APPENDIX 2-1

Li P PLAYED on 5 _4 20151204 PA PC DC on 5-4-17

Scene	Designation	Source	Tx Duration	Elapsed	Remains	Media File	Barcode
1	**7:25 - 8:3**	Li, Peng 2015-12-04	00:00:10	00:00:00	00:30:42	Li_P-120415-1of4.M	M2.1

7:25 Q. Would you please state and spell your
8:1 full name for the record?
8:2 A. Yes. My name is Peng Li. Last name
8:3 L-i. First name P-e-n-g.

2	**10:9 - 10:15**	Li, Peng 2015-12-04	00:00:39	00:00:10	00:30:32	Li_P-120415-1of4.M	M2.2

10:9 Q. What's your home address?
10:10 A. It's 10775 Dorchester Way,
10:11 D-o-r-c-h-e-s-t-e-r; Woodstock, Woodstock one
10:12 word, Maryland, 21163.
10:13 Q. And what is your business address?
10:14 A. It's 14600, York Road, Sparks,
10:15 Maryland 21152.

3	**10:16 - 11:2**	Li, Peng 2015-12-04	00:00:38	00:00:49	00:29:53	Li_P-120415-1of4.M	M2.3

10:16 Q. Where did you get your undergraduate
10:17 degree from?
10:18 A. I got my undergraduate degree from
10:19 University of Science and Technology in China.
10:20 Q. What year was that?
10:21 A. 1992.
10:22 Q. Which degree was that?
10:23 A. It was a bachelor degree.
10:24 Q. Does the University of Science in
10:25 China have a specific subset, a major for your
11:1 bachelor?
11:2 A. It's in mechanical engineering.

4	**11:17 - 12:8**	Li, Peng 2015-12-04	00:00:45	00:01:27	00:29:15	Li_P-120415-1of4.M	M2.4

11:17 Q. And do you have a graduate degree?
11:18 A. I do have a graduate degree.
11:19 Q. And what is that?
11:20 A. I have a master and a Ph.D in
11:21 mechanical engineering.
11:22 Q. All right. And starting with your
11:23 master, where did you get that from?
11:24 A. I got my master degree from University
11:25 of Notre Dame.
12:1 Q. And your Ph.D. in mechanical
12:2 engineering?
12:3 A. Correct. From -- also from University
12:4 of Notre Dame.
12:5 Q. Okay. And what years were those

12:6 achieved?
12:7 A. That was 1997 for master and 1998 for
12:8 Ph.D.

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5 **17:4-17:11** Li, Peng 2015-12-04 00:00:22 00:02:12 00:28:30 Li_P-120415-1of4.M M2.5

17:4 Q. All right. What would you say your
17:5 more detailed experience was in?
17:6 A. It was more engineer analy --
17:7 engineering analysis, more, like, FEA and
17:8 CFD. That was what I was doing in engineering
17:9 aerospace. That was my -- I would say that's
17:10 my training and my strong -- my strongest
17:11 background.

---

6 **17:12-18:10** Li, Peng 2015-12-04 00:01:32 00:02:34 00:28:08 Li_P-120415-1of4.M M2.6

17:12 Q. And your last position listed here
17:13 is vice president engineering and program
17:14 management at Apex Tool Group LLC, formerly
17:15 Danaher Tool Group, and is this the position
17:16 you currently hold?
17:17 A. It is.
17:18 Q. And tell me about your
17:19 responsibilities in this role.
17:20 A. It's managing engineering design,
17:21 prototype, testing and timeline, as well,
17:22 for -- for Apex Tool Group's hand tool brands,
17:23 including -- including private-label brands and
17:24 Apex Tool Group's own brands.
17:25 Q. How many people do you supervise in
18:1 this role?
18:2 A. I have seven direct reports, and total
18:3 team size is roughly about 30.
18:4 Q. Okay. And who is your supervisor?
18:5 A. Mr. John Constantine. He is the
18:6 president for North American Hand Tool for Apex
18:7 Tool Group.
18:8 Q. How much time do you devote to working
18:9 on hand tools?
18:10 A. I would say a hundred percent.

