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9 Viking Therapeutics, Inc.

10 UNITED STATES DISTRICT COURT
11 SOUTHERN DISTRICT OF CALIFORNIA
12 SAN DIEGO DIVISION

13 Viking Therapeutics, Inc.

14 Plaintiff,

15 vs.

16 Ascleitis Bioscience Co., Ltd.,
17 Gannex Pharma Co., Ltd.,
18 Ascleitis Pharmaceuticals Co., Ltd.,
19 Ascleitis Pharma Inc.,
20 Jinzi Jason Wu

21 Defendants.

CASE NO. **'22CV2062 BEN WVG**

COMPLAINT

1. Violation of Defend Trade Secrets Act
2. Violation of California Uniform Trade Secrets Act
3. Breach of Contract
4. Breach of Implied Covenant of Good Faith and Fair Dealing
5. Tortious Interference with Contract

JURY TRIAL DEMANDED

1 Viking Therapeutics, Inc. (“Viking”) brings this action against Ascletis
2 Pharma Inc. (“Ascletis Pharma”), Ascletis BioScience Co., Ltd. (“Ascletis
3 BioScience”), Gannex Pharma Co., Ltd. (“Gannex Pharma”), Ascletis
4 Pharmaceuticals Co., Ltd. (“Ascletis Pharmaceuticals”), and Jinzi Jason Wu (“Jason
5 Wu”) for violations of the Defend Trade Secrets Act, violations of the California
6 Uniform Trade Secrets Act, breach of contract, breach of the implied covenant of
7 good faith and fair dealing, and tortious interference with contract.

8 **SUMMARY OF THE ACTION**

9 1. Viking is a small biopharmaceutical company focused on the
10 development of therapies for the treatment of metabolic and endocrine disorders.

11 2. Viking’s leading clinical drug candidate, VK2809, is a selective
12 thyroid hormone receptor-beta (TR β) agonist designed for the treatment of
13 metabolic disorders, including high cholesterol, non-alcoholic fatty liver disease
14 (“NAFLD”) and non-alcoholic steatohepatitis (“NASH”). VK2809 is Viking’s
15 leading drug candidate and is currently in Phase 2 clinical trials in the United
16 States.

17 3. In 2016, Ascletis BioScience Co., Ltd. (“Ascletis BioScience”) requested to meet Viking at the 2016 BIO International Convention in San
18 Francisco, California, about a potential business opportunity regarding VK2809.

19 4. To facilitate the potential collaboration, Ascletis BioScience and
20 Viking entered into a Confidential Disclosure Agreement (“2016 CDA”). The 2016
21 CDA required Ascletis BioScience to maintain any confidential information it
22 received from Viking in strict confidence and not to use Viking’s trade secrets for
23 any purpose other than evaluating a possible business opportunity or transaction of
24 mutual interest with Viking, among other restrictions. After Ascletis BioScience
25 agreed to these restrictions, Viking shared with Ascletis BioScience Viking’s
26 confidential and trade secret information about VK2809.
27
28

1 5. Viking and Ascletois BioScience did not move forward regarding
2 VK2809 in 2016.

3 6. In 2019, Ascletois BioScience again approached Viking regarding a
4 potential business opportunity regarding VK2809. To facilitate the potential
5 business opportunity, Ascletois BioScience and Viking once again entered into a
6 CDA that permitted Ascletois BioScience to review and access over a decade's
7 worth of highly proprietary trade secrets about VK2809 ("2019 CDA"). By its
8 terms, the 2019 CDA superseded the 2016 CDA. Like in 2016, under the 2019
9 CDA, Ascletois BioScience's access to this trade secret information was conditioned
10 on its agreement to maintain those secrets in strict confidence and not use those
11 secrets for any reason other than evaluating the potential business opportunity,
12 among other restrictions.

13 7. After Ascletois BioScience agreed to these restrictions in the 2019
14 CDA, Viking shared with Ascletois BioScience, via a secure data room, its valuable
15 trade secret information concerning VK2809.

16 8. Jason Wu, the founder and CEO of Ascletois BioScience, along with
17 several others (presumably employed by Ascletois BioScience or its agents/alter
18 egos), then accessed Viking's secure data room under the 2019 CDA and thereby
19 viewed the Viking Trade Secrets concerning VK2809.

20 9. After reviewing the Viking Trade Secrets for over a month, Ascletois
21 BioScience suddenly reversed course, claiming that it did not want a business
22 collaboration with Viking. Viking later discovered that the potential business
23 collaboration that Ascletois BioScience proposed was actually a ruse to steal
24 Viking's VK2809 trade secrets, circumvent years of research and development, and
25 release its own drug product to compete with Viking's VK2809.

26 10. Approximately six months after Ascletois BioScience accessed VK2809
27 trade secrets for the second time, and five months after it decided not to collaborate
28 with Viking, Jason Wu—unbeknownst to Viking—founded Gannex Pharma, which

1 he directed to research, develop, and commercialize a drug to treat NASH in direct
2 competition to Viking's VK2809. Viking later learned that Gannex Pharma is a
3 sister company to Ascletis BioScience, sharing the same corporate parent, Ascletis
4 Pharma, all controlled and directed by Jason Wu.

5 11. Only six months after its formation, in early 2020, Gannex Pharma
6 secretly began filing several Chinese and United States patent applications that
7 improperly contained certain of Viking VK2809 trade secrets. Viking discovered
8 this theft and improper disclosure of certain of Viking Trade Secrets after Gannex
9 Pharma's U.S. patent applications published in 2021. Jason Wu even identified
10 himself as a purported inventor in the Gannex Pharma patent applications.

11 12. After successfully stealing and improperly disclosing certain of Viking
12 trade secrets, in mid-2020, two subsidiaries of Ascletis Pharma started clinical trials
13 on Ascletis's drug product, ASC41. Ascletis Pharmaceuticals ran a trial in China
14 on ASC41 right before Gannex Pharma was formed. Gannex Pharma then ran four
15 more clinical trials on ASC41 and another drug containing ASC41, namely
16 ASC43F, first in China and then in the United States. Gannex Pharma has at least
17 two more clinical trials planned.

18 13. Gannex Pharma claims that ASC41 is an "in-house" compound, and
19 that its ASC41 formulation was "developed in-house using proprietary technology"
20 that "will accelerate our clinical development to market." Ex. 1 at 7, Ascletis
21 Pharma Inc., 2019 Annual Report;¹ Ex. 3 at 10, Ascletis Pharma Inc., 2020 Annual
22 Report.² In reality, ASC41 was unlawfully derived from Viking Trade Secrets.
23 Defendants could not have so quickly advanced their development, testing, and
24 commercialization efforts without breaching the CDAs and improperly and
25 intentionally misusing Viking Trade Secrets to Viking's detriment.

26
27 _____
28 ¹ Exhibit 2 is the Chinese-language version of this report.

² Exhibit 4 is the Chinese-language version of this report.

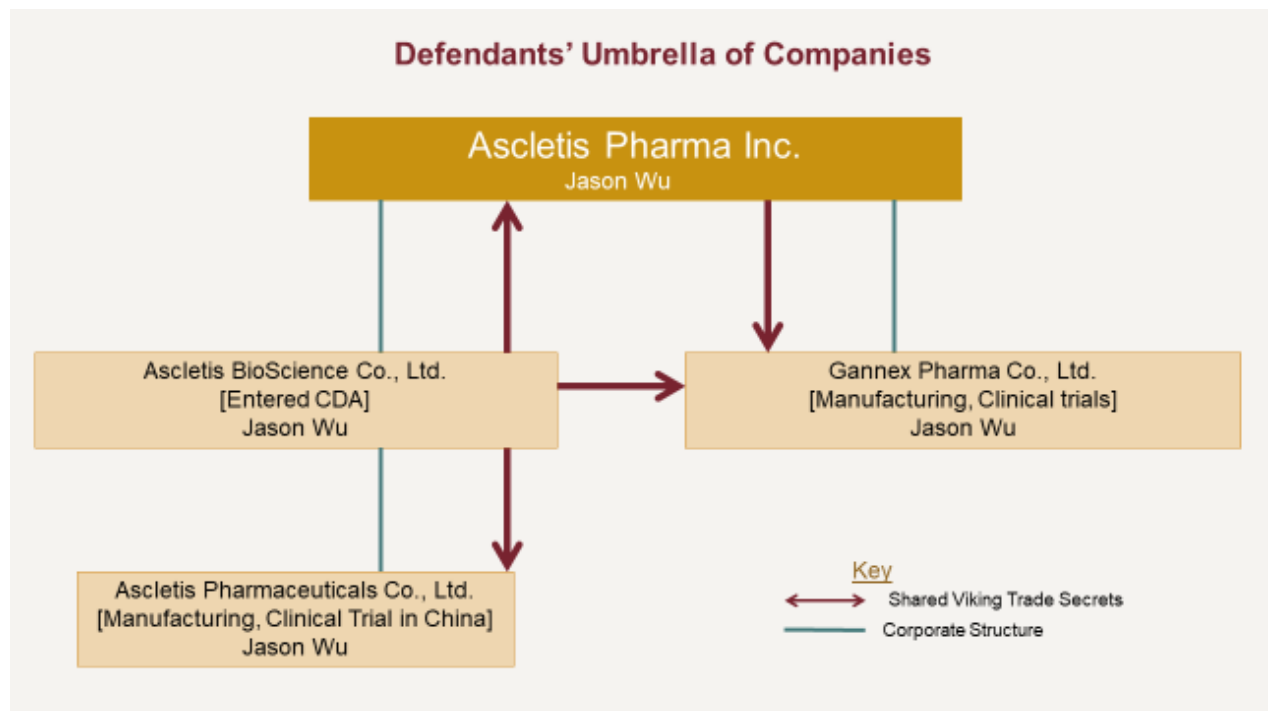
I. Parties

A. Plaintiff

14. Viking is a corporation organized under the laws of Delaware. It is headquartered at 9220 Pacific Heights Boulevard, Suite 350, San Diego, California 92121. It was founded in 2012.

B. Defendants

15. The image below illustrates the relationships among Defendants, as explained further below.



1. Ascletis Pharma Inc.

16. Ascletis Pharma is a corporation organized under the laws of the Cayman Islands that is headquartered in China. Ex. 5 at cover page, 2, Ascletis Pharma Inc., 2021 Annual Report, <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0420/2022042000544.pdf>.³ Ascletis Pharma has a registered office in the Cayman Islands (190 Elgin Avenue, George Town, Grand Cayman KY1-9008,

³ Exhibit 6 is the Chinese-language version of this report.

1 Cayman Islands) and places of business in China (12/F, Building D, 198 Qidi Road
2 HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, China) and Hong Kong
3 (40th Floor Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai,
4 Hong Kong). Ex. 5 at 2.

5 17. Ascletis Pharma "is an investment holding company. The Company's
6 subsidiaries are principally engaged in the research and development, production,
7 marketing and sale of pharmaceutical products." Ex. 5 at 123.

8 18. Ascletis Pharma is the parent corporation of Ascletis Bioscience,
9 Ascletis Pharmaceuticals, and Gannex Pharma. Ex. 5 at 20, 123–24.

10 19. Ascletis Pharma was founded by Jason Wu, who is the current
11 Chairman of the Board, CEO, and executive director. Ex. 5 at 35.

12 20. Jason Wu controls the majority of Ascletis Pharma's shares. Ex. 5 at
13 45.

14 21. Judy Hejingdao Wu, who is Jason Wu's spouse, is another executive
15 director of Ascletis Pharma, and is also a senior vice president of operations. Ex. 5
16 at 36. According to the company's 2021 Annual Report, she "has actively
17 participated in the daily operations of our Group and she is primarily responsible
18 for overseeing operations of our Group, including management of our human
19 resource and general affairs of our Group, among others." Ex. 5 at 36.

20 22. On information and belief, Lindi Tan was CFO of Ascletis Pharma
21 from at least November 2018 to September 2019. Ex. 7, Ascletis Appoints Dr.
22 Lindi Tan as Chief Financial Officer, PR Newswire (Nov. 11, 2018),
23 [https://www.prnewswire.com/news-releases/ascletis-appoints-dr-lindi-tan-as-chief-](https://www.prnewswire.com/news-releases/ascletis-appoints-dr-lindi-tan-as-chief-financial-officer-300747400.html)
24 [financial-officer-300747400.html](https://www.prnewswire.com/news-releases/ascletis-appoints-dr-lindi-tan-as-chief-financial-officer-300747400.html).

25 23. From at least March through April 2019, Kristjan Gudmundsson held
26 himself out as Head of Discovery of Ascletis BioScience and Ascletis
27 Pharmaceuticals, including listing "www.ascletis.com" as his company's website in
28

1 his corporate email communications. Ascletis Pharma represents that it owns the
2 website “www.ascletis.com.”

3 **2. Ascletis Bioscience**

4 24. Ascletis Bioscience is a company organized under the laws of the
5 People’s Republic of China. Its address is 12F, Building D, 198 Qidi Road,
6 HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, PRC, 311200. It is
7 headquartered in China. Ex. 8, Contact Us, Ascletis,
8 <https://www.ascletis.com/single2/174.html>.

9 25. Ascletis BioScience’s principal activities are the research,
10 development, and commercialization of pharmaceutical products. Ex. 5 at 123.

11 26. Ascletis Bioscience is a wholly owned subsidiary of Ascletis Pharma.
12 Ex. 5 at 20, 123–24. Specifically, Ascletis BioScience is owned by Ascletis
13 Pharma (China) Co., Limited, an investment holding company. Ex. 5 at 123.
14 Ascletis Pharma (China) Co., Limited, is owned by PowerTree Investment (BVI)
15 Ltd., an investment holding company. And PowerTree Investment (BVI) Ltd. is
16 owned by Ascletis Pharma. Ex. 5 at 123.

17 27. Ascletis Bioscience was founded by Jason Wu in 2013. Ex. 5 at 123.

18 28. Jason Wu has been a director and CEO of Ascletis BioScience since
19 2013. Ex. 5 at 35.

20 29. Judy Hejingdao Wu is “a director and a vice president of Ascletis
21 BioScience, where she is mainly responsible for operations of the company since
22 January 2014.” Ex. 5 at 36.

23 30. On information and belief, Heying Yang holds the title of “Supervisor”
24 at Ascletis Bioscience.

25 31. An internet search for “Ascletis Bioscience Co., Ltd.” leads to Ascletis
26 Pharma’s website.

27 32. Kristjan Gudmundsson was, and may still be, Head of Discovery at
28 Ascletis BioScience.

1 33. On information and belief, Joseph Musto was, and may still be, Senior
2 Director, Clinical Development at Ascleitis BioScience.

3 34. Upon information and belief, Lindi Tan was the CFO of Ascleitis
4 BioScience at all relevant times related to the 2019 CDA, including at least on and
5 around February and March 2019.

6 **3. Gannex Pharma**

7 35. Gannex Pharma is a company organized under the laws of China. It is
8 headquartered in China. Ex. 5.

9 36. On information and belief, Gannex Pharma's address is 3F, No. 665
10 Zhangjiang Road, Pilot Free Trade Zone, Shanghai, China 200000.

11 37. Gannex Pharma was founded on September 3, 2019, by Jason Wu,
12 who has been its director and CEO since 2019. Ex. 5 at 35, 123. Gannex Pharma is
13 a wholly owned subsidiary of Ascleitis Pharma. Ex. 5 at 20, 123–24; Ex. 9, About
14 GANNEX, Gannex Pharma Co., Ltd.,
15 <https://www.gannexpharma.com/portal/list/index/id/12.html>.

16 38. Specifically, Gannex Pharma is owned by SoundRidge
17 Pharmaceuticals (Hong Kong) Co., Limited, an investment holding company. Ex. 5
18 at 123. SoundRidge Pharmaceuticals (Hong Kong) Co., Limited, formerly known
19 as AT Biotherapeutics (Hong Kong) Co., Limited, is owned by AP11 Limited, an
20 investment holding company. Ex. 5 at 123. And AP11 Limited is owned by
21 Ascleitis Pharma. Ex. 5 at 123.

22 39. On information and belief, Heying Yang holds the title of “Supervisor”
23 at Gannex Pharma.

24 40. Gannex Pharma conducts research, development, and
25 commercialization of drugs in the field of NASH. Ex. 9; *see also* Ex. 5 at 123
26 (“Manufacture, research, and development of pharmaceutical products.”).

27 41. Kristjan Gudmundsson is Head of Discovery of Gannex Pharma.
28

1 42. Joseph Musto is Senior Director, Clinical Development of Gannex
2 Pharma.

3 **4. Ascletis Pharmaceuticals**

4 43. Ascletis Pharmaceuticals is a company organized under the laws of the
5 People's Republic of China. Its address is No.1 Yunhai Road Binhai New Area,
6 Shaoxing, Zhejiang Province, PRC 312366. Ex. 8.

7 44. Ascletis Pharmaceuticals was founded by Jason Wu in 2014, and he
8 has been a director and CEO since 2014. It is a wholly owned subsidiary of
9 Ascletis Pharma. Ex. 5 at 35, 123–24.

10 45. Specifically, Ascletis Pharmaceuticals is owned by Ascletis
11 BioScience. Ascletis BioScience is ultimately owned by Ascletis Pharma, as
12 explained above.

13 46. Judy Hejingdao Wu is “a vice president of Ascletis Pharmaceuticals
14 where she is mainly responsible for operations of the company from September
15 2014 to December 2021.” Ex. 5 at 36.

16 47. On information and belief, Heying Yang holds the title of “Supervisor”
17 at Ascletis Pharmaceuticals.

18 48. Ascletis Pharmaceuticals is involved in the manufacture,
19 commercialization, and research and development of pharmaceutical products. Ex.
20 5 at 124.

21 49. From at least March through April 2019, Kristjan Gudmundsson held
22 himself out as Head of Discovery at Ascletis Pharmaceuticals.

23 **5. Jason Wu**

24 50. Jason Wu is the founder, director, and CEO of Ascletis BioScience.
25 Ex. 5 at 35.

26 51. Jason Wu is the founder, Chairman, executive director, and CEO of
27 Ascletis Pharma. Ex. 5 at 35.

1 52. According to Ascleitis Pharma’s 2021 Annual Report, he “is primarily
2 responsible for overall management of the business strategy and corporate
3 development of our Group.” Ex. 5 at 35.

