

Subject: Re: New Kindle App Ad
From: "Steve Jobs" Confidential
To: "Philip Schiller" Confidential
Cc: "Cue Eddy" Confidential, "Joswiak Greg" Confidential, "Steve Jobs" Confidential
Date: Tue, 23 Nov 2010 18:10:58 +0000

Phil - I agree with you here 100%. It's time for them to decide to use our payment mechanism or bow out.

And I think it's time to begin applying this uniformly except for existing subscriptions (but applying it for new ones).

Steve

Sent from my iPhone

On Nov 23, 2010, at 5:02 AM, Philip Schiller Confidential wrote:

> I found the TV advertisements on YouTube (link below). Interestingly, I also found that Amazon posted the reverse ad as well (the same woman switching from Android to iPhone).

>

> In both versions of the TV ad Amazon is demonstrating that users build vast libraries of Kindle books directly on their phones, which does in fact violate our published terms and guidelines. One reason we originally approved the exception for Amazon not using In App Purchase for a digital good or service was the expectation that users would often be buying books on a Kindle device and later accessing them on an iPhone. Amazon's early marketing of the Kindle app reflected that use pattern. A lot has changed since then. We have sold many more iPhones and iPod touch than they have Kindle devices, we have the iPad now as a reading device as well, and their marketing has changed to reflect that more often Kindle app users are purchasing digital books right on their phones.

>

> I do think that we should tell Amazon that based on their own TV ads it is clear that the use of their App now violates our terms and guidelines and that they need to use our In App Purchase system for digital book sales as well. We should ask them to come back to us with a plan on how they will get their app in compliance with the rules. Based on our past discussions I expect they will may choose not to do that. We would then likely have to decide whether to pull the Kindle app from the store or continue to allow an exception to our terms and guidelines for the Kindle app.

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> Kindle switching to Android ad: <http://www.youtube.com/watch?v=gROe-7EQncU>

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> Kindle switching to iPhone ad: <http://www.youtube.com/watch?v=L2x6046zzJ8>

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> On Nov 22, 2010, at 10:34 PM, Steve Jobs wrote:

>
>> What do you recommend we do?
>>
>> The first step might be to say they must use our payment system for everything, including books (triggered by the newspapers and magazines). If they want to compare us to Android, let's force them to use our far superior payment system. Thoughts?
>>
>> Steve
>>
>> Sent from my iPhone
>>
>> On Nov 22, 2010, at 7:55 PM, Philip Schiller Confidential wrote:
>>
>>> I just watched a new Amazon Kindle app ad on TV.
>>>
>>> It starts with a woman using an iPhone and buying and reading books with the Kindle app. The woman then switches to an Android phone and still can read all her books.
>>> While the primary message is that there are Kindle apps on lots of mobile devices, the secondary message that can't be missed is that it is easy to switch from iPhone to Android.
>>>
>>> Not fun to watch.
>
