

# Apple must allow other in-app purchases after legal tussle with Epic

Article

**The news:** California District Judge Yvonne Gonzalez Rogers issued a permanent injunction in the *Epic v. Apple* case relaxing Apple's App Store rules, per The Verge.

Apple can no longer prohibit certain in-app purchases, and iOS apps must be allowed to direct users to payment options beyond the App Store. The injunction will take effect in 90 days unless enjoined by a higher court.

- **Apple called the ruling a victory for the App Store.** “Today the Court has affirmed what we’ve known all along: the App Store is not in violation of antitrust law,” a representative said.
- A separate judgment affirming that Epic Games breached its contract with Apple when it implemented alternative payments for the *Fortnite* app. **Epic must pay Apple \$3.5 million** for violating the App Store contract.

**Why it’s worth watching:** *Apple v. Epic* is expected to set a precedent for future developer versus app store antitrust cases in the US and possibly overseas.

The ruling undermines Apple’s control of its App Store and could spell the end of the lucrative **\$100 billion App Store model**.

- Apple recently **settled** an antitrust case with US developers by creating a **\$100 million Small Developer Assistance fund** and introducing important changes to the US App Store. That settlement benefits smaller developers involved in less lucrative gaming apps.
- US senators **also introduced** the **Open App Markets Act**, a bill to curb anticompetitive app store policies that would ban companies from forcing developers to use their app store’s payment systems.
- Elsewhere, South Korea became the first country to **end** Apple’s and Google’s payments duopoly on their respective mobile platforms. This was seen as the first domino to fall toward breaking up the firms’ tight hold on their developer, payment, and app ecosystems. The EU, the UK, and India are also zeroing in on Apple’s App Store dominance.

**What’s next?** Apple is expected to seek a review to keep the injunction from going into effect, and Epic Games already appealed the second ruling.

- While both sides can claim partial victory, Apple is the bigger winner: It now has a court ruling that it doesn’t run a monopoly—this could influence the antitrust battles it faces on various fronts.

## App Store Revenues and Downloads for Mobile Games and Total Mobile Apps Worldwide, by OS, H1 2020 & H1 2021

billions

	H1 2020		H1 2021	
	Android	iOS	Android	iOS
<b>Total mobile app revenues</b>	<b>\$18.0</b>	<b>\$34.0</b>	<b>\$23.4</b>	<b>\$41.5</b>
— Mobile game revenues	\$15.0	\$22.9	\$18.7	\$26.0
<b>Total mobile app downloads</b>	<b>53.0</b>	<b>18.3</b>	<b>56.2</b>	<b>16.3</b>
— Mobile game downloads	22.8	5.7	23.7	4.4

Source: Sensor Tower as cited in company blog, June 28, 2021

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