

Perspectives on the emerging wireless market

August 2010

Analyst:

**Karen Brown**

### Featured coverage in this report:

#### 2 Market Focus

- AT&T, Apple face summer bloom of lawsuits

#### 6 Platforms

- Microsoft struggles to regain mobile footing

#### 9 Video

- Video advertising claims spot in mobile content

#### 11 Devices

- Powerful smartphones aggravate battery life problem

## Apple, AT&T face rising legal backlash

---

**Issue:** Fed up with technical problems and angry over recent service plan shifts, iPhone and iPad customers are taking legal action against AT&T Inc. and Apple Corp.

**Background:** Apple has faced a storm of complaints about the newly released iPhone 4's reception problems, including a class action lawsuit filed against the company and its carrier partner AT&T, claiming the handset is defective. Meanwhile, a handful of iPad customers have also filed suit, claiming AT&T's shift from unlimited to usage-based data service pricing just as the iPad 3G tablet hit the market amounts to a bait and switch tactic.

**Implications:** Up until now, Apple could seemingly do no wrong when it came to its wildly popular iPhone smartphones, but the iPhone 4's reception problems have put a serious dent in its reputation — despite remedies Apple has since offered, including free protective cases to solve the interference problem. iPad users, meanwhile, are upset that they bought the device with the understanding that AT&T's optional 3G plan included unlimited usage, only to find they were pushed into the carrier's new 2 Gigabyte usage plans if they delayed activating service. Both suits point to consumers' growing expectations and demands on mobile devices, and it serves as a warning to other providers including cable operators that missteps will be punished through legal action.

## ABOUT THE ANALYST



**Karen Brown**, Sr. Director, Industry Intelligence  
karenb@onetouchintelligence.com

Karen Brown has been tracking broadband communications technologies since 1999, when she joined *Cable World* magazine as associate technology editor. She has since monitored and reported on emerging technologies in the cable, Internet and wireless communications sectors for leading business publications including *Multichannel News*, *Wireless Week* and *CED Magazine*. She joined One Touch Intelligence in 2006.