CASE SUMMARY

CASE DMA.100203 – ARTICLE 6(7) – APPLE – IOS – SP

FEATURES FOR CONNECTED PHYSICAL DEVICES

On 5 September 2023, the Commission adopted <u>a decision</u> designating Apple as a gatekeeper under the Digital Markets Act (DMA) for a number of its services, including its operating system iOS. As a result, Apple must comply with the obligations set out in the DMA. Under Article 6(7) of the DMA, Apple must, free of charge, provide third parties with effective interoperability with, and access for the purposes of interoperability to, hardware and software features accessed or controlled via its operating system iOS.

On 19 September 2024, the Commission <u>opened proceedings</u> pursuant to Article 20(1) of the DMA in view of specifying the measures Apple must put in place to effectively comply with its interoperability obligations in relation to several connectivity features, predominantly used for and by connected devices. The purpose of the proceedings is to detail the measures that Apple must take, as to achieve effective compliance with the interoperability obligation of the DMA. The purpose of the proceedings is to assist Apple in its compliance efforts under the DMA.

On 18 December 2024, the Commission adopted its preliminary findings setting out the proposed measures that Apple should implement to ensure effective interoperability with iOS for connected devices. Interested third parties are now consulted on these measures, and in particular on their effectiveness, completeness, feasibility and implementation timelines. These measures are preliminary and might be adjusted subject to feedback from third parties and Apple as well as further investigative steps.

In summary, the proposed measures include:

Features for interactivity

- **iOS notifications**: One of the main purposes of connected devices such as smartwatches is to receive and interact with notifications. Currently, only on the Apple Watch, a user can receive iOS notifications that contain images, custom app icons, or other attachments; see actionable options to reply to iOS notifications; and choose the apps whose notifications should appear on the connected device. Under the proposed measures, Apple will have to provide connected devices made by third-party manufacturers, such as smartwatches, with access to the same features and functionalities of iOS notifications as available to Apple's products, such as the Apple Watch (see Section 1.1 of the overview of proposed measures).
- **Background execution:** Third-party connected devices need their associated iOS apps to be able to run in the background, execute actions, and maintain a connection with the connected device in a timely manner. For example, background execution allows a smartwatch to fetch up-to-date news or weather content from the iPhone overnight, so that the updates are available to the user in the morning. Only for the Apple Watch, these processes are guaranteed to run in the background without

interruption. Under the proposed measures, Apple will have to grant apps that communicate with third-party connected devices the same background execution it grants to its own products and services (see Section 1.2 of the overview of proposed measures).

• Automatic audio switching: A user's wireless headset intelligently switches to the device that currently plays the most relevant audio. For example, the headphones will switch the audio source from a computer playing music to an iPhone when a call is incoming. Only Apple headphones get the relevant information from iOS to enable this intelligent audio switching. Under the proposed measures, Apple will have to make the relevant information accessible to third-party headsets (see Section 1.3 of the overview of proposed measures).

Features for data transfers

- **High-bandwidth peer-to-peer Wi-Fi connections**: Peer-to-peer Wi-Fi connections allow high-bandwidth data transfer between two devices, without relying on local networks or a cellular connection. This is useful for instance to enable high bandwidth applications such as voice calls, gaming, XR applications, and AI services. Currently, only Apple devices can establish a peer-to-peer Wi-Fi connections with an iPhone. Under the proposed measures, Apple will have to allow third-party connected devices to establish and use a connection with an iPhone (see Section 2.1 of the overview of proposed measures).
- AirDrop: Apple's AirDrop is pre-installed on all iPhones and allows users to wirelessly share files with other Apple devices in close range without friction or the need to download an app. AirDrop does currently not allow file sharing between an iPhone and third-party connected devices. Under the proposed measures, Apple will have to allow services on third-party connected devices to send files to, and receive files from, an iPhone via AirDrop (see Section 2.2 of the overview of proposed measures).
- AirPlay: Apple's AirPlay comes pre-installed on all iPhones and allows users to share audio, video and screen content from an iPhone to a connected device, such as a TV, without friction or the need to download an app. In some cases, connected devices can stream content to the iPhone via AirPlay (for example, the Apple Vision Pro can display its screen content on the iPhone). Apple makes AirPlay available to some third-party connected devices, but not all. Under the proposed measures, Apple will have to allow third-party connected devices to access AirPlay both to receive content from an iPhone and to send content to an iPhone (see Section 2.3 of the overview of proposed measures).
- Close-range wireless file transfers: App developers need certain features to offer feature-rich close-range wireless file-sharing applications on iOS. This requires access to features such as the ability to discover nearby devices, the ability to transfer files via high-bandwidth protocols in the background, and the ability for received files

to appear in the relevant applications (such as the photos app). On iPhone, currently only AirDrop has full access to those features. Under the proposed measures, Apple will have to provide third parties with access to all features needed to offer a featurerich close-range wireless file transfer service similar to AirDrop (see **Section 2.4** of the overview of proposed measures).

• Media casting: App developers need certain features to offer feature-rich media casting apps on iOS. This requires access to the ability to discover compatible receivers (e.g. TVs), system access so that casting solutions installed by the user can be accessed by other media applications, and access to high-bandwidth communication protocols to cast the media. On iPhone, currently only AirPlay has full access to those features. Under the proposed measures, Apple will have to provide third parties with access to all features needed to offer a feature-rich media casting service similar to AirPlay (see Section 2.5 of the overview of proposed measures).

Features for device set-up and configuration

- **Proximity-triggered pairing:** Only Apple's connected devices such as the Apple Watch and Apple AirPods can "magically" pair with an iPhone through a user-friendly process that automatically starts when an unpaired connected device is brought close to an iPhone. Pairing with third-party connected physical devices requires to first download a companion app and is not automatically started when bringing the device close to an iPhone. Under the proposed measures, Apple will have to allow third-party connected devices to make use of a pairing process that is as user-friendly and seamless as the one for Apple's devices (see Section 3.1 of the overview of proposed measures).
- Automatic Wi-Fi connection: Connected devices need access to the Wi-Fi networks (including passwords) saved on the iPhone, so that the connected device can automatically connect to the corresponding Wi-Fi networks without the user having to manually add each of them on each connected physical device. Currently, only Apple devices obtain the Wi-Fi networks saved on the iPhone. Under the proposed measures, Apple will have to provide third-party connected devices access to these Wi-Fi networks, subject to the same user controls and permissions that Apple applies with respect to its own connected physical devices (see Section 3.2 of the overview of proposed measures).
- NFC in Reader/Writer mode: NFC in Reader/Writer mode is used to scan and exchange data with devices that are very near, including accessories such as tags, batteries, and chargers, or physical transport cards. Currently, Apple does not allow third parties to use NFC to transfer payment credentials to enable contactless payments on wearables such as rings or bracelets or read physical payment cards to activate or secure mobile banking. Under the proposed measures, Apple will have to lift this restriction. (see Section 3.3 of the overview of proposed measures).

General measures for all features

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Under the proposed measures, Apple will have to implement a number of general measures for all the features listed above. For example, Apple will have to enable interoperability for any type of connected device, free of charge via complete, accurate and well-documented frameworks and APIs. The interoperability solutions for third parties will have to be equally effective to those available to Apple and must not require more cumbersome system settings or additional user friction. Apple will have to make available to third parties any new functionalities of the listed features once they become available to Apple. Finally, Apple will have to provide third parties with the required technical assistance and report how it implemented the measures. See Section 4 of the overview of proposed measures for more details.

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