

Uber faces potential big fine and ban for bosses in France (Update)

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In this Thursday, Feb. 11, 2016 file photo, Thibaud Simphal, general manager for Uber France, arrives for a trial for instigating illegal taxi-driving activity at Paris court, in Paris, France. Uber is at risk of millions of euros in damages and fines and having two top executives banned from running the ride-hailing company in France as their trial wraps up in a Paris court. (AP Photo/Francois Mori, File)

Uber risks millions of euros in damages and fines and having two top

executives banned from running the ride-hailing company in France as a trial wrapped up Thursday in a Paris court.

The San Francisco-based company is in trouble in France over its now-suspended low-cost UberPop service, which connected clients to non-professional drivers, infuriated French taxi drivers and prompted the criminal charges. Uber continues to operate its standard service with registered professional drivers.

A Paris court wrapped up a protracted, high-profile trial Thursday targeting Thibaud Simphal, general manager for France, and Pierre-Dimitri Gore-Coty, chief for Europe, Middle East and Africa. The verdict will be delivered June 9.

They are accused of complicity in practicing an illegal taxi activity. Charges also include deceptive commercial activity and violation of French privacy law by illegally stocking, processing and recording personal information about the self-employed drivers who work with Uber.

The charges could potentially carry prison terms, but the prosecutor did not recommend prison in her closing arguments. She asked for the two executives to be banned from managing, running or heading any companies in France for five years. She also called for a 1 million euro (\$1.1 million) fine against Uber France, a 70,000 euro (\$77,000) fine for Gore-Coty and a 50,000 euro (\$55,000) fine for Simphal.



In this Dec. 18, 2015 file photo a French livery driver has written on his car window "Stop Uber" as their cars block a traffic circle at Port Maillot, one of the entries to the city after they carried out a "Snail Operation" early morning from Orly airport into Paris, France. Uber is at risk of millions of euros in damages and fines and having two top executives banned from running the ride-hailing company in France as their trial wraps up in a Paris court. (AP Photo/Francois Mori, File)

Dozens of taxi unions, associations and drivers are seeking more than 100 million euros in damages overall.

Their lawyers argue that traditional taxi drivers are losing business due to unfair competition by non-professional drivers. They claimed during the trial that Uber sidesteps taxes, social charges and licensing fees and works with unregistered, badly-trained and improperly-insured drivers.

During the sometimes heated hearings, Uber was called names like

"monster," "thug" or "weasel."

In a rare mea culpa, Gore-Coty acknowledged in a statement on his LinkedIn profile last week that "Uber sometimes went too far" in "challenging the status quo" in the taxi industry, which "made us appear as unnecessarily aggressive rather than constructive." The 27-year-old manager added, "Paris has a pretty special place in Uber's heart."

During the trial, lawyers for Uber argued Simphal and Gore-Coty are not the legal representatives for Uber in France, have no such mandate from the shareholders and are only salaried managers dealing mostly with marketing and advertising.

They said the people in the company actually responsible for connecting users with UberPop drivers are those who organized the app-based service, without naming anyone in specific. Gore-Coty and Uber's Europe operations are based in the Netherlands.

Uber lawyers also maintained the French agency that specializes in privacy violations has never put the company on notice for any breaches and never initiated any lawsuits.

More than 200 UberPop drivers have been fined under fast-track procedures in France, and the company has already been convicted of deceptive commercial practices and fined 150,000 euros (\$170,000) over UberPop by a Paris court. This is the first trial for Uber managers in France.

The French Parliament voted to outlaw UberPop and other similar services in 2014, and Uber suspended its UberPop service in France last July. But its standard app-based service still prompts occasional strikes and clashes with taxi drivers, reflecting larger tensions between long-regulated industries and the borderless, online economy.

In Spain and Italy, Uber is outlawed entirely.

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