

April 2022

Australian Competition and Consumer Commission

# DIGITAL PLATFORM SERVICES INQUIRY

# Discussion Paper for Interim Report No. 5: Updating competition and consumer law for digital platform services

Given the importance of digital platform services to Australians (where they spend 40% of their waking time), Mozilla shares the ACCC's concerns about the insufficiency of the Competition and Consumer Act 2010 ("CCA") and the Australian Consumer Law ("ACL") to address the harms to competition and consumer choice that have previously been identified. New regulation is urgently needed and we are supportive of the broader goal of updating the competition regime in Australia to allow for ex-ante interventions. In this response we have set out (non-exhaustively) some of the key considerations to be taken into account when designing any new regulatory framework for digital platforms. Most importantly, it must be tested against whether it seeks to achieve the following four objectives:

- empowering consumers to use the software they want;
- protecting and expanding the standards-based open web;
- creating the right incentives today for digital competition; and
- enabling the horizon of independent innovation.

#### **Table of Contents**

1.	Introduction	2
	About Mozilla	2
	Contributions to discussions about ex ante regulation in digital markets	2
2.	ACCC findings on market characteristics and consumer harm	2
3.	Principles for the development of new rules and measures	4
	Importance of speed, flexibility and robustness	5
	Advancing consumer choice and protecting competition	6
	Moving to a "regulatory relationship" with platforms and stakeholders	7
4.	Potential new rules and measures	7
	Encouraging effective interoperability	7
	The importance of data and transparency	8
	Recognising the limitation of choice screens	10
	Eliminating harmful design practices	11

#### 1. Introduction

#### About Mozilla

Mozilla is a unique public benefit organization and open source community formed as a non-profit foundation in the United States. It is guided by a set of principles recognising, among other things, that: the internet is integral to modern life; the internet must remain open and accessible; security and privacy are fundamental; and that a balance between commercial profit and public benefit is critical.<sup>1</sup>

Mozilla has engaged with the ACCC's Digital Platform Services Inquiry from the outset and has sought to provide insight into the areas where we have expertise.<sup>2</sup> These include how to preserve consumer choice and competition on the open internet and particularly in browsers and browser engines.

#### Contributions to discussions about ex ante regulation in digital markets

We have also recently contributed to inquiries into digital competition in the USA, the EU and the UK and on the proposals for regulation of "gatekeeper" digital platforms that have been proposed as a result of some of these inquiries.<sup>3</sup> Closely connected to competition in digital markets are the issues of privacy and security - areas where Mozilla has significant expertise and has assisted regulators and legislators in multiple countries.<sup>4</sup>

We note that the ACCC is conducting forums with specific stakeholders in the coming months and we remain available to contribute to those discussions.

#### 2. ACCC findings on market characteristics and consumer harm

Mozilla broadly agrees with the findings of the ACCC in relation to the characteristics of digital platform markets and the harm to consumers and competition that can ensue. However, there are some important points to highlight about the structure of these markets and the common practices within them which help to inform the options for regulation in the next section.

<sup>&</sup>lt;sup>1</sup> Mozilla's 10 Principles, https://www.mozilla.org/about/manifesto

<sup>&</sup>lt;sup>2</sup> https://www.accc.gov.au/system/files/Mozilla.pdf

<sup>&</sup>lt;sup>3</sup> https://blog.mozilla.org/netpolicy/files/2022/02/Mozillas-Public-Submission-to-the-CMA-Interim-Report -on-Mobile-Ecosystems.pdf

https://blog.mozilla.org/netpolicy/files/2021/07/FINAL\_DMA-Position-Paper.docx\_.pdf

