

A Class Action Over the “Apple Tax” and Its Implications for Chinese Developers

By Xun Yang

On **June 30, 2025**, **Proton AG**, a Switzerland-based privacy software company, filed a **class action lawsuit** against **Apple Inc.** in the **U.S. District Court for the Northern District of California** (Case No. 4:25-cv-05450). Developers worldwide, including those in China, may be eligible to join the class action once it is certified and to receive a portion of awarded damages.

1. Background of the Case

Proton AG is a Swiss technology company known for its privacy-focused applications such as Proton Mail and Proton VPN. It initiated legal action against Apple to challenge what it alleges are monopolistic restrictions and excessive commission fees that hinder fair competition and penalize developers who prioritize user privacy over platform-imposed monetization rules. Specifically, Proton alleges that Apple has unlawfully monopolized iOS app distribution and in-app payment services, imposing unreasonable restrictions and commissions—commonly referred to as the “Apple Tax”—on app developers worldwide. This filing follows an earlier class action complaint brought by a consortium of Korean developers on **May 23, 2025**, broadening the scope of the litigation to non-U.S. stakeholders.

This action follows a string of regulatory and judicial challenges to Apple’s App Store practices. Notably:

- (1) In *Epic Games v. Apple*, U.S. District Judge Yvonne Gonzalez Rogers held in 2021 that Apple’s anti-steering rules violated California’s Unfair Competition Law. In 2024, the same judge found Apple in **willful violation of a federal injunction**, potentially constituting contempt.

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- (2) In the **European Union**, Apple was fined **€500 million** by the European Commission in **April 2025** for violating anti-steering obligation under the Digital Markets Act (DMA), by impeding developers' ability to inform users about alternative payment options.

The U.S. action is currently in the **pre-certification phase**, which means that the court has not yet certify the case as a class action. The **certification proceeding** is anticipated by **Q4 2025**. If the court grants certification, eligible developers—both U.S. and foreign—will be formally notified and can opt to remain in or out of the class. The deadline to join is typically set shortly after certification.

2. Legal Framework and Alleged Violations

Proton's complaint invokes several key provisions of U.S. antitrust laws, particularly the **Sherman Act of 1890**. Section 1 prohibits "[every] contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce... .." (Sherman Act §1). Section 2 makes it unlawful to "monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce"

More specifically, Proton made the following claims:

(1) Monopolization of App Distribution

Proton claims that Apple violates **Sherman Act §2**, by monopolizing the APP distribution. As stated in *United States v. Grinnell Corp.*, 384 U.S. 563, 570–71 (1966), to establish monopolization, a plaintiff must show (1) monopoly power in the relevant market and (2) willful maintenance of that power through exclusionary conduct rather than competition on the merits. Proton claimed that Apple's prohibition of sideloading and alternative app stores may constitute exclusionary conduct that forecloses competition in iOS app distribution.

(2) Unlawful Tying of IAP to App Store

Proton claims that Apple violates **Sherman Act §1** by unlawful Tying of in-app purchase ("IAP") system to the App Store. According to *Northern Pacific R. Co. v. United States*, 356 U.S. 1, 5–6 (1958), "a tying arrangement, whereby a party agrees to sell one product only on condition that the buyer also purchases a different (or tied) product, or at least agrees that he will not purchase that product from any other supplier, is per se unreasonable, and unlawful under the Sherman Act whenever the seller has sufficient economic power with respect to the tying product to restrain appreciably free competition in the market for the tied product." Proton claims that Apple's requirement that developers use its IAP as a condition for App Store access may meet this standard.

(3) Artificial Pricing Scheme

Proton claims that Apple violates **Clayton Act §3** by imposing an artificial pricing scheme. Under **Clayton Act §3**, it would be considered “unlawful ... to lease or make a sale or contract for sale of goods ... or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor ...” The decision for *Eastman Kodak Co. v. Image Technical Services, Inc.*, 504 U.S. 451 (1992) stated that “conduct-higher service prices and market foreclosure-is facially anticompetitive and exactly the harm that antitrust laws aim to prevent.” On this basis, Proton claims that the 30% commission which Apple charges is alleged to be an exclusionary pricing mechanism that harms competition and innovation.

3. Implications for Chinese App Developers

Chinese app developers that have distributed applications through Apple’s iOS App Store and paid commissions during the alleged class period (2019–2025) may be eligible to participate in the class action initiated by Proton AG.

Under U.S. law, there is no categorical bar to foreign entities joining class actions. The governing framework is **Rule 23 of the Federal Rules of Civil Procedure**, which permits any person or entity—regardless of nationality—to be included in a class, provided the claims arise from conduct that affects U.S. commerce. Specifically, **Rule 23(a)** sets out the prerequisites for class certification, including numerosity, commonality, typicality, and adequacy of representation, while **Rule 23(b)(3)** allows for damages-based class actions where common legal or factual questions predominate over individual ones and class resolution is superior to other methods.

Importantly, **Rule 23(c)(2)(B)** mandates that class members—domestic or foreign—receive the “best notice practicable” and be given an opportunity to opt out. U.S. courts have consistently upheld the inclusion of foreign plaintiffs in antitrust class actions where the alleged harm is tied to U.S. markets. For example, in *Minn-Chem, Inc. v. Agrium, Inc.*, 683 F.3d at 845, 856-58 (7th Cir. 2012), the court affirmed that “an increase in domestic prices, or a reduction in domestic supply, can constitute a substantial domestic effect that give[s] rise to a Sherman Act claim”. Therefore, Chinese developers who sold apps or digital goods to U.S. consumers via the App Store and paid Apple’s commissions may assert claims under the same legal theory as U.S.-based developers.

To do so, Chinese app developers must monitor the case docket (Proton AG v. Apple Inc., No. 4:25-cv-05450, N.D. Cal.), refrain from opting out once the class is certified, and submit a claim through the court-appointed administrator if the case results in a settlement or judgment. More specifically, they must:

- (1) Monitor Justia Docket for Proton v. Apple at <https://dockets.justia.com/docket/california/candce/5:2025cv05450/452040> and apply for the participation in the case during the allowed timeframe.
- (2) Collect and prepare evidence, including the bills and transactional records demonstrate the payment of commissions as well as communications with App Stores

Additionally, legal representation by U.S.-licensed counsel is advisable to ensure compliance with procedural requirements and to assist in preparing documentation such as App Store transaction records and commission payments. Participation in this action offers not only the potential for financial recovery but also the opportunity to influence structural reforms in Apple's App Store policies that could benefit developers globally.

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