



Court Grants Rare Preliminary Injunction to Autonomous Vehicle Company WeRide

Court rules that WeRide is likely to prevail on merits of its trade secret misappropriation claims against competitors.

In a trade secret misappropriation case between two autonomous vehicle companies, the Northern District of California entered a preliminary injunction barring any use or disclosure of source code, schematics, and other trade secrets allegedly misappropriated from WeRide Corp. *WeRide Corp. et al. v. Huang, et al.*, Case No. 5:18-cv-07233-EJD (N.D. Cal. Apr. 1, 2019). The order also granted expedited discovery of defendants.

WeRide sued Zhong Zhi Xing Technology Co. Ltd. ("ZZX"), AllRide.AI, Inc. ("AllRide"), WeRide's former CEO Jing Wang, and WeRide's former Director of Hardware Kun Huang for trade secret misappropriation under the Defend Trade Secrets Act and California's Uniform Trade Secrets Act. The alleged trade secrets include WeRide's (i) "HD mapping" (special maps constructed by "test vehicles repeatedly driving through a certain area while collecting data with multiple sensors"), (ii) "sensor fusion-based localization" (combining and using data collected by various vehicle sensors to "pinpoint the vehicle's location"), and (iii) "state machines" ("decision models that determine how an autonomous vehicle will act or perform in difference scenarios or 'states'"). As the court notes, autonomous vehicle technology "could well be the next disruptive technology" with the "potential to remake the industry and market for both vehicles and ride-hailing services." WeRide alleges that Huang, while still a WeRide employee, copied 1,192 confidential files from a WeRide-issued laptop to a USB device, then deleted the files from the laptop and cleared the web-browsing history. He also erased the hard drive of a second company-issued laptop and reinstalled its operating system before returning the two laptops.

Subsequently, Huang began working at ZZX as its Vice President of Technology. Ten weeks after his last day at WeRide, Huang appeared at a ZZX event in China where ZZX presented a video of its car performing "advanced capabilities," including operating without a driver; steering, accelerating, and braking smoothly; using an HD map; detecting and braking for pedestrians; and changing lanes to pass slower vehicles. The court noted that "[t]he implausibly fast development of technology can contribute to a finding of misappropriation." In addition, ZZX and AllRide positioned its radar component on the front center of the vehicle roof—just like WeRide—instead of on the front bumper or rear view mirror like most competitors. WeRide's expert opined that this placement was "consistent with the use of WeRide's source code...[which] would only be useful if the radar component was located in that same location." Taken together, the court concluded that this evidence was "sufficient to show that WeRide is likely to succeed on its trade secret misappropriation claims."

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