

EU authorities open two Apple antitrust investigations

June 16 2020, by Kelvin Chan



In this Saturday, March 14, 2020 file photo, an Apple logo adorns the facade of the downtown Brooklyn Apple store in New York. Apple's new iPad brings PC-like trackpad capabilities for the first time, as the company seeks to make its tablet even more like a laptop computer. Apple says the trackpad will offer more precision than fingers in selecting text and switching between apps. (AP Photo/Kathy Willens, File)

European Union regulators began two antitrust investigations on Tuesday into Apple's mobile app store and payment platform over concerns its practices distort competition, opening a new front in the EU's battle against the dominance of big tech companies.

The EU's executive Commission said it launched the formal investigations over concerns that Apple's way of doing business hurts consumers by limiting choice and innovation and keeping prices high.

It's looking into Apple Pay over allegations that the company refuses access to the [payment system](#) in some cases and amid concerns that it limits access to the "tap and go" function on iPhones.

The Commission opened a second investigation into the mobile App Store over concerns Apple forces developers to use the company's own in-app purchasing system, which charges them a 30% commission, and restricts them from letting iPhone and iPad users know about other ways to pay for [digital services](#) like music subscriptions. The investigation follows complaints from music streaming service Spotify and an e-book distributor on the impact of the App Store's rules on competition.

EU Executive Vice President Margrethe Vestager said "it appears that Apple obtained a 'gatekeeper' role when it comes to the distribution of apps and content to users of Apple's popular devices."

It also appeared that Apple set conditions on how Apple Pay should be used in merchants' apps and websites, she said. "It is important that Apple's measures do not deny consumers the benefits of new [payment technologies](#)," she added, noting that the coronavirus crisis has accelerated the growth in mobile payments as more people make online payments or "contactless" payments in store.

"It's disappointing the European Commission is advancing baseless

complaints from a handful of companies who simply want a free ride, and don't want to play by the same rules as everyone else," Apple said in a statement. "We don't think that's right—we want to maintain a level playing field where anyone with determination and a great idea can succeed."

Vestager, the EU's competition commissioner, has earned a reputation as one of the world's toughest technology regulators. Four years ago she ordered Apple to pay 13 billion euros (\$15 billion) in back taxes linked to a deal it made with the Irish government - a ruling that the company is challenging. She has also led antitrust investigations into other Silicon Valley giants including Google, which resulted in multibillion dollar fines.

Apple has been working to expand revenue in its services business to offset slowing growth from sales of iPhones and other hardware, but the EU investigation suggests Apple's growing dominance has made it a fresh target for regulators.

© 2020 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: EU authorities open two Apple antitrust investigations (2020, June 16) retrieved 23 April 2024 from <https://techxplore.com/news/2020-06-eu-authorities-apple-antitrust.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--