

Imagine Apple's App Store with no walled garden

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Gregg Spiridellis isn't shy when it comes to his feelings about the Apple iOS App Store.

A "clear monopoly," says Spiridellis, who earlier this year sold his JibJab company, which charges \$2.99 monthly for access to e-card tools.

On Monday, the Supreme Court agreed to hear a lawsuit filed by a consumer upset over Apple's [app store](#) pricing. The outcome has implications for rivals, like Google, Samsung and Amazon, which all offer apps to [consumers](#), as well, through their stores.

Consumers can't get apps for their Apple phones unless the company approves them and makes them available to consumers. Apple charges [app developers](#) like JibJab a 30% fee for having their apps in their iOS store, and the only option for them to collect payments is by going through Apple and paying what Spiridellis calls "the Apple tax."

PayPal, Square and other electronic payment companies, which aren't available to app makers from the App store, charge 3% fees, as do credit card companies like MasterCard and Visa to merchants. (Google charges the same 30% fee to developers at the Google Play Store.)

Spiridellis has plenty of company. Netflix removed the ability to subscribe to its services from the App Store recently, because of the 30% and music streamer Spotify filed an antitrust complaint against Apple in Europe recently.

Apple has traditionally been a closed system, going back to the days when the iPod music device could only be used on Apple computers at first. If owners of an iPhone want to download an app, it has to be approved by Apple and subscribe to the many Apple policies, which Apple says protect consumers.

In filing his lawsuit, Spotify CEO Daniel Ek said the App Store policies gave Apple an "unfair advantage at every turn." Apple responded by saying that "Spotify wouldn't be the business they are today without the

App Store ecosystem."

Apple's pitch to consumers is that its app store is safer to visit than, say, the Google Play store, which has fewer restrictions for app developers.

"Their point of view is that the service alone is worth the 30% fee," says Spiridellis. "I think it's exorbitant. Is the Web safe? How much do you need an Apple to be policing the content and apps? People can use their good judgment."

So what would happen if Apple lost the case and were forced to open the walled garden to any app developer and lower the fees?

Spiridellis says it makes apps cost less because developers wouldn't have to absorb the costs. But Will Strafach, the CEO of the Guardian Firewall security firm, says Apple could make it possible to offer apps in alternative ways. What it will never do, he says, is ditch the 30% fee.

"They are not going to go down without a fight," he says. "Developers hate that fee, but Apple chose it because it's profitable for them."

Strafach could see a scenario in which Apple would allow access to other apps outside the iOS store but phrase it in a way that they would encourage consumers not to download. As in: "Do you really trust this source?"

Earlier this year, Facebook used the "side-load" process, which is offered to enterprises, to push out an app that collected data from consumers which got the social network's app banned from the iOS Store for breaching Apple's policies.

On Twitter, Strafach said the social network's moves to get the app to consumers was "the most defiant behavior I have ever seen. It's mind-

blowing."

Facebook got the app to consumers with a workaround, by installing what's called an "enterprise [developer](#) certificate." That's used by developers to make apps for internal use, without publishing them to the App Store.

Should Apple lose the case, the company could use this method to "side-load" unapproved apps to consumers, Strafach says.

"That would be a reasonable alternative," he adds.

Apple insists that the App Store "is not a monopoly by any metric," says it's "confident" it'll win the case.

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