4 53. Jason Wu is the founder, director, and CEO of Gannex Pharma. Ex. 5
5 at 35.

6 54. Jason Wu is a director and CEO of Ascleitis Pharmaceuticals. Ex. 5 at
7 35.

8 55. Jason Wu is listed as a purported inventor on all of Gannex Pharma’s
9 published U.S. patent applications and issued patents. *See, e.g.*, Exs. 10–13.

10 56. On information and belief, Jason Wu is an American citizen who is
11 domiciled in Washington. *See* Ex. 5 at 154.

12 **II. Jurisdiction and Venue**

13 **A. Subject Matter Jurisdiction**

14 57. This Court has jurisdiction over this matter pursuant to 28 U.S.C.
15 § 1331 because this action arises, in part, under the Federal Defend Trade Secrets
16 Act, 18 U.S.C. § 1836 *et seq.* This Court also has jurisdiction over this matter
17 pursuant to 18 U.S.C. § 1836(c).

18 58. This Court also has jurisdiction over this matter pursuant to 28 U.S.C.
19 § 1332 based on diversity of citizenship.

20 59. Viking is a citizen of California and Delaware. Ascleitis Pharma is a
21 citizen of the Cayman Islands and China and/or Hong Kong. Ascleitis BioScience,
22 Gannex Pharma, and Ascleitis Pharmaceuticals are citizens of China. Jason Wu is a
23 citizen of Washington.

24 60. The matter in controversy in this action exceeds \$75,000.

25 61. This Court possesses supplemental jurisdiction over Viking’s state-law
26 claims pursuant to 28 U.S.C. § 1367(a) because Viking’s federal and state law
27 claims derive from a common nucleus of operative facts.
28

1 **B. Personal and Extraterritorial Jurisdiction**

2 **1. Ascletis BioScience**

3 62. This Court has personal jurisdiction over Ascletis BioScience.

4 63. Ascletis BioScience purposefully directed its activities toward
5 California; consummated at least two transactions with a resident of California; and
6 performed acts by which it purposefully availed itself of the privilege of conducting
7 activities in California, thereby invoking the benefits and protections of its laws.
8 Specifically, as explained in more detail below, Ascletis BioScience, via email
9 communications with Viking employees located in California, entered into two
10 contracts with Viking, a company headquartered in California, to facilitate the
11 sharing and soliciting of Viking's confidential information and trade secrets with
12 Ascletis BioScience. Pursuant to those contracts, Viking took actions in California
13 to allow Ascletis BioScience to view its trade secrets. Ascletis BioScience then
14 intentionally misappropriated Viking's trade secrets that were among the shared
15 confidential information, and in the process breached the contracts between Viking
16 and Ascletis BioScience. Therefore, Ascletis BioScience purposefully contracted
17 with a California company, obtained trade secrets from that California company,
18 and then misappropriated those secrets and breached those contracts, knowing that
19 its actions would cause harm to that company in California. Other specific
20 wrongful acts leading to harm in California are described below.

21 64. Viking's claims against Ascletis BioScience arise out of and relate to
22 Ascletis BioScience's activities related to California described above. Specifically,
23 Viking's claims against Ascletis BioScience arise out of intentional contracting
24 with a company known to be headquartered in California and intentional acts of
25 misappropriation and breach of contract stemming from that contracting.

26 65. The exercise of personal jurisdiction by this Court over Ascletis
27 BioScience would comport with notions of fair play and substantial justice, *i.e.*, it
28 would be reasonable.

1 66. This Court has extraterritorial jurisdiction over the acts of Ascletois
2 BioScience. Ascletois BioScience conducted acts in furtherance of the
3 misappropriation of Viking's trade secrets in the United States, specifically in
4 California. These acts in furtherance include email communications with Viking
5 employees located in California, entering into two contracts with Viking, a
6 company headquartered in California, to facilitate the sharing of Viking's
7 confidential information and trade secrets with Ascletois BioScience, intentionally
8 misappropriating Viking's trade secrets that were among the shared confidential
9 information, and in the process breaching the contracts between Viking and
10 Ascletois BioScience, including as described above and below.

11 2. **Gannex Pharma**

12 67. This Court has personal jurisdiction over Gannex Pharma.

13 68. Gannex Pharma purposefully directed its activities toward California
14 and performed acts by which it purposefully availed itself of the privilege of
15 conducting activities in California, thereby invoking the benefits and protections of
16 its laws. Specifically, as explained in more detail below, Gannex Pharma
17 intentionally misappropriated Viking's trade secrets while knowing or having
18 reason to know that the trade secrets belonged to Viking, a California company.
19 Although Gannex Pharma did not purport to sign the contracts with Viking, Gannex
20 Pharma and Ascletois BioScience are owned by the same parent company, were
21 founded by and are led by the same individual, are in the same line of business, and
22 have had several of the same senior employees. Therefore, Gannex Pharma's
23 actions in concert with Ascletois BioScience show that Gannex Pharma purposefully
24 directed its activities toward California and performed acts by which it purposefully
25 availed itself of the privilege of conducting activities in California, thereby
26 invoking the benefits and protections of its laws. Gannex Pharma also, on
27 information and belief, induced Ascletois BioScience to breach its contracts with
28 Viking. Therefore, Gannex Pharma purposefully harmed a California company

1 while knowing that the harm would be felt by that company in California. Other
2 specific wrongful acts leading to harm in California are described below.

3 69. Viking's claims against Gannex Pharma arise out of and relate to
4 Gannex Pharma's activities related to California described above. Specifically,
5 Viking's claims against Gannex Pharma arise out of intentional acts of
6 misappropriation and other unlawful acts stemming from Gannex Pharma's sister
7 company contracting with a California resident while Gannex Pharma knew or
8 should have known that those actions would cause harm felt in California by a
9 California resident.

10 70. The exercise of personal jurisdiction by this Court over Gannex
11 Pharma would comport with notions of fair play and substantial justice, *i.e.*, it
12 would be reasonable.

13 71. This Court also has personal jurisdiction over Gannex Pharma because
14 this Court has personal jurisdiction over Ascletis BioScience and Gannex Pharma is
15 Ascletis BioScience's alter ego and they are a single enterprise. Practically,
16 Gannex Pharma and Ascletis BioScience do not have separate minds, wills, or
17 existences, but instead serve as conduits for each other's business. They have such
18 unity of interests and ownership that the separate personalities of the two entities do
19 not exist, and failure to disregard their separate identities would result in fraud or
20 injustice against Viking.

21 72. As explained above and below, Gannex Pharma and Ascletis
22 BioScience share a parent company, founder, CEO, line of business, and have had
23 the same high-level employees, including Kristjan Gudmundsson and Joseph
24 Musto. They also worked together, as described below, to misappropriate Viking's
25 trade secrets, including, on information and belief, using Viking's trade secrets that
26 were obtained through the CDAs entered into by Ascletis BioScience. For
27 example, as explained below, Gudmundsson and Musto both accessed Viking's
28 secure data room using "@ascletis.com" email addresses pursuant to the 2019 CDA

1 between Viking and Ascleto BioScience, but Gudmundsson and Musto both are
2 senior employees of Gannex Pharma.

3 73. In the alternative, if Gannex Pharma is not otherwise subject to the
4 personal jurisdiction of any state, this Court has personal jurisdiction over Gannex
5 Pharma pursuant to Fed. R. Civ. P. 4(k)(2) because at least one claim against
6 Gannex Pharma arises under federal law and the exercise of jurisdiction would
7 comport with due process due to Gannex Pharma's contacts with the United States
8 as a whole, as described herein.

9 74. This Court has extraterritorial jurisdiction over the acts of Gannex
10 Pharma. Gannex Pharma conducted acts in furtherance of the misappropriation of
11 Viking's trade secrets in the United States, specifically in California. These acts in
12 furtherance include intentionally misappropriating Viking's trade secrets while
13 knowing or having reason to know that the trade secrets belonged to Viking, a
14 California company and, on information and belief, inducing Ascleto BioScience to
15 breach its contracts with Viking, including as described above and below. The acts
16 in furtherance also include the acts of Ascleto BioScience as Gannex Pharma's
17 alter ego and importing and manufacturing ASC41 and ASC43F, as discussed
18 below.

19 3. Ascleto Pharmaceuticals

20 75. This Court has personal jurisdiction over Ascleto Pharmaceuticals.

21 76. Ascleto Pharmaceuticals purposefully directed its activities toward
22 California and performed acts by which it purposefully availed itself of the
23 privilege of conducting activities in California, thereby invoking the benefits and
24 protections of its laws. Specifically, as explained in more detail below, Ascleto
25 Pharmaceuticals intentionally misappropriated Viking's trade secrets while
26 knowing or having reason to know that the trade secrets belonged to Viking, a
27 California company. Although Ascleto Pharmaceuticals did not purport to sign the
28 contracts with Viking, Ascleto Pharmaceuticals and Ascleto BioScience are owned

1 by the same parent company and are in a direct parent-child relationship with each
2 other, were founded by and are led by the same individual, are in the same line of
3 business, and have had the same senior employees. Therefore, Ascletis
4 Pharmaceuticals' actions in concert with Ascletis BioScience show that Ascletis
5 Pharmaceuticals purposefully directed its activities toward California and
6 performed acts by which it purposefully availed itself of the privilege of conducting
7 activities in California, thereby invoking the benefits and protections of its laws.
8 Ascletis Pharmaceuticals also, on information and belief, induced Ascletis
9 BioScience to breach its contracts with Viking. Therefore, Ascletis
10 Pharmaceuticals purposefully harmed a California company while knowing that the
11 harm would be felt by that company in California. Other specific wrongful acts
12 leading to harm in California are described below.

13 77. Viking's claims against Ascletis Pharmaceuticals arise out of and
14 relate to Ascletis Pharmaceuticals activities related to California described above
15 and below. Specifically, Viking's claims against Ascletis Pharmaceuticals arise out
16 of intentional acts of misappropriation and other unlawful acts stemming from
17 Ascletis Pharmaceuticals' parent company contracting with a California resident
18 while Ascletis Pharmaceuticals knew or should have known that those actions
19 would cause harm felt in California by a California resident.

20 78. The exercise of personal jurisdiction by this Court over Ascletis
21 Pharmaceuticals would comport with notions of fair play and substantial justice,
22 *i.e.*, it would be reasonable.

23 79. This Court also has personal jurisdiction over Ascletis Pharmaceuticals
24 because this Court has personal jurisdiction over Ascletis BioScience and Ascletis
25 Pharmaceuticals is Ascletis BioScience's alter ego and they are a single enterprise.
26 Practically, Ascletis Pharmaceuticals and Ascletis BioScience do not have separate
27 minds, wills, or existences, but instead serve as conduits for each other's business.
28 They have such unity of interests and ownership that the separate personalities of

1 the two entities do not exist, and failure to disregard their separate identities would
2 result in fraud or injustice against Viking.

3 80. As explained above and below, Ascletis Pharmaceuticals and Ascletis
4 BioScience share a parent company (and are in a direct parent-child relationship),
5 founder, CEO, line of business, and have had at least some of the same high-level
6 employees. For example, Kristjan Gudmundsson held himself out simultaneously
7 as Head of Discovery of Ascletis BioScience and Ascletis Pharmaceuticals. The
8 two companies also worked together, as described below, to misappropriate
9 Viking's trade secrets, including, on information and belief, using Viking's trade
10 secrets that were obtained using access provided pursuant to the CDAs entered into
11 by Ascletis BioScience.

12 81. In the alternative, if Ascletis Pharmaceuticals is not otherwise subject
13 to the personal jurisdiction of any state, this Court has personal jurisdiction over
14 Ascletis Pharmaceuticals pursuant to Fed. R. Civ. P. 4(k)(2) because at least one
15 claim against Ascletis Pharmaceuticals arises under federal law and the exercise of
16 jurisdiction would comport with due process due to Ascletis Pharmaceuticals'
17 contacts with the United States as a whole, as described herein.

18 82. This Court has extraterritorial jurisdiction over the acts of Ascletis
19 Pharmaceuticals. Ascletis Pharmaceuticals conducted acts in furtherance of the
20 misappropriation of Viking's trade secrets in the United States, specifically in
21 California. These acts in furtherance include intentionally misappropriating
22 Viking's trade secrets while knowing or having reason to know that the trade
23 secrets belonged to Viking, a California company and, on information and belief,
24 inducing Ascletis BioScience to breach its contracts with Viking, including as
25 described above and below. The acts in furtherance also include the acts of Ascletis
26 BioScience as Ascletis Pharmaceuticals' alter ego and importing and manufacturing
27 ASC41, as discussed below.

4. Ascletis Pharma

83. This Court has personal jurisdiction over Ascletis Pharma because this Court has personal jurisdiction over Ascletis BioScience and Ascletis Pharma is Ascletis BioScience's alter ego. Ascletis Pharma and Ascletis BioScience have such unity of interests and ownership that the separate personalities of the two entities do not exist, and failure to disregard their separate identities would result in fraud or injustice against Viking.

84. As explained above and below, Ascletis Pharma is Ascletis BioScience's parent company and they share a founder, CEO, line of business, and have had at least some of the same high-level employees. For example, Kristjan Gudmundsson held himself out as Head of Discovery of both Ascletis BioScience and Ascletis Pharmaceuticals, which are both wholly owned subsidiaries of Ascletis Pharma. They also worked together, as described below, to misappropriate Viking's trade secrets, including using Ascletis Pharma's other subsidiaries, Gannex Pharma and Ascletis Pharmaceuticals.

85. Additionally, the companies acted as if they were one and the same. For example, Lindi Tan and Jason Wu viewed Viking's confidential information, including trade secrets, pursuant to the 2019 CDA between Viking and Ascletis BioScience while she was CFO of Ascletis Pharma and he was CEO of Ascletis Pharma, among other roles. The companies also use a common address: 12F, Building D, 198 Qidi Road, HIPARK, Xiaoshan District, Hangzhou, Zhejiang Province, PRC, 311200.

86. This Court alternatively has personal jurisdiction over Ascletis Pharma because many of the actions purportedly taken in the name of Ascletis BioScience, described herein, were taken by individuals that also worked for Ascletis Pharma. On information and belief, those individuals were acting on behalf of Ascletis Pharma when they took those actions. For example, Lindi Tan accessed Viking's confidential information, including trade secrets, via Viking's secure data room

1 pursuant to the 2019 CDA entered into by Ascleitis BioScience while she was CFO
2 of Ascleitis Pharma; Kristjan Gudmundsson accessed Viking's confidential
3 information via Viking's secure data room pursuant to the 2019 CDA entered into
4 by Ascleitis BioScience while his email signature included a link to Ascleitis
5 Pharma's website, he simultaneously held a position at another wholly owned
6 subsidiary of Ascleitis Pharma (Ascleitis Pharmaceuticals), and he later held a
7 position at another wholly owned subsidiary of Ascleitis Pharma (Gannex Pharma);
8 Joseph Musto accessed Viking's confidential information via Viking's secure data
9 room pursuant to the 2019 CDA entered into by Ascleitis BioScience and he later
10 held a position at another wholly owned subsidiary of Ascleitis Pharma (Gannex
11 Pharma); Jason Wu accessed Viking's confidential information via Viking's secure
12 data room pursuant to the 2019 CDA entered into by Ascleitis BioScience while he
13 simultaneously was Chairman of the Board, an executive director, and CEO of
14 Ascleitis Pharma; and Judy Wu signed the 2019 CDA on behalf of Ascleitis
15 BioScience while she was an executive director and vice president of Ascleitis
16 Pharma.

17 87. In the alternative, if Ascleitis Pharma is not otherwise subject to the
18 personal jurisdiction of any state, this Court has personal jurisdiction over Ascleitis
19 Pharma pursuant to Fed. R. Civ. P. 4(k)(2) because at least one claim against
20 Ascleitis Pharma arises under federal law and the exercise of jurisdiction would
21 comport with due process due to Ascleitis Pharma's contacts with the United States
22 as a whole, as described herein.

23 88. This Court has extraterritorial jurisdiction over the acts of Ascleitis
24 Pharma. Ascleitis Pharma conducted acts in furtherance of the misappropriation of
25 Viking's trade secrets in the United States, specifically in California. These acts in
26 furtherance include those described above and below, including those purportedly
27 taken in the name of Ascleitis BioScience. The acts in furtherance also include the
28 acts of Ascleitis BioScience as Ascleitis Pharma's alter ego.

5. Jason Wu

89. This Court has personal jurisdiction over Jason Wu.

90. Jason Wu purposefully directed his activities toward California; consummated at least one transaction with a resident of California; and performed acts by which he purposefully availed himself of the privilege of conducting activities in California, thereby invoking the benefits and protections of its laws. Specifically, Jason Wu individually and on behalf of Defendants led the Defendant organizations in their coordinated efforts to misappropriate Viking's trade secrets and was, on information and belief, a direct participant in, and controlled, those efforts. Namely, he was at a minimum the CEO of Ascleitis BioScience, Gannex Pharma, Ascleitis Pharmaceuticals, and Ascleitis Pharma when the actions described in this complaint were taken. He was also majority shareholder of Ascleitis Pharma, which itself owns the other companies. Given his role as head of, and majority shareholder of, the several companies that coordinated to misappropriate Viking's trade secrets and breach the contracts with Viking, he, on information and belief, exercised significant control and provided significant direction and authorization related to the actions described herein. He also named himself as a purported inventor of the patents and patent applications that disclose Viking's trade secrets. Wu's activities are consistent with Ascleitis Pharma's 2021 Annual Report, which states that he is "involved in research and development of all of the candidates in the Group's pipeline, including but not limited to . . . ASC41." Ex. 5 at 35.

91. The actions resulting in personal jurisdiction over Jason Wu also include overseeing Ascleitis BioScience entering into contracts with Viking, a company headquartered in California, to facilitate the sharing and soliciting of Viking's confidential information with his company. In line with that contract, Viking took actions in California to allow Jason Wu and his company to view Viking's trade secrets, and he himself viewed Viking's confidential material in the secure data room. Jason Wu then intentionally misappropriated Viking's trade

1 secrets that were among the shared confidential information, and in the process
2 breached the contracts between Viking and Ascletis BioScience. Therefore, Jason
3 Wu purposefully directed contracting with a California company, obtaining trade
4 secrets from that California company, and then misappropriating those secrets and
5 breaching those contracts, knowing that his actions would cause harm to that
6 company in California. Other specific wrongful acts leading to harm in California
7 are described below.

