

Calendar No. 275

117TH CONGRESS
2D SESSION

S. 2710

To promote competition and reduce gatekeeper power in the app economy,
increase choice, improve quality, and reduce costs for consumers.

IN THE SENATE OF THE UNITED STATES

AUGUST 11 (legislative day, AUGUST 10), 2021

Mr. BLUMENTHAL (for himself, Mrs. BLACKBURN, Ms. KLOBUCHAR, Mr. RUBIO, Ms. LUMMIS, Mr. BOOKER, Mr. GRAHAM, Mr. KENNEDY, Ms. HIRONO, Mr. HAWLEY, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

FEBRUARY 17, 2022

Reported by Mr. DURBIN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To promote competition and reduce gatekeeper power in the app economy, increase choice, improve quality, and reduce costs for consumers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Open App Markets
5 Act”.

1 SEC. 2. DEFINITIONS.

2 In this Act:

3 (1) APP.—The term “App” means a software
4 application or electronic service that may be run or
5 directed by a user on a computer, a mobile device,
6 or any other general purpose computing device.7 (2) APP STORE.—The term “App Store” means
8 a publicly available website, software application, or
9 other electronic service that distributes Apps from
10 third-party developers to users of a computer, a mo-
11 bile device, or any other general purpose computing
12 device.13 (3) COVERED COMPANY.—The term “Covered
14 Company” means any person that owns or controls
15 an App Store for which users in the United States
16 exceed 50,000,000.17 (4) DEVELOPER.—The term “developer” means
18 a person that owns or controls an App or an App
19 Store.20 (5) IN-APP PAYMENT SYSTEM.—The term “In-
21 App Payment System” means an application, serv-
22 ice, or user interface to process the payments from
23 users of an App.24 (6) NON-PUBLIC BUSINESS INFORMATION.—
25 The term “non-public business information” means
26 non-public data that is—

(A) derived from a developer or an App or App Store owned or controlled by a developer, including interactions between users and the App or App Store of the developer; and

(B) collected by a Covered Company in the course of operating an App Store or providing an operating system.

8 SEC. 3. PROTECTING A COMPETITIVE APP MARKET.

9 (a) EXCLUSIVITY AND TYING.—A Covered Company
10 shall not—
11 (1) require developers to use an In-App Pay-
12 ment System owned or controlled by the Covered
13 Company or any of its business partners as a condi-
14 tion of being distributed on an App Store or aces-
15 sible on an operating system;
16 (2) require as a term of distribution on an App
17 Store that pricing terms or conditions of sale be
18 equal to or more favorable on its App Store than the
19 terms or conditions under another App Store; or
20 (3) take punitive action or otherwise impose
21 less favorable terms and conditions against a devel-
22 oper for using or offering different pricing terms or
23 conditions of sale through another In-App Payment
24 System or on another App Store.

1 (b) INTERFERENCE WITH LEGITIMATE BUSINESS
2 COMMUNICATIONS.—A Covered Company shall not impose
3 restrictions on communications of developers with the
4 users of the App through an App or direct outreach to
5 a user concerning legitimate business offers, such as prie-
6 ting terms and product or service offerings.

7 (e) NON-PUBLIC BUSINESS INFORMATION.—A Cov-
8 ered Company shall not use non-public business informa-
9 tion derived from a third-party App for the purpose of
10 competing with that App.

11 (d) INTEROPERABILITY.—A Covered Company that
12 controls the operating system or operating system configu-
13 ration on which its App Store operates shall allow and pro-
14 vide the readily accessible means for users of that oper-
15 ating system to—

16 (1) choose third-party Apps or App Stores as
17 defaults for categories appropriate to the App or
18 App Store;

19 (2) install third-party Apps or App Stores
20 through means other than its App Store; and

21 (3) hide or delete Apps or App Stores provided
22 or preinstalled by the App Store owner or any of its
23 business partners.

24 (e) SELF-PREFERENCING IN SEARCH.—

1 (1) IN GENERAL.—A Covered Company shall
2 not provide unequal treatment of Apps in an App
3 Store through unreasonably preferencing or ranking
4 the Apps of the Covered Company or any of its busi-
5 ness partners over those of other Apps.

