Apple to settle lawsuit on inadvertent app purchases by kids

Reuters

(Reuters) - Apple [1] Inc has agreed to settle a class action lawsuit that said customers were charged when their children inadvertently downloaded certain applications from the company's online store, a court filing showed.

Under the proposed settlement, Apple [1] could potentially end up paying around $100 million as it has agreed to provide a $5 iTunes store credit to as many as 23 million affected customers, the court filing said. The final settlement figure may vary.

Also, those claiming $30 or more from Apple may choose to receive a cash refund instead of an iTunes store credit, according to the filing.

The lawsuit, filed by five parents in 2011, involved allegations surrounding purchases in certain downloaded apps, which plaintiffs claim were made by children without the knowledge or permission of the account holder.

The lawsuit also alleged that "Apple failed to adequately disclose that third-party Game Apps, largely available for free and rated as containing content suitable for children, contained the ability to make In-App Purchases."

The proposed settlement requires court approval. The court will hear the settlement on March 1.

Apple could not immediately be reached for comment by Reuters outside of regular U.S. business hours.

The case is in re: Apple In-App purchase litigation, Case No. 11-01758, U.S. District Court, Northern District of California.

(Reporting by Sakthi Prasad in Bangalore; Editing by Mark Potter)

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