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PARIS—Three Renault SA top managers at the center of a spying probe are accused of disclosing secrets about the car maker's electric-vehicle technology, according to people familiar with the matter. The company said it plans to take legal action against them.

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Reuters

Renault has suspended three executives for allegedly selling secrets about electric cars, such as its Kangoo.



The allegations highlight the auto industry's high-stakes race to crack the market for electric cars.

The three managers have been suspended without pay and face potential dismissal, Renault said. The French company said the managers were responsible for ethical misconduct "that endangers the company's assets," and would be questioned by top Renault officials next week.

Renault didn't give details on the nature of the alleged secrecy breach. A French government minister, commenting on the allegations, said it was tantamount to "economic war." Officials haven't announced a criminal inquiry into the alleged disclosure.

According to a person familiar with the situation, the men who have come under scrutiny are management committee member Michel Balthazard, who is in charge of Renault new-car development; Matthieu Tenenbaum, deputy director of the company's electric vehicle program; and Bertrand Rochette, who is in charge of electric vehicle research. This person added that at least one of the men rejects any accusation of ethical misconduct.

Renault wouldn't confirm or deny the identities of the managers, citing French labor laws that forbid companies to reveal sensitive information on personnel.

Renault also declined requests to speak with the employees. Several attempts to reach the men via their home phone numbers were unsuccessful.

Benoît de Sanit-Sernin, director general of EEIE School of Management, a Versailles-based school specializing in competitive intelligence, said he believed the allegations involved subcontractors, based on discussions his colleagues had with Renault officials. But he didn't say what subcontractors might be involved or who at Renault said this.

"It looks like the managers in question could have given the subcontractors information that would enable them to gain contracts with Renault," said Mr. Sanit-Sernin.

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European Pressphoto Agency

French Industry Minister Eric Besson.





One Renault official asked about Mr. Sanit-Sernin's statement didn't dispute that subcontractors could have been involved in the alleged ethics breach. The official declined to elaborate.

The high-level corporate suspensions highlight how seriously car makers are taking the risks to their intellectual property as they develop electric vehicles. The technology might one day replace the traditional internal combustion engine, and companies with a technological edge hope to grab early market share. But the batteries the vehicles run on are still expensive and provide only limited driving range.

Cheaper, longer-lasting batteries are key to making electric vehicles a success, and makers are scrambling to improve them.

The first electric models on the market can travel only about 90 miles or less before they need either to be recharged or swap their battery pack. And typical packs cost in the region of \$10,000—or a third or so of the price of the car.

Electric cars are a huge bet for Renault; CEO [Carlos Ghosn](#) has said they will represent 10% of overall global automobile sales in 10 years.

Renault has said it has a strategy for making electric cars into a mass-market product and—together with its Japanese partner, [Nissan Motor Co.](#), which Mr. Ghosn also heads—has invested €4 billion (about \$5 billion) in the program. Renault plans to roll out four electric models over the next two years.

A senior Nissan official said that "most of the technology that these guys [at Renault] had access to was different from what we use at Nissan. Renault buys it from us as if we were any supplier. They are not party to the battery's chemistry or intellectual property."

Since Renault is 15% owned by the French state, the government has a particular interest in its electric-car work.

"The expression 'economic war'—sometimes excessive—is appropriate here," French Industry Minister Eric Besson said in a radio interview while discussing the Renault allegations.

According to the person familiar with the identities of the three Renault managers who were suspended, the men had been working on Monday at Renault's sprawling research and design center at Guyancourt, near Paris, when Renault lawyers told them the company had a large dossier on them.

The employees were then escorted from the design center and banned from entering Renault premises, this person said.

Christian Husson, Renault's chief lawyer, said that an investigation lasting several months had "enabled us to identify a body of converging evidence demonstrating that three group employees have committed misconduct that infringes Renault's ethics and deliberately endangered the company's assets."

Renault didn't give specifics about the evidence.

Their suspension was "designed to immediately protect the strategic, intellectual and technological assets of our company," Mr. Husson added. He said the investigation was continuing.