6 (2) CONSIDERATIONS.—Unreasonably
7 preferencing—

8 (A) includes applying ranking schemes or
9 algorithms that prioritize Apps based on a cri-
10 terion of ownership interest by the Covered
11 Company or its business partners; and

12 (B) does not include clearly disclosed ad-
13 vertising.

14 (f) OPEN APP DEVELOPMENT.—Access to operating
15 system interfaces, development information, and hardware
16 and software features shall be provided to developers on
17 a timely basis and on terms that are equivalent or func-
18 tionally equivalent to the terms for access by similar Apps
19 or functions provided by the Covered Company or to its
20 business partners.

21 **SEC. 4. PROTECTING THE SECURITY AND PRIVACY OF**
22 **USERS.**

23 (a) IN GENERAL.—Subject to section (b), a Covered
24 Company shall not be in violation of a subsection of sec-
25 tion 3 for an action that is—

1 (1) necessary to achieve user privacy, security,
2 or digital safety;

3 (2) taken to prevent spam or fraud; or
4 (3) taken to prevent a violation of, or comply
5 with, Federal or State law.

6 (b) REQUIREMENTS.—Section (a) shall only apply if
7 the Covered Company establishes by clear and convincing
8 evidence that the action described is—

9 (1) applied on a demonstrably consistent basis
10 to Apps of the Covered Company or its business
11 partners and to other Apps;

12 (2) not used as a pretext to exclude, or impose
13 unnecessary or discriminatory terms on, third-party
14 Apps, In-App Payment Systems, or App Stores; and

15 (3) narrowly tailored and could not be achieved
16 through a less discriminatory and technically pos-
17 sible means.

18 **SEC. 5. ENFORCEMENT.**

19 (a) ENFORCEMENT.—

20 (1) IN GENERAL.—The Federal Trade Commis-
21 sion, the Attorney General, and any attorney general
22 of a State subject to the requirements in paragraph
23 (4) shall enforce this Act in the same manner, by
24 the same means, and with the same jurisdiction,
25 powers, and duties as though all applicable terms

1 and provisions of the Federal Trade Commission Act
2 (15 U.S.C. 41 et seq.) or the Clayton Act (15 U.S.C.
3 12 et seq.), as appropriate, were incorporated into
4 and made a part of this Act.

5 (2) UNFAIR METHODS OF COMPETITION.—A
6 violation of this Act shall also constitute an unfair
7 method of competition under section 5 of the Fed-
8 eral Trade Commission Act (15 U.S.C. 5).

9 (3) FEDERAL TRADE COMMISSION INDE-
10 PENDENT LITIGATION AUTHORITY.—If the Federal
11 Trade Commission has reason to believe that a Cov-
12 ered Company violated this Act, the Federal Trade
13 Commission may commence a civil action, in its own
14 name by any of its attorneys designated by it for
15 such purpose, to recover a civil penalty and seek
16 other appropriate relief in a district court of the
17 United States against the covered platform operator.

18 (4) PARENTS PATRIAE.—Any attorney general of
19 a State may bring a civil action in the name of such
20 State for a violation of this Act as parens patriae on
21 behalf of natural persons residing in such State, in
22 any district court of the United States having juris-
23 diction of the defendant, and may secure any form
24 of relief provided for in this section.

25 (b) SUITS BY DEVELOPERS INJURED.—

1 (1) IN GENERAL.—Any developer who shall be
2 injured by reason of anything forbidden in this Act
3 may sue therefor in any district court of the United
4 States in the district in which the defendant resides
5 or is found or has an agent, without respect to the
6 amount in controversy, and shall recover threefold
7 the damages by him sustained, and the cost of suit,
8 including a reasonable attorney's fee. The court may
9 award under this subsection, pursuant to a motion
10 by such developer promptly made, simple interest on
11 actual damages for the period beginning on the date
12 of service of such developer's pleading setting forth
13 a claim under this Act and ending on the date of
14 judgment, or for any shorter period therein, if the
15 court finds that the award of such interest for such
16 period is just in the circumstances. In determining
17 whether an award of interest under this subsection
18 for any period is just in the circumstances, the court
19 shall consider only—

