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District Attorney O'Malley Announces \$113 Million Multistate Settlement Against Apple for Misrepresenting iPhone Batteries and Performance Throttling

The settlement provides California with \$24.6 million and requires Apple to be more transparent in its iPhone software updates

Oakland, CA– Alameda County DA Nancy O'Malley, along with California Attorney General Xavier Becerra and the District Attorneys for Los Angeles, Santa Clara, San Diego and Santa Cruz Counties, announced a \$113 million settlement against Apple. The settlement, which was jointly negotiated with 32 other states and Washington DC, resolves allegations that the company misled consumers about certain iPhone updates that resulted in slower processing performance, sometimes called “throttling.”

As used here, “throttling” refers to the purposeful reduction in system performance as a way to prevent iPhones with aging batteries from unexpectedly shutting down under certain conditions. California will receive \$24.6 million of the total settlement, which also includes injunctive terms that will provide transparency to consumers and deter future misrepresentations regarding Apple’s battery capability.

“My Office works very hard on behalf of consumers throughout the county and the state,” says DA O'Malley. “We are proud to act in conjunction with the California Attorney General, district attorneys throughout California, and attorneys general around the country to ensure that Apple is held accountable for not telling customers that their iPhones might be slowed down as a result of the upgrade. When a company, large or small, acts in a manner that may mislead consumers, we will take action.”

“Apple withheld information about their batteries that slowed down iPhone performance, all while passing it off as an update,” said Attorney General Becerra. “This type of behavior hurts the pockets of consumers and limits their ability to make informed purchases. Today’s settlement ensures consumers will have access to the information they need to make a well-informed decision when purchasing and using Apple products.”

California’s complaint, which was filed in Alameda County Superior Court, alleges that Apple equipped their iPhone 6 and 7 generation phones with batteries that were particularly susceptible to performance loss, which led to unexpected power-offs when those batteries could not provide sufficient voltage to support phone processing performance. According to the complaint, Apple tried to manage the problem through software updates that avoided unexpected power-offs by throttling the phones’ processing performance. Apple also allegedly misrepresented the effects

of the software updates by claiming they would improve power management rather than admitting that the updates would actually reduce performance.

In addition to paying \$113 million, Apple has agreed to injunctive terms, which include:

- Maintaining a prominent and accessible webpage on their website that provides clear and easily visible information to consumers about how the company manages battery performance issues, such as by throttling iPhone processing performance;
- Providing a clear and easily visible notice to all affected consumers when an iOS update materially affects iPhone processing performance;
- Providing information in the iPhone settings menu about the consumer's battery performance and maximum capacity as well as a notice of when a battery has experienced performance degradation of a significance that the consumer should service the battery; and
- Training its consumer-facing staff regarding compliance with this injunction and the information that this injunction requires Apple to provide to consumers.

The California portion of the settlement will be divided evenly among the Attorney General and district attorney's offices which brought the case. The funds will go towards supporting consumer protection efforts.

Apple has also settled private class action litigation that resulted in up to \$500 million in restitution for consumers who were affected by the misconduct alleged in California's complaint.

The judgment remains subject to court approval.

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