<sup>4</sup> https://blog.mozilla.org/netpolicy/

https://blog.mozilla.org/en/category/mozilla/internet-policy/

It is important that the ACCC has recognised that these market concerns could be applicable to other digital services and platform services beyond the scope of the Digital Platform Services inquiry,<sup>5</sup> especially in the desktop ecosystem. submission in response to the ACCC's Issues Paper on market dynamics and consumer choice screens in search services and web browsers set out the necessity and ubiquity of browsers and browser engines as the cornerstone for both accessing the web and the open internet.<sup>6</sup> Providers of apps (including browsers) and other digital services are dependent on the company which provides the operating system, for example, Apple for iOS, Google for Android, Microsoft for Windows, Amazon for Fire OS<sup>7</sup> and Meta for virtual/augmented/mixed reality operating systems8. As a result, the provision of operating systems (on desktop/laptop computers as well as mobile devices, televisions and other smart devices) is an activity which has been the subject of ex-ante regulation proposals in other jurisdictions.9 While mobile devices are increasingly important as a means for accessing the internet and online services, particularly for new internet users<sup>10</sup>, the importance of competition on desktop/laptop computers when considering operating systems should not be ignored - for example, they accounted for 60% of internet use in Australia in the past 12 months. 11

This gatekeeper position can be even more problematic when the company developing the underlying operating system also provides products which compete on their own platforms with third parties. In relation to browsers, this is the case for Google, Apple and Microsoft. As noted in our response to the ACCC's *Issues Paper on market dynamics and consumer choice screens in search services and web browsers*<sup>12</sup>, these companies have the ability and incentive to self-preference their browsers and impose restrictions on third parties, which in turn harms consumer choice, innovation and competition. Google, Apple and Microsoft also develop critical services on which third party browsers depend, such as digital rights management/content decryption modules, enterprise services and consumer services like video conferencing. As explained in section 4 below, if the ACCC were to recommend a new framework for ex-ante

\_

<sup>&</sup>lt;sup>5</sup> Digital Platform Services Inquiry, Discussion Paper for Interim Report No. 5: Updating competition and consumer law for digital platform services, page 21

<sup>&</sup>lt;sup>6</sup> https://www.accc.gov.au/system/files/Mozilla.pdf

<sup>&</sup>lt;sup>7</sup> Which runs on its smart speaker devices, tablets and Fire TVs

<sup>&</sup>lt;sup>8</sup> https://www.bloomberg.com/news/articles/2022-01-05/meta-says-it-hasn-t-halted-work-on-ar-vr-Operating-system

See also: https://twitter.com/GabeAul/status/1478793173543448578?s=20

<sup>&</sup>lt;sup>9</sup> Such as the European Commission's Digital Markets Act and the UK's Digital Markets Unit proposals <sup>10</sup> https://www.gsma.com/mobileeconomy/wp-content/uploads/2022/02/280222-The-Mobile-Economy -2022.pdf

<sup>&</sup>lt;sup>11</sup>Vesus 36% for mobile and 4% for tablet:

https://gs.statcounter.com/platform-market-share/desktop-mobile-tablet/australia

<sup>&</sup>lt;sup>12</sup> See page 9 of Mozilla's response, <a href="https://www.accc.gov.au/system/files/Mozilla.pdf">https://www.accc.gov.au/system/files/Mozilla.pdf</a>

interventions to the Treasurer (which Mozilla thinks it should), any regulatory regime must go further than simply prohibiting harmful self-preferencing practices and should also at its heart facilitate competition and consumer choice through interoperability and open standards.

Mozilla also considers the methods used by digital platforms to build up their gatekeeper positions an important consideration in regulating digital markets; the ACCC notes that acquisitions have been a significant part of the growth strategy of Google, Meta, Apple, Microsoft and Amazon, with 296 acquisitions made between 2016 and 2020. It is clear that merger control enforcement must be updated in order to ensure it is effective in the case of digital platforms which might stifle innovation and competition by acquiring nascent competitors, or technologies in adjacent markets. Some of these cases may not fit into an existing analytical framework or established theory of harm. As a result, Mozilla supports recent proposals in Europe to scrutinise acquisitions of gatekeeper platforms more closely<sup>13</sup> and we have also shared our views on the recent Federal Trade Commission and Department of Justice consultation on revising the merger guidelines in the USA, primarily focusing on issues such as potential competition and vertical mergers; data and transparency; interoperability and open standards; and dark patterns.<sup>14</sup>

