Uber was “hell-bent on stifling competition,” new lawsuit alleges

Sidecar, as advertised on its 2012-era website.

reader comments

27 with 21 posters participating

Share this story

Sidecar, an app-based ride-hailing startup that folded three years ago this month, has sued Uber, alleging that the dominant rival is “now a monopolist,” and as such drove Sidecar out of business.

The lawsuit, which does not seek specific monetary damages, asks a San Francisco federal judge to declare that Uber is in violation of federal antitrust laws and state anti-competitive laws.

Sidecar shut down in December 2015, and its assets were sold to GM shortly thereafter.

“With the launch of that service, Uber became hell-bent on stifling competition from competing ride-hailing apps, including Sidecar,” Sidecar’s lawyers wrote. “But rather than compete on the merits, Uber engaged in a campaign of anticompetitive tactics, orchestrated by its senior executives, that were designed to impair Sidecar from serving as a check on Uber’s quest for a monopoly. Sidecar’s superior functionality proved to be no match for Uber’s anticompetitive actions, and as a result, Sidecar went out of business in

December 2015."

It's not clear why Sidecar has waited this long to file its lawsuit. Co-founder Sunil Paul said on Twitter that the lawsuit's timing—given that Uber is set to go public next year—is "purely coincidental."

He did not respond to Ars' other questions on Twitter, referring us to his blog post.

"Uber used 'predatory pricing,' which has a legal definition and is spelled out in detail in the complaint," Paul wrote. "In plain English, it means Uber subsidized rides and driver payments to drive Sidecar and competitors out of the market, so they could raise prices later."

"It was never a fair fight," he concluded.

For its part, Uber declined to respond to Ars' questions as well.

In a statement sent to Ars on Tuesday by spokesman Michael Amodeo, the company said that the lawsuit "has it backwards."

"New competitors, along with low prices, benefit consumers and reflect the exact type of competition that the antitrust laws are meant to protect," the statement continued. "We believe the timing of this complaint, filed three years after Sidecar went out of business, is not a coincidence."

But does Sidecar have a meaningful chance of having this lawsuit impact Uber? Ars sent a copy of Sidecar's civil complaint around to a handful of law professors who specialize in antitrust law.

"Assuming they've got the evidence to back up the CEOs claims, it sounds like a plausible claim and a potentially strong case," Christopher Sagers, of the Cleveland-Marshall College of Law, emailed Ars. "Predatory pricing claims are notoriously difficult for plaintiffs, and they almost always lose. But

Uber is a notoriously vigorous competitor, and I’d love it if a plaintiff could bring a strong claim and breathe some life back into this law.”

https://arstechnica.com/?p=1427441