

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

)
ANOUSH CAB, INC., ARAMS INC., ARARRAT, INC.,)
ATLANTIC CAB, INC., BARLOW CAB, INC.,)
BEDROS CAB, INC., BOYLSTON CAB, INC.,)
BRIGHAM CAB, INC., CLEVELAND CAB, INC.,)
DIAMOND CAB, INC., ELSIE CAB, INC.,)
FENWAY TAXI, INC., G & A CAB, INC.,)
JORDAN CAB, INC., JUBRAN CAB, INC.,)
KILMARNOCK CAB, INC., LITTLE ISLAND)
CAB, INC., LOCUST CAB, INC., LONGWOOD)
TAXI, INC., M & AN CABS, INC., M.P.E. CAB, INC.,)
MARBED CAB, INC., MASSIS, INC.,) Civil Action No.
MESROB, INC., N.E. CAB, INC., ORIOLE CAB, INC.)
PETERBOROUGH CAB, INC.,)
QUEENSBURY CAB, INC., SAHAG, INC.,)
SOVEREIGN CAB, INC., V&A CAB, INC.,)
VERAS, INC., VICKYS, INC., and)
YELLOWBIRD CAB, INC.,)
Plaintiffs,)
v.)
UBER TECHNOLOGIES, INC.,)
Defendant.)

)

COMPLAINT

The plaintiffs, thirty-four Massachusetts corporations that own 362 Boston taxi medallions (collectively referred to as “Plaintiffs”), complain against defendant Uber Technologies, Inc. (“Uber”), as follows. With the exception of the allegations concerning Plaintiffs, which are based on personal knowledge, Plaintiffs’ allegations are based on information and belief, which they have reason to believe are true.

INTRODUCTION

1. Plaintiffs own 362 taxi medallions in the City of Boston. Plaintiffs have invested substantial capital in acquiring taxi medallions, and in complying with City rules and state laws, developed over the last eighty years, that protect consumers, ensure public safety, and provide reliable and non-discriminatory taxi service.

2. Uber operates a hackney carriage service in the City of Boston, consisting of Uber black cars, Uber SUVs, and unlicensed personal vehicles owned or leased by individual drivers and offered through services advertised by Uber as “UberX” and “UberXL.” During the period from 2011 through August 4, 2016, Uber operated an illegal and unlicensed hackney carriage service that violated state laws and Boston ordinances, and competed unfairly with Plaintiffs. The period from 2011 through August 4, 2016, is hereinafter sometimes referred to as the “Unlawful Conduct Period.”

3. Throughout the Unlawful Conduct Period, the Massachusetts legislature had given the City of Boston authority to regulate all vehicles “used or designed to be used for the conveyance of persons for hire from place to place within the city of Boston.” See M.G.L. c. 40, § 22 and M.G.L. c. 159, Massachusetts Session Laws of 1930, Chapter 392 and the Session Laws of 1963, Chapter 386.

4. Pursuant to the powers vested in it by the Massachusetts legislature, the City of Boston granted authority to the Commissioner of the Boston Police Department (“BPD”) to enact Rule 403, known as the Hackney Carriage Rules and Flat Rate Handbook (“Taxi Rules”), which applied to all “Hackney Carriages.”

5. Under Rule 403, “Hackney Carriages” are defined as all vehicles “used or designed to be used for the conveyance of persons for hire from place to place within the city of Boston.”

The Taxi Rules explicitly state that they are intended to be a “comprehensive and definitive listing of all regulations affecting the Hackney Carriage industry in the City of Boston.”

6. At all material times there were 1,825 licenses or medallions. During the Unlawful Conduct Period, only an owner, licensee or lessee of a medallion could lawfully operate a taxi or hackney carriage in Boston. Furthermore, only drivers who had a “hackney license” issued by the City of Boston could lawfully drive a taxi or hackney carriage in Boston.

7. Uber is a "hackney carriage" company because its driver-partners' vehicles are “used or designed to be used for the conveyance of persons for hire from place to place within the city of Boston.” During the Unlawful Conduct Period, Uber operated an illegal hackney carriage service without taxi medallions for Uber cars and without complying with Boston taxi regulations.