#### 3. Principles for the development of new rules and measures

Given the harms to competition which have been demonstrated to arise from the concentration of market power in a small number of digital platforms holding gatekeeper roles, Mozilla supports the creation of a new framework to supplement the CCA and ACL. As set out in the Discussion Paper, there are several different ways these issues can be addressed in regulation, ranging from legislative prohibitions to codes of practices, rule-making powers, specific measures to promote competition and access rights to third parties in respect of gatekeeper platforms. Various different approaches have been adopted in a variety of jurisdictions, taking into account the nature of each territory and its existing legal and regulatory framework. However, in order to be effective in regulating products and services which are cross-border in nature, coordination between authorities and alignment between regulatory frameworks is necessary. A key set of principles should therefore unite these various regulatory regimes, based on a shared understanding of outcomes. In order to preserve genuine

\_

<sup>&</sup>lt;sup>13</sup> Including the European Commission's Digital Markets Act, the UK's proposals for a new Digital Markets Unit and the 10th amendment to the German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*)

<sup>&</sup>lt;sup>14</sup> <u>https://blog.mozilla.org/netpolicy/files/2022/04/Mozilla-response-to-FTC\_DOJ-merger-guidelines-RFI-1.pdf</u>

consumer choice in browsers and competition on the internet across the mobile and desktop ecosystems, regulatory interventions should seek to:

- 1. empower consumers to use software they want;
- 2. protect and expand the standards-based open web;
- 3. create the right incentives today for digital competition; and
- 4. enable the horizon of independent innovation.

The comments we make in the rest of this response cover particular issues which, if properly addressed in a new framework, would help to achieve one or more of these aims.

### Importance of speed, flexibility and robustness

Digital markets evolve quickly, as do the behaviours that may undermine competition and consumer empowerment. We therefore see value in designing the regulatory regime with flexibility and dynamism in mind. For the framework to work for today and tomorrow, it must be able to adapt itself to changing market behaviour without the need for changes to primary legislation.

As an example, competition regulators are increasingly reevaluating their previous approvals of mergers and acquisitions in the technology sector. The harms that accrue to both consumers and other competitors from vertically-integrated data sharing within group companies have become increasingly clear over the past few years. A more flexible legal framework, if available at that time, would have empowered regulators to block such mergers in the interest of consumer experience, innovation and competition. The complementary (and not opposing) relationship between competition and data protection is far better understood now and, while structural separation might be the only way to remedy the previous decisions, a flexible ex-ante framework may go a long way in mitigating such outcome in the future.

However, we recognise that a principles-based approach (such as the one proposed in the UK to be enforced by the new Digital Markets Unit) can create specific challenges; a regime which prioritises flexibility could, in certain circumstances, lead to uncertainty for both the regulated entity and third parties. Moreover, principles-based rules are only as strong as their enforcement. If the regulator adopts a light-touch approach, the rules can be easily circumvented and loopholes exploited. If, on the other hand, a regime were adopted which works on the basis of prohibitions on certain behaviour set in legislation (such as the EU's Digital Markets Act), there may be more clarity for regulated parties, competitors and consumers, but at the cost of flexibility. We believe it is vital for a balance to be struck between these two outcomes, providing the necessary

regulatory certainty for meaningful compliance while ensuring that sufficient leeway exists for regulators to act swiftly in the best interests of consumers.

In either scenario, it is essential that any regulator enforcing an ex ante regime is well-resourced, and that it has the political support to enforce the rules in a meaningful and consistent manner. While an effective dispute resolution mechanism set up by digital platforms (as suggested in section 8.4.2 of the Discussion Paper) may be helpful, it alone will not be sufficient. There must be a clear route and grounds to enable affected parties, whether consumers, competitors or other market participants to complain. There should also be monitoring (for example in the form of regular reports on the functioning of and compliance with the regulation) and, crucially, clear powers and willingness for the regulator to enforce. The ACCC cites the EU's Platform to Business Regulation in this regard, but Mozilla is unaware of significant changes or enforcement action as a result of this legislation. Additionally, we note that guidance which underpins regulation is a particularly useful tool for setting expectations about how rules should be interpreted - thereby creating certainty for all stakeholders.

