**As a mobile app developer your business largely depends on just two companies: Apple and Google. This is evident as roughly 95% of mobile app spending in the US happens on the App Store and Google Play.**

**Initial agreement:**

* The developer agreement for both the iOS and Android app stores allow Apple and Google to take a 30% tax for all in-app purchases, paid apps, and subscription services. These in-app purchases are defined by apps which sell digital goods in contrast to digital marketplaces which vend physical goods/services (ie. Uber, Airbnb). This therefore encapsulates Epic’s very popular game Fortnite which uses an in-game currency called VBucks for buying character skins. This agreement includes a clause which prevents developers from including different payment methods to bypass the tax on these in-game purchases.
* Furthermore, within Apple’s developer agreement terms they have discussed the right to change their tax cut by however much at any point.

**Breach of agreement:**

* Epic introduced a new direct-payment system in its extremely popular game Fortnite. This direct-payment system offered a cheaper price for the same in-game goods thus directly infringing upon these developer agreements.

**What led Epic to this breach of agreement:**

**Given Epic Game’s rapid Lawsuit response to Apple taking Fortnite off the App Store it is evident their motive was to publicly rebel against** Apple’s 30% app store tax and urged the people to join them.

I believe Epic Games’ wants to change this industry standard and stand-up to these massive and extremely powerful companies. However, the main difference being the publicity of such a dispute. As it is not just Epic Games but also Spotify, Airbnb, Tinder, Facebook, and Netflix have all had dispute with Apple’s app store rules in the past, however, these were far less public.

Furthermore, given their lawsuit

**Behaviour of parties after breach:**

* Apple and Google both responded by taking Fortnite off their respective app stores for breaking its rules.
* Epic responded with a civil lawsuit against Apple and Google accusing monopolistic practices and anti-competitive actions in these markets, harming device makers, app developers, app distributors, payment processors, and consumers.
* Along with this lawsuit Epic parodied Apple’s 1984 advert which accused IBM as being a monopoly, this obviously inferring Apple as being hypocritical due to its monopolistic practices.
* Update: Apple terminated Epic Games’ developer account

**Lawsuit counts for each party and how the professionals were driven to add these counts**

**How the outcomes of the lawsuit may affect each party/stakeholder**

**Changes already happened after the initial lawsuit**

* In September 2020, Apple said it would exempt some apps from paying commissions on virtual events hosted during the pandemic. However, most app developers say they want to review their entire commission policy altogether.
* Apple reduces app store commission to 15% for small businesses earning up to $1 million per year.