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subscriptions or in-app purchases from third-party developers.

Mar. 26, 2024

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control and ownership of the popular App Store to increase prices for customers. If the DOJ succeeds in its case, the implications for Apple's business could be significant — potentially changing the ways the company charges app developers and customers for products and services.

“This is a good thing for consumers because the Department of Justice is basically checking Apple's use of its market power to make sure it's not an abuse of its market power,” said Jamie Court, president of L.A.-based nonprofit Consumer Watchdog.

For years, the Apple App Store has taken up to 30% of revenue from app subscriptions or in-app purchases from third-party developers. Developers have said this cut makes it difficult to keep their businesses viable, so they pass that charge on to consumers.

Unlike Google's Android operating system, which runs on Google phones as well as other devices such as Samsung's, Apple products operate only through its own software, iOS. The only way that third-party developers can get their app onto Apple's App Store is by following the iPhone maker's rules. If they don't, they risk losing out on millions of customers.

“This is signaling that Apple is going to have to bring its prices for other apps down,” Court said. “It's going to have to open its payment systems to other providers and it's going to have to make sure that people who use other devices have basically a comparable access to convenience and service.”

Some businesses, including Swedish audio company Spotify, have directed users to subscribe via their websites, avoiding the up to 30% cut. In 2020, Epic Games [sued Apple](#) after it got kicked out of the App Store when its game “Fortnite” was attempting to circumvent Apple's charge on in-app purchases. A U.S. District Court judge [ruled](#) in that case that Apple didn't maintain a monopoly in the market for mobile games, but ordered the company to allow developers to alert customers to different payment options.

Although many analysts expect Apple to change its practices somewhat as a result of

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are and the principles that set Apple products apart in fiercely competitive markets.” Apple has long argued that its business model of creating a tightly controlled ecosystem of software and hardware benefits its customers.

“If successful, it would hinder our ability to create the kind of technology people expect from Apple — where hardware, software, and services intersect,” Apple said. “It would also set a dangerous precedent, empowering government to take a heavy hand in designing people’s technology.”

The company has touted the economic success within the developer community from the App Store. Apple’s App Store ecosystem generated \$1.1 trillion in developer billings and sales in 2022, according to Analysis Group. Apple asserted that more than 90% of billings and sales went to developers and businesses without any commission given to Apple.

“As this [Analysis Group] report shows, the App Store is a vibrant, innovative marketplace where opportunity thrives, and we’re as committed as ever to investing in developers’ success and the app economy’s future,” Apple Chief Executive Tim Cook said in a [statement](#) in May.

But some analysts say that Apple’s competitors make smaller profits but still provide a level of security and service that protects consumers — and therefore, Apple should be less restrictive. .

“Apple’s margins are much larger than the rest of the industry and that makes them a target for this,” said Rob Enderle, principal analyst with advisory services firm Enderle Group. “When a company has what appears to be excessive margin, it raises the potential of an abuse of monopoly power.”

Critics say that Apple abuses its position as a gatekeeper for the App Store, launching similar Apple products that directly compete against rivals and put them at a

disadvantage.

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world's richest companies," said Adam Wolfson, a lawyer who represented Mountain View, Calif.-based AliveCor when it sued Apple in 2021 over related concerns.

AliveCor's lawsuit, which accused Apple of wielding monopoly power through Apple Watch apps, was recently dismissed, but the company said it plans to appeal. Apple said that the judge's ruling "confirms that it is not anticompetitive" in [a statement](#) released to Reuters.

"Apple is not the best at everything and there are numerous examples of apps out there where Apple has had it pushed or made its own version, and it's not as high quality as what third parties have developed," said Wolfson, a partner at Quinn Emanuel. "By (Apple) constantly putting itself at the forefront, it's often making it so that consumers don't have a choice of the best option."

Other industry observers say the Department of Justice lawsuit could also bring about more usability across different apps or services on Apple. For example, by making it less awkward when Apple users text with Android customers.

"The green text chains with the one non-Apple friend could be coming to an end," Ives said.

Many analysts see similarities to the Department of Justice lawsuit and settlement with Microsoft over antitrust practices in 2002, which gave [computer manufacturers more freedom](#) in putting other web browsers on their machines not made by Microsoft.

"It set the tone for the whole internet age," Court said. "If Microsoft had been allowed to dominate that market, we would never have the proliferation of companies that came about with innovative products. If Microsoft could have forced

everyone who had a Windows operating system to use their browser, then there'd be

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