

Apple claims 'stealth mode' startup poached engineers who took chip secrets

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Apple has filed a lawsuit against a Mountain View, California startup called Rivos it claims poached employees who took chip-design secrets on their way out of the Cupertino iPhone giant.

"Rivos continues to target Apple engineers, with more departures occurring this month," the lawsuit filed Friday alleged.

The startup, currently describing itself on its website as in "stealth mode," has hired more than 40 former Apple employees in the last year, the [suit](#) alleged.

"Starting in June 2021, Rivos began a coordinated campaign to target Apple employees with access to Apple proprietary and trade secret information about Apple's ([chip](#)) designs," the suit filed in U.S. District Court in San Jose claimed.

Rivos instructed some of the workers to download and install encrypted-communications apps before it had further conversations with them, the suit alleged.

Rivos did not immediately respond to emailed requests and voicemails seeking comment.

The majority of workers who left Apple for the startup were design engineers working on computer and phone chips, according to the suit.

Apple claims its forensic analysis of the devices the employees returned to it before leaving show they took the information.

At issue are Apple's M1 computer chip—designed in-house and released in late 2020, marking the firm's move away from Intel's processing chips—and the "A15" chip used in the latest iPhones. Apple has dedicated billions of dollars to development of the chips, it said in the suit.

Rivos was founded a year ago with the aim of producing chips to compete against Apple, the suit claimed. Information taken by Apple

workers hired by Rivos included "some of Apple's most highly-sensitive and valuable information" that will "provide a significant, unfair advantage to Rivos in developing advanced ... chips," the suit alleged.

The suit also names two former Apple employees alleged to have taken secret data with them to Rivos. Bhasi Kaithamana worked at Apple in Austin, Texas, for almost 8 years as an engineer managing chip design, according to the suit. Apple claims Kaithamana accepted a job offer from Rivos between July 20 and August 9 last year, then asked Apple for a vacation day August 10.

"During his day off, Mr. Kaithamana created a new folder on his Apple-issued computer and began copying over Apple documents containing proprietary and trade secret information," the suit alleged. Although Kaithamana resigned from Apple on August 13, "he worked to continue amassing a collection of Apple's proprietary and trade secret (chip) files until the day before he left Apple on August 16," the suit claimed. The folder Kaithamana named "APPLE-WORK-DOCS" contained thousands of Apple documents, and he copied files onto an external storage drive, Apple alleged.

Kaithamana did not immediately respond to emailed requests and voicemails sent to him at Rivos seeking comment.

The other former Apple [employee](#), Ricky Wen of San Jose, worked at Apple for almost 14 years as a chip-design engineer, according to the suit. Rivos approached Wen about moving to Apple in June or July last year and he accepted a job offer for a position similar to the one he had at Apple on July 23, the suit claimed.

Within a week, Wen, also known as Wen Shih-Chieh, had transferred about 390 gigabytes of data—including trade secrets concerning past, current and unreleased chips—from his Apple-issued computer to a

personal hard drive, and Apple found that he had accessed more chip-design secrets the day before he left Apple and just before a [hard drive](#) was connected to his company-issued computer, the suit alleged. He also transferred hundreds of files to his personal Google drive, including chip-design diagrams, and also kept trade secrets on his iCloud Drive after he left Apple, the suit claimed.

Wen did not immediately respond to emailed requests and voicemails sent to him at Rivos seeking comment.

Apple further claimed that "numerous" other former employees who took jobs at Rivos similar to the ones they had at Apple had downloaded and kept proprietary Apple documents after accepting job offers from the startup. Several had connected external storage drives to Apple-issued computers in the days between their hiring by Rivos and their departure from Apple, the suit alleged.

"Several of the employees deleted information or wiped their Apple devices entirely to try to cover their tracks," the suit claimed.

Rivos is currently advertising for more than 75 new employees, the vast majority in technology fields such as chip and software engineering, mostly in Mountain View but also in Austin, Bangalore and Cambridge, England.

Apple is claiming unspecified damages, and seeking a [court order](#) that the allegedly misappropriated data be returned, and that Rivos stop any accessing or use of the data.

In March, [federal prosecutors](#) charged a former Apple employee with defrauding the company out of more than \$10 million by taking kickbacks, stealing equipment and diverting money.

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