

## Uber Suffers Another Legal Setback From Recent EU Ruling

By John Runkel, J.D. Candidate 2020, April 20, 2018

The ride sharing application Uber has faced another [legal blow](#) following a verdict from the European Union's highest court Tuesday, April 10<sup>th</sup>. The Court of Justice of the European Union (ECJ) upheld a [French Court's verdict that Uber was indeed a transportation company, not a "information society service"](#), as Uber had previously claimed.

Moreover, the ECJ declared that France, as an EU member state, was well within its right to fine and file criminal charges against Uber for running an illegal transportation service. Uber's appeal sought to strike the fine on the basis that EU countries must first notify the European Commission before passing laws that could [potentially impact digital services](#). The ruling came down once again to Uber's status as a transportation company as opposed to an information society service.

This is the most recent legal defeat in a series of devastating losses to European regulators for Uber. The Case arrived at the ECJ after Uber appealed a ruling from a French court fining it [\\$907,000](#) for failing to use professionally licensed drivers for its UberPop application and violating a French law which sets down restrictions on the use of digital technology to find customers for taxiing services. This 2014 law comes in the wake of continued conflicts between traditional taxi services and emerging ride sharing platforms leading many to believe that the legislation was developed to target companies like Uber in particular.

The UberPop application, which allowed peer-to-peer interactions for the arrangement of transportation, enabled individuals without the credentials demanded by French law for commercial drivers to ferry passengers. While, Uber has since discontinued the service, the ruling threatens one of Uber's greatest fiscal advantages over traditional taxi services, particularly in the European union where digital services receive protection from EU [member state's nation laws](#). Potentially even more damaging to Uber's bottom line is the additional red-tape and financial burdens applied to typical transportation companies, which Uber has traditionally skirted.

These added costs further diminish the competitive advantages held by Uber due to its unique structure as European authorities have been increasingly aggressive in holding companies like Uber to more standardized regulations. Another such example was the November 17<sup>th</sup> ruling last year in the UK demanding that Uber treats its drivers as traditional employees entitled to minimum wages and vacation time.

Uber continues to operate a ride-hailing business in France with professionally licensed drivers, however, the ECJ's ruling marks another major hit for Uber. This most recent judgment was passed



down just months after the ECJ affirmed the holding from a Spanish court also finding Uber to be a transportation company.

The impact of the most recent rulings against Uber may also have significant effects on the EU's attempts to maintain a single digital market and could potentially impact other companies utilizing digital means to provide services and goods. Regardless, with losses in the UK, Belgium and expulsions from Hungary and Denmark, one thing is certain Uber does and will likely continue to face a significant challenge while operating in European Markets.

Uber is private company originating from Silicon Valley that now operates globally as a ride hailing application.