

The US government's lawsuit against Apple reflects the strategy that defeated Microsoft, but the technology industry has changed

The US government's antitrust lawsuit against Apple builds on the landmark 1998 case that broke Microsoft's dominance of desktop software, but it may be an imperfect copy of the solution. Solve competition problems in the smartphone market.

The iPhone market today looks very different from the era of Microsoft's near-monopoly of the Windows operating system two decades ago, so the US government may face more difficulty suing Apple, legal experts say. Ly said.

The US Department of Justice, 15 states and the District of Columbia accused Apple of illegally monopolizing the smartphone market through restrictions on application developers that limit choice and innovation, at the expense of consumers. higher.

Apple responded to the US Department of Justice's lawsuit by calling it 'mistakes of fact and law'. The company warned that the move would 'set a dangerous precedent, empowering governments to deeply interfere with the design of human technology' and vowed to 'vigorously combat it'.

According to some legal experts, the US government must prove that Apple's business practices are a 'monopoly' and harm consumers by reducing the quality of competitors' products.

The US government accused Apple of blocking technologies that could increase competition between smartphones in five areas including super apps, cloud-based online gaming applications, messaging applications, and smart watches. Smartphones and digital wallets.

The US Department of Justice alleges that Apple used its power over iPhone app distribution to stifle innovations that could make it easier for consumers to switch phones.

According to the US Department of Justice, Apple has refused to support cross-platform messaging apps, limited third-party digital wallets, and non-company smartwatches, and blocked game apps from playing. online on cloud platform.

According to the New York Times, the lawsuit from the US Department of Justice is the result of many years of monitoring Apple's portfolio of devices and services. Instead of just focusing on the App Store like Europe, the US government targets Apple's entire ecosystem of products and services, with a focus on the iPhone.

According to the lawsuit, Apple "impaired" iPhone users' ability to text with other brand phones. The distinction is represented by green message bubbles, which represent messages sent to Android smartphone users, leading to obstacles such as images sent via messages being blurred. This does not happen when texting between two

iPhones running Apple's iOS operating system. The lawsuit claims that it is a signal "implying" that other phones are of poorer quality than the iPhone.

Next, Apple is accused of making it difficult to connect iPhones to smart watches other than the Apple Watch. If you buy an Apple Watch, it will be very difficult for users to give up the iPhone.

The US government also believes that Apple wants to maintain its monopoly by not allowing other companies to develop their own e-wallets. On iPhone, Apple Wallet is the only application that can use the NFC chip for payment.

In addition, game streaming applications were not released on the iPhone because it could make the device "less valuable hardware". Developers are also not allowed to provide super apps on iPhone.

The US Department of Justice said that by strictly controlling the user experience on the iPhone and other devices, Apple creates an "unlevel playing field". Here, Apple products and services have access to many core features, which competitors cannot take advantage of.

In the lawsuit, the US Department of Justice asked the court to prohibit Apple from participating in actions such as blocking game streaming applications, sabotaging messaging features on smartphone operating systems, and blocking alternative e-wallets.

Apple recently added support for cloud-based gaming services and said it will add RCS cross-platform messaging by the end of 2024.

'At Apple, we innovate every day to create technology people love, design products that work seamlessly together, protect user privacy and security, and create experiences that work seamlessly together. Great experience for our users. This lawsuit threatens our identity and the principles that differentiate Apple products in fiercely competitive markets," the company said in a statement.



Antitrust regulators say Apple is rapidly expanding its influence and power across industries including content creation and financial services.

By comparison, Microsoft is accused of abusing its dominant market position to prevent users from freely installing software on computers using the company's Windows operating system. That may sound similar to Apple controlling the app store, but legal experts say there are important differences.

According to legal experts, Apple can sign contracts with whoever it wants and design products as it sees fit.

Douglas Ross, an antitrust scholar at the University of Washington law school (USA), said the problem becomes serious when a company with monopoly power takes steps to reduce short-term profits in order to eliminate long-term competitors.

Douglas Ross said: 'The basic assumption made by the US Department of Justice is that Apple must cooperate with its competitors to allow competitors to compete with Apple. This is contrary to antitrust law'.

Market share

Microsoft was forced to open its Windows because it controlled 95% of desktop operating systems in the 1990s. For comparison, Apple accounted for 55% of the smartphone market in North America at the end of September 2023 based on device shipments. , the rest are mainly phones running Google's Android operating system, according to market analysis firm Canalys.

The US Department of Justice wants to define the market as 'the smartphone market in the US'. Apple's representative said he would try to convince the court to define this market as the 'global smartphone market'.

Canalys data shows that Apple and rival Samsung Electronics each account for about 20% of the global smartphone market share by 2023, although the American technology giant is slightly ahead of the Korean electronics group in terms of the number of devices shipped.

"Microsoft is clearly a monopoly and has no effective competitors in the PC operating system space," said Douglas Ross. "While Android is very popular, especially in the rest of the world, and is Very effective competitor to iOS'.

Douglas Ross predicts that it will be more difficult for the US Department of Justice to win against Apple than the Microsoft case.

Some of these allegations have been mentioned before in court.

In 2021, in an antitrust lawsuit brought by Epic Games (maker of the game Fortnite), a US federal judge ruled that Epic Games failed to prove that Apple users were "captive" on iPhones and will not transfer to Android devices.

Of course, US government lawyers know these differences and still sue.

Legal experts say that reflects the stance of the US Department of Justice and the Federal Trade Commission under the Biden administration on facing and resolving legal lawsuits.

Plaintiffs' lawyer Patrick McGahan, whose firm is involved in the case against Apple, said: 'They were happy to take the risk on a really big case.'

Washington attorney Melissa Maxman said the Microsoft case has changed the technology landscape. She called the US government's lawsuit against Apple a step toward greater competition in the smartphone market.

Melissa Maxman explains: 'If you open the market to other competitors, you will see prices decrease and quality increase. That's exactly what was said in the Microsoft lawsuit and it was right.'

You finished reading the article "**The US government's lawsuit against Apple reflects the strategy that defeated Microsoft, but the technology industry has changed**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.
