

Uber's Latest Win Provides Roadmap For Sharing Economy Companies Battling Misclassification

Insights

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I coauthored an article last week about Uber's big misclassification victory in a California court. This decision has not (yet) received the national attention it deserves, probably because of the procedural quirks involved in the case. Long story short: a deactivated driver tried to get his access to Uber's platform reinstated by claiming he was actually an employee and not a contractor, but an arbitrator ruled in Uber's favor and rejected his claim. Several months later, a state court judge quietly affirmed the opinion. Although this decision has somewhat flown under the radar, it is worth paying attention to.

Sharing economy companies everywhere should look at the laundry list of reasons the arbitrator ruled in Uber's favor and try to apply as many as these factors possible in their own business models. Although you aren't guaranteed a victory should your business practice get challenged, the more of these present the better for you and your chances of success.

I would guess that the plaintiff in this case will raise his case to the court of appeals, so we probably haven't heard the last of this. However, this is definitely a step in the right direction, and for the time being, feel free to cite this decision as often as possible in any misclassification case you happen to be litigating.

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