

Tesla's \$1bn Secrets Suit Exposes Potholes for Electric Vehicle Makers

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James Gale was quoted in a World IP Review article discussing the balance between openness and protection within the electric vehicle (EV) industry in light of Tesla's \$1 billion lawsuit against Matthews International. Despite founder Elon Musk's known dislike of patents, Tesla accused Matthews of allegedly revealing proprietary information to third parties and registering new patents using stolen information, which potentially blocked Tesla from patenting its own technology. This case was one of many recent disputes highlighting the challenges of protecting intellectual property in the EV sector, where trade secrets are increasingly vulnerable to employee theft and leaks, most notably with battery technologies.

Jim agreed that there are substantial threats for established players and new entrants. Jim suggested, "EV manufacturers are rapidly competing to refine and enhance this technology. Any time there is such competition, there is a higher chance that such technology will be stolen." Identifying trade secrets is crucial to minimizing risk due to the global and complex battery technology supply chain.

Jim added that all relationships and agreements with vendors and suppliers pose a risk if they include sharing trade secret information. He advised, "Such relationships should include the use of a Non-disclosure Agreement (NDA). This NDA should also include a restriction on using/disclosing/misappropriating/reverse-engineering any trade secrets, and there should be a detailed showing of the trade secrets that have been shared and stolen."

To read more, [click here](#). (subscription required)

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