

AT&T seeks to settle -- quietly -- with iPhone user

March 14 2012, By PETER SVENSSON , AP Technology Writer



This undated file screen grab provided by Mike Trang shows a warning message on the screen of his iPhone that he received from AT&T advising he was in danger of having his data speeds throttled. AT&T has offered to discuss a settlement with Matthew Spaccarelli, an iPhone user who won a small-claims case that alleged the company was slowing down his "unlimited" data service. The company is appealing. Spaccarelli filed a small claims case against AT&T in January, arguing the communications giant unfairly slows speeds on his iPhone 4's unlimited data plan. (AP Photo/courtesy of Mike Trang, File)

AT&T is offering to discuss a settlement to an iPhone user who won a

small-claims case that alleged the company was slowing down his "unlimited" data service.

A law firm retained by AT&T Inc. also threatened in a letter dated Friday to shut off Matthew Spaccarelli's phone service if he doesn't sit down to talk.

The phone company doesn't say if the settlement would involve money beyond the \$850 award the Simi Valley, Calif., resident won from the company in small claims court on Feb. 24.

AT&T has about 17 million smartphone customers on "unlimited" plans, and has started slowing down service for users who hit certain traffic thresholds. Spaccarelli maintained at his Feb. 24 small-claims hearing that AT&T broke its promise to provide "unlimited" service, and the judge agreed.

Spaccarelli has posted online the documents he used to argue his case and encourages other AT&T customers copy his suit. Legal settlements usually include non-disclosure agreements that would force Spaccarelli to take down the documents.

In its letter, AT&T asked Spaccarelli to be quiet about the settlement talks, including the fact that it offered to start them, another common stipulation. Spaccarelli said he was not interested in settling, and forwarded the letter to The Associated Press.

Spaccarelli has admitted that he has used his [iPhone](#) to provide Internet access for other devices, a practice known as tethering, which violates AT&T's contract terms. AT&T says that means it has the right to turn off his service.

Spaccarelli says he doesn't care - the important thing to him was

defeating AT&T in court, he said.

Dallas-based AT&T has said it will appeal the Feb. 24 decision. Appeals in California small claims court are similar in format to the original hearings, except that lawyers may attend.

AT&T did not comment further on its offer.

Late last year, AT&T started "throttling," or slowing down data service for "unlimited" subscribers once they reached the top 5 percent of data users in their area. The slowdown, which makes a phone difficult to use for anything but calls, texts and some emails, lasts until the end of the subscriber's billing cycle.

Subscribers complained that they hit the limits at unexpectedly low levels, and that they had no idea what their levels were before getting warning messages from the company that they were approaching the limit.

Two weeks ago, AT&T said it would stop throttling the top 5 percent, and instead apply the slowdown after 3 gigabytes of data consumption. Customers on a "limited" AT&T plan get 3 gigabytes of data for \$30 per month, the same price paid by "unlimited" users.

Spaccarelli's victory in small-claims court is similar to that of Heather Peters, a California woman who won \$9,867 from Honda last month because her Civic Hybrid did not live up to the promised gas mileage. She, too, is helping others bring similar cases.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: AT&T seeks to settle -- quietly -- with iPhone user (2012, March 14) retrieved 27 April

2024 from <https://phys.org/news/2012-03-att-quietly-iphone-user.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.