8 92. Viking's claims against Jason Wu arise out of and relate to his
9 activities related to California described above. Specifically, Viking's claims
10 against Jason Wu arise out of intentional contracting with a company known to be
11 headquartered in California and intentional acts of misappropriation and breach of
12 contract stemming from that contracting.

13 93. The exercise of personal jurisdiction by this Court over Jason Wu
14 would comport with notions of fair play and substantial justice, *i.e.*, it would be
15 reasonable.

16 94. This Court also has personal jurisdiction over Jason Wu because the
17 above Defendant companies are his alter egos and this Court has personal
18 jurisdiction over those companies. They have such unity of interests and ownership
19 that the separate personalities of the two entities do not exist, and failure to
20 disregard their separate identities would result in fraud or injustice against Viking.

21 95. As explained above, Ascletis Pharma is the parent company of all
22 other Defendant companies, and Jason Wu controls a majority of Ascletis Pharma's
23 shares. He is also the founder and CEO of all of the Defendant companies and has
24 enlisted common high-level employees across the companies. The Defendant
25 companies also worked together, as described below, to misappropriate Viking's
26 trade secrets, including by applying for patents that list Jason Wu as a purported
27 inventor and disclose Viking's trade secrets.

1 96. In the alternative, if Jason Wu is not otherwise subject to the personal
2 jurisdiction of any state, this Court has personal jurisdiction over him pursuant to
3 Fed. R. Civ. P. 4(k)(2) because at least one claim against him arises under federal
4 law and the exercise of jurisdiction would comport with due process due to his
5 contacts with the United States as a whole, as described herein.

6 97. This Court has extraterritorial jurisdiction over the acts of Jason Wu.
7 Jason Wu conducted acts in furtherance of the allegations herein, including the
8 misappropriation of Viking's trade secrets in the United States, specifically in
9 California. These acts in furtherance include leading the Defendant organizations
10 in their coordinated efforts to commit the activities described herein and
11 misappropriate Viking's trade secrets, on information and belief directly
12 participating in and controlling those efforts, on information and belief exercising
13 significant control and providing significant direction and authorization related to
14 the actions described herein, and overseeing Ascleto BioScience entering into
15 contracts with Viking, a company headquartered in California, to facilitate the
16 sharing of Viking's confidential information with his company, including as
17 described above and below. The acts in furtherance also include the acts of Ascleto
18 BioScience as Ascleto Pharma's alter ego.

19 **C. Venue**

20 98. Venue is proper within this district.

21 99. None of the Defendant entities are resident in the United States, and "a
22 defendant not resident in the United States may be sued in any judicial district, and
23 the joinder of such a defendant shall be disregarded in determining where the action
24 may be brought with respect to other defendants." 28 U.S.C. § 1391(c)(3).

25 100. Venue is proper in this district because a substantial part of the events
26 or omissions giving rise to the claim occurred, or a substantial part of property that
27 is the subject of the action is situated, in this district. 28 U.S.C. § 1391(b)(2).
28 Namely, as explained in this complaint, Ascleto BioScience communicated with

1 Viking, which is located in this district, to facilitate signing the CDAs, and Viking
2 then provided access to its confidential information, including trade secrets, from
3 this district. The harm from Defendants’ actions was also felt, and continues to be
4 felt, by Viking in this district. The property that is the subject of this action—
5 Viking’s trade secrets—is also located in this district.

6 101. To the extent there is no district in which an action may otherwise be
7 brought as provided in 28 U.S.C. § 1391(b)(1)–(2), venue is proper in this district
8 because a Defendant is subject to this Court’s personal jurisdiction with respect to
9 this action.

10 **III. Factual Allegations**

11 **A. Development of VK2809**

12 **1. Non-Alcoholic Steatohepatitis (NASH)**

13 102. “Non-alcoholic steatohepatitis (NASH) is an advanced form of non-
14 alcoholic fatty liver disease (NAFLD). NAFLD is caused by buildup of fat in the
15 liver. When this buildup causes inflammation and damage, it is known as NASH,
16 which can lead to scarring of the liver.”⁴ Further progression of NASH can result
17 in liver fibrosis, which results in the formation of an abnormally large amount of
18 scar tissue in the liver.

19 103. In the United States, the number of patients with hypercholesterolemia
20 is estimated to be greater than 100 million and approximately 31.7% of American
21 adults, or 73.5 million people, have high LDL cholesterol (colloquially, “bad
22 cholesterol”).

23 104. In the United States, NAFLD affects up to 25% of the population. As
24 mentioned, NAFLD can lead to NASH, a severe form which involves inflammation
25 and cell damage. “NASH is a growing epidemic in the U.S. and is quickly
26

27 ⁴ [https://www.cedars-sinai.org/health-library/diseases-and-conditions/n/non-](https://www.cedars-sinai.org/health-library/diseases-and-conditions/n/non-alcoholic-steatohepatitis-nash.html)
28 [alcoholic-steatohepatitis-nash.html](https://www.cedars-sinai.org/health-library/diseases-and-conditions/n/non-alcoholic-steatohepatitis-nash.html)

1 becoming a leading cause of cirrhosis and liver failure. It is estimated that NASH
2 affects 2% to 5% of Americans.”⁵

3 105. NAFLD is the most common chronic liver condition in Western
4 populations and is fueled by the obesity and type 2 diabetes epidemics.⁶ NASH
5 prevalence is expected to increase by 63% between 2015 and 2030.⁷ NASH is
6 expected to become the leading cause of liver transplantation in the United States
7 between 2020 and 2025.⁸ Total annual costs for inpatient, outpatient, physician,
8 and pharmacy services rose from \$19,908 in NAFLD/NASH with no progression to
9 \$129,276 for those patients in need of liver transplants.⁹

10 106. Currently, there are no therapies approved by the FDA for the
11 treatment of NASH.

12 107. Several companies have development-stage programs targeting NASH,
13 and many more companies have active programs for treatments targeting NASH,
14 including Defendants.

15 2. Metabasis and Ligand

16 108. Metabasis Therapeutics is a Delaware biopharmaceutical company
17 “focused on discovery, development and commercialization of novel small
18 molecule drugs,” primarily addressing liver diseases, that was founded in 1997. Ex.
19 14. Metabasis developed a drug known as MB07811 in or around 2005 to 2006,

21 ⁵ <https://www.vikingtherapeutics.com/pipeline/metabolic-disease-program/>.

22 ⁶ <https://www.the-nash-education-program.com/what-is-nash/how-prevalent-is-nash/>

23 ⁷ Estes C, Razavi H, Loomba R, *et al.* Modeling the epidemic of nonalcoholic fatty
24 liver disease demonstrates an exponential increase in burden of disease.
Hepatology. 2018; 67(1):123–33.

25 ⁸ Wong RJ, Aguilar M, Cheung R, *et al.* Nonalcoholic steatohepatitis is the second
26 leading etiology of liver disease among adults awaiting liver transplantation in the
United States. *Gastroenterology*. 2015;148:547–55.

27 ⁹ C. Gordon, *et al.* Disease Severity Is Associated With Higher Healthcare
28 Utilization in Nonalcoholic Steatohepatitis Medicare Patients. *The American
Journal of Gastroenterology*: Apr. 2020;115(4):562–74.

1 and this drug later became known as VK2809.¹⁰ VK2809 is a novel, orally
2 available, small molecule selective thyroid hormone receptor beta (“TR-β”) agonist
3 for the treatment of lipid and metabolic disorders. VK2809 showed potential to
4 become an effective treatment of NASH.

5 109. Active pharmaceutical ingredients (“API”) such as VK2809 are
6 combined with other compounds, known as excipients, to create a formulation that
7 is readily available to patients, offers suitable bioavailability of the API, and
8 provides a convenient route of administration for optimal patient compliance.
9 Different formulations may have different storage requirements based on the drug’s
10 stability within the particular formulation.

11 110. Formulating VK2809 proved to be a difficult task in attempting to
12 create a stable solid state form. Formulating VK2809 took significant effort that
13 required research and development of various forms.

14 111. After extensive research and development, Metabasis eventually
15 developed a specific formulation for VK2809. The development of VK2809 was
16 one of Metabasis’s assets that received the greatest amount of focus and effort.

17 112. This VK2809 formulation had a trade secret formulation that included
18 several ingredients—VK2809 API and certain secret excipients.

19 113. In formulating VK2809, Metabasis first evaluated the solubility of the
20 VK2809 API with different excipients, and different combinations of excipients.
21 This was followed by stability assessments.

22 114. The process of selecting and testing different excipients drew on
23 Metabasis’s significant prior experience in clinical testing and formulating clinical
24 therapies.

25
26
27 ¹⁰ The first two letters represent the company using the name (MB for Metabasis,
28 VK for Viking), but the drug substance identified by each is the same. For
simplicity, this complaint refers to the drug itself as VK2809 throughout.

1 115. As a result of Metabasis's prior experience and expertise, Metabasis
2 was able to select certain excipients that were well-suited to VK2809 based on
3 VK2809's physicochemical properties. Metabasis's experience and expertise
4 allowed it to target certain dose ranges, which required a certain level of solubility.
5 The development of the VK2809 specific formulation was the product of expansive
6 expertise and history in formulating clinical therapies.

7 116. The specific formulation and information about the formulation,
8 including, among other things, the certain steps used for preparation, are not public,
9 not readily ascertainable, have significant value, and are Viking Trade Secrets.

10 117. The specific formulation has certain properties, which are not public,
11 not readily ascertainable, valuable, and Viking Trade Secrets.

12 118. Metabasis's research resulted in valuable information about VK2809
13 as a standalone API and when it is in the specific formulation, which is not public,
14 not readily ascertainable, valuable, and Viking Trade Secrets.

15 119. Metabasis kept the above research and development and formulation
16 results as trade secrets.

17 120. Metabasis created its first lot of its specific VK2809 formulation in
18 March 2006 for use in Phase 1 trials. These Phase 1 trials met the primary endpoint
19 criteria for pharmacokinetics and safety.

20 121. Metabasis also conducted animal toxicity studies and pharmacology
21 studies regarding the effects of VK2809, including microscopic evaluation.

22 122. As described below, Viking later licensed VK2809, and thereafter also
23 conducted multiple studies as part of its own research and development. Much of
24 Viking's pre-clinical and clinical trial information and data necessary for
25 commercialization are not public, not readily ascertainable, valuable, and Viking
26 Trade Secrets.

27 123. Metabasis was issued U.S Patent No. 7,829,552 for the VK2809
28 composition of matter.

1 124. Metabasis filed numerous other patent applications related to VK2809.
2 For example, Metabasis is the assignee of U.S. Patent No. 10,925,885, entitled
3 “Thyromimetics for the Treatment of Fatty Liver Diseases” and U.S. Patent No.
4 7,514,419, entitled “Phosphorus-Containing Thyromimetics.” Both of these patents
5 relate to VK2809.

6 125. In 2010, Metabasis was acquired by Ligand Pharmaceuticals Inc.
7 (“Ligand”). Ligand is a corporation that “discovers and develops new drugs that
8 address critical unmet medical needs of patients with hepatitis, muscle wasting,
9 frailty, hormone-related diseases, osteoporosis, inflammatory diseases, anemia,
10 asthma, rheumatoid arthritis and psoriasis.”¹¹ Ligand is a corporation organized
11 under the laws of Delaware and has its principal executive offices in California.

12 **3. Viking**

13 126. Viking is a clinical-stage biopharmaceutical company focused on the
14 development of novel therapies for the treatment of metabolic and endocrine
15 disorders. It was founded in 2012 by its current CEO, Brian Lian.

16 127. “Since [its] incorporation, [Viking has] devoted substantially all of
17 [its] efforts to raising capital, building infrastructure and obtaining the worldwide
18 rights to certain technology, including VK2809, VK0214 and VK5211, and
19 conducting certain clinical trials and preclinical studies related to these
20 programs.”¹²

21 128. VK2809 is Viking’s leading drug product candidate, resulting from
22 investments of substantial time and money.

24 ¹¹ [https://investor.ligand.com/press-releases/detail/169/ligand-completes-](https://investor.ligand.com/press-releases/detail/169/ligand-completes-acquisition-of-metabasis)
25 [acquisition-of-metabasis.](https://investor.ligand.com/press-releases/detail/169/ligand-completes-acquisition-of-metabasis)

26 ¹² Viking Therapeutics, Inc., Annual Report for the Fiscal Year Ended Dec. 31,
27 2021, at 11,
28 [https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=1164](https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=116438097&type=PDF&symbol=VKTX&companyName=Viking+Therapeutics+Inc.&formType=10-K&dateFiled=2022-02-09&CK=1607678)
[38097&type=PDF&symbol=VKTX&companyName=Viking+Therapeutics+Inc.&](https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=116438097&type=PDF&symbol=VKTX&companyName=Viking+Therapeutics+Inc.&formType=10-K&dateFiled=2022-02-09&CK=1607678)
[formType=10-K&dateFiled=2022-02-09&CK=1607678](https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=116438097&type=PDF&symbol=VKTX&companyName=Viking+Therapeutics+Inc.&formType=10-K&dateFiled=2022-02-09&CK=1607678)

1 129. In 2014, Viking acquired from Ligand and Metabasis an exclusive
2 license to commercialize and develop licensed products, including VK2809.

3 130. The license to Viking includes, among other things, an exclusive
4 license to commercialize TR- β compounds (including MB07811, later known as
5 VK2809) and an exclusive license to Metabasis and Ligand's related trade secrets
6 (now Viking Trade Secrets). This license is exclusive even as to Metabasis and
7 Ligand. Under the license, Metabasis and Ligand transferred all related trade
8 secrets to Viking. The license is exclusive, perpetual, irrevocable, and worldwide.

9 131. The license gives Viking the exclusive right to bring suit for
10 misappropriation of the licensed and transferred trade secret materials.

11 132. Ligand and Metabasis retain ownership rights in all licensor
12 technology and intellectual property prior to the effective date, but thereafter, any
13 invented technology or know-how developed by or for Viking shall be owned by
14 Viking.

15 133. After acquiring the rights to VK2809, and over several years, Viking
16 conducted multiple trials and extensive research and development into VK2809
17 with the ultimate goal of bringing it to market.

18 134. In 2015, Viking designed a phase 2A clinical study protocol for
19 VK2809.

20 135. In November 2019, Viking initiated a phase 2B clinical trial of
21 VK2809 in patients with biopsy-confirmed NASH. The phase 2B clinical trial is
22 designed to study efficacy, safety, and tolerability of VK2809.

23 136. Overall, VK2809 has been evaluated in eight completed clinical trials
24 with positive results.

25 137. Viking documented a significant amount of confidential information
26 and trade secrets concerning VK2809 in an Investigator's Brochure. This
27 Investigator's Brochure includes information such as physical, chemical, and
28 pharmaceutical properties and formulation of VK2809; descriptions of non-clinical

1 (e.g., pre-clinical) pharmacology and toxicology studies; descriptions of clinical
2 studies; and data and guidance for investigators. The Investigator's Brochure is
3 marked Confidential and Viking maintains this document and its contents as a
4 Viking Trade Secret.

5 **B. Viking's Trade Secrets**

6 138. For purposes of this complaint, "Viking Trade Secrets" refers to trade
7 secrets owned or exclusively licensed by Viking that were shared with Defendants'
8 employees, agents, or personnel under one or both of the 2016 CDA and 2019 CDA
9 described below (collectively "the CDAs")¹³ under restrictions of use and
10 obligations of confidentiality. The Viking Trade Secrets include those viewed by
11 individuals using @ascletis.com email addresses in Viking's secure data room on
12 or around 2019.

13 139. Defendants improperly used and continue to use and disclosed certain
14 Viking Trade Secrets that were accessed in Viking's secure data room. The Viking
15 secure data room contained hundreds of highly-valuable and non-public
16 confidential information and trade secrets, including secret technical information,
17 clinical information, non-clinical information, general pharmacology information,
18 safety pharmacology information, general toxicology information, absorption
19 distribution, metabolism excretion ("ADME") studies, animal studies, *in vitro*
20 testing, *in vivo* testing, safety pharmacology information, test results, and other
21 information relating to Viking's VK2809 product. The Viking Trade Secrets
22

23 ¹³ References to breach of the CDAs are intended to refer to breaches related to the
24 exchanges of information surrounding both the 2016 CDA and 2019 CDA.
25 Because the 2019 CDA supersedes the 2016 CDA by its terms, breaches related to
26 the exchanges of information surrounding either CDA are alleged as breaches of the
27 2019 CDA. However, to the extent it is necessary to allege violations of the 2016
28 CDA specifically, and for the avoidance of doubt, Viking also alleges breach of the
2016 CDA by any reference to breach of the CDAs regarding exchanges of
information surrounding the 2016 CDA.

1 include, but are not limited to, the following trade secret documents and
2 information therein concerning VK2809:

- 3 • A specific formulation of VK2809 with certain excipients.
- 4 • Manufacturing and preparation of the specific formulation
- 5 • Techniques for storing the specific formulation
- 6 • Certain attributes of the specific formulation, including its stability and
7 solubility
- 8 • Pre-clinical and clinical trial information and data necessary for
9 commercialization.
- 10 • The combination of the above Viking Trade Secrets.
- 11 • Clinical studies of VK2809 and resulting data:
 - 12 ○ Safety, tolerability, pharmacokinetic, and efficacy studies.
 - 13 ○ Viking's Investigator's Brochure, containing detailed information on:
 - 14 ■ Indications, including strategy and approach for evaluating such
15 indications of VK2809
 - 16 ■ Physical, chemical, and pharmaceutical properties including:
 - 17 • Formulation
 - 18 • Storage and Handling
 - 19 ■ Summaries of non-clinical pharmacology, pharmacokinetic, and
20 toxicology studies
 - 21 ■ Summaries of clinical pharmacokinetic, pharmacodynamic and
22 safety studies
 - 23 ■ Marketing experience
 - 24 ■ Summaries of data and guidance for investigators, including:
 - 25 • Indications and usage
 - 26 • Rationale for dosage and administration
 - 27 • Dosage forms and strengths
 - 28 • Storage conditions

- Contraindications
- Warnings and precautions
- Clinical adverse reactions
- Drug indications
- Use in specific populations
- Overdose
- Summaries of test data, including demographics, baselines, subject conditions, adverse events, and lab parameters.
- Non-clinical studies of VK2809 and resulting data:
 - General toxicology studies.
 - Safety Pharmacology Studies, including *in vitro* and *in vivo*.
 - Non-Clinical Safety Study Reports, including:
 - Safety Pharmacology Studies, both *in vitro* and *in vivo*
 - General Toxicology Studies in rats and monkeys
 - Genetic Toxicology Studies
- Pharmacology studies of VK2809 :
 - Primary pharmacology studies.
 - Safety pharmacology studies.
- Pharmacokinetic, ADME, Drug-Drug Interaction (“DDI”) studies of VK2809.
- Other confidential information shared with Defendants’ employees, agents, or personnel under the CDAs under restrictions of use and obligations of confidentiality.

