Nikola founder bought truck designs from third party

Enlarge / A 2018 Nikola video showed the Nikola One prototype rolling down a shallow hill in Utah. Nikola now says it never claimed the truck was driving under its own power.

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The original design for Nikola's flagship truck was purchased by founder Trevor Milton from a designer in Croatia, according to two people with knowledge of the matter, despite company claims in a 2018 lawsuit that the vehicle was initially designed by Mr. Milton "in his basement.."

The truck, the Nikola One, is at the centre of a $2 billion lawsuit with Tesla, in which Nikola alleges its rival infringed on its patents. Nikola claims in that lawsuit that Mr. Milton began designing the model in 2013, with other company staff later working on it.

In a rebuttal to the lawsuit filed last week, Tesla alleged that Nikola could not protect the designs because they did not originate from the company itself, but from Adriano Mudri, a designer based in Croatia.

Two people with knowledge of the transaction told the Financial Times that the Nikola founder bought the designs in 2015 after meeting Mr. Mudri while visiting electric supercar maker Rimac in Croatia.

While Tesla’s filing identifies the designer as the source of the original truck drawings, it does not contain details about the transaction, explain that money was exchanged, or that Mr. Milton himself orchestrated the purchase.

The latest twist comes with Nikola still reeling from accusations earlier this month that it passed off purchased technology as its own, covering supplier names on key components with stickers when making promotional videos. Nikola said it never claimed it made the components.

In a report that sent Nikola’s shares tanking, Mr. Milton was accused of spreading an “ocean of lies” about the company’s technology and its products by short seller Hindenburg Research.

A little over a week later, Mr. Milton decided to leave the company, telling staff he planned to defend himself “against false allegations levelled against me by outside detractors.” The 39-year-old founder has repeatedly insisted that he has not lied to or deceived anyone about the trucks.

The lawsuit with Tesla, filed during Mr. Milton’s tenure, centers on the origins of the designs for the “Nikola One” truck.

The company claims that Mr. Milton worked for two years on the truck before, unsatisfied with his designs, he hired designer Steve Jennes in 2015. The lawsuit says the pair then crafted the final design between them in a lengthy process.

When it was finished, Nikola had spent “several million dollars developing the Nikola One,” according to the lawsuit.

In its rebuttal, Tesla said that the designs for the model originated from Mr. Mudri, a designer at Rimac, who had dubbed it the “Road Runner.” The design’s origins could raise further questions about Nikola’s intellectual property.

“Trevor Milton chose not to disclose the Road Runner concept truck to the [US Patent and Trademark Office] with deceptive intent,” Tesla said in its filing.

Nikola said: “The Nikola One truck was designed and patented by Nikola. It is commonplace to license third party designs during vehicle development, and although early in the process Nikola purchased a license to Adriano Mudri’s designs, he was not part of the design team and his designs are materially different from the design invented by Nikola for the Nikola One.”

According to several people with knowledge of the deal, Mr. Milton sought, unsuccessfully, to collaborate with Rimac on a range of projects in 2015.

On a trip to Rimac’s headquarters on the outskirts of Zagreb, he met Mr. Mudri, the company’s designer, who had designed a futuristic truck as part of an earlier diploma project.

Mr. Milton purchased the computer drawings and virtual 3D model of the vehicle for several thousand dollars from Mr. Mudri, according to two people.

The Road Runner name lingered for months. A person familiar with the development of the Nikola One said that “Road Runner… was the internal name for Nikola’s project the entire time we worked on it.”

A screenshot of a Nikola document seen by the Financial Times shows 13 people being invited to collaborate on the “Nikola Roadrunner Prototype Project.”

Another screenshot shows an early version of Nikola’s website depicting a truck that appears identical to the Road Runner in Tesla’s court filing.

Nikola did not mention Mr. Mudri, or Rimac, or say that the designs were purchased, in its 2018 filing against Tesla.

Representatives for Mr. Milton declined to comment. Rimac also declined to comment.

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