## Advancing consumer choice and protecting competition

A new regulatory framework should have at its core the empowerment of consumers to control the services and software they use. In order to avoid inadvertently harming independent competitors that provide alternative options to consumers, such a framework should also ensure that non-gatekeeper companies retain the freedom to enter into agreements with third parties (including regulated entities) given that gatekeepers often supply vital components for competitors. The ACCC has previously endorsed this approach in its decision not to recommend prohibiting default search deals in independent browsers that use gatekeeper search services<sup>15</sup>, as has the UK's CMA.<sup>16</sup>

That being said, Mozilla would welcome further clarification from the ACCC as it relates to independent apps that are unaffiliated with gatekeeper operating systems. For example, device-level search choice screens or device-level restrictions on default search "access points" should apply to gatekeeper apps and not reach into the products of non-gatekeeper browser companies, such as Mozilla. This is necessary to ensure that competition regulation does not have disproportionate financial and product implications on non-regulated entities and their products, potentially reducing quality and/or choice for consumers.

<sup>16</sup> Online platforms and digital advertising market study, Appendix V: assessment of pro-competition interventions in general search, paragraph 78

<sup>&</sup>lt;sup>15</sup> Digital Platforms Inquiry, Final Report, 26 July 2019, page 111

Preserving and enhancing browser competition and choice is particularly important given the essential nature of browsers to the 90% of Australian consumers who access the internet each day on a smartphone or computer.<sup>17</sup> Accordingly, there should be a prohibition on gatekeeper actions which distort competition and undermine consumer choice. Prohibited actions on gatekeepers should include:

- interfering with consumer selection of alternative browsers and use of those browsers to access the internet from links and queries on their devices; and
- dictating or controlling browser components, such as browser engines, which
  prevent consumers from accessing and using their preferred browser across all
  operating systems and devices.

Specifically, consumers should be free on all platforms to do the following:

- uninstall the operating system's affiliated browser;
- discover, download and set another browser to default;
- port existing browser preferences to the new browser;
- pin their preferred browser to the task bar or home screen;
- change apps to open webpages in their preferred browsers;
- permanently dismiss messages through the operating system and affiliated channels:
- keep their preferred browser default and not have this overridden by the operating system's affiliated browser; and
- engage with video, consumer and enterprise services with equal performance expectations across browsers.

These objectives should be at the forefront of any proposals when considering browser competition, regardless of the type of regulation which is put forward.

# Moving to a "regulatory relationship" with platforms and stakeholders

The Discussion Paper considers whether large digital platforms should be classified as essential facilities. The ACCC also draws comparisons with its sector-specific competition and access functions under Part XIC of the CCA. These are helpful parallels and there are important aspects of similar sector/economic regulation which should be used, regardless of the type of regulatory framework. We would highlight, in particular, the importance of information gathering powers and regulatory dialogue.

<sup>&</sup>lt;sup>17</sup> We further note that the Roy Morgan study stated "[a] significant proportion of consumers prefer to use web browsers to search for information on the internet on smartphones and computers", Roy Morgan Research, Consumer Views and Use of Web Browsers and Search Engines – Final Report September 2021, page 8

First, in order to regulate entities in telecommunications, energy and other similar sectors, agencies have wide-ranging powers to request information and to direct the entity to act. Such powers have long been recognised as essential for an effective regime. Secondly, the most successful relationships with regulated entities adopt an entirely different approach from the adversarial nature of antitrust enforcement proceedings and seek engagement with stakeholders. In order to work, not only must there be regular dialogue between the regulator and the entity, but **there must also be regular and open interaction and consultation with stakeholders**, including competitors and consumers of the regulated entity.

#### 4. Potential new rules and measures

#### Encouraging effective interoperability

It is encouraging to see that the ACCC has considered interoperability as a way of strengthening competition and, in particular, targeted the exclusion of third parties from features and functionality which are available to the operating system provider's competing first party products. Mozilla has long supported interoperability as a way of ensuring competition and consumer choice and highlighted the importance of supporting open standards and standards development organizations (SDOs) as a key part of facilitating interoperability. In our response to the Issues Paper we highlighted several examples of practices by Apple, Microsoft and Google in the context of browsers and browser engines which have undermined interoperability and should be addressed as part of any regulatory regime.<sup>19</sup>

Other ways that platforms can undermine interoperability with third party products include through the designing, testing and releasing of features, for example doing so:

- primarily for their own ancillary platform products and timelines;
- without going through formal SDOs and processes; or
- without adhering to existing SDO specifications.