140. Defendants improperly used and disclosed and continue to use and disclose certain of Viking Trade Secrets, including as described below.

141. Viking has the right to assert in this action the Viking Trade Secrets, including those listed above, as either the owner or exclusive licensee.

1 142. Viking is the exclusive licensee and has the right to assert Viking's
2 Trade Secrets developed before May 21, 2014, under its license with Ligand.

3 **C. Viking's History with Defendants**

4 **1. Confidential Disclosure Agreements ("the CDAs")**

5 143. In May 2016, an entity identifying itself as Ascleitis, Inc., requested to
6 meet with Viking at the 2016 BIO International Convention in San Francisco. The
7 BIO International Convention 2016 concluded on June 9, 2016.

8 144. On July 8, 2016, Viking entered into a CDA with Ascleitis BioScience
9 ("2016 CDA") to facilitate a potential business opportunity or transaction of mutual
10 interest regarding VK2809. The 2016 CDA required Ascleitis BioScience to keep
11 confidential any confidential information, including trade secrets, disclosed to it by
12 Viking and only use the confidential information and trade secrets to explore the
13 business opportunity with Viking related to VK2809.

14 145. Around August 2016, Viking shared with Ascleitis Viking Trade
15 Secrets relating to VK2809 under the 2016 CDA. Those Viking Trade Secrets
16 provided enough information to prompt Ascleitis to seek out additional information
17 from Viking regarding VK2809 such as: (1) the targeting of TR alpha vs. beta,
18 patent protection information and synthesis of the VK2809 API and its metabolized
19 form, VK2809A; (2) the rationale and stability of the specific formulation, as well
20 as Viking's next steps for the evolution of the formulation; (3) toxicology
21 information as well as Viking's next steps for future studies; and (4) details of the
22 clinical plans. Specifically, on August 9, 2016, Spike Lo, who held himself out as
23 Ascleitis BioScience's then-Associate Director of Business Development, emailed
24 Viking requesting to "set up the very first call for both sides on next week." Jason
25 Wu and Kristjan Gudmundsson were copied on Lo's email.

26 146. Viking and Ascleitis BioScience ultimately did not move forward with
27 a VK2809 transaction in 2016, but Ascleitis BioScience reached out to Viking again
28 in 2019.

1 147. In February 2019, at Ascleto BioScience's request, Brian Lian, CEO
2 of Viking, again spoke with Ascleto BioScience about its interest in NASH
3 diseases and Ascleto BioScience stated that they were looking for "a partnership
4 for China license of NASH drug candidates."

5 148. On March 6, 2019, Kristjan Gudmundsson emailed Brian Lian and
6 asked, "Find attached the CDA we signed in 2016, we could update?" Jason Wu
7 and Lindi Tan were copied on Gudmundsson's email.

8 149. Shortly after these communications, Viking entered into a CDA with
9 Ascleto BioScience in March 2019 to explore a business opportunity regarding
10 VK2809 ("2019 CDA"). Judy Wu signed for Ascleto BioScience.

11 150. Like the 2016 CDA, the 2019 CDA required Ascleto BioScience to
12 keep confidential any confidential information, including trade secrets, disclosed to
13 it by Viking and only use the confidential information and trade secrets to explore
14 the business opportunity with Viking related to VK2809.

15 151. The 2019 CDA states that "This Agreement supersedes all prior
16 discussions and writings with respect to the subject matter hereof, and constitutes
17 the entire agreement of the Parties with respect to the subject matter hereof."

18 152. The 2019 CDA defines "Confidential Information" as "all information,
19 whether disclosed before or after the Effective Date, that is disclosed in written,
20 oral, electronic, visual or other form by the Disclosing Party to the Receiving Party
21 and (i) is marked or identified as 'confidential' or 'proprietary,' or (ii) would
22 reasonably be expected to be confidential in nature at the time of disclosure because
23 it gives an actual or potential competitive advantage to the Disclosing Party as a
24 result of not being widely known, or (iii) is disclosed under circumstances under
25 which it reasonably appears that it would not be disclosed to the Receiving Party
26 without the Receiving Party's commitment to treat the information as confidential.
27 Confidential Information shall include, without limitation, trade secrets, know-how,
28 inventions, technical data or specifications, testing methods, prototypes, products,

1 formulas, business or financial information, contracts with third parties, research
2 and development information, product and marketing plans, customer, licensor, and
3 supplier information and all information generated therefrom including analyses,
4 summaries, extracts and evaluations thereof.”

5 153. The 2019 CDA provides that “This Agreement will pertain to any and
6 all Confidential Information disclosed by Recipient by or on behalf of Company
7 during or prior to the Term.”

8 154. The 2019 CDA obligates the party that receives confidential
9 information from the other party to:

10 “(i) maintain such Confidential Information in strict confidence, using efforts
11 at least as protective as those employed by the Receiving Party for the
12 protection of its own proprietary information of like nature;

13 (ii) use such Confidential Information only as required for the Purpose;

14 (iii) not disclose or permit the disclosure of such Confidential Information to
15 any persons other than to its directors, officers, or employees (collectively
16 ‘Personnel’) who need to know such Confidential Information for the
17 Purpose and who are bound by written obligations of non-disclosure and
18 non-use of such Confidential Information which are at least as stringent as
19 those set forth herein; and

20 (iv) reproduce Confidential Information only to the extent necessary for the
21 Purpose, with all such reproductions being marked and treated as
22 Confidential Information.”

23 155. According to the 2019 CDA, each “Party agrees that the Disclosing
24 Party is and shall remain the exclusive owner of the Confidential Information
25 disclosed by the Disclosing Party and of all patent, copyright, trademark, trade
26 secret and other intellectual property rights in, or arising from, such Confidential
27 Information.” Furthermore, “[n]o option, license or conveyance of such rights to
28 the Receiving Party is granted or implied under this Agreement, and the Receiving

1 Party acknowledges that it may not use Confidential Information of the Disclosing
2 Party other than for the Purpose.”

3 156. Purpose is defined in the 2019 CDA as “to engage in discussions
4 regarding exploration of a business opportunity and/or transaction of mutual
5 interest regarding Viking’s Thyroid Receptor Beta Agonist Program, VK2809.”

6 157. The 2019 CDA also requires that the party receiving confidential
7 information from the other party “not (i) create or develop any derivative works,
8 discoveries, or improvements, or (ii) make, have made, use or sell any product or
9 provide any service, using, incorporating, or derived from any Confidential
10 Information of the Disclosing Party (‘New Disclosing Party IP’).” In the event that
11 a receiving party does create or develop any New Disclosing Party IP, that party
12 must promptly disclose such New Disclosing Party IP to the disclosing party and
13 ownership therein shall vest in the disclosing party. The receiving party “assigns
14 all right, title and interest in and to any and all New Disclosing Party IP to the
15 Disclosing Party.”

16 158. Regarding patents specifically, “[t]he Receiving Party agrees not to
17 file any patent application(s) disclosing or claiming Confidential Information of the
18 Disclosing Party. In the event of any violation of this Section 4, the Receiving
19 Party agrees that it will assign and hereby does assign all right, title and interest in
20 and to each such patent application to the Disclosing Party.”

21 159. The term of the 2019 CDA was two years, which would have
22 concluded on March 7, 2021. However, either party was permitted to terminate the
23 2019 CDA at any time prior to the expiration date, for any reason, by sending
24 written notice of its intent to do so to the other Party. Notwithstanding any such
25 termination, all rights and obligations in the 2019 CDA survive with respect to all
26 confidential information disclosed prior to the termination, subject only to specific
27 exceptions in Section 2.C of the 2019 CDA.

28

1 160. The terms of the 2016 CDA are identical in all relevant parts to the
2 terms of the 2019 CDA.

3 161. The CDAs are the only agreements, written or otherwise, between
4 Viking and any Defendant regarding consent to use or disclose information
5 provided by Viking to any Defendant.

6 **2. Secure Data Room**

7 162. On March 13, 2019, after Viking and Ascletis BioScience entered into
8 the 2019 CDA, Kristjan Gudmundsson, who Viking understood to be head of
9 Discovery for Ascletis BioScience, requested access for several individuals to
10 Viking's secure data room pursuant to the 2019 CDA. The secure data room is an
11 electronic repository on a computer server that contained Viking's confidential
12 information and Viking Trade Secrets.

13 163. Viking's secure data room was hosted on U.S. servers.

14 164. Viking granted the requests for secure data room access and data was
15 first accessed by these individuals around March 2019.

16 165. The following individuals, which were the individuals requested by
17 Gudmundsson, were granted access to the secure data room from an
18 "@ascletis.com" email address:

- 19 • Jason Wu
- 20 • Kristjan Gudmundsson
- 21 • Lindi Tan
- 22 • Joseph Musto

23 166. Using the "@ascletis.com" email addresses, the above individuals
24 accessed Viking Trade Secrets in the secure data room, including Viking's
25 Investigator's Brochure described above.

26 167. In the secure data room, Defendants accessed multiple dozens of
27 documents containing hundreds of Viking Trade Secrets, including, specifically, the
28 documents described above.

1 168. On the same day that Viking first granted secure data room access to
2 Ascleitis BioScience under the 2019 CDA, and after spending less than five minutes
3 in the secure data room and viewing only a single document, Gudmundsson
4 emailed Medardo Chavez, then-Director of Business Development of Viking, to
5 request even more Viking Trade Secret information beyond what Viking had shared
6 in the secure data room. Gudmundsson asked for certain information regarding
7 Viking's patents, CMC (Chemistry, Manufacturing, and Controls) information,
8 drug substance and drug product stability, manufacturing process, specifications for
9 drug substance and product, and regulatory correspondence, including Viking's
10 latest Investigator's Brochure. In reply, Chavez provided some information on
11 Viking's patents and stated that the Investigator's Brochure in the secure data room
12 was the most current version, but also explained, regarding the other requests, that
13 Viking typically did not provide the sort of information requested by Gudmundsson
14 absent a non-binding term sheet.

15 **3. Ascleitis BioScience Withdraws**

16 169. After not hearing back from Ascleitis BioScience on a possible term
17 sheet, on April 10, 2019, and April 17, 2019, Viking followed up with
18 Gudmundsson on "how much additional time [Ascleitis BioScience] would expect
19 for viewing documents during this stage of diligence."

20 170. Four days after the second query, on April 21, 2019, Gudmundsson
21 notified Viking that they "have decided not to move forward with licensing
22 discussions." According to Gudmundsson, this decision was "based on review of
23 your intellectual property protection in China, which indicated lack of composition
24 of matter protection for China."

25 171. In response, Viking requested that, pursuant to Section 7 of the 2019
26 CDA, Ascleitis BioScience destroy all tangible manifestations of Viking
27 confidential information in its possession or control and permanently erase any
28

1 Viking confidential information from its electronic systems. Viking also stated that
2 Ascleto BioScience's access to Viking's secure data room had been removed.

3 172. Gudmundsson then confirmed that Ascleto BioScience had "deleted
4 all notes regarding Viking project" and "didn't have download access so no original
5 documents."

6 **4. Defendants' Theft and Misappropriation**

7 173. After Ascleto BioScience withdrew from discussions with Viking on
8 April 21, 2019, Jason Wu founded Gannex Pharma on September 3, 2019. Ex. 5 at
9 123.

10 174. Defendants' development of ASC41 began either before Defendants
11 entered into the 2019 CDA with Viking or shortly thereafter.

12 175. The first Ascleto Pharma annual report to mention ASC41 is its 2019
13 Annual Report. This report, dated March 2020, states that the ASC41 "IND filing
14 was accepted by NMPA on February 13, 2020." Ex. 1 at 9. It also states that
15 ASC41 was allegedly developed "in-house." Ex. 1 at 71.

16 176. But as early as August 2018, Ascleto Pharma's Interim Report
17 disclosed an unnamed NASH/Fatty Liver Disease drug that Ascleto Pharma was
18 allegedly developing in-house, after it had already accessed Viking's confidential
19 information and Viking Trade Secrets under the CDAs. Ex. 15 at 5, Ascleto
20 Pharma Inc., 2018 Interim Report.¹⁴

21 177. None of the Defendants revealed to Viking at any point prior to or
22 after execution of the CDAs, or while the Defendants were soliciting Viking Trade
23 Secrets, that they were in development of or had developed a competing
24 NASH/fatty liver disease drug.

25 178. Ascleto Pharma's reports do not conclusively state that the drug
26 identified in August 2018—before the 2019 CDA—was ASC41, but the reports are
27

28 ¹⁴ Exhibit 16 is the Chinese-language version of this report.

1 consistent with such a conclusion based on ASC41's progress over time and drug
2 name numbering.

3 179. Rather than exploring a legitimate business opportunity with Viking,
4 which was the express purpose of the CDAs, Defendants purposely misled Viking
5 into revealing Viking Trade Secrets on VK2809 to advance Defendants' secret
6 development of a competing drug, ASC41.

7 **a. Gannex Pharma Patents and Patent Applications**

8 180. After Ascletis BioScience withdrew from the 2019 CDA, Gannex
9 Pharma filed Chinese patent applications and three U.S. patent applications for
10 formulations and methods of synthesis for VK2809, one of which has issued as a
11 U.S. patent. It also filed an international patent application (Patent Cooperation
12 Treaty) for a polymorph of VK2809.

13 181. U.S. Patent Application 17/301,870 (the "'870 application," now
14 published as U.S. Patent Application Publication No. US 2021/259977 A1)
15 discloses a formulation comprising VK2809 and certain excipients. Jinzi Jason Wu
16 and Xuyu Chai of Shanghai, China, are listed as purported inventors. Ex. 11.
17 Gannex Pharma is listed as the Applicant. The application claims an earliest
18 possible priority date to Chinese application 202010105909.9 filed February 20,
19 2020.¹⁵

20 182. Chinese application 202010105909.9 was filed approximately 11
21 months after the 2019 CDA and Viking granted Ascletis BioScience access to its
22 secure data room, and approximately three years and seven months after the 2016
23 CDA.

24
25
26 ¹⁵ Exhibit 17 is Chinese applications 202010105909.9 and 202110194256.0, which
27 are the two Chinese applications to which the '870 application claims priority.
28 Chinese application 202110194256.0 contains essentially the same material as
the '870 application.

1 183. The Investigator's Brochure discussed above was in Viking's secure
2 data room, included a Confidentiality Statement, and was marked Confidential on
3 every page.

4 184. Under the 2019 CDA, multiple individuals using "@ascletis.com"
5 email addresses, including Musto and Gudmundsson, viewed the Investigator's
6 Brochure in Viking's secure data room, including the specific page that lists the
7 specific formulation that is a Viking Trade Secret.

8 185. Gannex Pharma's '870 patent application describes a formulation that
9 is a Viking Trade Secret. Namely, the '870 patent application describes a
10 formulation of VK2809 obtained from the secure data room. *See* Ex. 11 at 6.

11 186. Therefore, the '870 application improperly discloses the Viking Trade
12 Secret specific formulation of VK2809 with certain excipients, including the
13 specific ones shared in the secure data room.

14 187. Under the 2019 CDA, Musto and Gudmundsson also viewed the page
15 of the Investigator's Brochure disclosing the techniques for storing certain
16 formulations.

17 188. Gannex Pharma's '870 patent application improperly discloses certain
18 Viking Trade Secret storage techniques, including specific parameters for storage
19 shared in the secure data room. *Id.* at 5.

20 189. Under the 2016 CDA, Ascletis learned Viking Trade Secrets on
21 manufacturing and preparing specific formulations.

22 190. Gannex Pharma's '870 patent application improperly discloses certain
23 Viking Trade Secrets on manufacturing and preparing the specific VK2809
24 formulation shared under the 2016 CDA. Ex. 11 at 2.

25 191. U.S. Patent Application 17/212,623 (the "'623 application," now
26 published as Publication No. U.S. Patent Application No. 2021-308155 A1)
27 discloses several formulations. *See* Ex. 12 at 9. Jinzi Jason Wu and Xuyu Chai of
28 Shanghai, China, are listed as purported inventors. Gannex Pharma is listed as the

1 Applicant. The application claims an earliest possible priority date to Chinese
2 application 2020102271770 filed March 27, 2020.¹⁶ Ex. 12.

3 192. Chinese application 2020102271770 was filed approximately 12
4 months after the 2019 CDA and Viking granted Ascletis BioScience access to its
5 secure data room, and approximately three years and seven months after the 2016
6 CDA.

7 193. The Investigator's Brochure discussed above was in Viking's secure
8 data room, included a Confidentiality Statement, and was marked Confidential on
9 every page.

10 194. Under the 2019 CDA, multiple individuals using "@ascletis.com"
11 email addresses, including Musto and Gudmundsson, viewed the Investigator's
12 Brochure in Viking's secure data room, including the specific page that lists the
13 specific formulation that is a Viking Trade Secret.

14 195. Gannex Pharma's '623 patent application describes a specific
15 formulation that is a Viking Trade Secret. Namely, the '623 patent application
16 describes certain Viking Trade Secret formulations of VK2809 with certain
17 excipients, including ones shared in the secure data room. *See* Ex. 12 at 9.

18 196. Therefore, the '623 application improperly discloses certain Viking
19 Trade Secrets accessed in the secure data room.

20 197. Under the 2019 CDA, Musto and Gudmundsson also viewed the page
21 of the Investigator's Brochure disclosing certain Viking Trade Secret techniques for
22 storing the specific VK2809 formulation.

23 198. Gannex Pharma's '623 patent application improperly discloses certain
24 Viking Trade Secret storage techniques, including Viking's specific parameters for
25 storage shared in the secure data room. *Id.*

26
27 ¹⁶ Exhibit 18 is Chinese application 202010227177.0, which is the Chinese
28 application to which the '623 application claims priority. The substance of Chinese
application 202010227177.0 overlaps significantly with the '623 application.

