France Sues Apple for €48.5 Million

Written by Marco Attard 15. April 2016

The DGCCRF, the French competition, consumer and fraud agency, launches a court case against Apple, BFM TV reports-- one claiming strict carrier contracts unfairly benefit the iPhone maker.



Specifically, the agency states Apple contracts violate French competition laws in no less than 10 ways. For instance, Apple forces carriers to buy a minimum number of iPhones over 3 years, pay part of customer repair costs, stick with strict order rules, finance any in-store iPhone displays and to contribute to an Apple-run advertising fund. Apple also forbids carriers to make any iPhone contract or payment plans.

In turn, Apple can void any contracts with carriers, is free to use carrier brands (but not vice-versa), can use any carrier-owned patents and receives more beneficial conditions than the competition, such as iPhone prices without a contract, quality of service and the like.

Such strict regulations go back to 2007, to the days of the first generation iPhone.

If found guilty by the courts, Apple will be forced to pay €48.5 million in fines-- a sum split in different ways among 4 carriers, with €14m going to SFR, €11.6m to Orange, €8.2m to Free Mobile and €6.7m to Bouygues Telecom. A remaining €8m make additional fines.

This is not the first time Apple is accused of unfair deals with carriers-- December 2014 saw a similar investigation by the Canadian federal competition watchdog, and the Taiwanese government fined Apple \$650000 for forcing carriers to abide by imposed contract prices in

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June 2015.

Go Bercy claiming € 48.5 million to Apple (BFM TV)