20 (A) whether such developer or the opposing
21 party, or either party's representative, made
22 motions or asserted claims or defenses so lack-
23 ing in merit as to show that such party or rep-
24 resentative acted intentionally for delay, or oth-
25 erwise acted in bad faith;

1 (B) whether, in the course of the action in-
2 volved, such developer or the opposing party, or
3 either party's representative, violated any appli-
4 cable rule, statute, or court order providing for
5 sanctions for dilatory behavior or otherwise pro-
6 viding for expeditious proceedings; and

7 (C) whether such developer or the opposing
8 party, or either party's representative, engaged
9 in conduct primarily for the purpose of delaying
10 the litigation or increasing the cost thereof.

11 (2) INJUNCTIVE RELIEF.—Any developer shall
12 be entitled to sue for and have injunctive relief, in
13 any court of the United States having jurisdiction
14 over the parties, against threatened loss or damage
15 by a violation of this Act, when and under the same
16 conditions and principles as injunctive relief against
17 threatened conduct that will cause loss or damage is
18 granted by courts of equity, under the rules gov-
19 erning such proceedings; and upon the execution of
20 proper bond against damages for an injunction im-
21 providently granted and a showing that the danger
22 of irreparable loss or damage is immediate, a pre-
23 liminary injunction may issue. In any action under
24 this paragraph in which the plaintiff substantially

1 prevails, the court shall award the cost of suit, in-
2 cluding a reasonable attorney's fee, to such plaintiff.

3 **SEC. 6. RULE OF CONSTRUCTION.**

4 Nothing in this Act shall be construed to limit any
5 authority of the Attorney General or the Federal Trade
6 Commission under the antitrust laws (as defined in the
7 first section of the Clayton Act (15 U.S.C. 12)), the Fed-
8 eral Trade Commission Act (15 U.S.C. 41 et seq.), or any
9 other provision of law or to limit the application of any
10 law.

11 **SEC. 7. SEVERABILITY.**

12 If any provision of this Act, or the application of such
13 a provision to any person or circumstance, is held to be
14 unconstitutional, the remaining provisions of this Act, and
15 the application of the provision held to be unconstitutional
16 to any other person or circumstance, shall not be affected
17 thereby.

18 **SECTION 1. SHORT TITLE.**

19 *This Act may be cited as the “Open App Markets Act”.*

20 **SEC. 2. DEFINITIONS.**

21 *In this Act:*

22 (1) APP.—The term “app” means a software ap-
23 plication or electronic service that may be run or di-
24 rected by a user on a computer, a mobile device, or
25 any other general purpose computing device.

1 (2) *APP STORE.*—The term “app store” means a
2 publicly available website, software application, or
3 other electronic service that distributes apps from
4 third-party developers to users of a computer, a mo-
5 bile device, or any other general purpose computing
6 device.

7 (3) *COVERED COMPANY.*—The term “covered
8 company” means any person that owns or controls an
9 app store for which users in the United States exceed
10 50,000,000.

11 (4) *DEVELOPER.*—The term “developer” means a
12 person that owns or controls an app or an app store.

13 (5) *IN-APP PAYMENT SYSTEM.*—The term “in-
14 app payment system” means an application, service,
15 or user interface to manage billing or process the pay-
16 ments from users of an app.

17 (6) *NONPUBLIC BUSINESS INFORMATION.*—The
18 term “nonpublic business information” means non-
19 public data that is—

20 (A) derived from a developer or an app or
21 app store owned or controlled by a developer, in-
22 cluding interactions between users and the app
23 or app store of the developer; and

1 (B) collected by a covered company in the
2 course of operating an app store or providing an
3 operating system.

