



Office of the Secretary

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 25, 2014

Mr. Richard Strasser

Re: In the Matter of Apple Inc., File No. 1123108

Dear Mr. Strasser:

Thank you for your comment on the Federal Trade Commission's consent agreement in the above-entitled proceeding. The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

You express concern that on an Apple TV, the code necessary to make a purchase, which serves as a parental restriction option, is visible on the TV screen for a moment before being hidden, potentially allowing children to memorize the code and make unauthorized charges. Although the proposed complaint does not contain allegations specifically addressing this issue, the Commission is committed to protecting consumers from unauthorized charges, including those incurred by children, as evidenced by the proposed complaint and order. The Commission has forwarded your comment to the FTC's Consumer Response Center. In addition, the Commission encourages you to report any other business practices that may allow for unauthorized charges by children by contacting the FTC's Consumer Response Center at (877) 382-4357, or by filing a complaint online at www.ftccomplaintassistant.gov.

The proposed complaint alleges that Apple failed to obtain account holders' informed consent for in-app charges incurred by children. Under the proposed order, Apple must alter its business practices going forward to obtain express, informed consent to in-app charges before billing for such charges. The proposed order also will require Apple to provide full refunds to account holders who have been billed by Apple for unauthorized in-app charges incurred by minors. If Apple's payments total less than \$32.5 million, it would remit the difference to the FTC. To effectuate refunds, Apple must send an electronic notice by April 15, 2014 to its consumers that clearly and conspicuously discloses the availability of refunds and instructions on how to obtain such refunds.

After reviewing your letter, other public comments filed with the Commission, and the investigative record, the Commission has determined that the relief set forth in the proposed order is appropriate and sufficient to remedy the violations alleged in the proposed complaint, and it is in the public interest to issue the Decision and Order in final form. The final Decision

and Order and other relevant materials are available on the Commission's website at <http://www.ftc.gov/enforcement/cases-proceedings/112-3108/apple-inc>. It helps the Commission's analysis to hear from a variety of sources in its work. The Commission thanks you again for your comment.

By direction of the Commission, Commissioner Wright dissenting.

Donald S. Clark
Secretary