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7 **28:6-28:18** Li, Peng 2015-12-04 00:01:07 00:04:06 00:26:36 Li_P-120415-1of4.M M2.7

28:6 Q. And what was your involvement with the
28:7 Max Axess Locking Wrench development?
28:8 A. My involvement, it was on a high
28:9 level. Basically, make sure this product,
28:10 it's developed in a way that we offer
28:11 competitive product, has Craftsman advantage,

28:12 while not infringe any other -- any other
28:13 patent, has different look, and ship on time.
28:14 That was my -- my -- I would say my
28:15 biggest objective at that time on this project,
28:16 is that the -- we need to make -- ship this
28:17 product without infringing on any other people's
28:18 patent and ship it on time.

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8 **28:19-29:1** Li, Peng 2015-12-04 00:00:31 00:05:13 00:25:29 Li_P-120415-1of4.M M2.8

28:19 Q. And what did you mean when you said
28:20 has different look?
28:21 A. It -- my understanding, it's -- we
28:22 need to develop something that look different
28:23 than any product out there in the market and
28:24 offers Craftsman advantage.
28:25 Q. How would you define the Craftsman
29:1 advantage?

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9 **29:4-29:9** Li, Peng 2015-12-04 00:00:25 00:05:44 00:24:58 Li_P-120415-1of4.M M2.9

29:4 THE WITNESS: The Craftsman advantage
29:5 typically means that an innovative Craftsman
29:6 product needs to be better than -- than anything
29:7 in the market, especially on function, on
29:8 appearance, and keeps the Craftsman trade
29:9 edges or Craftsman design language.

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10 **29:11-29:19** Li, Peng 2015-12-04 00:00:38 00:06:09 00:24:33 Li_P-120415-1of4.M M2.10

29:11 Q. When did you first learn of the Max
29:12 Axess Locking Wrench project?
29:13 A. That was in -- in February or
29:14 March -- we -- I -- I believe Sears brought
29:15 the -- brought the idea to us. And they -- they
29:16 asked us to develop a better product, or a more
29:17 competitive product, with Craftsman advantage
29:18 than the -- than the Loggerhead Bionic wrench at
29:19 that time.

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11 **29:24-30:4** Li, Peng 2015-12-04 00:00:24 00:06:47 00:23:55 Li_P-120415-1of4.M M2.11

29:24 Q. Were you a part of the first
29:25 communication when Sears brought the project to
30:1 Apex?
30:2 A. I don't recall I was. I think I got
30:3 the information from our internal team, from our
30:4 sales team, I think it's Jill Lowe at that time.

---

12 **31:10-31:24** Li, Peng 2015-12-04 00:00:54 00:07:11 00:23:31 Li_P-120415-1of4.M M2.12

31:10 Q. You testified that you believe Sears
31:11 first approached Apex with the project for the
31:12 Max Axess Adjustable Locking Wrench?

31:13 A. I believe Sears brought this idea to
31:14 Apex to develop a bett -- a competitive product
31:15 than the Loggerhead's Bionic wrench, that's
31:16 correct.
31:17 Q. And what was your understanding of the
31:18 concept at that time?
31:19 A. It was an interesting product or
31:20 concept. We -- we -- what -- what I re -- when
31:21 we -- when we -- I recall when we had some
31:22 engineering discussions, we were thinking
31:23 it's -- it's some sort of combination of
31:24 adjustable wrench and plier.

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13 **32:10 -32:16** Li, Peng 2015-12-04 00:00:36 00:08:05 00:22:37 Li_P-120415-1of4.M M2.13

32:10 When the concept as we were
32:11 discussing, the initial concept of the Max Axess
32:12 Locking Wrench was presented to you, did you
32:13 have any product from Sears or Apex at which
32:14 you were looking that helped you identify the
32:15 concept of the, I believe you said, adjustable
32:16 pliers and wrench combination?

