including the  
12 unqualified admission in her Cross-Complaint that her employment ended on June 6, 2018 and  
13 further, that there was a wage proceeding that ultimately settled. Finally, there is no dispute that  
14 Ms. Zhao’s actions were “without permission.” Such conduct was clearly prohibited by the  
15 Agreements, and Ms. Zhao’s email access was revoked after she quit her employment.

16 Because Ms. Zhao has admitted to each of the elements of computer tampering, there is no  
17 issue of fact left to be tried on Plaintiffs’ computer tampering claim except for special and  
18 punitive damages. On those issues, the special damages are one million dollars, and the punitive  
19 damages should be bifurcated for later resolution due to Defendant’s success as a highly  
20 compensated software engineer in Silicon Valley.

21 Concerning the wage settlement, Black Sails entered into a settlement agreement to pay  
22 Defendant more than \$50,000, but this settlement agreement was based on the fraudulent  
23 misrepresentations by Defendant that she had not stolen (and would not steal) Black Sails’s IP,  
24 and that she had returned all company property. Under California Civil Code, “a party to a  
25 contract may rescind the contract ... if the consent of the party rescinding ... was obtained  
26 through ... fraud.” See Cal. Civil Code § 1689(b)(1). “When a contract has been rescinded in  
27 whole or in part, any party to the contract may seek relief based upon such rescission by (a)  
28 bringing an action to recover any money or thing owing to him by any other party to the contract

1 as a consequence of such rescission or for any other relief to which he may be entitled under the  
2 circumstances or (b) asserting such rescission by way of defense or cross-complaint.” See Cal. Civil  
3 Code § 1692.

4 Here, Black Sails rescinded the settlement agreement because of fraud, namely Defendant’s  
5 fraudulent misrepresentations that she had abided by (and would continue to abide by) the terms  
6 of her employment agreements and not steal Black Sail’s intellectual property– recall the  
7 continuing two-year obligations of non-disclosure in the agreements. Under California law, even  
8 negligent misrepresentation is a species of actual fraud and a form of deceit. See *Ventura County*  
9 *Nat. Bank v. Macker* (1996) 49 Cal.App.4th 1528, 1530; see also *Furla v. Jon Douglas Co.* (1998)  
10 65 Cal.App.4th 1069, 1077 (“Negligent misrepresentation is a form of ‘actual fraud,’ consisting of  
11 ‘[t]he positive assertion, in a manner not warranted by the information of the person making it, of  
12 that which is not true, though he believes it to be true’” (citing § 1572, subd. 2)); *Continental*  
13 *Airlines, Inc. v. McDonnell Douglas Corp.* (1989) 216 Cal.App.3d 388, 403 (“The case law,  
14 however, is clear that in California negligent misrepresentation is a form of fraud and deceit[.]”).  
15 Thus, “a single misstatement as to a material fact, knowingly made with intent to induce another  
16 into entering the contract, will, if believed and relied on by that other, afford a complete ground  
17 for rescission . . . . [Citation.]” *Stewart v. Crowley* (1931) 213 Cal. 694, 700; see *Wong v. Stoler*  
18 (2015) 237 Cal. App. 4th 1375 (holding that a defendant’s misrepresentations made with reckless  
19 disregard for the truth are sufficient to satisfy section 1692’s substantive requirements).

20 Because Plaintiff rescinded the settlement agreement, relief in the form of replenishing the  
21 \$50,000 payment – as well as other, more extensive, relief – is proper. “Not only does it expressly  
22 permit a court to award the aggrieved party “complete relief” and grant broad discretion to  
23 “adjust the equities between the parties,” Cal. Civ. Code § 1692, but courts have used their  
24 authority under this section to compensate aggrieved parties for damages sustained as a result of  
25 a defendant’s wrongful conduct in connection with a rescinded contract. See, e.g., *Sharabianlou v.*  
26 *Karp* (2010) 181 Cal. App. 4th 1133; *Leaf v. Phil Rauch, Inc.* (1975) 47 Cal. App. 3d 371.