1 199. Under the 2016 CDA, Ascleitis learned certain Viking Trade Secrets on
2 manufacturing and preparing certain formulations.

3 200. Gannex Pharma's '623 patent application improperly discloses certain
4 Viking Trade Secrets on manufacturing and preparing formulations shared under
5 the CDAs. *Id.*

6 201. Under the CDAs, it is Viking's understanding that Ascleitis obtained
7 Viking Trade Secrets concerning the certain attributes of the formulations including
8 stability and solubility of the formulations.

9 202. Gannex Pharma's '623 patent application discloses a formulation and
10 manufacturing and preparation of that formulation using a certain technique. It is
11 Viking's understanding Gannex Pharma improperly selected certain techniques by
12 relying on the benefit of certain Viking Trade Secrets. *See* Ex. 12 at 9.

13 **b. Gannex Pharma's Corporate Presentation**

14 203. A corporate presentation posted to Gannex Pharma's public-facing
15 website describes certain Viking Trade Secret storage techniques. Ex. 19.

16 204. Under the CDAs, Musto and Gudmundsson viewed the page of the
17 Investigator's Brochure disclosing the Viking Trade Secret storage techniques.

18 205. The Investigator's Brochure discussed above was in Viking's secure
19 data room, included a Confidentiality Statement, and was marked Confidential on
20 every page.

21 206. The corporate presentation posted to Gannex Pharma's website
22 therefore improperly discloses Viking's Trade Secret storage techniques.

23 **c. ASC41 and Defendants' Clinical Trials**

24 207. After Ascleitis BioScience ended discussions with Viking in April
25 2019, its sister and child companies, Ascleitis Pharmaceuticals and Gannex Pharma,
26 began clinical trials of ASC41 in August 2020. Ex. 20. For the reasons explained
27 below, Viking understands that ASC41 is Ascleitis's version of—if not the same
28 compound as—VK2809.

1 208. Viking describes VK2809 as a liver-targeted small molecule prodrug
2 of a potent, selective TR β agonist called VK2809A. Ex. 21. VK2809 is activated
3 in the liver by cytochrome P450 isozyme 3A4 (abbreviated CYP3A4). This
4 activation removes part of the VK2809 molecule to produce VK2809A. Ex. 21.

5 209. Gannex Pharma has likewise publicly described ASC41 as a liver-
6 targeted small molecule prodrug that is converted to its active metabolite, ASC41-
7 A, a potent and selective TR β agonist. Ex. 19. Gannex Pharma's publicly available
8 materials show that ASC41 is converted to ASC41-A in the liver by CYP3A4. Ex.
9 19.

10 210. Gannex Pharma uses the same abbreviation scheme for the activated
11 form of ASC41 used by Viking (*i.e.*, appending the letter "A" to the name of the
12 activated drug following cleavage of the prodrug) and has used language to
13 describe ASC41 that is nearly identical to the language used by Viking. Ex. 19.
14 And, like VK2809, ASC41 is described as a prodrug that is metabolized in the liver
15 by CYP3A4 to produce a potent TR β agonist. Ex. 19. Based on these facts and the
16 additional evidence of misappropriation described herein, Viking infers that ASC41
17 is Ascleitis's version of—if not the same compound as—VK2809.

18 211. As explained below, the '623 patent application includes test results
19 showing that ASC41-SM1, ASC41-SM2, and ASC41-A are impurities likely of
20 ASC41. This further implies that ASC41 is the same compound as VK2809.

21 212. Gannex Pharma's '623 patent application, which names Gannex
22 Pharma as the applicant and Jason Wu and Xuyu Chai as purported inventors,
23 describes pharmaceutical compositions comprising "the compound of formula (I)."
24 The '623 patent application identifies "the compound of formula (I)" by CAS No.
25 852948-13-1. CAS No. 852948-13-1 is the same as the CAS No. of MB07811,
26 which is VK2809. Ex. 22.

27 213. Ascleitis Pharmaceuticals is listed in the U.S. Food and Drug
28 Administration's systems as the manufacturer of, and entity that sent for import,

1 ASC41 tablets (~60 lbs.), with the date of import as October 2021. Ex. 23, Data
2 from U.S. FDA Imports Data Search Database re: Ascletis; Ex. 24, Data from U.S.
3 FDA Import Trade Auxiliary Communications System re: Ascletis Pharmaceuticals
4 ASC41.

5 214. Gannex Pharma is listed in the U.S. Food and Drug Administration's
6 systems as the manufacturer of, and entity that sent for import, ASC41 tablets (1
7 carton), with the date of import as October 2021. Ex. 25, Data from U.S. FDA
8 Imports Data Search Database re: Gannex Pharma; Ex. 26, Data from U.S. FDA
9 Import Trade Auxiliary Communications System re: Gannex Pharma ASC41.

10 215. Gannex Pharma is listed in the U.S. Food and Drug Administration's
11 systems as the manufacturer of, and entity that sent for import, ASC43F tablets
12 (~4.5 lbs.), with the date of import as November 2021. Ex. 25; Ex. 27, Data from
13 U.S. FDA Import Trade Auxiliary Communications System re: Gannex Pharma
14 ASC43F.

15 216. The National Institute of Health's website for clinical trials
16 (ClinicalTrials.gov) shows four completed phase 1 clinical trials for ASC41
17 sponsored by either Gannex Pharma or Ascletis Pharmaceuticals. Exs. 28–31.
18 Three of these trials took place in China and one took place in San Antonio, Texas.
19 *Id.* These trials began less than a year and a half after Ascletis BioScience viewed
20 Viking Trade Secrets in Viking's secure data room in 2019. *Id.*

21 217. ClinicalTrials.gov lists two phase 2 trials for ASC41. Exs. 32–33.
22 Ascletis Pharma recently announced that the first patient was dosed in one of these
23 phase 2 trials.¹⁷

24 218. Based on the above misappropriation and factual allegations, Plaintiff
25 understands that Defendants improperly used the Viking Trade Secrets to create the
26

27 ¹⁷ Ascletis Announces Dosing of the First Patient in Phase II Clinical Trial of THRβ
28 Agonist ASC41 for 52-Week Treatment of Liver Biopsy-Proven NASH,
Ascletis.com (Oct. 5, 2022), https://www.ascletis.com/news_detail/179/id/748.html.

1 ASC41 tablet formulation used in their ASC41 clinical trials, including those in the
2 United States. Among other acts, Defendants improperly used Viking's Trade
3 Secrets on certain attributes of the specific formulation, including its stability and
4 solubility, Viking's Trade Secret techniques for storing the specific VK2809
5 formulation, and pre-clinical and clinical trial information and data necessary for
6 commercialization to develop the ASC41 tablet formulation used in these clinical
7 trials.

8 219. Defendants circumvented years of research and development by
9 misappropriating Viking's trade secrets. Defendants' breach of the CDAs and
10 misappropriation enabled their development, testing, and commercialization
11 (including clinical trials) of ASC41 in a rapidly abbreviated period of time. The
12 head start that Defendants obtained through misappropriation of trade secrets,
13 breach of contract, and tortious acts caused and continues to cause irreparable
14 injury, financial loss, and harm to Viking.

15 220. Viking believes that discovery will reveal Defendants secretly used
16 other Viking Trade Secrets, such as Viking's clinical trial protocols, to facilitate
17 their development, testing, and clinical trials of ASC41.

18 221. ClinicalTrials.gov also shows one completed phase 1 clinical trial
19 (Clinical Trial No. NCT05118516) for ASC43F sponsored by Gannex Pharma in
20 the United States. Ex. 34. ASC43F is a fixed-dose combination tablet of ASC41
21 and ASC42, a Farnesoid X Receptor (FXR) agonist currently being developed by
22 Gannex Pharma. Ex. 5 at 15. This ASC43F phase 1 clinical trial began over a year
23 after Ascleptis BioScience viewed Viking's confidential information and Viking
24 Trade Secrets in Viking's secure data room in 2019.

25 222. On information and belief, Defendants improperly used at least the
26 same Viking Trade Secrets that were misused in Defendants' efforts concerning
27 ASC41 for the development, testing, and clinical trials of ASC43F.

28

1 223. But for Defendants' misappropriation of Viking Trade Secrets, they
2 would not have readily developed the tablet formulation used in their ASC43F
3 clinical trials, including in the United States.

4 224. Viking believes that discovery will reveal Defendants secretly used
5 other Viking Trade Secrets, such as Viking's clinical trial protocols, to facilitate
6 their development, testing, and clinical trials of ASC43F.

7 225. In light of these demonstrated instances of breach of contract,
8 misappropriation, and other tortious acts, Viking anticipates that discovery will
9 reveal additional acts of breach of contract, misappropriation, and other tortious
10 acts in violation of state and federal laws.

11 226. As described above and below, in view of Defendants' improper
12 disclosure and misuse of Viking Trade Secrets in patent applications, public
13 presentations, and clinical trials and development of ASC41 and ASC43F, Viking
14 can only infer that Defendants' competing products, ASC41 and ASC43F, were
15 created, developed, derived, and imported into the United States with the benefit of,
16 reliance on, and use of multiple Viking Trade Secrets.

17 **D. Viking Secrecy Measures**

18 227. During all relevant times, Viking took many steps to ensure the
19 secrecy of its confidential information and Viking Trade Secrets.

20 228. Viking requires potential collaborators, such as Ascleitis BioScience, to
21 sign confidentiality disclosure agreements, like the CDAs.

22 229. Viking only discloses its confidential information, including Viking
23 Trade Secrets, to others pursuant to confidential disclosure agreements in limited
24 circumstances. As explained above for the CDAs, Viking's confidential disclosure
25 agreements require others to maintain Viking's confidential information, including
26 Viking Trade Secrets, in strict confidence and use such secret information only for
27 the purpose identified in the confidential disclosure agreement. Viking's
28

1 confidential disclosure agreements contain measures to protect Viking Trade
2 Secrets, such as those described above that are included in the CDAs.

3 230. Viking requires third parties like contractors, consultants, suppliers,
4 vendors, potential business collaborators, and anyone else that might need access to
5 Viking confidential information, including Viking Trade Secrets, to sign
6 agreements that obligate them to not disclose or use Viking's confidential
7 information, including Viking Trade Secrets, for any purpose other than performing
8 their jobs or duties.

9 231. Viking likewise has corporate policies and guidelines to safeguard
10 Viking Trade Secrets, such as a document retention policy, code of conduct and
11 ethics, employee handbook, and social media policy.

12 232. Viking requires its employees to sign agreements to maintain the
13 confidentiality of Viking's confidential information, including Viking Trade
14 Secrets. These agreements require employees not to use any confidential
15 information including trade secrets, except for the benefit of Viking to the extent
16 necessary to perform obligations to Viking, and not to disclose to any person, firm,
17 corporation or other entity, without written authorization from Viking in each
18 instance.

19 233. Viking's Code of Conduct and Ethics, for its employees, states that
20 Viking's confidential information, including Viking Trade Secrets, is "[o]ne of our
21 most important assets" and "may be protected by . . . trade secret laws." The Code
22 of Conduct and Ethics also states that Viking "strive[s] to outperform our
23 competition fairly and honestly," and therefore Viking employees are prohibited
24 from possessing trade secret information of others that was improperly obtained. If
25 such trade secret information of others is obtained by mistake, Viking employees
26 must consult with their supervisor or Compliance Officer.

27 234. Viking requires its employees to read and sign an Employee
28 Handbook. The Employee Handbook includes many provisions relating to the

1 secrecy of confidential information including Viking Trade Secrets: employees
2 may be disciplined or terminated for disclosing confidential information, including
3 trade secrets, without authorization or misusing Viking property; protecting
4 confidential information—including trade secrets—is of vital concern to Viking
5 because it is one of the company's most important assets; failure to take reasonable
6 measures to protect confidential information may jeopardize its status as a trade
7 secret; employees may not use or disclose confidential information except as
8 required to perform their jobs; misuse or unauthorized disclosure of confidential
9 information may result in immediate termination and/or personal and criminal
10 liability; confidential information transmitted via Viking's technology resources
11 should be marked with messages of confidentiality; all Viking documents and
12 tangible property must be returned immediately upon termination; Viking monitors
13 employees' internet usage; employees must immediately report any loss of Viking
14 equipment or suspicion that the security and confidentiality of Viking's data has
15 been compromised.

16 235. Viking requires that its employees agree to its Social Media Policy.
17 The Social Media Policy forbids employees from disclosing Viking's confidential
18 information, including Viking Trade Secrets on the internet.

19 236. Viking obligates its biotechnology and pharmaceutical vendors,
20 including those that perform preclinical laboratory services and clinical services, to
21 hold Viking's confidential information including Viking Trade Secrets in
22 confidence, use Viking's confidential information including Viking Trade Secrets
23 only for the purposes described in the agreement, and disclose Viking's confidential
24 information including Viking Trade Secrets only on a need-to-know basis to those
25 bound by Viking confidentiality obligations.

26 237. Viking takes steps to limit internal access to its confidential
27 information including Viking Trade Secrets only on a need-to-know basis to those
28

1 bound by Viking confidentiality obligations, including with respect to shared
2 folders like DropBox.

3 238. Viking contracts with a third-party IT provider to ensure that its
4 computer systems are secure. The third-party IT provider provides a subscription-
5 based package of services for an outsourced IT infrastructure. Viking requires the
6 third-party IT provider to take steps to keep Viking's confidential information,
7 including Viking Trade Secrets, secure, including providing remote support,
8 managing a security policy, installing monthly security patches, maintaining
9 antivirus software, developing security policies for log retention, managing data
10 disk encryption, employing security monitoring software, and performing
11 cybersecurity training and phishing tests.

12 239. With respect to the secure data rooms that hosted Viking Trade Secrets
13 for Ascletis under the CDAs, Viking requires two-factor authentication to access
14 the documents therein, and individuals that accessed documents therein using
15 "@ascletis.com" email addresses were required to complete this two-factor
16 authentication.

17 240. Viking requires a physical keycard to enter its offices. The keycard is
18 provided to employees and its access is removed upon termination.

19 241. It is Viking's understanding that Metabasis and Ligand also took
20 reasonable measures to keep secret their trade secret information that eventually
21 became Viking Trade Secrets. In the license between Ligand/Metabasis and
22 Viking, the know-how and other confidential and trade secret information
23 exclusively licensed to Viking was "not in the public domain or otherwise publicly
24 known." The license also requires Ligand, Metabasis, and Viking to keep all
25 licensed confidential information, including trade secrets, confidential and use it
26 only as permitted by the license.

27 242. Viking implemented and maintained the above measures to maintain
28 the secrecy of the Viking Trade Secrets.

1 **E. Value of Trade Secrets**

2 243. The Viking Trade Secrets derive independent economic value, actual
3 and potential, from not being generally known to, and not being readily
4 ascertainable through proper means by, others who can obtain economic value from
5 the disclosure or use of Viking Trade Secrets.

6 244. “NASH is a growing epidemic in the U.S. and is quickly becoming a
7 leading cause of cirrhosis and liver failure. It is estimated that NASH affects 2% to
8 5% of Americans.”¹⁸ Currently, there are no therapies approved by the FDA for the
9 treatment of NASH. This contributes to the value of the Viking Trade Secrets.

10 245. VK2809 is Viking’s leading clinical program. Viking believes the
11 Viking Trade Secrets concerning VK2809 represents a substantially valuable.

12 246. As described above, Viking paid Ligand and Metabasis a substantial
13 licensing fee for the Viking Trade Secrets. Viking also agreed in the license to
14 make future royalty and milestone payments.

15 247. The Viking Trade Secrets are the result of valuable research and
16 development, time, effort, and investment.

17 248. Disregarding the substantial investment of Metabasis to the
18 development of VK2809, Viking’s independent expenditures for VK2809 are
19 significant. Viking anticipates substantial revenues should VK2809 obtain final
20 FDA approval and Defendants are equitably enjoined from commercializing their
21 competing drug that was unlawfully derived from and use Viking’s Trade Secrets.

22 249. The Viking Trade Secrets would be valuable to competitors because
23 they, among other benefits, demonstrate various proofs of concept, steer
24 competitors away from paths that are not fruitful, and speed research and
25 development, such as by shortening the amount of time needed to experimentally
26 determine a functional formulation.

27
28 ¹⁸ <https://www.vikingtherapeutics.com/pipeline/metabolic-disease-program/>.

1 250. The specific formulation that is a Viking Trade Secret is valuable
2 because creating any new, safe formulation for a drug generally requires an
3 investment of time and money to develop and test and the ability to avoid spending
4 that time and money is valuable. Saving time provides an additional benefit of
5 increasing the chance of being the first to market and reaping first-mover
6 advantages. Defendants improperly obtained all of these benefits.

7 251. Knowledge of certain Viking Trade Secrets also allowed Defendants to
8 improperly disseminate certain of them publicly, such as via the above described
9 Gannex Pharma patent applications, which effectively destroyed the value of
10 certain Viking Trade Secrets disclosed and forever revealed therein.

11 **F. Viking Trade Secrets Are Not Generally Known or Readily**
12 **Ascertainable**

13 252. Viking has never disclosed the Viking Trade Secrets to third parties
14 without appropriate protectionary measures in place to maintain secrecy, such as
15 through a confidentiality agreement.

16 253. Viking has never published, disseminated, or otherwise made
17 generally known the Viking Trade Secrets.

18 254. Outside certain of the Defendants' improper acts as described herein,
19 the Viking Trade Secrets are not generally known to other persons who could
20 obtain economic value from their disclosure or use.

21 255. Outside certain of the Defendants' improper acts as described herein,
22 the Viking Trade Secrets are not readily ascertainable through proper means by
23 other persons who could obtain economic value from the disclosure or use.

24 **IV. Claims for Relief**

25 **A. Misappropriation of Trade Secrets under Defend Trade Secrets**
26 **Act (18 U.S.C. § 1836(b))**
27 **(All Defendants)**
28

1 256. Viking repeats, incorporates, and re-alleges the above allegations as if
2 fully set forth herein.

3 257. Viking owned or exclusively licensed, possessed, and continues to
4 own or exclusively license and possess, at least the Viking Trade Secrets described
5 above. Viking is the entity in which rightful legal or equitable title to, or exclusive
6 license in, the Viking Trade Secrets is reposed.