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14 **32:21 -33:6** Li, Peng 2015-12-04 00:00:32 00:08:41 00:22:01 Li_P-120415-1of4.M M2.14

32:21 It's -- what I said was adjustable
32:22 wrench and plier combination. But, yes, to
32:23 answer your question, we did have a product
32:24 looking at -- that was the Loggerhead's Bionic
32:25 wrench we were looking at and we -- to
33:1 understand how the -- the Loggerhead wrench
33:2 works, yes.
33:3 I don't recall what -- I don't recall
33:4 where we got that -- that product, but, yes, we
33:5 were looking at a Loggerhead Bi -- Bionic
33:6 wrench.

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15 **35:11 -35:12** Li, Peng 2015-12-04 00:00:07 00:09:13 00:21:29 Li_P-120415-1of4.M M2.15

Link > P64.1

35:11 Q. I'm introducing Li Exhibit 3, which is
35:12 Apex 722.

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16 **35:22 -36:5** Li, Peng 2015-12-04 00:00:37 00:09:20 00:21:22 Li_P-120415-1of4.M M2.16

35:22 Q. Looking at Li Exhibit 3, Mr. Li, this
35:23 is an analysis of the Loggerhead Bionic wrench?
35:24 A. Okay.
35:25 Q. I'm asking, do you understand this to
36:1 be an analysis of the Loggerhead Bionic wrench?
36:2 A. I would call this a test report of the
36:3 Bionic wrench.
36:4 Q. A task report?

36:5 A. A test report.

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17 **36:21-36:25** Li, Peng 2015-12-04 00:00:18 00:09:57 00:20:45 Li_P-120415-1of4.M M2.17

Link > Hide

36:21 Q. Do you have any knowledge of who may
36:22 have created this report?
36:23 A. I do. It's probably our test lab
36:24 in Sparks, and the tech -- the lab technician's
36:25 name is Tim Parson.

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18 **37:4-37:18** Li, Peng 2015-12-04 00:01:02 00:10:15 00:20:27 Li_P-120415-1of4.M M2.18

37:4 Do you have any knowledge of why a
37:5 Bionic wrench test report may have been created?
37:6 A. I think so.
37:7 We -- we -- one of the -- one
37:8 of the -- this is to try show a Craftsman
37:9 advantage. Like I mentioned a moment ago,
37:10 Craftsman product needs to be better than
37:11 any retail product in the market. So when we
37:12 develop a new innovation product for Craftsman,
37:13 we would normally test the product in the
37:14 market, see where they are, and the Craftsman
37:15 product needs to be better than that. Like,
37:16 in this case, we test the torque performance of
37:17 Bionic wrench, and the Craftsman spec needs to
37:18 be higher than the Bionic wrench.

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19 **49:7-49:8** Li, Peng 2015-12-04 00:00:10 00:11:17 00:19:25 Li_P-120415-1of4.M M2.19

Link > P105.1

49:7 Q. I'm introducing Li Exhibit 5, which is
49:8 Apex 4271 through 4278.

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20 **58:2-58:20** Li, Peng 2015-12-04 00:01:03 00:11:27 00:19:15 Li_P-120415-1of4.M M2.20

58:2 Question: If you'll go back to

Link > P105.1.1

58:3 Page 1, Apex 4271, the most recent e-mail in
58:4 time is from Yongsheng Xu, and it attaches the
58:5 testing report for the Bionic wrench, if you
58:6 look at the first line of the e-mail; is that
58:7 correct?
58:8 A. Yes.
58:9 Q. And then if you will please scroll to

Link > P105.3

58:10 the attachment beginning on Apex 4273, --
58:11 A. Okay.
58:12 Q. -- which is Page 3 of your
58:13 document, --
58:14 A. Mm-hmm.
58:15 Q. -- do you agree this is a testing
58:16 report for the Loggerhead Bionic wrench?
58:17 A. It looks a little different, but I
58:18 would think, yes, it probably is. I would say,

58:19 looking at this, it probably is the Bionic
58:20 wrench product.

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21 **59:8 - 59:15** Li, Peng 2015-12-04 00:00:21 00:12:30 00:18:12 Li_P-120415-1of4.M M2.21

59:8 Q. Do you know how many Bionic wrenches
59:9 were tested?
59:10 A. I do not know, but if you look at
59:11 the samples, there's one, two, three, four,
59:12 so there may be four samples there. There may
59:13 be two sizes, so -- so that's probably four
59:14 samples, by looking at this report, if you look
59:15 at Column A.