4 **SEC. 3. PROTECTING A COMPETITIVE APP MARKET.**

5 (a) *EXCLUSIVITY AND TYING.*—A covered company
6 shall not—

7 (1) require developers to use or enable an in-app
8 payment system owned or controlled by the covered
9 company or any of its business partners as a condi-
10 tion of the distribution of an app on an app store or
11 accessible on an operating system;

12 (2) require as a term of distribution on an app
13 store that pricing terms or conditions of sale be equal
14 to or more favorable on its app store than the terms
15 or conditions under another app store; or

16 (3) take punitive action or otherwise impose less
17 favorable terms and conditions against a developer for
18 using or offering different pricing terms or conditions
19 of sale through another in-app payment system or on
20 another app store.

21 (b) *INTERFERENCE WITH LEGITIMATE BUSINESS
22 COMMUNICATIONS.*—A covered company shall not impose
23 restrictions on communications of developers with the users
24 of an app of the developer through the app or direct out-
25 reach to a user concerning legitimate business offers, such

1 *as pricing terms and product or service offerings. Nothing*
2 *in this subsection shall prohibit a covered company from*
3 *providing a user the option to offer consent prior to the*
4 *collection and sharing of the data of the user by an app.*

5 (c) *NONPUBLIC BUSINESS INFORMATION.*—*A covered*
6 *company shall not use nonpublic business information de-*
7 *rived from a third-party app for the purpose of competing*
8 *with that app.*

9 (d) *INTEROPERABILITY.*—*A covered company that con-*
10 *trols the operating system or operating system configura-*
11 *tion on which its app store operates shall allow and provide*
12 *readily accessible means for users of that operating system*
13 *to—*

14 (1) *choose third-party apps or app stores as de-*
15 *faults for categories appropriate to the app or app*
16 *store;*

17 (2) *install third-party apps or app stores*
18 *through means other than its app store; and*

19 (3) *hide or delete apps or app stores provided or*
20 *preinstalled by the app store owner or any of its busi-*
21 *ness partners.*

22 (e) *SELF-PREFERENCING IN SEARCH.*—

23 (1) *IN GENERAL.*—*A covered company shall not*
24 *provide unequal treatment of apps in an app store*
25 *through unreasonably preferencing or ranking the*

*1 apps of the covered company or any of its business
2 partners over those of other apps in organic search re-
3 sults.*

(A) includes applying ranking schemes or algorithms that prioritize apps based on a criterion of ownership interest by the covered company or its business partners; and

10 (B) does not include clearly disclosed adver-
11 tising.

12 (f) *OPEN APP DEVELOPMENT.*—A covered company
13 shall provide access to operating system interfaces, develop-
14 ment information, and hardware and software features to
15 developers on a timely basis and on terms that are equiva-
16 lent or functionally equivalent to the terms for access by
17 similar apps or functions provided by the covered company
18 or to its business partners.

19 SEC. 4. PROTECTING THE SECURITY AND PRIVACY OF 20 USERS.

21 (a) *IN GENERAL.*—

22 (1) NO VIOLATION.—Subject to section (b), a cov-
23 ered company shall not be in violation of section 3 for
24 an action that is—

1 (A) necessary to achieve user privacy, security,
2 or digital safety;
3 (B) taken to prevent spam or fraud;
4 (C) necessary to prevent unlawful infringement
5 of preexisting intellectual property; or
6 (D) taken to prevent a violation of, or com-
7 ply with, Federal or State law.

8 (2) *PRIVACY AND SECURITY PROTECTIONS.*—In
9 paragraph (1), the term “necessary to achieve user
10 privacy, security, or digital safety” includes—

11 (A) allowing an end user to opt in, and
12 providing information regarding the reasonable
13 risks, prior to enabling installation of the third-
14 party apps or app stores;

15 (B) removing malicious or fraudulent apps
16 or app stores from an end user device;

17 (C) providing an end user with the tech-
18 nical means to verify the authenticity and origin
19 of third-party apps or app stores; and

20 (D) providing an end user with option to
21 limit the collection sharing of the data of the
22 user with third-party apps or app stores.

