



The Big Uber Arbitration Win, As Explained By 3 Fisher Phillips Lawyers

Insights

9.09.16

A few days ago, Uber won a significant battle when the 9th Circuit Court of Appeals overturned a lower court's decision and upheld the company's arbitration agreements. No doubt about it, this is a big win. You might remember a few weeks ago when I wrote a post entitled, "[Will Uber Actually Be Happy It's \\$100M Settlement Fell Apart?](#)" If I had a chance to edit that post now, I'd replace the six paragraphs of analysis with a one-word answer:

"Yes."

The upshot is that a class of 385,000 drivers litigating against Uber for alleged misclassification concerns has been shrunk to about 6,000 in one fell swoop. The rest of the drivers will have to take their claims to individual arbitration hearings, which will be significantly less costly to the company. But this is also a big win for gig employers everywhere, as the 9th Circuit provided a blueprint for how gig arbitration agreements (with class waivers) should be structured in order to pass legal muster.

Our firm continues to demonstrate that it is on the forefront of the gig industry, as no fewer than three of our attorneys produced high-level commentary on the decision and what it means for employers. First, Irvine attorney Chris Ahearn penned a detailed Alert entitled "[Federal Appeals Court Hands Uber Major Victory In Arbitration Agreement Fight](#)." If you are unfamiliar with the case and what it represents, start here with Chris' Alert and come away as an expert after having read it.

Next, Sacramento partner Alden Parker provided media commentary to two Bay Area publications on the decision. On Wednesday, he was quoted in the San Francisco Chronicle article "[Court Ruling Deals Blow to 385,000 Uber Drivers](#)." The ruling "strengthens the argument for all employers that class-action waivers are still a viable argument in the 9th Circuit," said Alden. And yesterday his quotes appeared in the San Francisco Business Times article "[Uber Gets the Upper Hand in Employment Battle as Court Slashes Class Action](#)." "The effect is a little uncertain," Alden said, "but it's going to leave a much smaller class with Judge Chen, along with the PAGA claims, which ultimately can be very large. But what I think everyone conventionally believes is that this increases Uber's leverage in renegotiating the settlement."

Not to be outdone, Los Angeles partner Lonnie Giamela also appeared in two media outlets to discuss the decision. In Wednesday's edition of USA Today, Lonnie was quoted in the article

[“Employee Suit Ruling Could Be Win for Uber.”](#) “This is a significant victory for Uber,” said Lonnie, noting how the decision could spill over into other cases. And in the Los Angeles Times, Lonnie was quoted in the article [“In Stinging Decision for Uber Drivers, Appeals Court Says They Must Go To Arbitration.”](#) He said the decision will have ramifications on the legal question looming above Uber’s operations. “The decision will likely result in a revised settlement that will keep the primary legal issue about what is an independent contractor in the gig economy in legal limbo,” he said. “Two or three weeks ago, people were talking about a \$100-million or larger settlement, and now it’s the complete converse.”

Related People



Richard R. Meneghello
Chief Content Officer
503.205.8044
[Email](#)