Harmful network effects can occur as a result of these practices: features may not be available, may appear late, or may have inferior performance on rival operating systems and browsers. This creates powerful lock-in effects for consumers and increases their switching costs. In this regard, one must underline that even motivated consumers will be deterred from switching to alternative solutions if effective interoperability is not

8

<sup>&</sup>lt;sup>18</sup> See, for example, International Insights for the Better Economic Regulation of Infrastructure, Rob Albon and Chris Decker, Working Paper No. 10, March 2015, Australian Competition and Consumer Commission (ACCC)/Australian Energy Regulator (AER) Working Paper Series, section 3 <a href="http://regulatoryeconomics.co.uk/wp-content/uploads/2019/09/International-Insights-for-the-Better-Economic-Regulation-of-Infrastructure-1.pdf">http://regulatoryeconomics.co.uk/wp-content/uploads/2019/09/International-Insights-for-the-Better-Economic-Regulation-of-Infrastructure-1.pdf</a>

<sup>19</sup> https://www.accc.gov.au/system/files/Mozilla.pdf

guaranteed. It also creates a burden on downstream companies that have to invest financial and human resources into evaluating and minimising, if even possible, the lack of interoperability. The result is a more centralised and less interoperable internet with reduced competition, contestability and consumer control.

In order to mitigate these risks to competition, regulation should include an affirmative duty on platforms to create the conditions necessary for effective third-party interoperability. This includes:

- designing, testing and releasing core platform services on a non-discriminatory basis and with the intention of facilitating interoperability;
- addressing and testing relevant interoperability concerns on a timely basis;
- committing to SDOs and complying with formal specifications; and
- offering timely and relevant public critical interfaces, APIs, and documentation for product interoperability.

As stated in Mozilla's Manifesto: "The effectiveness of the internet as a public resource depends upon interoperability (protocols, data formats, content), innovation and decentralized participation worldwide." We believe that competition regulation which encourages gatekeeper platforms to share the responsibility of maintaining an open internet should be enacted in Australia.

## The importance of data and transparency

At Mozilla, we have a strong reputation for our commitment to ensuring that privacy and security are fundamental to the internet. Our Data Privacy Principles<sup>20</sup> provide the basis for the way we operate in all aspects of our organization. In light of this, we strongly support the approach taken in several jurisdictions of requiring data separation; this prohibition should be the cornerstone of any new regime - not only in the context of ad tech providers and app marketplaces. The ACCC can also benefit from seeing the results of legislation being implemented in other jurisdictions: for example, the EU's Digital Markets Act and Germany's Act against Restraints of Competition have prohibitions on sharing data across services. How these regimes interact with data protection legislation and other provisions which allow consumers to consent to data sharing will be critical to their effectiveness.

Connected to this issue of data sharing is the perceived trade-off between competition on the one hand and data protection or security on the other. Platforms regularly make arguments which either expressly or impliedly suggest that competition interventions will undermine consumer privacy or security. The ACCC and other agencies must look

\_

<sup>&</sup>lt;sup>20</sup> https://www.mozilla.org/en-GB/privacy/principles/

critically at such claims and engage with those organisations and individuals that have relevant expertise and market knowledge of these issues. While some such arguments may be valid, other security and privacy concerns can be overcome with the appropriate technical knowledge and creativity.

Data portability is another area at the intersection of data protection and market contestability. New regulation should not only provide access for third parties to data in relation to the consumption of their services on gatekeeper platforms, but it must also prohibit barriers to portability in the context of consumer-to-gatekeeper relationships. It should, in particular, ensure that portability barriers do not discourage consumers from switching from one service provider to another.

