



“Don’t think you can just slap a unilateral modification term into a contract and then you can do whatever you want.”



## K-NOTES

# Uber Driver’s Terms of Service

## Independent Contractor

### Is Uber Just a Software Company?

The Agreement offers an interesting example of how to treat freelance workers in a contract. On the one hand, there are some missing elements that leave the company open to legal disputes. On the other hand, it includes essential clauses and language that all companies should consider if they want to protect themselves and act in good faith. Keep reading to learn how you can draft a contract that keeps your clients out of the courtroom and in good standing with their contract workers.



## Key Takeaways

- ➔ **The Relationship between Uber and Driver**  
In every contract, it is important to establish the relationship between the parties. The agreement states the relationship between Uber and the drivers is “solely that of independent contracting parties.” This is standard language in many independent contractor agreements.
- ➔ **Unilateral Modification**  
Uber further controls the agreement with their one-sided modification section giving them the option to modify the contract unilaterally. So while the driver has no input into the agreement, Uber can change the terms of the agreement at any time.



**Sara Burns**  
Attorney



“From a drafting perspective, if you have someone you’re entering a contract with who is actually an independent contractor, it’s very important to specify that.”

- ➔ **Severability Clauses are Crucial**  
Even if some of Uber’s terms are stricken by a court, the rest of the contract remains enforceable. Severability clauses are great clauses that should be in all contracts, not just an independent contractor agreement.
- ➔ **Arbitration and the Hidden Opt-Out Clause**  
This is different from traditional contracts, where the issues are negotiated between several iterations until both parties accept the terms. Here, the arbitration terms, like all the other contract provisions, are set in stone in a take-it-or-leave-it version. The driver has no power to negotiate or change any of the terms.