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22 **60:17 - 60:24** Li, Peng 2015-12-04 00:00:24 00:12:51 00:17:51 Li_P-120415-1of4.M M2.22

60:17 Q. Do you know what testing was performed
60:18 on the Loggerhead Bionic wrenches?
60:19 A. If you look at the report, the -- the
60:20 -- the torque -- this would be a torque testing,
60:21 but it was using the quarter-inch mandrel and
60:22 the nine -- nine-sixteenths mandrel. I believe
60:23 that's the smallest size that this tool can be
60:24 used and the maximum size this tool can be used.

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23 **64:15 - 64:19** Li, Peng 2015-12-04 00:00:14 00:13:15 00:17:27 Li_P-120415-1of4.M M2.23

64:15 Q. Was the testing that was being done
64:16 on the Bionic wrench used as a baseline for
64:17 designing a superior Craftsman advantage
64:18 Craftsman Max Access Locking Wrench?
Link > Hide 64:19 A. I would say yes.

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24 **70:7 - 70:8** Li, Peng 2015-12-04 00:00:07 00:13:29 00:17:13 Li_P-120415-1of4.M M2.24

Link > P495.1

70:7 Q. I'm introducing Li Exhibit 7, which is
70:8 Apex 2293.

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25 **70:18 - 71:20** Li, Peng 2015-12-04 00:01:54 00:13:36 00:17:06 Li_P-120415-1of4.M M2.25

Link > P495.1.1

70:18 Q. The second e-mail on the first page is
70:19 from Mr. Broadaway, dated March 23rd, 2012.
70:20 A. Yes.
70:21 Q. In the second sentence he writes, "We
70:22 have been focused now on the Eclipse and Bionic
70:23 replacement -- completing those design intents
70:24 so we can try and make Q4."
70:25 What did you understand Mr. Broadaway
71:1 to mean by a Bionic replacement?
71:2 A. I don't -- this -- this e-mail's
71:3 a little confusing. What is the Eclipse and
71:4 Bionic replacement? I don't know what Eclipse
71:5 -- I can't recall what Eclipse wrench is about
71:6 at that time, because -- was it a different

71:7 product? I can't remember. But I would -- I
71:8 would suspect this bionic replacement means
71:9 Craftsman version with Craftsman advantage as
71:10 a competitive product, yes.
71:11 Q. A Craftsman version of what?
71:12 A. Of a -- a Craftsman version of a -- a
71:13 competitive Craftsman version of product, I
Link > Hide 71:14 guess is what I should say.
71:15 Q. Yes. And what I'm asking is, a
71:16 Craftsman version of what competitive product?
71:17 A. Let me rephrase this. I think what I
71:18 meant is the competitive product with Craftsman
71:19 brand name tool product in the market, including
71:20 Bionic wrench.

---

26 **71:23 - 71:25** Li, Peng 2015-12-04 00:00:04 00:15:30 00:15:12 Li_P-120415-1of4.M M2.26

71:23 Q. The Loggerhead Bionic wrench?
71:24 A. The Loggerhead Bionic wrench, I would
71:25 say, yes.

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27 **72:1 - 72:7** Li, Peng 2015-12-04 00:00:28 00:15:34 00:15:08 Li_P-120415-1of4.M M2.27

72:1 Q. What did you understand Mr. Broadaway
72:2 to mean by the word replacement?
72:3 A. Like I said a moment ago, we would
72:4 never simply try to design some replacement. So
72:5 I would -- I would say that's the -- that's the
72:6 compet -- competitive product with Craftsman
72:7 brand and Craftsman advantage.

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28 **73:18 - 73:22** Li, Peng 2015-12-04 00:00:12 00:16:02 00:14:40 Li_P-120415-1of4.M M2.28

73:18 Q. Your understanding of the scope of
73:19 this project was to create a competitive product
73:20 that was better than the Loggerhead Bionic
73:21 wrench?
73:22 A. Yes.

