

Apple facing \$2.22 mn fine over Australian '4G' iPad

June 8 2012



Customers line up outside an Apple store in Sydney on March 16, 2012. Apple agreed Friday to a Aus\$2.25 million (US\$2.22 million) fine for misleading Australian customers about the local 4G capability of its next-generation iPad, in a case brought by regulators.

Apple agreed Friday to a Aus\$2.25 million (US\$2.22 million) fine for misleading Australian customers about the local 4G capability of its next-generation iPad, in a case brought by regulators.

The Australian Competition and Consumer Commission (ACCC) told the Federal Court that the US tech giant had agreed to the penalty for implying in advertising that the 4G function on its latest iPad worked in Australia.

[Apple](#) offered in March to refund Australian customers who felt they had been misled by the "iPad with WiFi + 4G" promotion and publish a

[clarification](#) about the popular tablet's capabilities after the ACCC took it to court.

Though the iPad's 4G function only works on networks in the United States and Canada it had been widely promoted as one of the tablet's features globally, which the ACCC said amounted to false advertising.

It is now advertised outside North America as "Wi-Fi + Cellular" -- a change that came into effect on May 12 -- with a clear caveat on its Australian site that "it is not compatible with current Australian 4G LTE and [WiMax](#) networks."

The matter was due to go to a full trial this week but ACCC lawyer Colin Golvan said Apple had agreed to pay the Aus\$2.25 million fine and the commission's legal costs as part of an out-of-court settlement.



Customers line up outside an Apple store in Sydney on March 16, 2012. Though the iPad's 4G function only works on networks in the United States and Canada it had been widely promoted as one of the tablet's features globally, which the Australia said amounted to false advertising.

It is half the maximum Aus\$4.4 million fine open to the ACCC in the case.

Apple described it as "more than adequate having regard to the conduct and all the other circumstances" and stressed that the [concessions](#) made in the case were only applicable in Australia.

The "iPad + 4G" promotion was in place for two months worldwide including major technology-mad cities in Asia.

Golvan said the "substantial" penalty would send a strong message to the booming [smartphone](#) and tablet industry that "such conduct will not be condoned", according to a report of the hearing in The Australian newspaper.

But judge Mordecai Bromberg refused to make an official court order until he had the details of how many iPads had been sold and were returned under the refund offer and further information on Apple's financial position.

"The parties put forward proposed settlement and consent orders, however His Honour requested further information to be provided for the consideration of the court, which will happen next week," an ACCC spokesman told AFP.

Apple agreed to provide a confidential brief to the judge by June 13, with a final decision on the penalty and settlement of the case to be handed down at a later date.

The iPad was the world's best-selling tablet in the first three months of 2012, outgunning its Android-powered rivals, with sales more than doubling from a year earlier to send Apple's profits soaring.

The US giant said the [iPad](#) was especially popular in Asia, particularly in China where demand was described as "mind-boggling" with revenues of US\$7.9 billion in the first quarter alone.

(c) 2012 AFP

Citation: Apple facing \$2.22 mn fine over Australian '4G' iPad (2012, June 8) retrieved 25 April 2024 from <https://phys.org/news/2012-06-apple-mn-fine-australian-4g.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.