23 (b) *REQUIREMENTS.*—Subsection (a) shall only apply
24 if the covered company establishes by a preponderance of
25 the evidence that the action described in that subsection is—

1 (1) applied on a demonstrably consistent basis
2 to—
3 (A) apps of the covered company or its busi-
4 ness partners; and
5 (B) other apps;
6 (2) not used as a pretext to exclude, or impose
7 unnecessary or discriminatory terms on, third-party
8 apps, in-app payment systems, or app stores; and
9 (3) narrowly tailored and could not be achieved
10 through a less discriminatory and technically possible
11 means.

12 **SEC. 5. ENFORCEMENT.**

13 (a) **ENFORCEMENT.—**

14 (1) *IN GENERAL.*—The Federal Trade Commis-
15 sion, the Attorney General, and any attorney general
16 of a State subject to the requirements in paragraph
17 (3) shall enforce this Act in the same manner, by the
18 same means, and with the same jurisdiction, powers,
19 and duties as though all applicable terms and provi-
20 sions of the Federal Trade Commission Act (15
21 U.S.C. 41 et seq.), the Sherman Act (15 U.S.C. 1 et
22 seq.), the Clayton Act (15 U.S.C. 12 et seq.), and
23 Antitrust Civil Process Act (15 U.S.C. 1311 et seq.),
24 as appropriate, were incorporated into and made a
25 part of this Act.

1 (2) *FEDERAL TRADE COMMISSION INDEPENDENT
2 LITIGATION AUTHORITY.*—*If the Federal Trade Com-
3 mission has reason to believe that a covered company
4 violated this Act, the Federal Trade Commission may
5 commence a civil action, in its own name by any of
6 its attorneys designated by it for such purpose, to re-
7 cover a civil penalty and seek other appropriate relief
8 in a district court of the United States against the
9 covered company.*

10 (3) *PARENTS PATRIAE.*—*Any attorney general of
11 a State may bring a civil action in the name of such
12 State for a violation of this Act as parens patriae on
13 behalf of natural persons residing in such State, in
14 any district court of the United States having juris-
15 diction of the defendant, and may secure any form of
16 relief provided for in this section.*

17 (b) *SUITS BY DEVELOPERS INJURED.*—

18 (1) *IN GENERAL.*—*Except as provided in para-
19 graph (3), any developer injured by reason of any-
20 thing forbidden in this Act may sue therefor in any
21 district court of the United States in the district in
22 which the defendant resides or is found or has an
23 agent, without respect to the amount in controversy,
24 and shall recover threefold the damages by the devel-
25 oper sustained and the cost of suit, including a rea-*

1 sonable attorney's fee. The court may award under
2 this paragraph, pursuant to a motion by such devel-
3 oper promptly made, simple interest on actual dam-
4 ages for the period beginning on the date of service of
5 the pleading of the developer setting forth a claim
6 under this Act and ending on the date of judgment,
7 or for any shorter period therein, if the court finds
8 that the award of such interest for such period is just
9 in the circumstances. In determining whether an
10 award of interest under this paragraph for any pe-
11 riod is just in the circumstances, the court shall con-
12 sider only—

13 (A) whether the developer or the opposing
14 party, or either party's representative, made mo-
15 tions or asserted claims or defenses so lacking in
16 merit as to show that such party or representa-
17 tive acted intentionally for delay or otherwise
18 acted in bad faith;

19 (B) whether, in the course of the action in-
20 volved, the developer or the opposing party, or ei-
21 ther party's representative, violated any applica-
22 ble rule, statute, or court order providing for
23 sanctions for dilatory behavior or otherwise pro-
24 viding for expeditious proceedings; and

1 (C) whether the developer or the opposing
2 party, or either party's representative, engaged
3 in conduct primarily for the purpose of delaying
4 the litigation or increasing the cost thereof.

