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INDUSTRY NEWS

Scooter Startup Bird Sued Over Alleged Safety Failings

Plaintiffs claim defective brakes, wheels, throttles and other parts resulted in injuries.



Bird scooters along Venice Beach in Los Angeles. The company is being sued along with scooter manufacturers Xiaomi USA and Segway.

PHOTO: MARIO TAMA/GETTY IMAGES

By **Marc Vartabedian**

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Scooter startup Bird Rides Inc. is facing a mass tort lawsuit alleging the Santa Monica-based company failed to properly maintain scooter parts including brakes, wheels and throttles, resulting in the injury of the suit's 41 plaintiffs.

The suit, filed earlier this month in Los Angeles Superior Court, alleges that brake failure, sudden accelerations, faulty throttle buttons and wheels resulted in injuries such as fractures, broken bones and concussions in states including California, Colorado and Virginia. Plaintiffs described being thrown off the scooters or jumping off to avoid cars when brakes or other features failed.

The suit also names scooter manufacturers Xiaomi USA Inc. and Segway Inc. as defendants. Bird allows users to rent a scooter for a few hours and pay with their phones.

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Bird, Xiaomi and Segway did not respond to requests for comment.

The lawsuit comes after WSJ Pro reported in January that scooter mechanics for industry leaders Bird and Neutron Holdings Inc., known as Lime, have faced spare parts shortages that forced them to scavenge for old parts, including brakes, wheels and throttles from other broken scooters to make repairs.

The suit also comes as use of these scooters has plummeted during the coronavirus lockdown. Over a week-long period in mid-April for instance, app usage for Bird and a handful of other scooter startups dropped to roughly 12 million use sessions, compared to 33 million over the same period a year ago, according to app data firm Apptopia Inc.

Bird laid off roughly 30% of its workforce in March and Lime laid off roughly 13% of its workforce in April.

Investors including Sequoia Capital and Fidelity Investments have poured roughly \$775 million into Bird since it was founded in 2017, valuing the startup at roughly \$2.5 billion, according to PitchBook Data Inc. As Bird and other scooter startups have expanded across the world, they have set up sprawling networks of repair warehouses and spare parts supply chains to fix broken scooters and return them to the streets.

The suit, filed by law firms Arias Sanguinetti Wang & Torrijos LLP and McGee, Lerer & Associates on behalf of 41 named plaintiffs, alleges that Bird's scooters are unsafe and "contain manufacturing and/or design defects and do not include adequate warnings and use instructions. Defendants are aware that the products will be used without an inspection for these defects and that these defects are not apparent."

Bird, Lime, Xiaomi and Segway are facing another lawsuit filed in 2018 that alleges scooters dumped onto streets threatened public safety and had mechanical problems.

The lawsuit comes on the heels of a wrongful termination suit filed against Bird last year alleging it fired a worker after he raised safety complaints regarding Bird's handling of damaged scooters. The case is still pending.

Despite its rapid growth, Bird struggled to be profitable. Last fall, its chief executive, Travis VanderZanden, said the company was shifting its focus from expansion to shoring up losses.

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