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29 **87:5 - 87:6** Li, Peng 2015-12-04 00:00:07 00:16:14 00:14:28 Li_P-120415-2of4.M M2.29

Link > P125.1 87:5 Q. I'm going to introduce Li Exhibit 9,
87:6 Apex 9034.

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30 **87:18 - 88:6** Li, Peng 2015-12-04 00:00:44 00:16:21 00:14:21 Li_P-120415-2of4.M M2.30

87:18 Q. In that top e-mail, Zhihong Fu states
Link > P125.1.1 87:19 that Loggerhead's and ours have a similar stroke
87:20 of 30 degrees and a similar length of handle,
87:21 correct?
87:22 A. Yes. He states it that way, yes.
87:23 Q. What do you understand Mr. Fu to be
87:24 explaining in this e-mail?
87:25 A. Loggerhead and ours have similar

88:1 stroke -- similar stroke and similar length of
88:2 handles. I can see similar lengths of handles.
88:3 I understand that part. But I don't really
88:4 remember or I don't know what he meant by
88:5 similar stroke of 30 degrees. No, I'm sorry.
Link > Hide 88:6 I don't know.

---

31 **93:9 - 93:14** Li, Peng 2015-12-04 00:00:15 00:17:05 00:13:37 Li_P-120415-2of4.M M2.31

93:9 Q. Is it your testimony that you had
93:10 little input into the design of the Max Axess
93:11 Adjustable?
93:12 A. I would say, yes. I would say I do
93:13 not -- I did not have a lot of input into the
93:14 design.

---

32 **116:1 - 116:2** Li, Peng 2015-12-04 00:00:10 00:17:20 00:13:22 Li_P-120415-2of4.M M2.32

Link > P88.1 116:1 Q. I'm introducing Li Exhibit 13, which
116:2 is Apex 2357 through 2376.

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33 **116:5 - 116:10** Li, Peng 2015-12-04 00:00:18 00:17:30 00:13:12 Li_P-120415-2of4.M M2.33

116:5 Q. This is an e-mail chain, or an e-mail,
Link > P88.1.1 116:6 rather, dated October 1st, 2013, from to you
116:7 Mr. Broadaway and others. The subject appears
116:8 to be MA, standing for Max Axess, Locking Wrench
116:9 2014 forecast.
116:10 A. Yes.

---

34 **116:14 - 117:15** Li, Peng 2015-12-04 00:01:36 00:17:48 00:12:54 Li_P-120415-2of4.M M2.34

116:14 Q. And can you decipher the acronyms in
Link > P88.1.3 116:15 the attachment for me?
116:16 A. Okay. KPI stands for Key Performance
116:17 Index. CFT stands for Craftsman. MA means Max
116:18 Axess. And AW, Adjustable Wrench.
116:19 Q. Did you send the e-mail and attachment
116:20 in the Exhibit 13?
116:21 A. Yes.
Link > P88.1.2 116:22 Q. You write, it just occurred to me what
116:23 an amazing project the MA Locking Wrench is. Do
116:24 you see that?
116:25 A. I do.
117:1 Q. And would you please explain what you
117:2 meant by that?
117:3 A. I think on this project what we -- I
117:4 think at that time, I still believe so, that
117:5 it's a -- it's a great product. It offered
117:6 great feature and benefits for end users as a
117:7 Craftsman innovation, and it generate -- I think
117:8 it is very profitable for ATG, as well. So I

117:9 feel like this is a -- this is a good product.
117:10 And, also, we -- we were very thorough in our
117:11 patent search and patent clearance to make sure
117:12 we do not infringe anybody's patent. So I feel
117:13 like this project from a -- it's a great product
117:14 for -- from both technical side and the business
117:15 side.

