

# Uber convicted, fined in French trial over taxi practices

June 9 2016, by Sylvie Corbet

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In this Sunday, Aug. 30, 2015 file photo Pierre-Dimitri Gore-Coty, general manager for western Europe of California-based Uber, listens during a round table discussion in Paris, France. Uber could face millions of euros in damages and fines and Gore-Coty and Thibaud Simphal , two of its top European executives could lose their jobs in a French court ruling expected Thursday June 9, 2016. (AP Photo/Michel Euler, File)

A French court has convicted and fined Uber and two of its executives

for deceptive commercial practices and illegal business activity over its lowest-cost ride service.

It's the latest legal tangle for the app-based business, which has faced protests from taxi unions and regulators around the world, reflecting larger tensions between long-regulated industries and the borderless, online economy.

The court fined the San Francisco-based company 800,000 euros (\$907,000), regional Uber executive Pierre-Dimitry Gore-Coty 30,000 euros, and Uber's France general manager Thibaud Simphal 20,000 euros. Half of all the fines were suspended.

The court did not hand prison terms, and rejected a prosecutor's request that the two executives be barred from running any company for five years.

And the fines were much lower than the 100 million euros in damages that traditional taxi services had sought.

Traditional taxi services accused the low-cost UberPop service of unfair competition because it uses non-professional drivers. UberPop is now banned in France but Uber still operates a service with professional drivers.

Jean-Paul Levy, lawyer for a taxi union, said the conviction is a "founding decision", showing that Uber "is a company which placed itself outside the law."



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 could face millions of euros in damages and fines and Simphal and Pierre-Dimitri Gore-Coty, two of its top European executives could lose their jobs in a French court ruling expected Thursday June 9, 2016. (AP Photo/Francois Mori, File)

Jonathan Bellaiche, lawyer for three taxi unions and one individual taxi driver, said he is "rather disappointed". "The important point is that in the end, Uberpop activity was profitable" given that the amounts of the fines are far lower than Uberpop's gain he estimated at 46 million euros.

Uber's lawyers did not comment on the court's decision.

Thierry Guicherd, the taxi driver who sued Uberpop, has been recognized by the court as a victim.

"It's a satisfaction to know that they (Uber) are convicted and not a satisfaction at all when we know the amounts of the fines. Because of course the damages that myself and my colleagues are facing are much more important than what the court decided to order", he said.

The court ordered Uber to pay Guicherd 1,600 euros for the damages.

Frederic Bergaud, 35 years old, taxi driver in Paris since three months, said the conviction of Uber is "a good news".

"For now it's a first step winning. Are we going to win the war we don't know. But it's better than nothing", he said.



In this Thursday, June 25, 2015 file photo Paris taxi drivers gather near a van with posters reading "Uber get out" during a taxi drivers demonstration in Paris. Uber could face millions of euros in damages and fines and two of its top European executives could lose their jobs in a French court ruling expected Thursday June 9, 2016. (AP Photo/Bertrand Combaldieu, File)

It was the first trial for Uber managers in France. 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.

Yet the court ruled Thursday they were de facto managing Uber in France.

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.

The French Parliament voted to outlaw UberPop and other similar services in 2014, and Uber suspended its UberPop service in France in July 2015. But its standard app-based service still prompts occasional strikes and clashes with taxi drivers.

Also on Thursday, a court in Frankfurt upheld a ban on the UberPop ride service in neighboring Germany.

Judges threw out an appeal by Uber against a March 2015 ruling by a lower court that banned UberPop from offering rides with drivers who don't have taxi permits. That ruling stemmed from a suit brought by a German taxi association. It was heard in Frankfurt because it was one of several cities where Uber had launched operations.

The latest verdict can be appealed to a federal court.

In Spain and Italy, Uber is outlawed entirely.

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Citation: Uber convicted, fined in French trial over taxi practices (2016, June 9) retrieved 2 July 2024 from <https://phys.org/news/2016-06-uber-convicted-fined-french-trial.html>

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