5 (2) *INJUNCTIVE RELIEF.*—Except as provided in
6 paragraph (3), any developer shall be entitled to sue
7 for and have injunctive relief, in any court of the
8 United States having jurisdiction over the parties,
9 against threatened loss or damage by a violation of
10 this Act, when and under the same conditions and
11 principles as injunctive relief against threatened con-
12 duct that will cause loss or damage is granted by
13 courts of equity, under the rules governing such pro-
14 ceedings, and upon the execution of proper bond
15 against damages for an injunction improvidently
16 granted and a showing that the danger of irreparable
17 loss or damage is immediate, a preliminary injunc-
18 tion may issue. In any action under this paragraph
19 in which the plaintiff substantially prevails, the court
20 shall award the cost of suit, including a reasonable
21 attorney's fee, to such plaintiff.

22 (3) *FOREIGN STATE-OWNED ENTERPRISES.*—A
23 developer of an app that is owned by, or under the
24 control of, a foreign state may not bring an action
25 under this subsection.

1 **SEC. 6. REPORTING.**

2 *Not later than 3 years after the date of enactment of*
3 *this Act, the Federal Trade Commission, the Comptroller*
4 *General of the United States, and the Antitrust Division*
5 *of the Department of Justice shall each separately review*
6 *and provide an in-depth analysis of the impact of this Act*
7 *on competition, innovation, barriers to entry, and con-*
8 *centrations of market power or market share after the date*
9 *of enactment of this Act.*

10 **SEC. 7. RULE OF CONSTRUCTION.**

11 *Nothing in this Act may be construed—*

12 *(1) to limit—*

13 *(A) any authority of the Attorney General*
14 *or the Federal Trade Commission under the*
15 *antitrust laws (as defined in the first section of*
16 *the Clayton Act (15 U.S.C. 12), the Federal*
17 *Trade Commission Act (15 U.S.C. 41 et seq.), or*
18 *any other provision of law; or*

19 *(B) the application of any law;*

20 *(2) to require—*

21 *(A) a covered company to provide service*
22 *under a hardware or software warranty for*
23 *damage caused by third-party apps or app stores*
24 *installed through means other than the app store*
25 *of the covered company; or*

1 (B) customer service for the installation or
2 operation of third-party apps or app stores de-
3 scribed in subparagraph (A);

4 (3) to prevent an action taken by a covered com-
5 pany that is reasonably tailored to protect the rights
6 of third parties under section 106, 1101, 1201, or
7 1401 of title 17, United States Code, or rights action-
8 able under sections 32 or 43 of the Act entitled “An
9 Act to provide for the registration and protection of
10 trademarks used in commerce, to carry out the provi-
11 sions of certain international conventions, and for
12 other purposes”, approved July 5, 1946 (commonly
13 known as the “Lanham Act” or the “Trademark Act
14 of 1946”) (15 U.S.C. 1114, 1125), or corollary State
15 law;

16 (4) to require a covered company to license any
17 intellectual property, including any trade secrets,
18 owned by or licensed to the covered company;

19 (5) to prevent a covered company from asserting
20 preexisting rights of the covered company under intel-
21 lectual property law to prevent the unlawful use of
22 any intellectual property owned by or duly licensed
23 to the covered company; or

24 (6) to require a covered company to interoperate
25 or share data with persons or business users that—

- 1 (A) are on any list maintained by the Federal
2 Government by which entities are identified
3 as limited or prohibited from engaging in eco-
4 nomic transactions as part of United States
5 sanctions or export control regimes; or
6 (B) have been identified by the Federal Gov-
7 ernment as national security, intelligence, or law
8 enforcement risks.

9 **SEC. 8. SEVERABILITY.**

10 If any provision of this Act, or the application of such
11 a provision to any person or circumstance, is held to be
12 unconstitutional, the remaining provisions of this Act, and
13 the application of such provisions to any person or cir-
14 cumstance shall not be affected thereby.

15 **SEC. 9. EFFECTIVE DATE.**

16 This Act shall take effect on the date that is 180 days
17 after the date of enactment of this Act.

Calendar No. 275

117TH CONGRESS
2D SESSION
S. 2710

A BILL

To promote competition and reduce gatekeeper power in the app economy, increase choice, improve quality, and reduce costs for consumers.

FEBRUARY 17, 2022

Reported with an amendment