7 258. As described above, the Viking Trade Secrets consist of at least
8 business, scientific, technical, and engineering information.

9 259. The Viking Trade Secrets derive independent economic value from not
10 being generally known to, and not being readily ascertainable through proper means
11 by, another person who can obtain economic value from the disclosure or use of the
12 Viking Trade Secrets.

13 260. Viking provided substantial consideration for, and/or expended
14 significant time and money developing, the Viking Trade Secrets.

15 261. Viking took reasonable measures to maintain the secrecy of the Viking
16 Trade Secrets.

17 262. As explained above, it is Viking's understanding that Metabasis and
18 Ligand also took reasonable measures to keep secret their trade secret information
19 that became Viking Trade Secrets.

20 263. The Viking Trade Secrets are related to a product and service used in,
21 and intended for use in, interstate and foreign commerce. Namely, the Viking
22 Trade Secrets relate to designing, preparing, manufacturing, and commercializing
23 VK2809 that Viking intends to sell throughout the United States and abroad.

24 264. Each Defendant misappropriated Viking Trade Secrets, causing Viking
25 substantial irreparable harm and financial damage. The entity Defendants
26 misappropriated Viking Trade Secrets both directly and vicariously, including via
27 respondeat superior.
28

1 265. The Defendants also collectively conspired, acted in concert, acted as
2 each other's agents, and aided, abetted, and ratified each others' actions, to
3 successfully misappropriate, convert, and improperly exploit the Viking Trade
4 Secrets, causing Viking substantial irreparable harm and financial damage.

5 266. The Defendants further hid their improper conduct from Viking,
6 including by spreading different acts of misappropriation between different
7 company family members, such that Viking was unaware of Defendants' individual
8 and collective acts of misappropriation.

9 267. Defendants conducted the improper acts described herein without
10 Viking's consent.

11 268. Defendants' scheme to misappropriate Viking Trade Secrets started
12 with the acts of Ascleto Bioscience and its founder Jason Wu, who directs and
13 controls the corporate Defendants, including on their prior and ongoing
14 misappropriation of Viking Trade Secrets.

15 269. Ascleto Bioscience acquired Viking Trade Secrets while knowing and
16 having reason to know that its acquisition of the Viking Trade Secrets was
17 improper.

18 270. After Ascleto BioScience obtained Viking Trade Secrets, including by
19 viewing them in Viking's secure data room, it thereafter improperly kept those
20 Viking Trade Secrets for later misuse by itself and the other Defendants in violation
21 of duties and obligations under the CDAs.

22 271. Ascleto BioScience knew that its retention of Viking Trade Secrets
23 was improper because doing so breached multiple duties and obligations in the
24 CDAs.

25 272. After Ascleto BioScience terminated the 2019 CDA, it was
26 contractually required to promptly return the Viking Trade Secrets to Viking,
27 without retaining any copies thereof, and permanently erase any Viking Trade
28 Secrets in electronic form from its electronic systems.

1 273. Instead of returning and erasing the Viking Trade Secrets after
2 termination of the CDAs, Ascletis BioScience improperly and secretly retained
3 Viking Trade Secrets for the Defendants' later misuse and exploitation.

4 274. Furthermore, Ascletis BioScience represented to Viking that it had
5 destroyed all copies of data and had no notes or downloads of any Viking Trade
6 Secrets which was, on information and belief, knowingly false.

7 275. After Ascletis Bioscience improperly retained the Viking Trade
8 Secrets, it then improperly disclosed and improperly used the Viking Trade Secrets
9 without Viking's express or implied consent.

10 276. Ascletis BioScience promised in the CDAs to use the Viking Trade
11 Secrets only for the purpose of engaging in discussions regarding exploration of a
12 business opportunity or transaction of mutual interest with Viking.

13 277. Ascletis BioScience intentionally ignored and broke its promise in the
14 CDAs, choosing instead to secretly misuse and disseminate among the Defendants
15 Viking Trade Secrets for its own and the other Defendants' improper gain and
16 benefit.

17 278. Ascletis BioScience also improperly disclosed and used the Viking
18 Trade Secrets without Viking's consent, in violation of the CDAs, by at least
19 providing them to Gannex Pharma, who at Jason Wu's direction, in turn,
20 improperly published certain of them in patent applications and on Gannex
21 Pharma's website. Gannex Pharma also used the Viking Trade Secrets provided by
22 Ascletis BioScience or other Defendants to pursue clinical trials of ASC41 in the
23 United States and China.

24 279. Ascletis BioScience also improperly disclosed and used the Viking
25 Trade Secrets by disclosing them to Ascletis Pharmaceuticals, who, in turn,
26 commercially exploited the Viking Trade Secrets as described above, including in
27 connection with its development of ASC41. Ascletis Pharmaceuticals also used the
28

1 Viking Trade Secrets provided by Ascleitis BioScience or other Defendants to
2 pursue clinical trials of ASC41 in the United States and China.

3 280. On information and belief, discovery will reveal that Ascleitis
4 BioScience and/or Jason Wu improperly disclosed additional Viking Trade Secrets
5 to Ascleitis BioScience's other sister, child, and parent companies.

6 281. At the time of Ascleitis BioScience's improper acquisition, disclosures,
7 and misuses of the Viking Trade Secrets, Ascleitis BioScience knew and had reason
8 to know that the Viking Trade Secrets were derived from or through persons,
9 including its employees, agents, and officers, who had used improper means to
10 acquire the Viking Trade Secrets, including under a duty to maintain the secrecy of
11 the Viking Trade Secrets and limit the use of the Viking Trade Secrets as promised
12 under the CDAs. For example, as the signatory to, and entity bound by, the CDAs,
13 Ascleitis BioScience, including through its then Vice President and Director, Judy
14 Wu, knew of the restrictions placed on it by the CDAs regarding use of Viking
15 Trade Secrets.

16 282. Gannex Pharma improperly acquired the Viking Trade Secrets from
17 Ascleitis BioScience, Jason Wu, or other Defendants while knowing and having
18 ample reason to know that the Viking Trade Secrets were acquired by improper
19 means.

20 283. Gannex Pharma knew or had reason to know that it was acquiring the
21 Viking Trade Secrets by improper means because Gannex Pharma and Ascleitis
22 BioScience are controlled and run by the same owner, Jason Wu, and have
23 overlapping personnel and business operations

24 284. Gannex Pharma used improper means when acquiring, disclosing, and
25 misusing Viking Trade Secrets without Viking's express or implied consent.

26 285. Gannex Pharma disclosed certain Viking Trade Secrets without
27 Viking's consent by at least publishing them in patent applications, publishing them
28

1 on Gannex Pharma's website, and, on information and belief, disclosing them to
2 other Defendants.

3 286. Gannex Pharma used certain Viking Trade Secrets without Viking's
4 consent to obtain a patent, pursue patent applications, and facilitate its own clinical
5 trials and the clinical trials of its sister company, Ascleitis Pharmaceuticals.

6 287. Gannex Pharma's misappropriation allowed it, Ascleitis
7 Pharmaceuticals, and the other Defendants to circumvent years of research and
8 development, thereby rapidly launching ASC41 (including ASC41 formulations)
9 over an incredibly abbreviated period of time.

10 288. For the same reasons as above, Gannex Pharma disclosed and used the
11 Viking Trade Secrets without Viking's express or implied consent and at the time
12 of disclosure or use knew and had reason to know that the knowledge of the Viking
13 Trade Secrets was derived from or through a person who had used improper means
14 to acquire the Viking Trade Secrets, acquired under circumstances giving rise to a
15 duty to maintain the secrecy of the Viking Trade Secrets or limit the use of the
16 Viking Trade Secrets, or derived from or through a person who owed a duty to
17 Viking to maintain the secrecy of the Viking Trade Secrets or limit the use of the
18 Viking Trade Secrets. For example, as the sister company to Ascleitis BioScience,
19 which had signed the CDAs, and as the company sharing an owner and personnel
20 with Ascleitis BioScience, Gannex Pharma knew of the restrictions placed on
21 Ascleitis BioScience by the CDAs regarding use of Viking Trade Secrets.

22 289. Ascleitis Pharmaceuticals improperly acquired the Viking Trade
23 Secrets from Ascleitis BioScience, Jason Wu, or other Defendants while knowing
24 and having ample reason to know that the Viking Trade Secrets were acquired by
25 improper means.

26 290. Ascleitis Pharmaceuticals knew or had reason to know that it was
27 acquiring the Viking Trade Secrets by improper means because Ascleitis
28

1 Pharmaceuticals and Ascletois BioScience are controlled and run by the same owner,
2 Jason Wu, and have overlapping personnel and business operations.

3 291. Ascletois Pharmaceuticals used improper means when acquiring,
4 disclosing, and misusing Viking Trade Secrets without Viking's express or implied
5 consent.

6 292. Ascletois Pharmaceuticals used the Viking Trade Secrets without
7 Viking's consent to facilitate its own clinical trials and the clinical trials of its sister
8 company, Gannex Pharma.

9 293. Ascletois Pharmaceuticals' misappropriation allowed it, Gannex
10 Pharma, and the other Defendants to circumvent years of research and
11 development, thereby rapidly launching ASC41 (including ASC41 formulations)
12 over an incredibly abbreviated period of time.

13 294. For the same reasons as above, Ascletois Pharmaceuticals disclosed
14 certain and used certain of the Viking Trade Secrets without Viking's express or
15 implied consent and at the time of disclosure or use knew and had reason to know
16 that the knowledge of the Viking Trade Secrets was derived from or through a
17 person who had used improper means to acquire the Viking Trade Secrets, acquired
18 under circumstances giving rise to a duty to maintain the secrecy of the Viking
19 Trade Secrets or limit the use of the Viking Trade Secrets, or derived from or
20 through a person who owed a duty to Viking to maintain the secrecy of the Viking
21 Trade Secrets or limit the use of the Viking Trade Secrets. For example, as the
22 child company to Ascletois BioScience, which had signed the CDAs, and as the
23 company sharing an owner and personnel with Ascletois BioScience, Ascletois
24 Pharmaceuticals knew of the restrictions placed on Ascletois BioScience by the
25 CDAs regarding use of Viking Trade Secrets.

26 295. Ascletois Pharma is the global company parent of Defendants and alter
27 ego of Jason Wu, and thereby directed the conspiracy and scheme to successfully
28 misappropriate Viking Trade Secrets. Ascletois Pharma also misappropriated Viking

1 Trade Secrets for at least the same reasons as Ascletis BioScience, Gannex Pharma,
2 and Ascletis Pharmaceuticals because, given the overlapping roles held by
3 individuals among Ascletis Pharma and its subsidiaries, the actions taken by one of
4 the wholly owned subsidiaries was taken by and on behalf of Ascletis Pharma.

5 296. Jason Wu orchestrated the company structure of Defendants,
6 controlled and directed Defendants' actions (including on their conspiracy and
7 scheme to successfully misappropriate Viking Trade Secrets) and improperly
8 named himself on patents containing Viking Trade Secrets.

9 297. Jason Wu is liable for misappropriation of the Viking Trade Secrets for
10 at least the same reasons as Ascletis BioScience, Gannex Pharma, Ascletis
11 Pharmaceuticals, and Ascletis Pharma because Jason Wu directed the
12 misappropriation acts of the Defendants. Jason Wu was a direct participant in, he
13 controlled, and he provided significant direction and authorization of the efforts of
14 the Defendants that misappropriated the Viking Trade Secrets. Jason Wu is the
15 majority shareholder of the parent company Defendant that wholly owns the
16 subsidiary Defendants, he is the CEO of each company, and he is listed as a
17 purported inventor on the patent applications that disclose Viking Trade Secrets.

18 298. Defendants are liable for misappropriation of the Viking Trade Secrets
19 as alter egos of each other, as single enterprises with each other, as agents of each
20 other, and/or by aiding, abetting, and ratifying the actions of each other.

21 299. The short period of time (after obtaining access to Viking Trade
22 Secrets) over which Defendants allegedly developed the Viking Trade Secret
23 information in their patent applications and proceeded to clinical trials on ASC41
24 belies any claim that Defendants independently developed Viking Trade Secrets.

25 300. Viking expects that discovery will reveal additional specific acts of
26 misappropriation, including those by unknown entities and persons who improperly
27 acquired through Defendants, and improperly used or disclosed, additional Viking
28 Trade Secrets.

1 301. Given the close ties between the Defendant companies—such as them
2 sharing a common parent company, Jason Wu’s leadership roles in each of them,
3 overlapping employees, and them operating in the same industry—and the evidence
4 of malicious acts, it is likely that the Defendant companies did not maintain strict
5 boundaries between each other, and may have attempted to use their separate
6 corporate structures to insulate certain companies from claims of wrongdoing
7 against their related companies.

8 302. Defendants’ misappropriation of the Viking Trade Secrets is ongoing.
9 Defendants continue to conduct clinical trials with the intent of commercializing
10 their misappropriated ASC41 product, through which Defendants utilize the Viking
11 Trade Secrets.

12 303. Defendants have at least partially destroyed the value of certain Viking
13 Trade Secrets that they already disclosed to the public, and either destroyed or
14 diminished the value of other Viking Trade Secrets that they improperly
15 disseminated and misused.

16 304. Further misappropriation of the Viking Trade Secrets is threatened.
17 Defendants have filed an Investigational New Drug application (“IND”) in the
18 Unites States for ASC41. The FDA approved this IND, allowing Defendants to
19 conduct clinical trials in the Unites States with ASC41. Viking expects that
20 Defendants plan to use these clinical trials to support a New Drug Application
21 (“NDA”) to seek approval to market ASC41 for the treatment of NASH and
22 NAFLD in the United States.

23 305. If allowed to continue, Defendants’ current and future
24 misappropriation of Viking Trade Secrets will have a severe negative impact on
25 Viking’s business and opportunities to recoup its substantial investment in
26 VK2809.

27 306. As a direct and proximate result of Defendants’ conduct as alleged
28 herein, Viking has suffered significant damages in an amount to be proven at trial

1 but which exceeds hundreds of millions of dollars. Such damages are measured
2 through actual loss and/or unjust enrichment. The full extent of harm caused by
3 Defendants' misappropriation is not known or knowable at this time.

4 307. Viking has lost certain valuable Viking Trade Secrets that have now
5 been made public by Defendants. If Defendants' misappropriation is allowed to
6 continue, Viking expects that its valuation will decrease because its valuable
7 information has been improperly taken, used, and disclosed by Defendants to create
8 and commercialize a competing drug.

9 308. Defendants' actions have caused Viking to lose control of certain
10 Viking Trade Secrets, and they have devalued Viking Trade Secrets by making
11 them available to Viking's competitors.

12 309. Viking has also lost its competitive advantage over Defendants and
13 other competitors, including the first-mover advantage. Instead, Defendants have
14 made progress faster than they otherwise would have while avoiding expending the
15 time and resources that Viking expended.

16 310. Defendants' misappropriation of the Viking Trade Secrets was willful
17 and malicious, entitling Viking to recover exemplary damages and its attorneys'
18 fees and costs. With the information that they gleaned through their access to
19 Viking's Trade Secrets (which Viking thought at the time was in furtherance of a
20 legitimate business collaboration), Defendants, among other improper acts, copied
21 Viking's specific VK2809 formulation, claimed it as their own, and extinguished its
22 confidential and secret status through public disclosure.

23 311. If Defendants' conduct is not remedied, and if Defendants are not
24 enjoined, Defendants will continue to misappropriate, disclose, and use for their
25 own benefit and to Viking's detriment the Viking Trade Secrets.

26 312. Because Viking's remedy at law is inadequate, Viking seeks, in
27 addition to damages, permanent injunctive relief to recover and protect its
28 confidential, proprietary, and trade secret information, the fruits of Viking's

1 confidential, proprietary, and trade secret information, and other legitimate business
2 interests. Injunctive relief is necessary to eliminate the commercial advantage that
3 otherwise would be derived from Defendants' continued misappropriation of the
4 Viking Trade Secrets.

5 313. Pursuant to 18 U.S.C. § 1836, Viking also seeks injunctive relief to
6 prevent the threatened misappropriation of the Viking Trade Secrets and unknown
7 additional Viking trade secrets that may be revealed through this Action.

8 **B. Misappropriation of Trade Secrets under California Uniform**
9 **Trade Secrets Act (California Civil Code § 3426, *et seq.*)**
10 **(All Defendants)**

11 314. Viking repeats, incorporates, and re-alleges the above allegations as if
12 fully set forth herein.

13 315. Viking owned or exclusively licensed, possessed, and continues to
14 own or exclusively license and possess, at least the Viking Trade Secrets described
15 above. Viking is the entity in which rightful legal or equitable title to, or exclusive
16 license in, the Viking Trade Secrets is reposed.

17 316. As described above, the Viking Trade Secrets consist of at least
18 business, scientific, technical, and engineering information.

19 317. The Viking Trade Secrets derive independent economic value from not
20 being generally known to, and not being readily ascertainable through proper means
21 by, another person who can obtain economic value from the disclosure or use of the
22 Viking Trade Secrets.

23 318. Viking provided substantial consideration for, and/or expended
24 significant time and money developing, the Viking Trade Secrets.

25 319. Viking took reasonable measures to maintain the secrecy of the Viking
26 Trade Secrets.

1 320. As explained above, it is Viking's understanding that Metabasis and
2 Ligand also took reasonable measures to keep secret their trade secret information
3 that became Viking Trade Secrets.

4 321. Each Defendant misappropriated Viking Trade Secrets, causing Viking
5 substantial irreparable harm and financial damage. The entity Defendants
6 misappropriated Viking Trade Secrets both directly and vicariously, including via
7 respondeat superior.

8 322. The Defendants also collectively conspired, acted in concert, acted as
9 each other's agents, and aided, abetted, and ratified each others' actions, to
10 successfully misappropriate, convert, and improperly exploit the Viking Trade
11 Secrets, causing Viking substantial irreparable harm and financial damage.

12 323. The Defendants further hid their improper conduct from Viking,
13 including by spreading different acts of misappropriation between different
14 company family members, such that Viking was unaware of Defendants' individual
15 and collective acts of misappropriation.

16 324. Defendants conducted the improper acts described herein without
17 Viking's consent.