---

35 **117:19-118:11** Li, Peng 2015-12-04 00:01:01 00:19:24 00:11:18 Li_P-120415-2of4.M M2.35

117:19 You stated the product offered a
117:20 great feature and benefits for end users as a
117:21 Craftsman innovation and it generates -- I think
117:22 it is very profitable for ATG, as well.
117:23 A. Correct.
117:24 Q. Was that because the pure profit on
Link > P88.1.4 117:25 this product in three years was 5.7 million?
118:1 A. I mean, I -- I wrote that at
118:2 that time, but my -- it was -- that e-mail, I
118:3 remember, was trying to kind of communicate a
Link > Hide 118:4 message that it was a great product. But, you
118:5 know, not -- I'm not a businessperson, so those
118:6 numbers was -- I don't know how I got the
118:7 number. I think I must have calculated a little
118:8 bit, but I did not -- when I wrote it, I did
118:9 not have a -- I did not have a number -- a final
118:10 number. I think I was using a forecast, for the
118:11 most part.

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36 **119:16-120:6** Li, Peng 2015-12-04 00:00:38 00:20:25 00:10:17 Li_P-120415-2of4.M M2.36

119:16 Q. Who were you referring to when you
119:17 said we?
119:18 A. I know it's not me, because I don't
119:19 do forecasts. So I really do not know who was
119:20 making a forecast in that case.
119:21 Q. And your concern is that it's not very
119:22 accurate?
119:23 A. No. That wasn't my concern. What
119:24 I'm trying to -- what I'm trying to say is that
119:25 this message, it was -- was the purpose -- I
120:1 tried to kind of boost the -- the spirit for the
120:2 team. That's all.
120:3 Q. You testified earlier that you
120:4 were mainly on the technical side, not the
120:5 profitability side, money side?
120:6 A. Correct.

---

37 **122:2-123:10** Li, Peng 2015-12-04 00:01:43 00:21:03 00:09:39 Li_P-120415-2of4.M M2.37

122:2 All right. Let's look at that. If
Link > P88.3 122:3 you'll turn to Page 3, which is Apex 2359, I'd
Link > P88.3.1 122:4 like to look at Rows 5 and 7. They reference a
122:5 six and eight-inch Bionic wrench.
122:6 A. Yeah.
Link > P88.3.2 122:7 Q. The graphics in the lower right of the
122:8 page appear to be the Craftsman Bionic wrench;
122:9 is that correct?
122:10 A. I -- I would say the lower right is
122:11 the -- the Craftsman Max Axess Locking Wrench,
122:12 and then, I'm sorry, what was your question.
122:13 Q. No. You answered my -- my question.
Link > P88.3.1 122:14 But Row 5 and 7 --
122:15 A. Yes.
122:16 Q. -- does reference Bionic wrench; is
122:17 that correct?
122:18 A. No. The -- the Row 5 really meant
122:19 they are -- that's the -- that should be Max --
122:20 Max Axess Locking Wrench, and Row 7 should be
122:21 the eight-inch Max Axess Lock -- Lock -- I mean,
122:22 Max Axess Locking Wrench. What happened was,
122:23 this KPI probably was generated at the very
122:24 beginning of the -- this sheet may have been
122:25 generated very early in the -- in the project,
123:1 we did not have a name for it. But you look at
Link > P88.3.3 123:2 the size, you know, that Row 6 and Row 8,
123:3 because of the specific size of that, those
123:4 sizes are -- I think they're specifically to the
123:5 Max Axess Locking Wrench. And you also look at
123:6 the bottom right picture, they do not have a
123:7 bend handle, so that's -- that's a Craftsman
123:8 Access Locking Wrench. If you look at the top
123:9 of that, the top right, Row 1, it also says
123:10 Craftsman Max Axess Adjustable Wrench.

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39 **172:12 -172:21** Li, Peng 2015-12-04 00:00:29 00:22:46 00:07:56 Li_P-120415-3of4.M M2.39

172:12 Q. Was, to your knowledge, Apex offering
172:13 to provide the Max Axess wrench for sale in the
172:14 United States?
172:15 A. One more time, please.
172:16 Q. Was Apex offering to provide the Max
172:17 Axess wrench for sale in the United States?
172:18 A. Yes. Yes.
172:19 Q. Was Apex offering to provide the Max
172:20 Axess wrench for sale in any other country?
172:21 A. I -- I do not know.

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45 **188:19-189:7** Li, Peng 2015-12-04 00:01:01 00:23:15 00:07:27 Li_P-120415-3of4.M M2.45

Link > P169.1

188:19 Q. I'm introducing Li Exhibit 26, which
188:20 is Apex 18748.

