

# Lawsuit Filed Against Google Over Kids' In-App Purchases

March 12, 2014

A class action lawsuit was filed last week in California against Google Inc., alleging that many apps in Google's app marketplace permit children to make virtual purchases within the game without a parents' knowledge or consent.

The complaint alleges that Google offers free and paid apps through its "Google Play" store, and that many are targeted at children. Although some of the apps may be downloaded for free, the complaint further alleges that many allow the user to make in-app purchases (*e.g.*, virtual supplies, ammunition, food, and fake "currency"), and that these games are "highly addictive," and "tend to compel" children playing them to make large in-app purchases, including charges of \$100 or more.

For all apps, Google requires its users to authenticate their accounts by entering a password prior to downloading an app or making an in-app purchase. The complaint alleges that once the password is entered, Google permits the user to make in-app purchases for up to 30 minutes without reentering the password. According to the complaint, this window of time allows minors to make large in-app purchases, without the knowledge or authorization of the parents. Google then automatically charges the customers' credit or debit cards or PayPal accounts for the in-app purchase, through its online "Google Wallet."

The lawsuit comes on the heels of the FTC settlement with Apple, which requires Apple to pay at least \$32.5 million in refunds to consumers (for a more detailed assessment of the Apple settlement, please [click here](#)). Apple also settled a similar class action lawsuit in February 2013.

These recent developments are a good reminder for online platforms, app developers, and app providers to continue reviewing applicable advertising, marketing, and in-app purchases and experiences. We will continue to closely track these litigation and regulatory developments, and update this blog accordingly.