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Lawsuit Says Google Illegally Maintains App Store Monopoly; Unfairly Edges Out Competition

Oregon Attorney General Ellen Rosenblum and 36 other Attorneys General today filed a lawsuit (https://www.doj.state.or.us/wpcontent/uploads/2021/07/Utah v Google Complaint 2021-07-07.pdf) against Google in California, alleging exclusionary conduct relating to the Google Play Store for Android mobile devices and Google Billing. The Attorneys General also accuse Google of using its dominance to unfairly restrict competition with the Google Play Store, harming consumers by limiting choice and driving up app prices.

"Over time, Google's anti-competitive behavior has gotten worse," said Attorney General Rosenblum. "There is no doubt that how we interact with our smartphones is ingrained in every aspect of our lives. It impacts our well-being, our children's education, our everyday lives. Today's filing is about ensuring one of the biggest tech powers behind our screens plays by the rules."

The heart of the lawsuit centers on Google's exclusionary conduct, which shuts out competing app distribution channels. The AGs also allege in the lawsuit that:

- Google imposes technical barriers that discourage or prevent third-party app developers from distributing apps outside the Google Play Store.
 Google builds into Android a series of security warnings (regardless of actual security risk) and other barriers that discourage users from downloading apps from any source outside Google's Play Store.
- Google has not allowed Android to be "open source" for many years, effectively cutting off potential competition.
- 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 forces app developers and app users alike to use Google's payment processing service, Google Play Billing, to process payments for in-app
 purchases of content consumed within the app. As a result, Google is unlawfully tying the use of Google's payment processor, which is a separate
 service within a separate market for payment processing within apps, to distribution through the Google Play Store. Google is able to extract an
 exorbitant processing fee as high as 30% for each transaction which is many times higher than payment processing fees charged in competitive
 markets.

In addition to Oregon, this multi-state lawsuit is joined by Utah, Arizona, Colorado, Iowa, Nebraska, New York, North Carolina, Tennessee,

Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Idaho, Indiana, Iowa, Kentucky, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, and West Virginia.