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Colorado Attorney General Phil Weiser sues Google for antitrust law and state consumer protection violations over Google Play Store

Bipartisan coalition of states say Google illegally maintains an app store monopoly and deceives consumers; unfairly edges out competition

July 7, 2021 (DENVER) – Today, Colorado Attorney General Phil Weiser joined a coalition of attorneys general from 36 states and the District of Columbia to [file a lawsuit](#) against Google in federal court in California. The suit alleges exclusionary conduct relating to the Google Play Store for Android mobile devices and Google Billing. This antitrust lawsuit is the newest legal action against the tech giant, outlining a pattern of illegal, anticompetitive, and unfair business practices.

“U.S. consumers spend more time using mobile devices than desktop or laptop computers, and they spend more than \$32 billion a year purchasing apps and content within apps. Despite promising an open platform, Google has restricted competition from rival app stores and from rival payment processing for in-app purchases. By so doing, Google has limited choice and inflated the prices that consumers pay for purchases made through an app downloaded on the Play Store. The lawsuit filed in federal court today is designed to restore competition and protect consumers,” said Attorney General Weiser.

As outlined in the complaint filed today, the heart of the case centers on Google’s exclusionary conduct, which substantially shuts out competing app distribution channels. Google also requires

conduct, which substantially shuts out competing app distribution channels. Google also requires app developers that offer their apps through the Google Play Store to use Google Billing for in-app purchases of digital content. This arrangement, which ties a payment processing system to an app distribution channel, forces app consumers to pay Google's commission—up to 30%—on in-app purchases of digital content made by consumers through apps that are distributed via the Google Play Store. As a result, consumers are forced to pay higher charges.

The complaint describes how Google violated federal and state antitrust laws and state consumer protection law. In particular, it outlines how Google had initially promised app developers and device manufacturers that it would keep Android “open,” and allow developers to create compatible apps and distribute them without unnecessary restrictions. But once app developers created apps for the Google platform, it broke that promise—in violation of state consumer protection laws.

Google Closed the Android App Distribution Ecosystem to Competitors

When Google launched and marketed Android OS as an “open source” platform, Google successfully enticed “OEMs”—mobile device manufacturers such as Samsung—and “MNOs”—mobile network operators such as Verizon—to adopt Android, and more importantly, to forgo competing with Google's Play Store at that time. Once Google had obtained the “critical mass” of Android OS adoption, Google moved to close the Android OS ecosystem—and the relevant Android App Distribution Market—to any effective competition by, among other things, requiring OEMs and MNOs to enter into various contractual and other restraints. These contractual restraints restrict OEMs and MNOs from competing (or fostering competition) in the market for Android app distribution. The lawsuit alleges that Google's conduct constitutes unlawful monopoly maintenance, among other claims.

In aid of Google's efforts discussed above, the coalition alleges that Google also engaged in the following conduct, all aimed at enhancing and protecting Google's monopoly position over Android app distribution:

- Google imposes technical barriers that strongly discourage or effectively prevent third-party app developers from distributing apps outside the Google Play Store. Google builds into Android a series of security warnings and other barriers that discourage users from downloading apps from any source outside Google's Play Store, effectively foreclosing app developers and app stores from direct distribution to consumers.
- Despite its original assurances to allow Android to be “open source,” Google has used its monopoly power to protect what is a closed system. Google forces OEMs that wish to sell devices that run Android to enter into agreements called “Android Compatibility Commitments” or ACCs. Under these “take it or leave it” agreements, OEMs must promise not to create or implement any variants or versions of Android that deviate from the Google-certified version of Android.

- Google’s required contracts foreclose competition by forcing Google’s proprietary apps to be “pre-loaded” on essentially all devices designed to run on the Android OS and requires that Google’s apps be given the most prominent placement on device home screens.
- Google “buys off” its potential competition in the market for app distribution. Google has successfully persuaded OEMs and MNOs not to compete with Google’s Play Store by entering into arrangements that reward OEMs and MNOs with a share of Google’s monopoly profits.

This lawsuit is led by Utah Attorney General Sean D. Reyes, New York Attorney General Letitia James, North Carolina Attorney General Josh Stein, and Tennessee Attorney General Herbert Slatery III. States joining the lawsuit include: Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Idaho, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Vermont, Virginia, Washington, and West Virginia.

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