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Battle of the Dating Apps—Tinder Sues Bumble in Federal Court By Hannah Rawdin, J.D. Candidate 2020 | April 2, 2018

Tinder, the app that revolutionized online dating, is going against its biggest rival in a new <u>lawsuit filed</u> on March 16, 2018.

Tinder's parent company, Match Group, LLC (Match), is <u>suing competitor app Bumble</u> in Texas district court for patent infringement and stealing trade secrets. Yet this may be more than just your average patent lawsuit—some posit that it is the latest unconventional move by Match in an <u>ongoing effort</u> to acquire Bumble.

Match, which holds an impressive portfolio of several major dating services and over 23 million registered users, first made an offer to acquire Bumble in August 2017 for \$450 million. Bumble turned down the offer amid reports that its actual valuation was closer to \$1 billion. However, *Recode* recently reported that Match is still interested in acquiring Bumble, signaling that this lawsuit may really be a hostile bargaining chip in attempts to force Bumble to agree to the sale.

Moreover, a complicated history exists between the two dating apps. <u>Bumble founder</u> Whitney Wolfe Herd previously co-founded Tinder before suing the company in June 2014 for sexual harassment. In her suit, Herd alleged that her ex-boss and then-CMO at Tinder, Justin Mateen, robbed her of her co-founder title because he said that having a young female co-founder would "make the company seem like a joke." Though the suit was eventually settled out of court for approximately \$1 million, it did not include a non-compete clause. Herd soon went on to found Bumble, her own competitor dating app, geared primarily toward female users.

Herd's new app immediately took off with the help of 79% shareowner <u>Andrey Andreev</u>, founder of Badoo, the world's largest online dating network. Using Andreev's expertise and Badoo's infrastructure, Bumble launched in December 2014 with rapid success. The app garnered over 100,000 users in its first month alone. Herd then brought in two former Tinder executives, Sarah Mick and Chris Gulczynski, to design Bumble's interface and back end.

Though Mick and Gulczynski have since left Bumble to launch their own agency, their involvement is another central issue to Match's lawsuit. Match claims that the two executives stole "confidential information related to proposed Tinder features," including the potential "undo" function that allows users to regenerate a match if they accidentally skip it. Match contends that Mick and Gulczynski were under confidentiality agreements, and therefore used trade secrets while knowing (or having reason to know) they were acquired by improper means. In its 45-page complaint, Match requests an injunction against use of its patent rights, extensive damages, and a jury trial as to all issues. However, it is still unknown whether this suit is truly



motivated by patent violations or just leverage for Match to persuade Bumble to accept its buyout offer. Only time will tell if this is the final push Bumble needs to join the Match portfolio.