18 325. Defendants' scheme to misappropriate Viking Trade Secrets started
19 with the acts of Ascleto Bioscience and its founder Jason Wu, who directs and
20 controls the corporate Defendants, including on their prior and ongoing
21 misappropriation of Viking Trade Secrets.

22 326. Ascleto Bioscience acquired Viking Trade Secrets while knowing and
23 having reason to know that its acquisition of the Viking Trade Secrets was
24 improper.

25 327. After Ascleto BioScience obtained Viking Trade Secrets, including by
26 viewing them in Viking's secure data room, it thereafter improperly kept those
27 Viking Trade Secrets for later misuse by itself and the other Defendants in violation
28 of duties and obligations under the CDAs.

1 328. Ascletis BioScience knew that its retention of Viking Trade Secrets
2 was improper because doing so breached multiple duties and obligations in the
3 CDAs.

4 329. After Ascletis BioScience terminated the 2019 CDA, it was
5 contractually required to promptly return the Viking Trade Secrets to Viking,
6 without retaining any copies thereof, and permanently erase any Viking Trade
7 Secrets in electronic form from its electronic systems.

8 330. Instead of returning and erasing the Viking Trade Secrets after
9 termination of the CDAs, Ascletis BioScience improperly and secretly retained
10 Viking Trade Secrets for the Defendants' later misuse and exploitation.

11 331. Furthermore, Ascletis BioScience represented to Viking that it had
12 destroyed all copies of data and had no notes or downloads of any Viking Trade
13 Secrets which was, on information and belief, knowingly false.

14 332. After Ascletis Bioscience improperly retained the Viking Trade
15 Secrets, it then improperly disclosed certain and improperly used certain of the
16 Viking Trade Secrets without Viking's express or implied consent.

17 333. Ascletis BioScience promised in the CDAs to use the Viking Trade
18 Secrets only for the purpose of engaging in discussions regarding exploration of a
19 business opportunity or transaction of mutual interest with Viking.

20 334. Ascletis BioScience intentionally ignored and broke its promise in the
21 CDAs, choosing instead to secretly misuse and disseminate among the Defendants
22 Viking Trade Secrets for its own and the other Defendants' improper gain and
23 benefit.

24 335. Ascletis BioScience also improperly disclosed certain and used certain
25 of the Viking Trade Secrets without Viking's consent, in violation of the CDAs, by
26 at least providing them to Gannex Pharma, who at Jason Wu's direction, in turn,
27 improperly published certain Viking Trade Secrets in patent applications and on
28 Gannex Pharma's website. Gannex Pharma also used the Viking Trade Secrets

1 provided by Ascleitis BioScience or other Defendants to pursue clinical trials of
2 ASC41 in the United States and China.

3 336. Ascleitis BioScience also improperly disclosed certain and used certain
4 of the Viking Trade Secrets by disclosing them to Ascleitis Pharmaceuticals, who, in
5 turn, commercially exploited the Viking Trade Secrets as described above,
6 including in connection with its development of ASC41. Ascleitis Pharmaceuticals
7 also used the Viking Trade Secrets provided by Ascleitis BioScience or other
8 Defendants to pursue clinical trials of ASC41 in the United States and China.

9 337. On information and belief, discovery will reveal that Ascleitis
10 BioScience and/or Jason Wu improperly disclosed additional Viking Trade Secrets
11 to Ascleitis BioScience's other sister, child, and parent companies.

12 338. At the time of Ascleitis BioScience's improper acquisition, disclosures,
13 and misuses of the Viking Trade Secrets, Ascleitis BioScience knew and had reason
14 to know that the Viking Trade Secrets were derived from or through persons,
15 including its employees, agents, and officers, who had used improper means to
16 acquire the Viking Trade Secrets, including under a duty to maintain the secrecy of
17 the Viking Trade Secrets and limit the use of the Viking Trade Secrets as promised
18 under the CDAs. For example, as the signatory to, and entity bound by, the CDAs,
19 Ascleitis BioScience, including through its then Vice President and Director, Judy
20 Wu, knew of the restrictions placed on it by the CDAs regarding use of Viking
21 Trade Secrets.

22 339. Gannex Pharma improperly acquired the Viking Trade Secrets from
23 Ascleitis BioScience, Jason Wu, or other Defendants while knowing and having
24 ample reason to know that the Viking Trade Secrets were acquired by improper
25 means.

26 340. Gannex Pharma knew or had reason to know that it was acquiring the
27 Viking Trade Secrets by improper means because Gannex Pharma and Ascleitis
28

1 BioScience are controlled and run by the same owner, Jason Wu, and have
2 overlapping personnel and business operations.

3 341. Gannex Pharma used improper means when acquiring, disclosing, and
4 misusing Viking Trade Secrets without Viking's express or implied consent.

5 342. Gannex Pharma disclosed certain Viking Trade Secrets without
6 Viking's consent by at least publishing them in patent applications, publishing them
7 on Gannex Pharma's website, and, on information and belief, disclosing them to
8 other Defendants.

9 343. Gannex Pharma used certain Viking Trade Secrets without Viking's
10 consent to obtain a patent, pursue patent applications, and facilitate its own clinical
11 trials and the clinical trials of its sister company, Ascleitis Pharmaceuticals.

12 344. Gannex Pharma's misappropriation allowed it, Ascleitis
13 Pharmaceuticals, and the other Defendants to circumvent years of research and
14 development, thereby rapidly launching ASC41 (including ASC41 formulations)
15 over an incredibly abbreviated period of time.

16 345. For the same reasons as above, Gannex Pharma disclosed and used
17 certain Viking Trade Secrets without Viking's express or implied consent and at the
18 time of disclosure or use knew and had reason to know that the knowledge of the
19 Viking Trade Secrets was derived from or through a person who had used improper
20 means to acquire the Viking Trade Secrets, acquired under circumstances giving
21 rise to a duty to maintain the secrecy of the Viking Trade Secrets or limit the use of
22 the Viking Trade Secrets, or derived from or through a person who owed a duty to
23 Viking to maintain the secrecy of the Viking Trade Secrets or limit the use of the
24 Viking Trade Secrets. For example, as the sister company to Ascleitis BioScience,
25 which had signed the CDAs, and as the company sharing an owner and personnel
26 with Ascleitis BioScience, Gannex Pharma knew of the restrictions placed on
27 Ascleitis BioScience by the CDAs regarding use of Viking Trade Secrets.
28

1 346. Ascletis Pharmaceuticals improperly acquired the Viking Trade
2 Secrets from Ascletis BioScience, Jason Wu, or other Defendants while knowing
3 and having ample reason to know that the Viking Trade Secrets were acquired by
4 improper means.

5 347. Ascletis Pharmaceuticals knew or had reason to know that it was
6 acquiring the Viking Trade Secrets by improper means because Ascletis
7 Pharmaceuticals and Ascletis BioScience are controlled and run by the same owner,
8 Jason Wu, and have overlapping personnel and business operations

9 348. Ascletis Pharmaceuticals used improper means when acquiring,
10 disclosing, and misusing Viking Trade Secrets without Viking's express or implied
11 consent.

12 349. Ascletis Pharmaceuticals used certain Viking Trade Secrets without
13 Viking's consent to facilitate its own clinical trials and the clinical trials of its sister
14 company, Gannex Pharma.

15 350. Ascletis Pharmaceuticals' misappropriation allowed it, Gannex
16 Pharma, and the other Defendants to circumvent years of research and
17 development, thereby rapidly launching ASC41 (including ASC41 formulations)
18 over an incredibly abbreviated period of time.

19 351. For the same reasons as above, Ascletis Pharmaceuticals disclosed
20 certain and used certain of the Viking Trade Secrets without Viking's express or
21 implied consent and at the time of disclosure or use knew and had reason to know
22 that the knowledge of the Viking Trade Secrets was derived from or through a
23 person who had used improper means to acquire the Viking Trade Secrets, acquired
24 under circumstances giving rise to a duty to maintain the secrecy of the Viking
25 Trade Secrets or limit the use of the Viking Trade Secrets, or derived from or
26 through a person who owed a duty to Viking to maintain the secrecy of the Viking
27 Trade Secrets or limit the use of the Viking Trade Secrets. For example, as the
28 child company to Ascletis BioScience, which had signed the CDAs, and as the

1 company sharing an owner and personnel with Ascletois BioScience, Ascletois
2 Pharmaceuticals knew of the restrictions placed on Ascletois BioScience by the
3 CDAs regarding use of Viking Trade Secrets.

4 352. Ascletois Pharma is the global company parent of Defendants and alter
5 ego of Jason Wu, and thereby directed the conspiracy and scheme to successfully
6 misappropriate Viking Trade Secrets. Ascletois Pharma also misappropriated Viking
7 Trade Secrets for at least the same reasons as Ascletois BioScience, Gannex Pharma,
8 and Ascletois Pharmaceuticals because, given the overlapping roles held by
9 individuals among Ascletois Pharma and its subsidiaries, the actions taken by one of
10 the wholly owned subsidiaries was taken by and on behalf of Ascletois Pharma.

11 353. Jason Wu orchestrated the company structure of Defendants,
12 controlled and directed Defendants' actions (including on their conspiracy and
13 scheme to successfully misappropriate Viking Trade Secrets) and improperly
14 named himself on patents containing Viking Trade Secrets.

15 354. Jason Wu is liable for misappropriation of the Viking Trade Secrets for
16 at least the same reasons as Ascletois BioScience, Gannex Pharma, Ascletois
17 Pharmaceuticals, and Ascletois Pharma because Jason Wu directed the
18 misappropriation acts of the Defendants. Jason Wu was a direct participant in, he
19 controlled, and he provided significant direction and authorization of the efforts of
20 the Defendants that misappropriated the Viking Trade Secrets. Jason Wu is the
21 majority shareholder of the parent company Defendant that wholly owns the
22 subsidiary Defendants, he is the CEO of each company, and he is listed as a
23 purported inventor on the patent applications that disclose Viking Trade Secrets.

24 355. Defendants are liable for misappropriation of the Viking Trade Secrets
25 as alter egos of each other, as single enterprises with each other, as agents of each
26 other, and by aiding, abetting, and ratifying the actions of each other.

27 356. The short period of time (after obtaining access to Viking Trade
28 Secrets) over which Defendants allegedly developed the Viking Trade Secret

1 information in their patent applications and proceeded to clinical trials on ASC41
2 belies any claim that Defendants independently developed Viking Trade Secrets.

3 357. Viking expects that discovery will reveal additional specific acts of
4 misappropriation, including those by unknown entities and persons who improperly
5 acquired through Defendants, and improperly used or disclosed, additional Viking
6 Trade Secrets.

7 358. Given the close ties between the Defendant companies—such as them
8 sharing a common parent company, Jason Wu’s leadership roles in each of them,
9 overlapping employees, and them operating in the same industry—and the evidence
10 of malicious acts, it is likely that the Defendant companies did not maintain strict
11 boundaries between each other, and may have attempted to use their separate
12 corporate structures to insulate certain companies from claims of wrongdoing
13 against their related companies.

14 359. Defendants’ misappropriation of the Viking Trade Secrets is ongoing.
15 Defendants continue to conduct clinical trials with the intent of commercializing
16 their misappropriated ASC41 product, through which Defendants utilize the Viking
17 Trade Secrets.

18 360. Defendants have at least partially destroyed the value of certain Viking
19 Trade Secrets that they already disclosed to the public, and either destroyed or
20 diminished the value of other Viking Trade Secrets that they improperly
21 disseminated and misused.

22 361. Further misappropriation of the Viking Trade Secrets is threatened.
23 Defendants have filed an Investigational New Drug application (“IND”) in the
24 Unites States for ASC41. The FDA approved this IND, allowing Defendants to
25 conduct clinical trials in the Unites States with ASC41. Viking expects that
26 Defendants plan to use these clinical trials to support a New Drug Application
27 (“NDA”) to seek approval to market ASC41 for the treatment of NASH in the
28 United States.

1 362. If allowed to continue, Defendants' current and future
2 misappropriation of Viking Trade Secrets will have a severe negative impact on
3 Viking's business and opportunities to recoup its investment in VK2809.

4 363. As a direct and proximate result of Defendants' conduct as alleged
5 herein, Viking has suffered significant damages in an amount to be proven at trial
6 but which exceeds hundreds of millions of dollars. Such damages are measured
7 through actual loss and/or unjust enrichment. The full extent of harm caused by
8 Defendants' misappropriation is not known or knowable at this time.

9 364. Viking has lost certain valuable Viking Trade Secrets that have now
10 been made public by Defendants. If Defendants' misappropriation is allowed to
11 continue, Viking expects that its valuation will decrease because its valuable
12 information has been improperly taken, used, and disclosed by Defendants to create
13 and commercialize a competing drug.

14 365. Defendants' actions have caused Viking to lose control of certain
15 Viking Trade Secrets, and they have devalued Viking Trade Secrets by making
16 them available to Viking's competitors.

17 366. Viking has also lost its competitive advantage over Defendants and
18 other competitors, including a possible first-mover advantage. Instead, Defendants
19 have made progress faster than they otherwise would have while avoiding
20 expending the time and resources that Viking expended.

21 367. Defendants' misappropriation of the Viking Trade Secrets was willful
22 and malicious, entitling Viking to recover exemplary damages and its attorneys'
23 fees and costs. With the information that they gleaned through their access to
24 Viking's Trade Secrets (which Viking thought at the time was in furtherance of a
25 legitimate business collaboration), Defendants, among other improper acts, copied
26 Viking's formulation, claimed it as their own, and extinguished certain of its
27 confidential and secret status through public disclosure.
28

1 368. If Defendants’ conduct is not remedied, and if Defendants are not
2 enjoined, Defendants will continue to misappropriate, disclose, and use for their
3 own benefit and to Viking’s detriment the Viking Trade Secrets.

4 369. Because Viking’s remedy at law is inadequate, Viking seeks, in
5 addition to damages, permanent injunctive relief to recover and protect its
6 confidential, proprietary, and trade secret information, the fruits of Viking’s
7 confidential, proprietary, and trade secret information, and other legitimate business
8 interests. Injunctive relief is necessary to eliminate the commercial advantage that
9 otherwise would be derived from Defendants’ continued misappropriation of the
10 Viking Trade Secrets.

11 370. Pursuant to Cal. Civil Code § 3426.2(a), Viking also seeks injunctive
12 relief to prevent the threatened misappropriation of the Viking Trade Secrets and
13 unknown additional Viking trade secrets that may be revealed through this Action.

14 **C. Breach of Contract**
15 **(All Defendants)**

16 371. Viking repeats, incorporates, and re-alleges the above allegations as if
17 fully set forth herein.

18 372. All conditions precedent to bringing this claim have occurred or been
19 performed.

20 373. The CDAs are valid, binding, and enforceable contracts between
21 Viking and Ascletis BioScience. In other words, both parties were capable of
22 contracting, both parties consented, the contract had a lawful object, and there was
23 sufficient cause or consideration.

24 374. Viking performed all of its obligations under the CDAs.

25 375. Section 2.B of the CDAs obligates Ascletis BioScience to “maintain
26 such Confidential Information in strict confidence, using efforts at least as
27 protective as those employed by the Receiving Party for the protection of its own
28 proprietary information of like nature.”

1 376. Ascletis BioScience breached section 2.B of the CDAs by sharing
2 Viking's confidential information, including certain Viking Trade Secrets, with at
3 least Gannex Pharma, demonstrating that Ascletis BioScience did not keep the
4 confidential information in strict confidence. At least the Viking Trade Secrets
5 discussed above are Viking confidential information, which is covered by the
6 CDAs.

7 377. Section 2.B of the CDAs obligates Ascletis BioScience to "use such
8 Confidential Information only as required for the Purpose." Ascletis BioScience
9 breached this provision of the CDAs by sharing Viking's confidential information,
10 including certain Viking Trade Secrets, with at least Gannex Pharma for a reason
11 other than the CDAs' Purpose, namely, so that Gannex Pharma could use the
12 confidential information for its own benefit. In light of the common leadership and
13 ownership between these two sister companies, a benefit to Gannex Pharma is
14 likewise a benefit to Ascletis BioScience.

15 378. Section 2.B of the CDAs obligates Ascletis BioScience to "not
16 disclose or permit the disclosure of such Confidential Information to any persons
17 other than to its directors, officers, or employees (collectively 'Personnel') who
18 need to know such Confidential Information for the Purpose and who are bound by
19 written obligations of non-disclosure and non-use of such Confidential Information
20 which are at least as stringent as those set forth herein." Ascletis BioScience
21 breached this provision of the CDAs by at least disclosing Viking's confidential
22 information, including certain Viking Trade Secrets, via the Gannex Pharma patent
23 and patent applications and disclosing it to Gannex Pharma personnel (as opposed
24 to its own directors, officers, or employees). In light of the common leadership and
25 ownership between these two sister companies, a benefit to Gannex Pharma is
26 likewise a benefit to Ascletis BioScience.

27 379. Section 2.B of the CDAs obligates Ascletis BioScience to "reproduce
28 Confidential Information only to the extent necessary for the Purpose, with all such

1 reproductions being marked and treated as Confidential Information.” Ascletis
2 BioScience breached this provision of the CDAs by at least reproducing Viking’s
3 confidential information, including certain Viking Trade Secrets, in the Gannex
4 Pharma patent and patent applications and, on information and belief, reproducing
5 it in digital or paper form to convey it to Gannex Pharma or in furtherance of
6 Gannex Pharma prosecuting its patent applications. In light of the common
7 leadership and ownership between these two sister companies, a benefit to Gannex
8 Pharma is likewise a benefit to Ascletis BioScience. At least the Viking Trade
9 Secrets discussed above are Viking confidential information, which is covered by
10 the CDAs.

11 380. Section 3 of the CDAs obligates Ascletis BioScience to “not (i) create
12 or develop any derivative works, discoveries, or improvements . . . using,
13 incorporating, or derived from any Confidential Information of the Disclosing Party
14 (‘New Disclosing Party IP’).” Ascletis BioScience breached this provision of the
15 CDAs by at least creating or developing ASC41, by itself and through its sister and
16 child companies, using Viking’s confidential information, including certain Viking
17 Trade Secrets.

18 381. Section 3 of the CDAs obligates Ascletis BioScience to “not . . . (ii)
19 make, have made, use or sell any product or provide any service, using,
20 incorporating, or derived from any Confidential Information of the Disclosing Party
21 (‘New Disclosing Party IP’).” Ascletis BioScience breached this provision of the
22 CDAs by at least making ASC41 using Viking’s confidential information,
23 including certain Viking Trade Secrets.

