

Waymo, Uber end trade secrets theft trial with settlement (Update)

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Waymo CEO John Krafcik arrives at the start of a trial pitting the former Google car unit against Uber over allegedly stolen trade secrets, a case settled by the two companies on Friday

Waymo and Uber announced an agreement Friday in the blockbuster

federal lawsuit over allegedly stolen trade secrets from the former Google self-driving car project.

The surprise agreement ends a trial between the two Silicon Valley rivals competing in a race to develop autonomous cars, after four days of testimony before a federal judge in San Francisco.

A source familiar with the confidential deal said Uber agreed to a financial settlement giving the Alphabet unit 0.34 percent of Uber shares—which would be some \$244 million based on Uber's valuation of \$72 billion.

Uber also agreed not to use any of Waymo's technology for autonomous driving as part of the settlement, which was approved by Judge William Alsup as he dismissed the case.

Waymo said in a statement: "We have reached an agreement with Uber that we believe will protect Waymo's intellectual property now and into the future. We are committed to working with Uber to make sure that each company develops its own technology."

Uber chief executive Dara Khosrowshahi said in a separate statement that "while we do not believe that any trade secrets made their way from Waymo to Uber ... we are taking steps with Waymo to ensure our Lidar and software represents just our good work."

While the technical details of Waymo's case were not revealed, it was widely believed to focus on Lidar, a laser-based system which is critical to enabling autonomous cars to get a three-dimensional picture of its surroundings.

The trial so far included testimony from former Uber chief executive Travis Kalanick, who denied a conspiracy to steal trade secrets in a tense

two-day court appearance.

High-stakes trial

Alphabet's Waymo division was seeking at least \$1 billion over the theft of secrets from its self-driving car program in the trial before federal judge William Alsup.

If the case had gone to the jury and Waymo had prevailed, it would have dealt a severe blow to Uber's efforts to widely deploy self-driving vehicles as part of its ridesharing operations—a field that also includes Waymo and other rivals.

Waymo had alleged Uber conspired with former Google engineer Anthony Levandowski, who had been accused of downloading thousands of proprietary documents before leaving the company and ending up at Uber.

Levandowski, who was on the list as a possible witness, left Google for his own startup called Otto, which was later acquired by Uber.



Former Uber CEO Travis Kalanick was among the witnesses testifying in the trade secrets trial before Friday's settlement

The case hinged on Waymo's ability to show not only that Levandowski had taken Google's private source code, but that Uber had used it improperly to catch up with rivals.

The jury saw evidence which was embarrassing for Uber, however, including notes from Kalanick about "cheat codes" and a text message in which he told Levandowski to "burn the village." Kalanick said, "I don't know, I don't remember."

The jury was also shown a clip—sent from Levandowski to Kalanick—from the 1987 film "Wall Street" in which the Michael Douglas lead

character proclaims "greed is good."

'Growing responsibly'

Khosrowshahi said in his statement he regretted the handling of the Levandowski matter, which occurred before he took over as CEO last year.

"My job as Uber's CEO is to set the course for the future of the company: innovating and growing responsibly, as well as acknowledging and correcting mistakes of the past," he said.

"In doing so, I want to express regret for the actions that have caused me to write this letter."

He added, "To our friends at Alphabet: we are partners, you are an important investor in Uber, and we share a deep belief in the power of technology to change people's lives for the better. Of course, we are also competitors."

The settlement comes with Uber seeking to turn the page following a series of scandals over alleged misconduct and a cut-throat workplace culture, as new chief executive Khosrowshahi strives to prepare for a stock market debut in 2019.

"While I cannot erase the past, I can commit, on behalf of every Uber employee, that we will learn from it, and it will inform our actions going forward," Khosrowshahi said.

"I've told Alphabet that the incredible people at Uber ATG are focused on ensuring that our development represents the very best of Uber's innovation and experience in self-driving technology."

Uber, which is the world's biggest ride-hailing service, is seeking to be a major player in autonomous cars and has ordered an estimated 24,000 cars from Volvo for its project set to launch in the coming years.

Waymo is deploying its own self-driving rideshare program at the same time and has ordered "thousands" of vehicles from Fiat Chrysler for its service.

The sector also includes most major automakers, technology platforms and ride services such as Lyft.

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