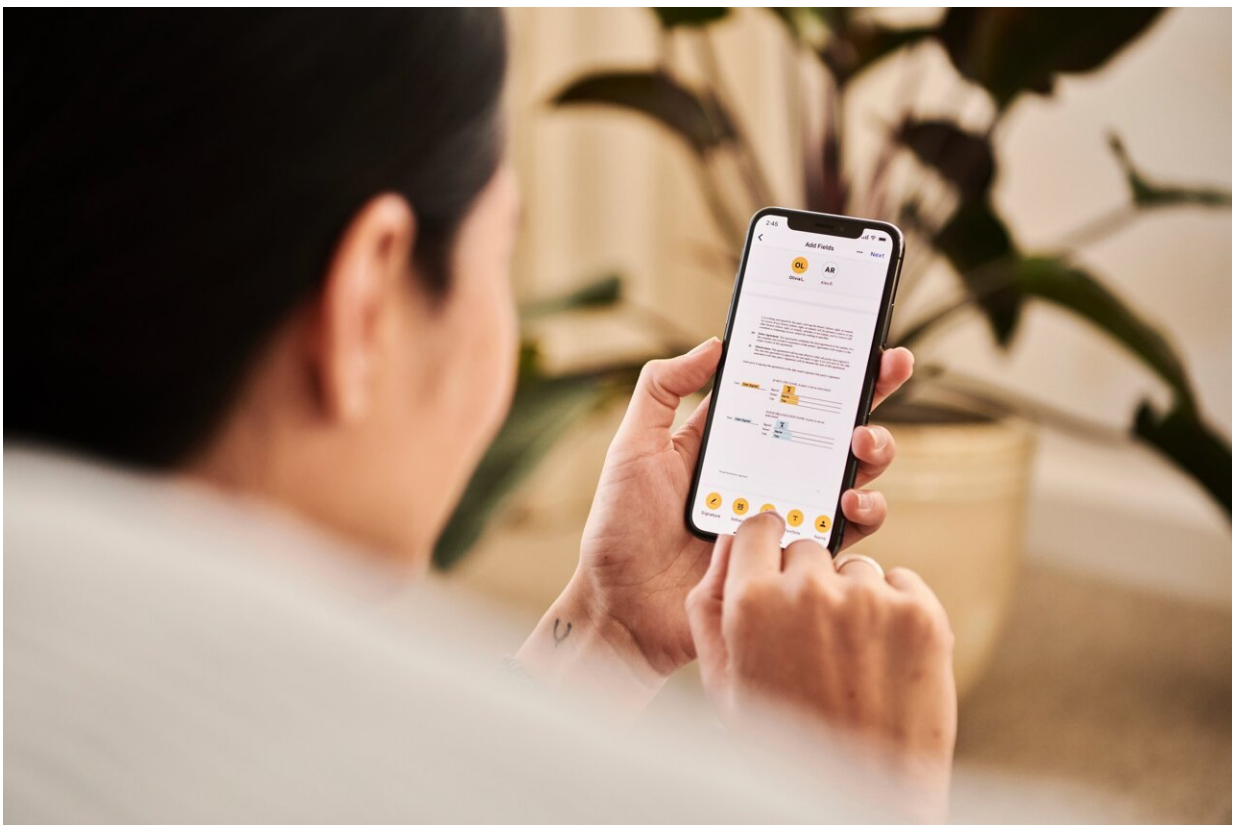


iPhone or iMonopoly? The feds take on Apple for smartphone antitrust violations

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The same day in 2007 that founder of Apple Computer Steve Jobs presented the company's fancy new mobile telephone, the iPhone, he

dropped the word "computer" from the corporation's name. On this, like many things, Jobs was a visionary.

While Apple makes all kinds of excellent equipment (designed by Apple in California, assembled in China) it is the iPhone, not the laptops or desktops or iPads, that has driven the company to earn billions of dollars and rise and rise and rise to a valuation worth trillions of dollars on the sale of billions of iPhones.

There is nothing as important to Apple as the iPhone and it is very tightly controlled by the company.

Now that tight control of the iPhone (the priciest smartphone on the market) has led the Department of Justice and 16 states plus the District of Columbia to launch an antitrust suit Thursday against Apple. While the case is filed in Newark and New Jersey is the lead state, the list of plaintiffs includes home state California, as well as New York.

Said Attorney General Merrick Garland, the United States only goes to court when there is sufficient evidence and the United States usually wins. We don't know if the allegations of the government are enough to prove their case and win, but that is the DOJ's burden to prove.

Garland used his announcement to cite something directly from the complaint (paragraph 92 on page 39): "In 2022, Apple's CEO was asked whether Apple would fix iPhone-to-Android messaging. The questioner added, 'not to make it personal but I can't send my mom certain videos.' Apple's CEO responded, 'Buy your mom an iPhone.'"

While Garland didn't say the name, the complaint fingers Tim Cook.

We had the same problem with Mom's Android. Her Android smartphone worked just fine for her [phone calls](#) and emails and texts,

but not so well with texts to and from iPhones used by the kids and grandkids. So we paid the extra money and got her an iPhone.

It is the good blue bubble (iPhone to iPhone) versus the not good green bubble (iPhone to Android) scenario and the reason Apple set it up that way. Apple intentionally meant to downgrade the experience of using an Android, with the incentive to buy an iPhone.

Imagine if they did the same with the audio quality of phone calls, having iPhone to iPhone calls sound clear to the ear with iPhone to Android calls sounding scratchy or tinny (we are not trying to give Apple any ideas).

There is nothing wrong with Apple making a superior product and charging a premium price for it. But what the feds and the states claim is that Apple went too far to make it hard or even impossible for consumers using a competitor's equipment. For example, an Apple Watch only works with an iPhone. Again, that was Apple's choice to lock out other machines.

Apple has plenty of high powered lawyers to make its defense, as does Google which is also being sued for allegedly illegal monopoly behavior (the same for another tech giant, Amazon).

Big is not necessarily bad. But using a firm's dominant size to impose anti-competitive roadblocks in the marketplace is not allowed.

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