

Class Action Lawsuit Filed Against Apple for In-App Purchases

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A class action complaint was recently filed against Apple, Inc. alleging that Apple violated the California Consumer Legal Remedies Act and California Business & Professions Code § 17200 by permitting minors to make purchases within applications downloaded from the Apple App Store without parental consent. The plaintiffs allege that Apple permitted minor children to download free apps and then incur charges for purchases made within the app without parental authorization. Although Apple required users to authenticate their accounts by entering a password prior to initially downloading the app, the plaintiffs allege that once the password was entered, Apple permitted minor users to make purchases for up to 15 minutes without re-entering the password. The plaintiffs assert that Apple violated California law by marketing the apps as “free” with the intent to induce a purchase from minors. Although the plaintiffs acknowledge that Apple changed its practices in 2011 to require a password prior to each purchase, the plaintiffs claim that the class members should receive reimbursement for charges incurred prior to this change.

TIP: FTC chairman Jon Leibowitz has indicated that the FTC will “look closely at the current industry practice with respect to the marketing and delivery” of games targeted at children that incentivize the purchase of virtual goods and services within the game. Software developers and distributors should take steps to help ensure that each purchase made in a program is authorized, such as by requiring the entry of a password prior to each purchase.

1 Min Read

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