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Jury finds Google in violation of antitrust laws, rules in favour of Epic

By Lindsey Schutters

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A US federal jury found that Google's Play Store <u>violates antitrust laws</u>, siding with Epic Games in a lawsuit that could have far-reaching implications for the tech industry. This brings to close a lawsuit that originated in 2020 when Epic updated its popular *Fortnite* game on iOS and Android, allowing players to bypass the 30% platform store fee and buy virtual items directly from the game maker.



The jury concurred with Epic Games on every point it was asked to consider. They determined that Google holds monopoly power in the Android app distribution markets and in-app billing services markets, and that Google engaged in anticompetitive practices in these markets, causing harm to Epic.

The jury also found that Google has an illegal tie between its Google Play app store and its Google Play Billing payment services, and, crucially, that Google's distribution agreement, Project Hug, and its deals with game developers and original equipment manufacturers (OEMs) were also anti-competitive.



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It came to light in the court proceedings that Google offered to pay Samsung \$200m over four years so Samsung's Galaxy app store would become available within the Google Play Store rather than preinstalled on the device. That idea was later abandoned, and Google signed the current deal with Samsung where the search giant <u>pays \$8bn over four years</u> to make Google the default search engine and the Play Store the default app store on Galaxy devices.

Online celebration

Following the verdict, Epic Games CEO Tim Sweeney took to X (formerly Twitter) to celebrate the victory. "After 4 weeks of detailed court testimony, the California jury found against the Google Play monopoly on all counts," he wrote. "The Court's

work on remedies will start in January. Thanks for everyone's support and faith! Free Fortnite!"

" Victory over Google! After 4 weeks of detailed court testimony, the California jury found against the Google Play

monopoly on all counts. The Court's work on remedies will start in January. Thanks for everyone's support and faith! Free Fortnite! <u>https://t.co/ITm4YBHCus</u>— Tim Sweeney (@TimSweeneyEpic) <u>December 12, 2023</u> 77

Google's vice president for government affairs and public policy, Wilson White, said in a statement, "We plan to challenge the verdict."

He added, "The trial made clear that we compete fiercely with Apple and its App Store, as well as app stores on Android devices and gaming consoles. We will continue to defend the Android business model..."

The Epic Games and Google verdict and subsequent remedies could reshape the Google Play Store and its apps. Google may have to reduce its 30% commission on in-app purchases, benefiting developers and possibly leading to lower prices for consumers. The company might also have to ease its restrictions, leading to more diverse and secure apps. This could also lead to more legal challenges from other developers, potentially resulting in more lawsuits, fines, or sanctions.

ABOUT LINDSEY SCHUTTERS

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