

a sample of

# Apple's Legal and Tax Woes

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For wealthy successful corporations,  
legal and tax issues and challenges  
“come with the territory”. Apple is no  
exception.

Lawsuits and tax investigations can  
be numerous, complex, prolonged  
and with consequences for  
corporations and their  
“end user” customers.

Apple has Service Programs that can extend beyond the standard or Apple Care warranty period for special problems that they accept responsibility for

<https://support.apple.com/en-ca/service-programs>

# A Summary of Apple's Litigation History

[https://en.wikipedia.org/wiki/  
Litigation\\_involving\\_Apple\\_Inc.](https://en.wikipedia.org/wiki/Litigation_involving_Apple_Inc.)

# Some terms and definitions

DOJ = U.S. Department of Justice

Synonyms ... Anti-Trust ~ Anti-Combine ~ Anti-Monopoly

The “trust” in anti-trust refers to a group that teams up (the members trust and cahoot) to form a monopoly to dictate opportunities and pricing in a particular market

Exclusionary Conduct - anti-competitive business policies and practices

# Some things that have frustrated me about Apple's Ecosystem and "Think Different" philosophy

These seven rants came to mind,  
in no particular order

1) Elimination of the iPhone standard 3.5mm headphone jack.

I now need to carry Apple's Lightning earbuds, OR a Lightning-to-3.5mm adapter, OR purchase Air Pods

2) MacBook Pro ports were reduced to USB-C only. I've always needed a “bag of adapters” to be able to connect peripherals to my 2019 MacBook Pro.

Apple has since brought some missing ports back.



3) Third-party Lightning charge cords often don't work and instead display an incompatibility message on-screen

4) I can't buy Apple OEM (Original Equipment Manufacturer) parts to do repairs myself.

OEM parts are available from Apple, but only as part of a service or repair performed by Apple Service or by an Authorized Apple Service Provider.

5) Apparent “bait and switch” with iPhone models 6 and 7. Subsequent iOS updates intentionally reduced their performance - but why reduce iPhone performance?

Class action lawsuit in Canada followed

6) “Green Bubble” issues - texting with Android users is often problematic and lacking features

7) Apple now uses proprietary “5-star” screws on MacBooks. Standard designs are Phillips (4-star) and Torx (6-star). This frustrates do-it-yourselfers

Three cases that have  
been making news

1) European Union \$14 Billion Tax Order

2) Apple Canada Class Action Settlement — If you have the serial number for one of your model 6 or 7 iPhones you could be entitled to a \$150 cheque

... and the BIG ONE launched last month ...

3) U.S. Government Antitrust Case — this not only threatens the app model but Apple's entire business

## 1) European Union \$14 Billion Tax Order

<https://www.reuters.com/technology/eu-court-adviser-backs-eus-14-bln-tax-order-apple-2023-11-09/>



The European Commission in a 2016 decision said that Apple benefited from two Irish tax rulings for more than two decades that artificially reduced its tax burden to as low as 0.005% in 2014.

Apple is being accused of using Ireland as a tax haven

The European Union's General Court in 2020 upheld Apple's challenge, saying that regulators had not met the legal standard to show Apple had enjoyed an unfair advantage.

But the case is being re-assessed again by the EU Court of Justice. The amount in question is 14 Billion US Dollars, which Apple put into an escrow account in Ireland, awaiting further judgement

## 2) Apple Canada Class Action Settlement

If you still have the serial number for one of your earlier iPhones, model 6 or 7, you could be entitled to a cheque for up to \$150

<https://www.cbc.ca/news/business/apple-settlement-british-columbia-supreme-court-1.7098096>

Depending on how many people apply for the settlement, claimants will receive between \$17.50 and \$150. They must provide a serial number for the impacted phone

Apple apparently “throttled down” the performance of their model 6 and 7 iPhones.

How did they do it,  
and why did they do it?

Battery life was an issue with these models.

Subsequent iOS updates intentionally reduced the speed and performance of these models, which improved battery life and thereby reduced battery life complaints .

Some iPhone 6 and 7 owners noticed a performance drop with these subsequent iOS updates.

Wouldn't such a reduction in performance become a problem and turn people off the iPhone brand?  
Could this induce iPhone owners to switch to Android?

Apple confidently gambled that people would stay with the iPhone brand and upgrade to a newer and faster iPhone instead of switching to Android.

The difficulty and inconvenience of leaving the Apple ecosystem was such that people felt somewhat trapped by it and compelled to stay with it rather than leave it.

Better the devil you know  
than the devil you don't?

The Canadian iPhone  
Class Action Claim has a deadline  
of September 2, 2024

<https://www.cbc.ca/news/iphone-class-action-claim-1.7166957>



### 3)The Big One

## U.S. Government Antitrust Case

Launched March 2024

This not only threatens the app model but Apple's entire business

<https://www.theverge.com/24107581/doj-v-apple-antitrust-monopoly-news-updates>

<https://slate.com/technology/2024/03/apple-iphone-lawsuit-antitrust-good-for-you.html>

## The DOJ alleges that Apple

- blocks “super” apps
- suppresses mobile cloud streaming services
- blocks cross-platform messaging apps
- limits third-party digital wallets
- and even limits how well third-party smartwatches work on its platforms.

# From slate.com article

As some analysts have noted, a lot of people really do just like Apple products; heck, I'm typing this very piece on a slick MacBook Air. But the federal government makes a compelling case that much of this love, especially within United States borders, is coerced—that consumers trapped in the fold stay there mainly because they don't want to deal with the barriers to change. And, as such, they are forced to lean on the iPhone even as it gets more exclusive, worse, and more expensive.

The 2024 U.S. Government (DOJ)  
Antitrust Case against Apple  
will certainly take months, and  
likely years, to resolve