

tl;dr – Apple v Epic: The Value of Closed Systems

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[Dirk Auer](#) and [Geoffrey A. Manne](#)

## ICLE tl;dr

**Background:** Apple Inc. and Epic Games are currently locked in a high-stakes antitrust dispute. Epic is challenging Apple’s rules that require apps to use Apple Pay for in-app purchases and that ban alternative app stores from iOS devices like iPhones and iPads.

The suit is part Epic’s broader strategy, dubbed [Project Liberty](#), to pay lower fees to online platforms. If it succeeds, Epic would be able to steer its users toward lower-priced payment processors. This would increase the competitive constraints that Apple faces when it sets platform fees.

**But...** Epic’s proposals would allow large developers and rival payment processors to get the benefit of Apple’s investments in iOS and the App Store without paying for them. It could also undermine other online platforms that rely on commissions to earn a positive return on their upfront investments. This could shrink investments in platform creation and upkeep, hurting users and leading to worse platforms overall.

[Read the full explainer here.](#)

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