24 382. Section 3 of the CDAs states: “In the event the Receiving Party does
25 create or develop any New Disclosing Party IP, the Receiving Party shall promptly
26 disclose such New Disclosing Party IP to the Disclosing Party.” Ascletis
27 BioScience breached this provision at least by developing ASC41 by itself and
28 through its sister and child companies and not disclosing it to Viking. In light of

1 the common leadership and ownership between the sister and child companies, a
2 benefit to the sister and child companies is likewise a benefit to Ascletis
3 BioScience.

4 383. Section 4 of the CDAs obligates Ascletis BioScience “not to file any
5 patent application(s) disclosing or claiming Confidential Information of the
6 Disclosing Party.” Ascletis BioScience breached this provision at least by filing
7 patent applications through Gannex Pharma disclosing Viking confidential
8 information, including certain Viking Trade Secrets. In light of the common
9 leadership and ownership between these two sister companies, a benefit to Gannex
10 Pharma is likewise a benefit to Ascletis BioScience.

11 384. Section 7 of the CDAs states: “Upon the termination of discussions
12 between the Parties or at any time upon the written request of the Disclosing Party,
13 the Receiving Party shall promptly return to the Disclosing Party, or, upon the
14 Disclosing Party’s request destroy, all originals, copies, analyses, evaluations,
15 extracts and summaries of documents, materials, and other tangible manifestations
16 of Confidential Information of the Disclosing Party in the possession or control of
17 the Receiving Party, without retaining copies thereof. In addition, the Receiving
18 Party shall permanently erase any Confidential Information of the Disclosing Party
19 in electronic form from its electronic systems. At the Disclosing Party’s request,
20 the Receiving Party shall certify in writing its compliance with the requirements of
21 this Section 7.” Ascletis BioScience breached this provision by failing to return all
22 tangible manifestations of Viking’s confidential information, including Viking
23 Trade Secrets, in its possession or control, without retaining copies thereof, after the
24 parties terminated discussions, and failing to permanently erase any of Viking’s
25 confidential information, including Viking Trade Secrets, in electronic form from
26 its electronic systems. Viking understands this to have occurred because, as
27 discussed above, Ascletis BioScience used Viking’s confidential information,
28 including Viking Trade Secrets, months after the parties terminated discussions.

1 385. Ascletis BioScience breached the CDAs both directly and vicariously,
2 including via respondeat superior.

3 386. At least the Viking Trade Secrets discussed above are Viking
4 confidential information, which is covered by the CDAs. Ascletis BioScience's
5 multiple acts of misappropriation of Viking Trade Secrets, as described above, are
6 therefore each a material breach of the CDAs.

7 387. As a direct, foreseeable, and proximate result of the breaches of the
8 CDAs by Ascletis BioScience, Viking has been and/or will be damaged in that it
9 will lose revenue that it would have received but for the breaches of the CDAs, and
10 Viking has suffered or will suffer harm due to the breaches.

11 388. For example, Viking has lost the ability to profit from exclusive use of
12 certain Viking Trade Secrets that have now been made public by Defendants.
13 Viking expects that its valuation may decrease because its valuable information has
14 been taken, used, and disclosed by a competitor to create a competing drug.

15 389. In addition, as a direct, foreseeable, and proximate result of the
16 breaches of the CDAs, Ascletis BioScience has been unjustly enriched.

17 390. Regarding remedies, the parties agreed to the following in the CDAs:
18 "Each Receiving Party recognizes and agrees that the unauthorized use or
19 disclosure of the Disclosing Party's Confidential Information could cause
20 irreparable injury to the Disclosing Party and that that money damages may not be a
21 sufficient remedy for any breach of this Agreement. Accordingly, each Receiving
22 Party agrees that the Disclosing Party shall be entitled as a remedy for any such
23 breach, in addition to any other remedies and damages available to the Disclosing
24 Party, to injunctive relief (without necessity of posting or filing a bond or any other
25 security) to restrain violation hereof by the Receiving Party or its Personnel. Such
26 remedy shall be in addition to any and all other remedies available at law or in
27 equity. In addition, any assignments under Sections 3 or 4 of this Agreement shall
28

1 not be deemed an exclusive remedy for breach of such Sections but shall be in
2 addition to any other remedies available to the Disclosing Party at law or in equity.”

3 391. As a direct, foreseeable, and proximate result of the breach of the
4 CDAs, Viking has suffered and will continue to suffer irreparable injury.

5 392. Because Viking’s remedy at law is inadequate, Viking seeks, in
6 addition to damages, injunctive relief to recover and protect its confidential,
7 proprietary, and trade secret information, the fruits of Viking’s confidential,
8 proprietary, and trade secret information, and Viking’s other legitimate business
9 interests. Viking will continue suffering irreparable harm absent injunctive relief.

10 393. All Defendants are also liable for breach of contract for the same
11 reasons as Ascleitis BioScience, both directly and vicariously, including via
12 respondeat superior, because the relationships among Defendants indicate that even
13 when individuals purported to act on behalf of Ascleitis BioScience, they were in
14 fact acting on behalf of other Defendants.

15 394. Given the close ties between the Defendant companies—such as them
16 sharing a common parent company, Jason Wu’s leadership roles in each of them,
17 overlapping employees, and all operating in the same industry—and the evidence of
18 malicious acts, the Defendant companies did not maintain strict boundaries between
19 each other, and may have attempted to use their separate corporate structures to
20 insulate certain companies from claims of breach against their related companies.

21 395. All Defendants are liable for breach of contract as alter egos of each
22 other, as single enterprises with each other, as agents of each other, and by aiding,
23 abetting, and ratifying the actions of each other.

24 **D. Breach of Implied Covenant of Good Faith and Fair Dealing**
25 **(Ascleitis BioScience)**

26 396. Viking repeats, incorporates, and re-alleges the above allegations as if
27 fully set forth herein.

28 397. Ascleitis BioScience entered into contracts (the CDAs) with Viking.

1 398. The CDAs contain an implied covenant of good faith and fair dealing.

2 399. Viking did all, or substantially all, of the significant things that the
3 contract required Viking to do.

4 400. All conditions required for Ascleto BioScience's performance had
5 occurred.

6 401. Ascleto BioScience's conduct prevented Viking from receiving the
7 benefits of the CDAs. In other words, Ascleto BioScience frustrated Viking's
8 rights to benefit from the CDAs.

9 402. For example, Ascleto BioScience either entered the CDAs knowing
10 that it intended to frustrate Viking's ability to receive the benefits of the CDAs, or
11 decided shortly after entering the CDAs that it would take actions to frustrate
12 Viking's ability to receive the benefits of the CDAs, including by not disclosing to
13 Viking the New Disclosing Party IP, not returning both Viking confidential
14 information and Viking Trade Secrets, and by sharing both Viking confidential
15 information and Viking Trade Secrets with Ascleto BioScience's sister, child, and
16 parent companies, or allowing its sister, child, and parent companies to access the
17 Viking Trade Secrets.

18 403. On information and belief, Ascleto BioScience intended to let its
19 sister, child, and parent companies use, disclose, and benefit from both Viking
20 confidential information and Viking Trade Secrets in an attempt to circumvent the
21 provisions and purpose of the CDAs, which was only purportedly entered into by
22 Ascleto BioScience.

23 404. Ascleto BioScience's use of sister, child, and parent companies to use
24 and disclose both Viking confidential information and Viking Trade Secrets—
25 which the sister, child, and parent companies were only able to access due to
26 Ascleto BioScience entering into the CDAs with Viking—constitutes conduct that
27 violated the implied covenant of good faith and fair dealing by preventing Viking
28

1 from receiving the benefits of the CDAs, to the extent these actions did not also
2 breach the CDAs.

3 405. By doing so, Ascletis BioScience did not act fairly and in good faith.

4 406. Ascletis BioScience breached the implied covenant of good faith and
5 fair dealing both directly and vicariously, including via respondeat superior.

6 407. Viking was harmed by Ascletis BioScience's conduct.

7 408. This breach of the implied covenant of good faith and fair dealing has
8 caused, and will continue to cause, Viking to suffer substantial monetary damages
9 in an amount to be determined at trial, as well as monetary damages that cannot be
10 calculated, and irreparable harm to its reputation and goodwill.

11 409. As a direct, foreseeable, and proximate result of the breach of the
12 implied covenant of good faith and fair dealing by Ascletis BioScience, Viking has
13 suffered and will continue to suffer irreparable injury.

14 410. Because Viking's remedy at law is inadequate, Viking seeks, in
15 addition to damages, injunctive relief to recover and protect its rights to benefit
16 from the CDAs. Viking will continue suffering irreparable harm absent injunctive
17 relief.

18 **E. Tortious Interference with Contract**

19 **(Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma,**
20 **Jason Wu)**

21 411. Viking repeats, incorporates, and re-alleges the above allegations as if
22 fully set forth herein.

23 412. To the extent that Gannex Pharma, Ascletis Pharmaceuticals, Ascletis
24 Pharma, and Jason Wu did not breach the CDAs, then, in the alternative, Gannex
25 Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason Wu tortiously
26 interfered with the CDAs between Viking and Ascletis BioScience.

27 413. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason
28 Wu knew of the CDAs between Viking and Ascletis BioScience. Gannex Pharma,

1 Ascletis Pharmaceuticals, Ascletis Pharma, and Jason Wu knew or had reason to
2 know of the contracts at least because Jason Wu is the founder and CEO of both
3 Ascletis BioScience and Gannex Pharma, Ascletis Pharmaceuticals, and Ascletis
4 Pharma and because Jason Wu accessed Viking's secure data room under the
5 CDAs.

6 414. Gannex Pharma also knew or had reason to know of the CDAs at least
7 because Kristjan Gudmundsson and Joseph Musto, who were employees of Ascletis
8 BioScience at the time of the CDAs and accessed the secure data room under the
9 CDAs, were named executives of Gannex Pharma after its formation.

10 415. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason
11 Wu also knew or had reason to know of the CDAs at least because Judy Hejingdao
12 Wu, the spouse of Jason Wu, who herself held roles at Ascletis Pharma and Ascletis
13 BioScience, signed at least the 2019 CDA on behalf of Ascletis BioScience.

14 416. When Gannex Pharma filed United States and foreign patent
15 applications that included certain Viking Trade Secrets, Gannex Pharma, Ascletis
16 Pharmaceuticals, Ascletis Pharma, and Jason Wu knew that these patent
17 applications would publish. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis
18 Pharma, and Jason Wu knew that the filing and publication of patent applications
19 containing certain Viking Trade Secrets would prevent Ascletis BioScience from
20 complying with its promises and obligations of confidentiality and restricted use of
21 Viking Trade Secrets under the CDAs.

22 417. When Ascletis Pharma and Gannex Pharma included on its public
23 website certain Viking Trade Secrets for storage, Gannex Pharma, Ascletis
24 Pharmaceuticals, Ascletis Pharma, and Jason Wu knew that this website material
25 would be available for others throughout the world to inspect, copy, and archive.
26 Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason Wu knew
27 that this website material containing certain Viking Trade Secrets would prevent
28

1 Ascletis BioScience from complying with its promises and obligations of
2 confidentiality and restricted use of Viking Trade Secrets under the CDAs.

3 418. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason
4 Wu also knew that the filing and publication of patent applications and posting on
5 Ascletis Pharma and Gannex Pharma's website materials containing certain Viking
6 Trade Secrets would prevent Ascletis BioScience from complying with its promises
7 and obligations to "not (i) create or develop any derivative works, discoveries, or
8 improvements . . . using, incorporating, or derived from any Confidential
9 Information of the Disclosing Party ('New Disclosing Party IP')."

10 419. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason
11 Wu further knew that the filing and publication of patent applications and posting
12 on Ascletis Pharma and Gannex Pharma's website materials containing certain
13 Viking Trade Secrets would prevent Ascletis BioScience from complying with its
14 promises and obligations to "promptly disclose such New Disclosing Party IP to the
15 Disclosing Party" if Ascletis BioScience created or developed any New Disclosing
16 Party IP. Additionally, on information and belief, Gannex Pharma, Ascletis
17 Pharmaceuticals, Ascletis Pharma, and Jason Wu induced and instructed Ascletis
18 BioScience to not comply with its promises and obligations to "promptly disclose
19 such New Disclosing Party IP to the Disclosing Party" and not to return to Viking
20 both Viking confidential information and Viking Trade Secrets.

21 420. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and
22 Jason Wu further knew that the filing and publication of patent applications and
23 posting on Ascletis Pharma and Gannex Pharma's website materials containing
24 certain Viking Trade Secrets would prevent Ascletis BioScience from complying
25 with its promises and obligations to "not to file any patent application(s) disclosing
26 or claiming Confidential Information of the Disclosing Party."

27 421. Gannex Pharma, Ascletis Pharmaceuticals, Ascletis Pharma, and Jason
28 Wu further knew that the filing and publication of patent applications and posting

1 on Ascletois Pharma and Gannex Pharma's website materials containing certain
2 Viking Trade Secrets would prevent Ascletois BioScience from complying with its
3 promises and obligations to destroy all confidential information of Viking upon
4 termination of the CDAs.

5 422. Gannex Pharma, Ascletois Pharmaceuticals, Ascletois Pharma, and Jason
6 Wu tortiously interfered with the CDAs between Viking and Ascletois BioScience
7 both directly and vicariously, including via respondeat superior.

8 423. Viking was harmed as a result Gannex Pharma, Ascletois
9 Pharmaceuticals, Ascletois Pharma, and Jason Wu filing United States and foreign
10 patent applications and posting on Ascletois Pharma and Gannex Pharma's website
11 materials that included certain Viking Trade Secrets. The filing and publication of
12 these United States and foreign patent applications made public certain Viking
13 Trade Secrets and Viking confidential information.

14 424. Viking seeks damages as a result of Gannex Pharma filing United
15 States and foreign patent applications and posting on Ascletois Pharma and Gannex
16 Pharma's website materials that included certain Viking Trade Secrets and Viking's
17 confidential information and the resulting breach of Ascletois BioScience's
18 contractual obligations to Viking.

19 425. On information and belief, discovery will reveal that Gannex Pharma,
20 Ascletois Pharmaceuticals, Ascletois Pharma, and Jason Wu tortiously interfered with
21 the CDAs in other respects.

22 **V. Prayer for Relief**

23 WHEREFORE, Viking respectfully requests that the Court enter judgment in
24 favor of Viking and against Defendants and grant relief as follows:

- 25 1. Judgment for Viking and against Defendants on all counts;
- 26 2. Actual damages in an amount to be proven at trial;
- 27 3. Restitution, actual loss, unjust enrichment, and disgorgement of
28 profits;

1 4. Alternatively, a reasonable royalty;

2 5. An order declaring that Viking is the owner of all right, title, and
3 interest in all derivative works, discoveries, or improvements, or any product or
4 service, including New Disclosing Party IP, using, incorporating, or derived from
5 any Viking confidential information, including Viking Trade Secrets. In the
6 alternative, an order requiring Defendants to take all actions necessary to establish
7 Viking's ownership of all derivative works, discoveries, or improvements, or any
8 product or service, including New Disclosing Party IP, using, incorporating, or
9 derived from any Viking confidential information, including Viking Trade Secrets.
10 Further in the alternative, an order requiring specific performance under the CDAs
11 of Defendants' contractual obligations to assign all right, title, and interest in all
12 derivative works, discoveries, or improvements, or any product or service,
13 including New Disclosing Party IP, using, incorporating, or derived from any
14 Viking confidential information, including Viking Trade Secrets;

15 6. An order declaring that Viking is the owner of all right, title, and
16 interest in all patent applications, patents, and New Disclosing Party IP, that
17 disclose, claim, rely on, or derive from Viking confidential information, including
18 Viking Trade Secrets. In the alternative, an order requiring Defendants to take all
19 actions necessary to establish Viking's ownership in all patent applications, patents,
20 and New Disclosing Party IP that disclose, claim, rely on, or derive from Viking
21 confidential information, including Viking Trade Secrets. Further in the alternative,
22 an order requiring specific performance under the CDAs of Defendants' contractual
23 obligations to assign all right, title, and interest in all patent applications, patents,
24 and New Disclosing Party IP that disclose, claim, rely on, or derive from Viking
25 confidential information, including Viking Trade Secrets;

26 7. An order requiring Defendants to take all reasonable efforts to
27 prosecute and maintain any patents, patent applications, and New Disclosing Party
28 IP that will ultimately be transferred to Viking;

1 8. An order restraining and permanently enjoining Defendants from
2 further using and disclosing the Viking Trade Secrets;

3 9. A permanent injunction: (i) prohibiting Defendants and those in
4 concert with them from researching, developing, commercializing, monetizing,
5 conducting or directing any business and clinical trials, and pursuing intellectual
6 property concerning drugs and formulations that are found to have been copied,
7 used, derived from, created or developed in whole or in part or whose creation or
8 development has been aided or enhanced by reason of the acts complained of
9 herein; (ii) prohibiting Defendants and those in concert with them from using,
10 accessing, disclosing, or continuing to possess Viking confidential information,
11 including Viking Trade Secrets, and information derived therefrom; (iii) prohibiting
12 Defendants and those in concert with them from using, accessing, disclosing or
13 continuing to possess information copied or derived from Viking confidential
14 information, including Viking Trade Secrets; (iv) ordering the return or destruction
15 under the supervision of a court-appointed forensic expert at Defendants' expense
16 of Viking confidential information, including Viking Trade Secrets, and
17 information copied or derived therefrom; (v) ordering a forensic evaluation at
18 Defendants' expense confirming that Defendants have returned or properly
19 destroyed all of Viking's confidential information, including Viking Trade Secrets,
20 described herein and are not using it, including as part of its ASC41 development
21 and commercialization, and a forensic report at Defendants' expense to determine
22 whether the information has been shared and with whom; and (vi) requiring any
23 future development work under true "clean room" conditions with required auditing
24 to ensure compliance;

25 10. Imposition of a constructive trust over Viking confidential
26 information, including Viking Trade Secrets, and all innovations derived therefrom,
27 of which Viking is the beneficiary;
28

1 DATED: December 29, 2022

Respectfully submitted,

2 PAUL HASTINGS LLP

3
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