Data must also be considered from the point of view of transparency. Many of the harms we see on the internet today are in part a result of pervasive data collection and underlying privacy risk. Targeting and personalization systems generate real value for consumers. But, as we have learned from recent whistleblower disclosures, these systems also can be abused, resulting in real world harm to individuals and communities. To address this, we need solutions that would provide greater levels of transparency into the ecosystem impact of our online data. Mozilla - alongside academics, civil society, and government leaders - has called on major platforms to release data so researchers can analyze online discrimination and harms that today are hidden from the public and from regulators.<sup>21</sup>

We have also called for establishing a safe harbor allowing researchers, journalists, and others to access relevant datasets, free from threats of legal action. Such a safe harbour should protect research in the public interest as long as researchers handle data responsibly and adhere to professional and ethical standards. We know there is enormous value this can provide to the public. Mozilla has one of the earliest Bug Bounty programs in software; we make clear that we will not threaten or bring any legal action against anyone who makes a good faith effort to comply with our vulnerability notification policy because this encourages security researchers to investigate and disclose security issues. Their research helps make the internet a safer place.

<sup>&</sup>lt;sup>21</sup> https://blog.mozilla.org/en/mozilla/news/why-facebooks-claims-about-the-ad-observer-are-wrong/

<sup>&</sup>lt;sup>22</sup> We are aware that there have already been steps taken in this direction, such as the Data Availability and Transparency Act 2022 and the Consumer Data Right legislation.

<sup>&</sup>lt;sup>23</sup> Bug bounty programs are deals offered by websites, organizations or software developers providing individuals recognition and/or compensation for reporting bugs, particularly those relating to security vulnerabilities.

We believe that such transparency is important for effective security and competition on the internet. It is complementary to the issues considered in the regulation of digital platforms. Transparency tools can provide regulators and enforcers with an insight into how data is being used by gatekeeper platforms and/or how it is shared across verticals; this is important both for consumer protection and to ensure effective competition. For example, safe harbour access to data sets for researchers and others will lead to a better body of research and therefore better informed decisions by regulators and enforcers.

## Recognising the limitation of choice screens

Alternative browser choices are a necessary means for consumers to access and navigate the open internet unrestricted from app developers and the device operating system, which have motivation to control their online movement. Browser product diversity is important to maintaining a balanced internet ecosystem and so is browser engine diversity. This is especially true given that there are only two cross-platform browser engines today: Mozilla's Gecko and Google's Blink/Chromium. However, Mozilla's experience of the Android Browser Choice Screen implemented in the EU during the Spring of 2019 was that it did not change the status quo. As described in previous submissions, choosing another browser is of limited benefit if that browser cannot be fully utilised because of platform interoperability failures and platform induced consumer friction.

In the context of enforcing a new regulatory regime, we note that the ACCC is considering choice screens as a potential remedy. As discussed above, it has proved an attractive solution to competition authorities but with unsuccessful results. We urge careful consideration to the timing, design, level of oversight and assessment in partnership with oversight bodies, browser developers, and others. This includes knowing relevant details on timing to give consumers advance notice and support with public communications. It would also be helpful to invite public opinion, for example from academics, consumer advocates, researchers and impacted browser stakeholders to offer insights that can improve the consumer experience and intended impact to competition. For example, ethical design theorists can help ensure the resulting choice screen does not have dark design patterns that can strongly influence behaviour in one direction and instead present options that are equal in parallel, with consideration to cognitive load, and add to meaningful choice with additional information. Market testing of choice screens and similar remedies is essential, with sufficient attribution metrics available to browser developers to understand the impact of the choice screen on installation and retention. We also believe a public report with transparent metrics should be made available and that this should include progress on removing operating system controls over independent browsers, improving web interoperability on dominant platform services, and prohibiting platform induced consumer friction.

### Eliminating harmful design practices

It is encouraging that the ACCC has recognised the role of harmful design practices (such as dark patterns and negative choice architecture) in undermining consumer choice both in the 2019 Digital Platforms Inquiry Final Report and in the present Discussion Paper. Academics,<sup>24</sup> journalists,<sup>25</sup> consumer rights groups,<sup>26</sup> companies,<sup>27</sup> and regulators<sup>28</sup> (including the FTC, the European Commission and the CMA) have acknowledged the harms of these design practices to consumer decision-making and control over which products to use and how to allow or limit use of personal data.

