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ROB BONTA

Attorney General

Attorney General Bonta Files Lawsuit Against Apple: Smartphone Monopolization has Stifled Innovation, Resulted In Higher Prices for Consumers

Press Release / *Attorney General Bonta Files Lawsuit Against Apple: Smartpho...*

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LOS ANGELES — California Attorney General Rob Bonta today, alongside the U.S. Department of Justice (U.S. DOJ), and a bipartisan coalition of 16 states attorneys general, filed a lawsuit challenging Apple’s anticompetitive behavior related to iPhone smartphones. The lawsuit alleges Apple deliberately made it more difficult for third-party apps and products to operate with the iPhone, resulting in higher prices for consumers and harm to competition in the smartphone industry. Apple’s conduct has stifled innovation, limited consumer choice, and made switching to other smartphones — especially high-end performance smartphones — unnecessarily difficult and expensive for consumers.

“Apple’s anticompetitive conduct intentionally leaves consumers bearing the cost of sky-high smartphone prices at a time when smartphones are now essential to so much of our day-to-day lives. California’s economy thrives on entrepreneurship, serving as a driving force behind its innovation and growth. Consumers, innovation, and the competitive process — not Apple alone — should decide what options consumers should have,” **said Attorney General Bonta.** “In insulating itself from competition, Apple has caused harm to consumers and the market. This is illegal. I am proud to partner with the U.S. Department of Justice to send a clear message: We are committed to protecting consumers, holding industry accountable, and ensuring a fair and competitive market where the next generation of innovation can thrive.”

The lawsuit alleges Apple violated Section 2 of the Sherman Antitrust Act, which prohibits monopolization and attempted monopolization. Monopolization occurs when a single firm maintains a monopoly unlawfully, by using its control of the market to exclude rivals and harm competition. The complaint filed today alleges that Apple protects its monopoly by delaying, degrading, or outright blocking technologies that would bring competition by decreasing barriers to switching to another smartphone.

Specifically, Apple:

- Degrades and undermines cross-platform messaging apps and rival smartphones, including introducing deliberate incompatibilities to prevent Android users from seamlessly sending messages to iPhone users.
- Makes it difficult for U.S. app developers to list “Super Apps”, which have a broad array of functions and make it easier for consumers to switch from one phone manufacturer to another
- Blocks cloud gaming services on iPhones by historically refusing to list cloud gaming apps on the Apple App Store. Cloud gaming allows consumers to stream

and play video games seamlessly across different devices independent of phone hardware.

- Limits basic functionality when consumers try to use third party cross-platform smart watches with iPhones.
- Restricts digital wallet competitors by allowing only Apple Wallet access to the iPhone's "tap-to-pay" functionality.

Apple suppresses or delays apps, innovations, and technologies that would reduce switching costs or simply allow users to discover, purchase, and use their own accessories, apps and content without having to rely on Apple. As a result, Apple faces less competition from rival smartphones and less competitive pressure from innovative, cross-platform technologies not because Apple makes its own products better but because it makes other products worse. With less competition, Apple extracts extraordinary profits and constrains innovation to serve its interests. This leaves all smartphone users worse off, with fewer choices, higher prices and fees, lower quality apps, and accessories, and less technological progress from Apple and others.

In filing the lawsuit, Attorney General Bonta joins the U.S. Department of Justice and the attorneys general of Arizona, Connecticut, Maine, Michigan, Minnesota, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Oregon, Tennessee, Vermont, Wisconsin, and the District of Columbia.

Attorney General Bonta is committed to enforcing anticompetitive laws to ensure fair prices, innovation, and consumer choice.

In February 2024, Attorney General Bonta, the Federal Trade Commission, and a bipartisan coalition of states, announced filing a lawsuit that challenges the proposed merger of Kroger and Albertsons; this merger presents a significant risk of reduced competition and higher food prices nationwide. In December 2023, Attorney General

Bonta announced a \$700 million multistate settlement with Google resolving allegations that the company violated state and federal laws by monopolizing the Android smartphone application market. In November 2023, Attorney General Bonta and three other attorneys general announced joining U.S. DOJ's lawsuit against Agri Stats, Inc., a company that organizes and manages anticompetitive information exchanges for meat processors and facilitated the unlawful increase of chicken, pork, and turkey prices across the U.S.

A copy of the complaint is available [here](#).

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