27 At a minimum, because the settlement agreement has been rescinded, Plaintiff requests  
28 repayment of the fraudulently obtained \$50,000 under the settlement agreement in addition to

1 incidental damages. Plaintiff also deserves additional damages to recognize the equities disturbed  
2 by Defendant's fraud. Bottom line, Plaintiffs agreed to pay over \$50,000 to Ms. Zhao under the  
3 wage Settlement Agreement and ended up having a judgment against them. Plaintiffs *would not*  
4 *have entered into the Settlement Agreement* if Plaintiffs had known about Ms. Zhao's theft and  
5 breach of the Agreements. Therefore, Plaintiffs have paid Ms. Zhao money to which she is not  
6 entitled, which has damaged Plaintiffs. Moreover, Plaintiffs suffered damages in that having their  
7 code and technology available for free on GitHub, which rendered their company valueless— which  
8 was not disclosed by Defendant before the settlement agreement was signed. Wherefore, Plaintiffs  
9 pray for judgment.

#### 10 DAMAGES

11 The cutting-edge technology developed by Black Sails was developed at substantial expense  
12 over a number of years. There were four engineers developing the code and iterating new versions  
13 of the software for more than two years from 2016 to 2018. The actual work done was at least  
14 eight to ten person-years of development. Experts have estimated that it would take a minimum  
15 of eight person-years to re-create the codebase. Assuming the typical software engineer salary of  
16 \$150,000.00 per year, the *cost* basis of the software is estimated at \$1,200,000.00. That is, it would  
17 take \$1.2 million to redo the software from scratch, which is an excellent indicator of its *actual*  
18 potential value. As for other indicators of value, Mr. Rick Yang of daTangle Group valued the  
19 technology at between two and three million dollars based on his experience as an investor and  
20 promoter in Silicon Valley since 1996. He offered to purchase the company for \$1,000,000.00  
21 before learning that the codebase was disclosed by Ms. Zhao. The jury will be told that this  
22 figure represents a discount for cash up front because Mr. Yang wanted to spend less than the  
23 actual value of the technology in order to make a profit. The actual spend on the company by Ms.  
24 Wang was at least \$600,000.00 just for software engineering, and that is the *lowest* indicator of  
25 value. Accordingly, the jury will have three options to choose from when awarding damages. The  
26 “benefit of the bargain” measure of damages, which is applicable in a fraud case like this one,  
27 would be \$1,200,000.00 because that is what it would take to create the code again, not  
28 accounting for increased labor costs and a tighter labor market since 2019.

1 WITNESSES

- 2 1. Ruoxi Zhao, Defendant per Evid. Code sec. 776. 3.0 hours. Ms. Zhao is expected to testify  
3 in accordance with her deposition transcript, in which she made various admissions and  
4 confirmed much of the above factual information.
- 5 2. Zhuo “Mona” Wang, Plaintiff and corporate representative of Black Sails. 4.0 hours. Ms.  
6 Wang will testify concerning the technical aspects of the code, as well as the corporate  
7 interactions with Ms. Zhao that led to Ms. Zhao being assigned tasks in the company. Ms.  
8 Wang will also testify concerning the wage settlement and the bases to rescind, as well as the  
9 harassment and suffering she experienced when Ms. Zhao harassed Ms. Wang while Ms.  
10 Wang was expecting her first child.
- 11 3. Yongtao (“Jeff”) Tang, Chief Technology Officer/software engineer, as a non-retained expert.  
12 2.0 hours. Mr. Tang will review the technical aspects of the computer code that Defendant  
13 misappropriated and why they were important to protect. Among other reasons, the public  
14 disclosure of the innovative/novel virtual reality code made it less valuable by a large  
15 amount. Mr. Tang will also discuss company policies as they relate to software engineering,  
16 such as the fact that Ms. Zhao had absolutely no need to retain the code, no need to upload  
17 it to GitHub or her personal cloud storage, and no permission to do any of this. He will also  
18 discuss Ms. Zhao’s poor performance and attendance issues.
- 19 4. Rick C. Yang, corporate representative of daTangle Group. 1.0 hours. Mr. Yang will discuss  
20 his qualifications and experience as an investor and promoter in Silicon Valley since 1996. He  
21 will confirm that Black Sails provided unique technology that was innovative and could be  
22 licensed to major players in the market to fulfill their well-known needs for cutting edge  
23 virtual reality technology. Mr. Yang valued the technology at two to three million dollars,  
24 and he offered to purchase Black Sails for in the range of one million dollars until learning  
25 that the computer code had been publicly disclosed, after which he withdrew his offer. But  
26 for Defendant’s disclosure of the trade secret computer code, Mr. Yang will testify that he  
27 surely would have purchased the technology.
- 28 Time estimate: three-day court trial (at most a four-day jury trial).

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- Date: January 3, 2024
- By: \_\_\_\_\_  
Andrew G. Watters, Esq.  
Attorneys for Plaintiff  
Black Sails Technology, Inc.