

## The Self-Driving Technology Mega-Lawsuit Abruptly Settles

By Sean Kiernan, J.D. Candidate 2020 | March 5, 2018

Waymo has [settled its lawsuit](#) against Uber for allegedly stealing its confidential self-driving technologies. Its decision brings an abrupt end to a high-profile Silicon Valley lawsuit and enables Uber to move past the damaging press coverage. The case has important implications for tech companies' willingness to refrain from fighting, and showcases how business and legal strategies can influence each other.

Waymo agreed to drop the lawsuit in exchange for a \$245 million increase in its equity stake in Uber and an agreement not to use Waymo's confidential information. The claim alleged Uber's chief engineer on its self-driving project took thousands of confidential documents when he moved from Waymo to Uber last year. The lawsuit put Uber behind in its development of self-driving vehicles, a critical component of its long-term profitability goals.

The trial and [settlement negotiations](#) illustrate how business motives can influence legal strategy. Both Uber and Waymo had good reasons to settle. Waymo initially sought a \$1 billion settlement. Uber managed to negotiate down to \$245 million. Purportedly having presented scant evidence of that Uber actually used any of Waymo's technologies, Waymo agreed to the \$245 million deal.

On the one hand, Waymo was having difficulty establishing key elements of its case. In a departure from company historical trends, Uber actually benefited from former [CEO Travis Kalanick speaking out](#). Waymo's attorneys failed in provoking him during his testimony; he remained calm, collected, and delivered well-prepared responses to their questions. Little evidence had been produced indicating Uber stole any of Waymo's confidential information, which explains why Waymo settled for a quarter of its initial settlement asking price.

On the other hand, Uber came into the trial with [heavy baggage](#). The case follows a series of bruising public revelations, including allegations of sexual harassment, a toxic workplace, internal investigations, employee turnover, and federal crime probes. The revelations during this trial were another set of challenges new CEO Dara Khosrowshahi has been handed.

The settlement allows both companies to move past the high-profile case that has jolted Silicon Valley. The case may make other companies more careful in managing trade secrets. Personnel working on driverless technologies at other companies may be siloed. Yet the settlement still primarily impacts Uber and Waymo. [Experts agree](#) an industrywide shift is unlikely.