

# Apple Inc. v. Epic Games, Inc.

Jurisdiction: United States District Court, Northern District of California

Nature of Claim: Antitrust and breach of contract disputes concerning App Store payment practices.

Status: Partial judgment rendered; appeals ongoing in the Ninth Circuit.

Potential Impact: Exposure to regulatory changes and App Store commission adjustments.

Resolution Outlook: Pending appellate review; ongoing settlement discussions reported.

## Detailed Summary:

This case arose from a dispute between Apple Inc. and Epic Games, Inc. when Epic attempted to bypass Apple's in-app purchase system by implementing a direct payment method within its Fortnite application. Apple subsequently removed Fortnite from the App Store, prompting Epic to sue, alleging monopolistic conduct. Apple countersued for breach of contract. After a lengthy bench trial, the Court issued a mixed judgment in 2021. While Apple prevailed on most counts, the Court required Apple to permit developers to inform users of alternative payment mechanisms outside of the App Store. Both parties appealed. The case remains ongoing in the Ninth Circuit. The financial and operational impact of this litigation could be substantial, particularly if Apple's App Store commission structure is altered significantly. Regulatory bodies worldwide are also monitoring the case closely, increasing strategic uncertainty for Apple's services revenue.

This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption. This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption. This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption.