



Client:	Lyft Inc./Bay Area Motivate LLC
Industry:	Micromobility
Area of Law:	Commercial litigation
Venue:	Superior Court of California, County of San Francisco
Result:	Preliminary injunction that preserves client's right to be exclusive operator of bike-share program in San Francisco

Protecting a Bike-Share Client's \$35 Million Investment

In 2015, San Francisco and four other Bay Area cities lacked a viable bike-share program like the ones in other major U.S. cities such as New York and Washington, DC. Bay Area Motivate offered to change that situation. It would fund a bike-share program on one condition: Motivate would be the region's exclusive bike-share operator for at least 10 years. The five Bay Area cities agreed to the deal in December 2015.

Three and a half years later, after Motivate (now owned by Lyft) had invested more than \$35 million to launch and operate the region's bike-share program—including \$15 million in San Francisco alone—San Francisco began to solicit applications from other bike-share companies to operate their own citywide programs with dockless bikes (bicycles that can be locked without a dock). San Francisco claimed that Motivate's right to exclusivity did not extend to dockless bikes because the December 2015 contract did not expressly mention dockless bikes.

Shortly afterward, Motivate sued San Francisco and moved for a preliminary injunction to preserve its right to exclusivity. The motion was vigorously contested not only by the city, but also by Uber's subsidiary Jump after it intervened in the litigation. Jump and the city claimed that the December 2015 contract relates only to docked bikes and that the parties could not have intended it to cover dockless bikes because those bikes were not "viable" at the time.

In the end, however, the court found the extensive factual record developed by Pillsbury's team persuasive. The evidence showed that the parties did indeed intend a broad grant of exclusivity that covers both docked and dockless bikes. The court entered Motivate's requested injunction after a lengthy hearing attended by local press and bike-share enthusiasts alike. As Motivate's ability to realize the benefit of its bargain depends heavily on exclusivity, the injunction was necessary to protect the Bay Area bike-share program and Motivate itself from serious financial jeopardy.