

EU probes Apple, Google, Meta under new digital law

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Amazon, Apple, Google parent Alphabet, TikTok owner ByteDance, Meta and Microsoft have to comply with the new law.

The EU on Monday hit Apple, Google parent Alphabet and Meta with the first ever probes under a mammoth digital law, which could lead to

big fines against the US giants.

Among six firms named as market "gatekeepers" under the EU's landmark Digital Markets Act—along with Amazon, TikTok owner ByteDance and Microsoft—the companies have been obliged to comply with the new law since March 7.

"We are not convinced that the solutions by Alphabet, Apple and Meta respect their obligations for a fairer and more open digital space for European citizens and businesses," said the EU's internal market commissioner, Thierry Breton.

In a statement announcing the probes, the European Commission, the EU's antitrust regulator, said it suspects the measures the firms have put in place so far "fall short of effective compliance."

One of the main tech lobbying groups, CCIA, whose members include the three giants targeted, lambasted the probes, accusing the EU of "jumping the gun" and acting too hastily.

The EU's competition commissioner, Margrethe Vestager, insisted regulators had "definitely" not rushed to probe the companies.

Senior officials have acknowledged that changes are already taking place, but suggest they do not go far enough.

Under the new rules, the commission can impose fines of up to 10 percent of a company's total global turnover. This can rise to up to 20 percent for repeat offenders.

In extreme circumstances, the EU can order the break up of companies.

Unlike the traditional rules that saw probes last for years, the DMA

demands regulators complete any investigation within 12 months of its start.

Restriction fears

Monday's probes are focused on whether Alphabet's Google Play and Apple's App Store are allowing app developers to show consumers offers, free of charge, outside of those app marketplaces.

The commission fears that the measures the two companies have taken may not be fully compliant since they impose "various restrictions and limitations".

Alphabet is also under suspicion over whether Google search results favor its own services—for example, Google Shopping or Google Flights—over rivals.

The EU slapped a whopping 2.4-billion-euro (\$2.6 billion) fine on Google in 2017 over similar claims of self-preferencing.

Google's director of competition, Oliver Bethell, said Google had made "significant changes to the way our services operate in Europe", adding: "We will continue to defend our approach in the coming months."

Apple said it was "confident" its plan complied with the DMA.

Concerns over consent

Apple is also under the spotlight over whether it allows users to easily uninstall apps on its iOS operating system, and the design of the web browser choice screen.

Under the DMA, the gatekeepers must offer choice screens for web browsers and search engines to ensure users have more options.

Meta also faces problems over its ad-free subscriptions model, which has already been targeted by three complaints since it launched in November.

European users can pay to avoid being tracked for advertising but officials were not convinced.

"We have serious doubts that this consent is really free when you are confronted with a binary choice," Breton told reporters.

Meta has faced an avalanche of legal problems in the EU over its data processing, including a 1.2 billion-euro fine last year for data privacy breaches.

Meta defended its scheme. "We designed Subscription for No Ads to address several overlapping regulatory obligations, including the DMA," a spokesperson said.

Turning sour on Apple

In an additional move, EU regulators will also explore whether Amazon may be favoring its own brand products on the Amazon Store and whether Apple's new fee structure for alternative app stores "may be defeating the purpose" of its DMA obligations.

An Amazon spokesperson said it was "compliant" with the DMA.

Monday's announcement is one more problem for Apple, which faces a glut of legal challenges on both sides of the Atlantic.

Last week, the US Department of Justice sued Apple, accusing the company of operating a monopoly in the smartphone market.

That was just weeks after the EU slapped a 1.8-billion-euro fine on the iPhone maker for preventing consumers from accessing cheaper music streaming subscriptions.

Apple said it would appeal the EU fine.

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