

US legislation aims to break grip on app stores

August 12 2021



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A bill introduced on Wednesday by US senators seeks to loosen the grip Apple and Google have on their lucrative online shops for apps and other digital content.



The measure backed by Democrats Richard Blumenthal and Amy Klobuchar and Republican, Marsha Blackburn would have to make its way through Congress to become law.

The bill would make it illegal for app <u>store</u> operators to require use of their own payment systems for transactions, a tactic that lets Apple and Google collect commissions on sales at their respective shops.

The legislation also calls for <u>app store</u> operators who also control device operating systems, as do Apple and Google, to allow users ways to get apps from places other than their stores.

"As mobile technologies have become essential to our daily lives, it has become clear that a few gatekeepers control the app marketplace, wielding incredible power over which apps consumers can access," Klobuchar said in a release.

Apple and Google have fought off accusations that they make it difficult—in Apple's case, impossible—to buy apps from anywhere other than the app stores that come pre-installed on their phones.

Apple's App Store and Google's Play Store both charge up to 30 percent commission on payments made within apps bought there, requiring used of their own payment systems that collect their shares of transactions.

Apple and Google have maintained that commissions charged are standard in the industry, and fair compensation for building safe marketplaces where developers can reach people around the world.

"For years, Apple and Google have squashed competitors and kept consumers in the dark—pocketing hefty windfalls while acting as supposedly benevolent gatekeepers of this multi-billion dollar market," Blumenthal said in the release.



Apple recently touted that its App Store "ecosystem" surged in 2020, fueled by pandemic-hit consumers seeking to stay connected for work, school and play.

Introduction of the US legislation came as US District Court Judge Yvonne Gonzalez Rogers mulls evidence presented during a trial in which Epic Games is trying to break Apple's tight grip on its App Store, and potentially disrupt the entire mobile ecosystem.

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