8. Each Uber driver-partner operated a "hackney carriage" because his or her vehicle was “used or designed to be used for the conveyance of persons for hire from place to place within the City of Boston.” During the Unlawful Conduct Period, each Uber driver operated an illegal hackney carriage without having a taxi medallion and without complying with Boston taxi regulations. During the Unlawful Conduct Period, Uber also aided and abetted the Uber drivers’ operation of an illegal hackney carriage without having a taxi medallion and without complying with Boston taxi regulations.

9. By ignoring and flouting these legal requirements, Uber avoided the very substantial expense associated with purchasing medallions and complying with the Taxi Rules. This enabled Uber to flood the Boston market with thousands of unlicensed taxis, driven by thousands of unlicensed taxi drivers. During the Unlawful Conduct Period Uber had, and it still has, nearly 10,000 drivers in Boston, who did not meet Boston taxi licensing rules and used

vehicles that did not meet Boston taxi vehicle specifications. This enabled Uber and Uber drivers to compete unfairly with Plaintiffs for passengers and for drivers.

10. The BPD also establishes the fares that may be lawfully charged a passenger of a taxi in Boston (“Taxi Fares”). Under the BPD regulations, during the Unlawful Conduct Period, taxis or “hackney carriages” were required to charge only those Taxi Fares, and not more or less than the Taxi Fares. In violation of these rate regulations, during the Unlawful Conduct Period, Uber charged substantially less than the Taxi Fares for its UberX service during most time periods. This unfairly enabled Uber to lure passengers away from Plaintiffs and Plaintiffs’ drivers. In addition, during periods of high demand all Uber services, including UberX, unlawfully charged what Uber called surge pricing, which often exceeded the Taxi Fares. This allowed Uber and its drivers to compete unfairly with Plaintiffs by increasing the revenues of Uber and the Uber drivers during high demand periods, while Plaintiffs’ drivers could only lawfully charge the lower Taxi Fares despite the high demand for their services.

11. Uber and the Uber drivers also unfairly competed against Plaintiffs and Plaintiffs’ drivers because Uber and its drivers avoided the costs which Plaintiffs and Plaintiffs’ drivers must necessarily incur to comply with Boston taxi regulations. In violation of the rules and regulations governing hackney carriage services in Boston in effect during the Unlawful Conduct Period, Uber used drivers for its UberX and UberXL services who did not have taxi medallions or hackney carriage driver’s licenses; allowed drivers to use vehicles that did not comply with hackney vehicle regulations; did not have the costly commercial insurance required for licensed taxis; failed to have required equipment required of licensed taxis; and did not have the costs of joining a required radio association. This enabled Uber and the UberX drivers to charge less than the Boston Taxi Fares, and compete unfairly for passengers. This also allowed Uber to compete unfairly with

Plaintiffs for drivers because Uber drivers were able to operate a hackney carriage at a substantially lower cost than the costs which the regulations imposed both directly and indirectly on drivers of licensed taxis. As a result, many drivers who previously drove for Plaintiffs ceased driving for Plaintiffs and opted to drive for Uber.

12. As a direct result of its unfair and unlawful conduct, by engaging in, aiding and abetting, and conspiring to provide unlicensed hackney carriage services in Boston during the Unlawful Conduct Period, Uber displaced much of the licensed hackney carriage market in Boston and has become the dominant participant in the for-hire transportation market in Boston. Uber's conduct has severely damaged, and continues to severely damage, Plaintiffs.

13. In summary, as explained in detail herein:

- Uber and its drivers operated an illegal and unlicensed hackney carriage business in Boston
- Uber violated regulations establishing the Boston Taxi Fares
- Uber unfairly competed with medallion owners for drivers
- Uber drivers did not meet Boston hackney licensing requirements
- Uber vehicles did not meet Boston hackney requirements concerning vehicle age, condition, and installed equipment
- Uber operated an illegal dispatching service
- Uber avoided costs associated with not serving disabled and less wealthy customers
- Uber did not require its drivers to obtain commercial insurance required of licensed taxi drivers

14. Plaintiffs have been severely damaged by Uber's illegal and unlicensed operations and unfair competition. The conduct of Uber and the Uber drivers described throughout this Complaint was the direct and proximate cause of Plaintiffs' substantial damages in lost revenue

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