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Mobile App Industry Attempts Self-Regulation

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Mobile apps have blossomed from nothing into an expanding multi-billion dollar industry in just a few years. Just last week, the millionth app went on sale somewhere in the world. And the industry is projected to continue to grow despite tough economic times.

A great deal of this growth stems from the increased access that children have to devices that are capable of supporting mobile applications, such as smart phones and iPads. So perhaps it is not unexpected that the mobile app industry has started to attract some negative press, mainly from Congress on behalf of parents concerned about violent content and privacy issues.

In an effort to preempt Congress from stepping in to regulate mobile apps, two industry groups, the Entertainment Software Rating Board ("ESRB") and the CTIA (a wireless industry trade association), recently announced a voluntary rating system to help parents to make informed decisions about whether or not a given mobile application is appropriate for their children. The ESRB has considerable experience in this realm, as they have been in the business of rating computer and console video games since 1994.

The rating system will consist of two components. First, there will be rating symbols to indicate age appropriateness. This will be reflected through a menu of six possible rating symbols: early childhood, everyone, everyone 10+, teen, mature, adults only and rating pending. Additionally, there will be content descriptors, which will pinpoint specific elements of the app that may have contributed to a given rating. Content descriptors will include indications of: blood and gore, intense violence, language, sexual violence, and use of drugs.

Furthermore, the content descriptors will disclose whether the app shares personal information, utilizes user-generated content and/or connects to social networks.

Ratings will be generated automatically based on a developer's responses to a multiple choice questionnaire that is completed when the developer submits the app to a participating storefront. The questionnaire is intended to assess the content of an app in light of the two-prong rating. Developers will have the opportunity to appeal the

rating for their apps should they disagree with the rating assigned. The ESRB will also maintain oversight of the rating system by "routinely testing" the most popular apps and monitoring consumer complaints.

The system has received a warm welcome in some circles. AT&T, Verizon Wireless, Sprint, T-Mobile, U.S. Cellular and Microsoft have all signed on as initial subscribers. But significantly the two largest mobile app providers—Google, the maker of the Android, and Apple, the maker of the iPhone and the iPad—have declined to participate.

The Google Android Market currently offers more than 300,000 apps which are rated using a four-tier system based on maturity level (everyone, low maturity, medium maturity, high maturity). Google has publicly stated that they are going to retain their own system because it is well-known and understood by Android users and developers.

The Apple App store is currently home to over 500,000 apps. The apps are rated by Apple according to age appropriateness. Apple has refused to comment on whether or not they will participate in the new rating system, but has not yet included itself as a participant, which is widely understood to mean that they are politely rejecting the invitation.

The ESRB has stated that due to the Android and Apple rating systems already in place, they are not terribly concerned about this resistance, since "the goal is to get information to consumers."

Many questions about the mobile app rating system remain and it will be interesting to see how they play out: First, with one of the principle goals of the system being to establish a standard rating system across all mobile app platforms, will resistance by Google and Apple marginalize this rating system? Second, can a system that relies on developers to characterize their own applications truly be considered fair and objective? Third, can a rating system that codes each app be successful at a time when there are so many apps already available in the market with hundreds being released every day?

Lastly, will this type of rating system will actually change behavior? Unlike the movie rating system, which is enforced at the purchase of point, this proposed app system is cannot prevent adult-oriented apps from being accessed by children. In that regard, it is more like the television rating system, which can provide guidance for parents but is not intended as an "active" shield.

Interestingly, Apple, as a storefront operator, acts as a gatekeeper at the point of purchase. When a user attempts to download an app with adult-oriented content, Apple's App Store forces a pop-up message for the user to confirm s/he is over 17. Which begs the question as to whether a rating system that is not enforced by the gatekeeper will be effective.

We will keep abreast of developments as the system is deployed by stakeholders in the app landscape.

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