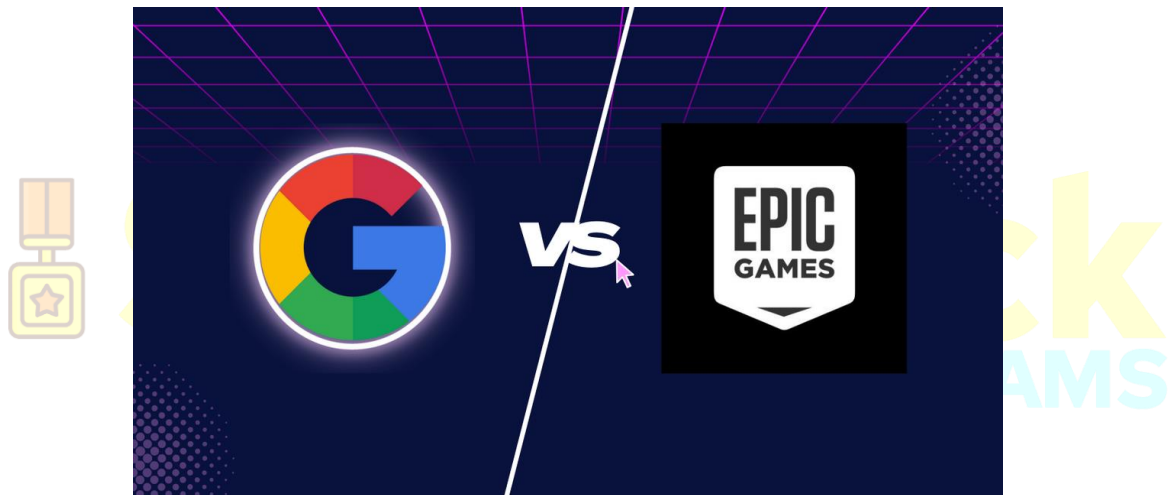


# Epic Games Wins Case Against Google Over Play Store 'Monopoly'

## Why In News

- In a case that could have significant repercussions for the **app store economy**, videogame maker **Epic Games**, known for the game Fortnite, has won an **antitrust trial against Google** on grounds that the tech giant was turning its Play Store and billing service into an illegal monopoly. Epic's victory came late Monday in a United States District Court in the Northern District of California.



## What Is This Case

- “In **Google Play Store Antitrust Litigation**”, videogame developer Epic Games contended that Google's Play Store was effectively killing all competition by **charging app developers 30% higher fees** for in-app purchases.



- Epic had filed its plea against Google three years ago, in 2020, seeking to keep more revenue it generated from in-app purchases and offer an app store that could compete with Play on the Android operating system.
- Accusing the tech giant of using anti-competitive practices that hurt both consumers and developers, Epic claimed that Google illegally tied up its Play Store with its billing services so that developers were compelled to use both to have their apps included.



- Since Epic had tried to bypass Google's fees by charging users directly for purchases within its videogame, Fortnite, Google had removed the game from its store.
- This is what led to the present lawsuit.
- At present, Google takes a cut on each digital purchase through the Play Store on Android. Although revenue from such transactions is a fraction of Google's sales, it still makes up a high-margin business for the tech giant

## How Google Responded

- During the trial, Google's lawyers argued that it was competing against Apple's App Store, which is more popular in the US, and consequently cannot operate as a monopoly.
- Google has said it would file an appeal before the San Francisco-based 9th US Circuit Court of Appeals.



## Ruling

- Essentially, the jury found that **Google acquired and maintained monopoly power** in the Android app distribution market and even in the in-app billing market for digital goods and service transactions.



## Implications Of Ruling

- Following this decision, **Epic Games will have a chance to submit a court filing** on how it wants Google's **Play Store to be fixed**, which could put at risk Google's **\$10 billion annual revenue** from app sales and in-app purchases.
- "The decision could **rewrite the rules** on how thousands of businesses make money on Google's smartphone operating system, Android,".



- Although the decision might clear the **path for rival app stores** on Google's Android mobile system, a lengthy appeals process is likely to prevent any changes for years.
- Besides this, Google could be asked to **allow developers to use payment systems other than Google's**, which might significantly impact Google's entire business model.
- The unanimous ruling by the jury could also **increase pressure on Google** at a time when it's embroiled in a legal battle with the US Justice Department, which accused the tech giant of breaking antitrust law.

