

# US accuses Apple of 'broad, sustained, and illegal' smartphone monopoly

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The US government on Thursday filed a sprawling antitrust case against Apple, alleging that the tech giant has illegally prevented competition by restricting access to its software and hardware. The case is a direct challenge to the company's core products and practices, including its iMessage service and how devices such as the iPhone and Apple Watch connect with one another. The lawsuit, filed in federal court in New Jersey, alleges that Apple has monopoly power in the smartphone market and uses its control over the iPhone to "engage in a broad, sustained, and illegal course of conduct". The complaint states that the case is about "freeing smartphone markets" from Apple's anticompetitive practices, arguing that the company has thwarted innovation to maintain market dominance. "Apple has maintained its power not because of its superiority, but because of its unlawful exclusionary behavior," the US attorney general, Merrick Garland, stated in a press conference on Thursday. "Monopolies like Apple's threaten the free and fair markets upon which our economy is based." The US Department of Justice's suit against Apple is a landmark case targeting the most valuable publicly traded company in the world and follows a raft of antitrust suits aimed at big tech. Amazon, Apple, Meta and Google have all faced investigations from regulators in recent years, both in the United States and Europe, over allegations that they have consolidated power while illegally stifling competition. All boast market capitalizations above a trillion dollars. Apple has rejected the allegations in the lawsuit, saying that it threatened the company's core operations. "This lawsuit threatens who we are and the principles that set Apple products apart in fiercely competitive markets. If successful, it would hinder our ability to create the kind of technology people expect from Apple – where hardware, software, and services intersect," a spokesperson from Apple said in a statement. "It would also set a dangerous precedent, empowering government to take a heavy hand in designing people's technology. We believe this lawsuit is wrong on the facts and the law, and we will vigorously defend against it." Central to the case is whether Apple's strategy of blocking rival companies from accessing various proprietary features such as its iMessage instant messaging service and Siri virtual assistant constitutes anticompetitive practices. The case will also examine whether Apple making its devices easily integrate with each other, but not with non-Apple products, creates unfair hardware limitations that block competitors from the market. The Department of Justice's complaint alleges that Apple has taken several anticompetitive actions, including blocking innovative apps, diminishing the functionality of non-Apple smartwatches, limiting third-party digital wallets and suppressing cross-platform messaging. The complaint argues this has resulted in higher prices for consumers as the company suffocates meaningful competition. "Apple creates barriers and makes it extremely difficult and expensive for both users and developers to venture outside the Apple ecosystem," Garland said. The complaint alleges that these practices go back over a decade, and is part of a longstanding playbook

at the company to target other technology that threatens its hold over the market. The lawsuit is seeking several changes to Apple's business practices and to pay an unspecified amount of money as a penalty for its actions. It asks the court to prevent Apple from using terms and conditions in its contracts to entrench its monopoly, as well as to stop the company from using its app store and private APIs to halt the distribution of cross-platform technologies. Apple controls a large portion of the smartphone market, surpassing Samsung last year to become the industry's top phone maker, and it frequently emphasizes a smooth compatibility between its products. Opposing tech companies, Google chief among them, have characterized Apple's features as creating a walled garden to the detriment of consumers, and encouraged regulators to investigate those practices. Apple agreed to improve texting between iPhones and Androids in November. A recent saga that drew regulators' attention was Apple's interactions with the messaging startup Beeper, which last year launched a product that would allow non-iPhone users to send and receive iMessages. Beeper debuted its "Beeper Mini" app in December, but less than a week later Apple appeared to find ways to disable the app's functions and issued a vague statement citing privacy and security concerns. Beeper tried to restore its services, resulting in a back-and-forth between the companies that ultimately ended with Apple blocking outside access to its iMessage capabilities. "As much as we want to fight for what we believe is a fantastic product that really should exist, the truth is that we can't win a cat-and-mouse game with the largest company on earth," Beeper's CEO, Eric Migicovsky, said afterward in a statement on the company's blog. Executives from Beeper spoke with investigators in recent months, according to the New York Times, along with executives from the tracking service Tile. Apple's AirTags product provides a similar function as Tile, and representatives from the Tile have repeatedly called on regulators and lawmakers to look into potential antitrust violations. Media speculation and anticipation around the antitrust suit has been building since the beginning of the year, with numerous reports that the government was in the final stages of filing. Apple's lawyers met with an assistant attorney general, Jonathan Kanter, in February, Bloomberg reported, in a last-ditch attempt to dissuade the justice department from pursuing its case. The justice department has been looking into whether Apple violated antitrust laws since at least 2019, when the bureau began a wider push into investigating big tech's anticompetitive practices. That effort has culminated in several high-profile antitrust cases, including a case focused on Google's search engine that went to trial in 2023 and another based on Google's advertising business that is set for later this year. The Federal Trade Commission has meanwhile launched antitrust suits against Facebook's parent company Meta and Amazon, both of which have yet to go to trial. European regulators are also applying pressure to Apple, including the European Commission issuing a €1.8bn (\$1.95bn) fine for breaking anti-competition laws. That investigation began after Spotify complained to regulators that Apple was imposing restrictions on its app store that damaged other music streaming providers in order to benefit Apple Music.