



CADE: Violence against Uber in Brazil may have broken antitrust law

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Mark Briggs



CADE: Violence against Uber in Brazil may have broken antitrust law (Credit: Roger Schultz/Flickr)

Brazil's competition authority has alleged violence by taxi drivers against Uber drivers, passengers and vehicles created a climate of fear that damaged competition in the market.

On Friday, Brazil's Council for Economic Defence, or CADE, opened administrative proceedings against individual taxi drivers and their associations for abusive actions that sought to keep Uber out of the pay-to-ride taxi market.

According to CADE, taxi drivers have damaged cars and injured drivers working for the ride-sharing company in Belo Horizonte, Brasilia, Rio de

Janeiro and elsewhere in the country. Taxi drivers have also threatened Uber drivers and passengers and blocked Uber cars from using the streets, the authority claims.

CADE opened the investigation after Uber and two Brasilia-based student associations complained about the taxi drivers' tactics.

The authority alleged that the violent acts, when viewed as a whole, contributed to an anti-competitive environment where consumers are afraid to use Uber's services.

CADE acknowledged the current controversy surrounding Uber's legal status, but said until that status is resolved by the courts, Uber must be considered a normal competitor and be protected against anti-competitive conduct.

In the same announcement on Friday, CADE said it had found evidence of sham litigation by taxi associations.

Similar lawsuits were filed in different jurisdictions across Brazil with the alleged intention of hindering Uber's ability to operate in the country, the authority said.

However, CADE rejected a complaint by Uber that taxi associations had abusively pressed public authorities into passing laws that harmed the company. The authority said taxi drivers were within their rights to promote their interests to governmental bodies.

Vicente Bagnoli, a partner at Vicente Bagnoli Advogados in São Paulo, said these latest proceedings are part of a much wider debate about ride-sharing innovation in Brazil.

"Behind the scenes there is an intense economic power battle where the new technologies are improving consumer welfare but also threaten drivers and their profession," Bagnoli said.

CADE's research wing recently issued an analysis that found apps such as Uber are procompetitive, he said, but the courts will have the final word on the matter.

[Guilherme Ribas](#), a partner at Mundie e Advogados in São Paulo, said this was the first time violence had been found to violate the antitrust laws, but he thought it was appropriate in this instance.

"CADE was correct," he said. "The environment created after these acts is not good for Uber and other competitors. As a consumer I'm a little

nervous about using an Uber service. I've never seen this approach before, but I think it is appropriate.”

Those named in the investigation now have 30 days to file their responses with CADE. This could be extended to 60 days because of the number of parties involved.

Associação Boa Vista de Táxi, one of the taxi associations named by Cade, did not respond to a request for comment before publication.

Counsel to Uber

Pereira Neto | Macedo

Partner [Caio Mario da Silva Pereira Neto](#) in São Paulo is assisted by Daniel Douek and Felipe Pelussi