

EV startup Karma would like DeLorean to go back in time and not steal its trade secrets

The effort to electrify an iconic car has run into its first speed bump. Earlier this month, electric vehicle company Karma Automotive filed a lawsuit against DeLorean Motors Reimagined, the Texas-based company that holds the branding rights for the original DeLorean Motor Company (DMC), and four of its employees, alleging stolen intellectual property.

More broadly, Karma claims that DeLorean Motors Reimagined only exists because a joint venture between the two didn't pan out. In a lawsuit filed on August 8th in US District Court for the Southern District of Texas, Karma alleges that four DeLorean employees – CEO Joost de Vries, COO Alan Yuan, vice president Neilo Harris, and chief marketing officer Troy Beetz – stole the company's trade secrets, which it used to launch DeLorean Motors Reimagined. The company has said it plans to sell electric versions of the revived '80s sports car.

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According to the lawsuit, talks between Karma and DMC began in 2020 around the goal “to electrify DMC's famed DeLorean vehicle, which would have helped both companies to speed into the future at 88 miles per hour.” (That being a reference to the 1985 film *Back to the Future*, which famously featured a DeLorean time machine.)

Instead, the joint venture fell through, and the defendants left to form their own venture, along with Karma's

confidential information. “They furtively took confidential Karma information, materials, and templates,” the lawsuit reads. “They actively concealed information from Karma to keep Karma from pursuing the project or from finding out what Individual Defendants were doing. Then, one by one, they left Karma.”

In a statement obtained by *Automotive News*, de Vries said: “The potential Karma/DMC project died due to Karma’s inability to fund or produce deliverables necessary to even move forward talks with DMC. DeLorean Motors Reimagined is a completely new entity with a completely new fully electric vehicle unrelated to the low volume replica project. We anticipate the Court seeing through this baseless litigation in short order.”

The lawsuit comes after the San Antonio City Council approved a \$562,500 incentive package for DMC in April that paved the way for the company to apply for \$1.25 million in tax refunds for setting up its headquarters in the city. The package requires DMC to create 450 jobs by the end of 2026, paying an average salary of \$145,600.

Karma Automotive was formed after a Chinese company called Wanxiang purchased many of the assets from bankrupt EV startup Fisker Karma. The company then rebranded itself as Karma Automotive and spun up a small lineup, including a Karma-based hybrid sports car known as the Revero. The company has shared ambitions to build all-electric vehicles as well as sell the underlying technology but has struggled to find its footing.

This isn’t Karma’s first lawsuit. Two years ago, the company sued Lordstown Motors, alleging the Ohio-based electric-truck firm stole trade secrets and poached employees involved in the development of infotainment tech.

<https://www.theverge.com/2022/8/19/23311792/karma-delorean-law-suit-ev-trade-secret-theft>