

Uber Ruling Puts Sharing Economy's Business Model In Limbo, Law360, ft. Katherine S. Catlos

Katherine S. Catlos, partner at Kaufman Dolowich & Voluck, LLP (KD) in San Francisco, has been quoted in a Law360 article published June 24, 2015. Katherine comments specifically on the impact of a recent ruling by the California Labor Commission that a driver for Uber Technologies, Inc. was an employee and not an independent contractor.

"The decision is likely to spur ride-hailing companies and others to examine ways to limit any perception of control they have over users of their technology platform," according to Katherine Catlos, managing partner of Kaufman Dolowich & Voluck LLP's San Francisco office.

"Uber drivers already set their own hours and decide whether to pick up passengers," she said. "Companies are going to do what they can to take additional steps to establish drivers retain control over how their job is done, and that might include letting drivers set the price for a ride."

"Because the ruling by the Labor Commissioner's Office only encourages the plaintiffs bar to look for similar independent contractors in the sharing economy to pursue class actions over misclassification, smartphone-based service providers also may take advantage of arbitration agreements," she said.

"The plaintiffs bar is looking for clients to follow in the footsteps of the Uber plaintiff," she said. "Companies in the sharing economy will likely be inserting arbitration agreements into their contracts with users or workers to prevent class actions."