Link > P169.1.1

188:21 This is an e-mail from you to Apex
188:22 President John Constantine and copying Eric
188:23 Broadaway, dated March 8, 2012. The subject
188:24 is, forward, reverse engineer the Bionic wrench.
188:25 And it includes two attachments, Bionic
189:1 wrench.pptx and 287 -- strike that.
189:2 2,787,925 (Buchanan) PDF, do you see
189:3 that?
189:4 A. Yes.
189:5 Q. Did you send the e-mail in Li Exhibit
189:6 26?

Link > Hide

189:7 A. Yes.

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46 **189:16-190:2** Li, Peng 2015-12-04 00:00:35 00:24:16 00:06:26 Li_P-120415-3of4.M M2.46

189:16 Q. Do you know what reverse engineering
189:17 is?
189:18 A. Yes, I do.
189:19 Q. What is it?
189:20 A. Typically, reverse engineering means
189:21 that if you have a product, you do not have a
189:22 print, you don't have a drawing, meaning you
189:23 would -- you would like to know all the
189:24 dimension information and stuff like that, then
189:25 you want to put a print together for the product
190:1 that's already there, that's general definition
190:2 of -- of reverse engineering.

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47 **190:3-190:19** Li, Peng 2015-12-04 00:00:55 00:24:51 00:05:51 Li_P-120415-3of4.M M2.47

190:3 Q. I'm afraid I don't quite understand
190:4 your definition of reverse engineering.
190:5 A. Basically, if it's a product already
190:6 there, you -- you would like to find a -- I
190:7 mean, you don't have a drawing, but you would
190:8 like to make a drawing, you would take a --
190:9 you would do -- sometimes -- well, they have a
190:10 scanner now. You can do that. So, basically,
190:11 you want to reverse a product, you -- to put
190:12 a -- a product into print, basically, or you
190:13 would -- normally -- what you normally do is,
190:14 you make a print first, and then you make a
190:15 product based on a print. That's called forward
190:16 engineering. But reverse engineering is, if you
190:17 have a product, you're trying to make a print
190:18 out of it, that's typically called reverse

190:19 engineering.

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48 **190:20-191:4** Li, Peng 2015-12-04 00:00:30 00:25:46 00:04:56 Li_P-120415-3of4.M M2.48

190:20 Q. In your opinion, was reverse
190:21 engineering the goal of the Max Axess Locking
190:22 Wrench project?
190:23 A. No. It was never that way. We
190:24 basically we discussed the -- we have always
190:25 been trying to design a competitive product with
191:1 Craftsman advantage and not infringe on other
191:2 people's patent. I mean, that's -- that's --
191:3 that's always been the intention of this
191:4 project.

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49 **191:5-191:21** Li, Peng 2015-12-04 00:00:46 00:26:16 00:04:26 Li_P-120415-3of4.M M2.49

191:5 Q. Did Apex take apart the Bionic
191:6 wrench -- the Loggerhead Bionic wrench?
191:7 A. I was not involved in the -- well, I
191:8 didn't, but I think our design engineers might
191:9 have done it.
Link > P169.1.2 191:10 Q. On Li Exhibit 26, you state that the
191:11 current Bionic wrench has six jaws.
191:12 A. Yeah.
191:13 Q. Did you mean the Loggerhead Bionic
191:14 wrench?
191:15 A. I think so.
191:16 Q. You then mention an expired 1957
191:17 patent with a three-jaw design that, "we can
191:18 use."
191:19 A. Right. Mm-hmm.
191:20 Q. You wrote this e-mail?
191:21 A. I did.

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50 **192:23-193:8** Li, Peng 2015-12-04 00:00:34 00:27:02 00:03:40 Li_P-120415-3of4.M M2.50

192:23 Q. What did you mean in this e-mail by
192:24 using the 95 pat -- the 1957 patent?
192:25 A. I think I -- you notice Eric's
193:1 copied on that, too. I think what happened
193:2 was, this was Eric's proposal that he was
193:3 reporting to me. So I sent this to my boss
193:4 so he's in the loop.
193:5 I think what I meant is that
193:6 the -- our design could be based on the 1957
193:7 Buchanan patent to avoid any kind of patent
Link > Hide 193:8 issue.