The self-preferencing examples set out in the Discussion Paper (giving unequal visual prominence to options; repeatedly prompting consumers to change a setting to one which benefits the platform and putting barriers in the way of cancellation) are just some of the ways dark patterns can be used. The ACCC must therefore follow through on the suggestion that regulatory measures should address harms arising out of harmful design practices. Powerful platforms will continue to have the ability and incentive to leverage their significant power and infrastructural role in the ecosystem to push consumers towards their own products in adjacent markets. The negative effects of such practices are essentially equivalent to preferential or discriminatory rankings – and should be prohibited.

Often, problematic affiliated preferencing manifests through marketing tactics that mislead consumers and undermine individual control of their software preferences. For instance, device users, especially when they have downloaded a third-party application, are often bombarded with pop-ups and warning messages that urge them to switch to

<sup>&</sup>lt;sup>24</sup> For example, see work by researchers at Princeton available at <a href="https://webtransparency.cs.princeton.edu/dark-patterns/">https://webtransparency.cs.princeton.edu/dark-patterns/</a>; Purdue, available at: <a href="https://darkpatterns.uxp2.com/">https://darkpatterns.uxp2.com/</a>; and a recent paper from the UK's CMA: <a href="https://www.gov.uk/government/publications/online-choice-architecture-how-digital-design.gov.np-parm-competition-and-consumers">https://www.gov.uk/government/publications/online-choice-architecture-how-digital-design.gov.np-parm-competition-and-consumers</a>

<sup>&</sup>lt;u>-can-harm-competition-and-consumers</u>

25 The Wall Street Journal, Vox, The New York Times, The Financial Times, The Verge, Gizmodo, The Atlantic, Fast Company, Ars Technica,

<sup>&</sup>lt;sup>26</sup> BEUC DMA Paper, available at: <a href="https://www.beuc.eu/publications/beuc-x-2021-030\_digital\_markets">https://www.beuc.eu/publications/beuc-x-2021-030\_digital\_markets</a>
\_act\_proposal.pdf; Norwegian Consumer Council, available at: <a href="https://www.forbrukerradet.no/undersokelse/no-undersokelse/

<sup>&</sup>lt;sup>27</sup> ProtonMail Post on DMA, available at: <a href="https://protonmail.com/blog/dma-default-apps/">https://protonmail.com/blog/dma-default-apps/</a>; DuckDuckGo DMA Paper, available at: <a href="https://staticcdn.duckduckgo.com/press/DuckDuckGo-position-on-the-Digital-Markets-Act">https://staticcdn.duckduckgo.com/press/DuckDuckGo-position-on-the-Digital-Markets-Act</a> March-2021.pdf

<sup>&</sup>lt;sup>28</sup> For example, the CPRA defines a dark pattern explicitly and mandates that "agreement obtained through use of dark patterns does not constitute consent."); FCC; European Commission's Impact Assessment that accompanied the Digital Markets Act

the firm's affiliated application on the basis of claims regarding quality, security, and privacy. Such complexity or other hassle factors are recognised to be effective barriers to prevent consumers from switching from one software to another.<sup>29</sup> By manufacturing concerns about the merits and risks of third-party competitors, this affiliated preferencing tactic can undermine fair competition and diminish consumers' ability to benefit from using the applications of their choice.<sup>30</sup> Understanding and remedying dark patterns online that prevent users from making informed and effective choices is therefore a crucial aspect of a robust competition enforcement regime.

<sup>&</sup>lt;sup>29</sup> See, UK Competition and Markets Authority, *Final Report - Online Platforms and Digital Advertising*, section 3.113, available at: <a href="https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/">https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/</a> Final report 1 July 2020 .pdf

<sup>&</sup>lt;sup>30</sup> For instance, BEUC notes in its paper on the Digital Markets Act that "[e]ven where it is technically feasible for a consumer to switch a service, she/he may, for example, be bombarded with repeated and "intimidating" messages about the purported disadvantages or dangers of switching, or this may be made so time-consuming or complex that the consumer gives up. Such tactics can be just as effective as technical barriers". *Position paper of BEUC on DMA*, 1.4.2021, pp. 7-8.