Meet the Boston Lawyer Who's Putting Uber on Trial

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Boston attorney Shannon Liss-Riordan represents drivers who say Uber has illegally classified them as freelancers and not employees. PHOTO: JOSH ANDRUS FOR THE WALL STREET JOURNAL

By

LAUREN WEBER and RACHEL EMMA SILVERMAN Updated Nov. 4, 2015 11:47 a.m. ET

BOSTON—With a raft of lawsuits challenging Uber Technologies Inc. and other startups that summon workers at the touch of an app, attorney Shannon Liss-Riordan has become one of the most influential—and controversial—figures in Silicon Valley.

In her main suit against Uber, Ms. Liss-Riordan represents drivers who say the ride-service company has illegally classified them as freelancers and not employees, barring them from reimbursements for their expenses, among other protections. She is also suing Lyft, Postmates and others over the labor model on which they depend. The legal battles put Ms. Liss-Riordan, who also owns a pizzeria with her husband, at the center of the debate over the status of ondemand workers in the U.S.

The closely watched Uber case, which continues in federal court in San Francisco on Wednesday, won class-action status in September and could go to trial as early as next year. A final verdict against Uber in this case could change how the firm does business with its drivers and send shocks through the on-demand economy.

Uber's lawyers have argued that it is a software platform connecting car owners with people seeking rides, and not the manager of a fleet of drivers. The \$51 billion venture-backed company has no plans to settle and is willing to fight the case to the Supreme Court if necessary, according to people familiar with its legal strategy.

In Ms. Liss-Riordan, Uber faces a tenacious opponent who has fought hard to enforce worker protections that, she says, many employers would like to erode, although some attorneys and other advocates question whether her pursuit of that principle always serves her plaintiffs.

Shelby Clark, CEO of Peers, which provides services for independent contractors (such as reviews of what it's like to work for an on-demand firm), said he is glad Ms. Liss-Riordan has drawn attention to the ambiguous status of some workers, but added, "I fear that more harm than good can come from these lawsuits. I don't necessarily think she's speaking on behalf of the average worker."

Ms. Liss-Riordan counters that there's no reason Uber can't offer drivers flexibility—the prime benefit Uber and other on-demand firms pitch to potential workers—while still providing them basic labor protections. "That's a false choice," she said.

She has logged victories in the field of wage and hour law, bringing employers including<u>Starbucks</u> Corp. and her alma mater, Harvard University, into compliance with state and federal laws governing workers' pay and employment status. Strategically using each ruling to build the next, her cases have targeted <u>FedEx</u> Corp., cleaning firms, and a strip club called King Arthur's Lounge over the classification of their workers.

With the suits against on-demand startups, her goal is nothing less than shaping the definition of employment in the fast-evolving digital economy. Although she isn't closed to the prospect of a settlement, "I would like to play this out and make some law," she said.

She first learned about Uber in 2012, during dinner with a friend in San Francisco. Her companion pulled out his phone and gushed to her about an app "that had changed his life," she recalled.

"I could see instantly what was going on" in terms of the labor model, she said. Recognizing the glint in her eye, Ms. Liss-Riordan's companion said, "you're going to put this company out of business, aren't you?"

That hasn't happened, and Ms. Liss-Riordan said she doesn't think the reclassification of drivers would threaten Uber's existence. But friends and associates cite her ferocious work ethic and near-evangelical belief in her clients' claims as assets in high-stakes battles. She extends cases for years even after her battle seems to be lost, and several times has petitioned the Supreme Court—so far unsuccessfully—to take up legal questions that circuit courts decided against her.

Her doggedness is already manifest in the Uber case. After the company submitted 400 statements from drivers who said they preferred the flexibility of gig labor, Ms. Liss-Riordan directed a paralegal to contact around 50 of those same drivers, most of whom said that they would like to be employees if it meant having their expenses reimbursed.

"When the opposing counsel is popping open their champagne, thinking a case is over, she comes back at them. She's indefatigable. And it drives management firms crazy that she won't give up," said her law partner, Harold Lichten.

Her fervor can raise eyebrows among opposing counsel. "Sometimes she's so inflamed about the issue and the people she represents that she won't come to settlement even when that's in her and her clients' best interest," said Boston lawyer Ellen Kearns of Constangy, Brooks, Smith & Prophete LLP, who has squared off against Ms. Liss-Riordan.

The pizzeria was also the product of a crusade. In 2010 she sued a pizza chain and its owners for siphoning employee paychecks to pay a fine for federal labor violations. The chain filed for bankruptcy two years later, and Ms. Liss-Riordan wound up buying the Cambridge location, called The Upper Crust, at auction for \$220,000. Among her first acts as restaurateur, she set up a plan for sharing profits with the pizzeria's employees and re-christened it The Just Crust.

The Uber case will be a key test of Ms. Liss-Riordan's belief that New Deal-era labor laws are adequate to respond to the emergence of an on-demand economy.

It applies only to California workers, but Ms. Liss-Riordan has set her sights further. "I'm hoping that if we're successful, it could then be expanded nationwide," she said.

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