

Judge OKs Class-Action Suit Against Apple, AT&T

SAN JOSE, California (AP) — A federal judge says a monopoly abuse lawsuit against Apple Inc. and AT&T Inc.'s mobile phone unit can move forward as a class action.

The lawsuit consolidates several filed by iPhone buyers starting in late 2007, a few months after the first generation of Apple's smart phone went on sale.

An amended complaint filed in June 2008 takes issue with Apple's practice of "locking" iPhones so they can only be used on AT&T's network, and its absolute control over what applications iPhone owners can and cannot install on the gadgets.

The lawsuit also says Apple secretly made AT&T its exclusive iPhone partner in the U.S. for five years. Consumers agreed to two-year contracts with the Dallas-based wireless carrier when they purchased their phones, but were in effect locked into a five-year relationship with AT&T, the lawsuit argued.

The actions hurt competition and drove up prices for consumers, the lawsuit claims.

Apple and AT&T have not commented on the terms of their deal. In its response to the complaint, Cupertino, California-based Apple said it did not hurt competition.

In court documents filed July 8, Judge James Ware of the U.S. District Court for the Northern District of California said parts of the lawsuit that deal with violations to antitrust law can continue as a class action. The class includes anyone who bought an iPhone with a two-year AT&T agreement since the device first went on sale in June 2007.

Apple has sold more than 50 million iPhones in the last three years. The company does not specify how many have gone to U.S. customers.

Ware dismissed other claims against Apple, among them allegations that the company broke laws when an update to the iPhone's operating software caused some phones to stop working and deleted programs that users had purchased.

The lawsuit seeks an injunction to keep Apple from selling locked iPhones in the U.S. and from determining what iPhone programs people can install. It also seeks damages to cover legal fees and other costs.

Source URL (retrieved on 11/29/2014 - 3:47am):

<http://www.impomag.com/news/2010/07/judge-oks-class-action-suit-against-apple-t>