

Ex-Google engineer charged in Uber self-driving theft case

August 27 2019, by Michael Liedtke



David L. Anderson, U.S. Attorney for the Northern District of California, left, gestures next to John F. Bennett, Special Agent in Charge, Federal Bureau of Investigation, as they speak at a news conference to announce charges against Anthony Levandowski at a federal courthouse in San Jose, Calif., Tuesday, Aug. 27, 2019. Levandowski, a former Google engineer, was charged Tuesday with stealing closely guarded secrets that he later sold to Uber as the ride-hailing service scrambled to catch up in the high-stakes race to build robotic vehicles. (AP Photo/Jeff Chiu)

A former Google engineer was charged Tuesday with stealing self-driving car technology from the company shortly before he joined Uber's efforts to catch up in the high-stakes race to build robotic vehicles.

The indictment filed by the U.S. attorney's office in San Jose, California, is an offshoot of a lawsuit filed in 2017 by Waymo, a self-driving car pioneer spun off from Google. Uber agreed to pay Waymo \$245 million to settle the case last year, but the federal judge overseeing the lawsuit made an unusual recommendation to open a criminal probe after seeing enough evidence to conclude a theft may have occurred.

Uber considered having self-driving technology crucial to survive and counter potential competitive threats from Waymo and dozens of other companies working on robotic vehicles. Uber wants to build self-driving cars so it can eliminate the need to have a human behind the wheel, one of the biggest expenses in its still-unprofitable ride-hailing service.

Anthony Levandowski, a pioneer in robotic vehicles, was charged with 33 counts of trade secrets theft. He could be sentenced up to 10 years and fined \$250,000 per count, \$8.25 million altogether.

Prosecutors say the probe is ongoing, but they wouldn't say whether Uber and former CEO Travis Kalanick are targets. Prosecutors say Google and Uber cooperated in the investigation.

Although Tuesday's indictment didn't charge Uber, it's a stain for a company that has been trying to recover from a series of scandals since jettisoning Kalanick two years ago . Besides trying to reverse perceptions that it's a technological thief, Uber has been dealing with fallout from its own acknowledgement of rampant sexual harassment , its use of

software designed to dupe regulators and a yearlong cover-up of a hacking attack that stole the personal information of 57 million passengers and 600,000 drivers.

The case seems unlikely to endear Uber with investors already skeptical about the company's ability to make money after piling up billions of dollars of losses. The lack of profits is the main reason the company's stock has fallen about 25% below the price set during its much-ballyhooed initial public offering of stock in May. Nonetheless, Uber's stock fell less than 1% after the announcement.

Levandowski was accused of stealing years of top-secret information from Google, which prosecutors called the crown jewels of the company. That included Google's breakthroughs in lidar, a key piece of technology that enables self-driving cars to detect what's around them.



Attorneys Miles Ehrlich, left, and Ismail Ramsey, representing Anthony Levandowski, speak to reporters at a federal courthouse in San Jose, Calif., Tuesday, Aug. 27, 2019. Levandowski, a former Google engineer, was charged Tuesday with stealing closely guarded secrets that he later sold to Uber as the ride-hailing service scrambled to catch up in the high-stakes race to build robotic vehicles. (AP Photo/Jeff Chiu)

In a statement, Levandowski's attorneys maintained his innocence.

"He didn't steal anything, from anyone," the statement said. "This case rehashes claims already discredited in a civil case that settled more than a year."

Prosecutors say Levandowski turned himself in earlier Tuesday. He was to appear in court later in the afternoon.

During the Waymo trial, Kalanick conceded that Uber needed to develop self-driving cars to survive. But he denied that he ever resorted to stealing technology from Google, whom he believed was an ally until he began to suspect the company intended to launch its own ride-hailing service consisting entirely of its robotic vehicles.

But Kalanick also testified that his push to build a fleet of self-driving cars for Uber led him to woo Levandowski, who at the time was considered to be a pioneer in robotic vehicles. The two men began talking in 2015 before Levandowski left Google. After he left, Uber paid \$680 million in 2016 to acquire Otto, a self-driving truck startup founded by Levandowski and another former Google employee, Lior Ron.

Waymo, which spun off from Google in 2016, alleged that Levandowski downloaded 14,000 documents containing its trade secrets before he left the company to found Otto. Uber denied knowing anything about those documents, but eventually fired him after he repeatedly asserted his constitutional right against self-incrimination leading up to the trial.

The whiff of potential wrongdoing became even more pungent following the disclosure of allegations by a former Uber security specialist, Richard Jacobs, that the company employed an espionage team to spy on Waymo and other rivals while creating ways to conceal any stolen technology.

Google also pursued a separate case against Levandowski in arbitration proceedings, which resulted in a panel ordering Levandowski to pay the company \$127 million, according to disclosure made by Uber leading up to its IPO. Uber may be held liable for paying all or part of that as part of guarantees it made in its Otto acquisition, but believes it may be able to get out of those obligations.

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