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51 **193:9-193:12** Li, Peng 2015-12-04 00:00:10 00:27:36 00:03:06 Li_P-120415-3of4.M M2.51

193:9 Q. Yes. And your e-mail does state

193:10 that, our thought is to launch this project
193:11 without any patent issue this year, correct?
193:12 A. Yes.

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52 **193:20-193:24** Li, Peng 2015-12-04 00:00:15 00:27:46 00:02:56 Li_P-120415-3of4.M M2.52

193:20 Q. Did you see the early designs for
193:21 the Max -- the product that would become the Max
193:22 Axess Locking Wrench that possibly resembled the
193:23 1957 Buchanan?
193:24 A. I can't recall.

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53 **194:11-194:17** Li, Peng 2015-12-04 00:00:21 00:28:01 00:02:41 Li_P-120415-3of4.M M2.53

194:11 Q. Do you recall if the Buchanan patent
194:12 uses cams?
194:13 A. I do not recall, no.
194:14 Q. Do you recall if any of the early
194:15 designs for the Max Axess Adjustable Locking
194:16 Wrench used cams?
194:17 A. I don't.

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54 **211:7-211:10** Li, Peng 2015-12-04 00:00:14 00:28:22 00:02:20 Li_P-120415-4of4.M M2.54

211:7 Q. And looking at the Buchanan patent, is
211:8 it your opinion that the final product Apex put
211:9 out is based on that cam-based 1957 embodiment
211:10 of the Buchanan patent?

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55 **211:15-211:15** Li, Peng 2015-12-04 00:00:02 00:28:36 00:02:06 Li_P-120415-4of4.M M2.55

211:15 THE WITNESS: I do not know.

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56 **213:25-214:23** Li, Peng 2015-12-04 00:01:21 00:28:38 00:02:04 Li_P-120415-4of4.M M2.56

213:25 Q. All right. It is getting late, but
214:1 help me understand, you don't get into detailed
214:2 design, but you did reference earlier that you
214:3 are more into the technical aspect. I think I'm
214:4 having difficulty understanding what exactly
214:5 your wheelhouse is at Apex?
214:6 A. Okay. You know, I -- I -- like I
214:7 said, I do not get into the detailed design like
214:8 this. That's more of a design aspect. So
214:9 that's how people like make sure how the
214:10 mechanics works out, how the -- than how you do
214:11 the tolerance analysis, stuff like that. I
214:12 really don't get into that. My -- you know, I'm
214:13 a working manager, so, you know, I locate
214:14 resources to work on projects, I also manage
214:15 project timelines, I was pretty involved in the
214:16 timelines, make sure we don't have delays in
214:17 time. Another think I -- I'm pretty good at or,
214:18 like, getting pretty into deep into is testing

214:19 and specifications. That's what I -- that's
214:20 what I list. That's where I have more
214:21 involvement. But I would say I have, you know,
214:22 much less involvement in the detailed designs
214:23 like this.

57	**216:2-216:3**	Li, Peng 2015-12-04	00:00:04	00:29:59	00:00:43	Li_P-120415-4of4.M	M2.57

216:2 Q. If you'd please return to Li Exhibit
Link > P169.1.1 216:3 26.

58	**216:5-216:16**	Li, Peng 2015-12-04	00:00:38	00:30:03	00:00:39	Li_P-120415-4of4.M	M2.58

216:5 Q. All right. And, once again, this is
216:6 the e-mail from you to Eric -- to John
216:7 Constantine, the president of Apex, as well
216:8 as Eric Broadaway. The subject is reverse
216:9 engineering the Bionic wrench. And you've
216:10 explained the 1957 patent -- or you've
216:11 referenced the 1957 patent, with the three-jaw
216:12 design that you can use. And your thought is to
216:13 launch this project without any patent issue
216:14 this year, and is this an update to the
216:15 president of the company from you?
216:16 A. Yes.

Play Time for this Script: **00:30:42**

Total time for all Scripts in this report: 00:30:42