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Apple Services Revenue Reaches $31.6B

by **Laurie Sullivan** , 4 hours ago

On Monday, Apple reported that for the fiscal 2026 fourth quarter ended Sept. 26, 2026, its Services group – where revenue from advertising hides – rose 9.8% to reach $31.57 billion, a new record.

Apple does not call out advertising revenue. The Services segment includes the App Store, Apple TV, Apple Music, Apple Pay, AppleCare, iCloud and ads.

Apple **launched** Ads on Maps in August, allowing local businesses to buy promoted placements in the United States and Canada.

Advertising for Apple contributed a fraction to the company's revenue, and contributes very little to the overall percentage of the industry, according to Emarketer.

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The company's advertising business is small on paper, but it holds massive leverage over the digital advertising industry because the company controls the operating strategies on mobile phones, laptops and tablets.

Still, analyst Brin Eisenstater estimates Apple's share of advertising at about 1.6% globally – falling below even Microsoft at 2.1%.

Apple posted total quarterly revenue of $114.5 billion, up 12% year-over-year.

Its overall gross margin was 47.9%, including the impact of approximately one percentage point from tariff refunds, after the Supreme Court invalidated Trump's tariffs. iPhone revenue also rose 13% to $27.58 billion.

Diluted earnings per share came in at $2.10 – up 14% year-over-year – and included a favorable impact of $0.05 from tariff refunds.

Apple said gross margins came in at 47.9% – above analyst estimates of 47.5%, according to LSEG data – but those margins could erode with the cost of further innovation of the company's new AI-based Siri, which Apple CEO John Ternus said during the earnings call now holds 2.5 billion requests per day.

"Now we have the Siri that we always wanted, which we really built from the ground up," he said.

The number Ternus stated for Siri daily requests is not new. Lilian Rincon, Apple's vice president of product marketing for artificial intelligence, revealed that number during the September 9 iPhone **event**.

Google supports Apple's Siri through a multi-layered approach, spanning from its core artificial intelligence infrastructure to default search partnerships. Google's Gemini models serve as the core foundational engine powering the overhauled Siri AI.

Siri AI remains in beta with a waitlist to gain access. Some features that depend on server-based AI models also have daily usage limits, with broader access expected to eventually require a payment.

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Court Won't Reinstate Suit Against Meta Over Account Termination

by **Wendy Davis** , 7 hours ago



In a ruling issued late last week, a panel of the Ninth Circuit Court of Appeals said Meta was protected by Section 230 of the Communications Decency Act, which broadly provides that websites can't be sued over content moderation decisions.

The ruling grew out of a 2022 lawsuit against Meta by the now insolvent Canadian entity Shared Partnership, which hosted the page Shared.com. Shared served ads to website visitors, and also ran an e-commerce business.

The company alleged that it drove visitors to Shared.com via Facebook ads. According to court papers, from January to November 2017, Shared spent around $3 million on Facebook ads and generated around $14.3 million revenue.

Shared said in court papers that in 2018, it "began to struggle mightily with Facebook ad rejections," causing "its revenues and profits to collapse."

In October 2020, Meta "terminated Shared's access to Facebook," according to the company.

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"When Facebook unpublished the Shared Facebook Pages, it effectively gave Shared a death sentence within the Facebook ecosystem," the company alleged in its complaint. "Shared lost its property right in its Facebook Pages with over 25 million followers that it had earned through its good faith investment in Facebook."

The complaint included a claim that Meta violated its terms of service by allegedly abruptly cancelling Shared's account.

U.S. District Court Judge Richard Seeborg in the Northern District of California threw out the lawsuit for several reasons, including that Section 230 shields Meta from liability for terminating an account.

The Ninth Circuit upheld that ruling on Friday.

"Section 230 forecloses liability for claims based on 'any activity that can be boiled down to deciding whether to exclude material that third parties seek to post online,'" the appellate judges wrote, quoting from a prior ruling.

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Tony Jun from **Olympic Media Consultancy**, November 2, 2026 at 7:27 p.m.
How much longer it is going to take for the industry to demand Congress rescinds Section 230?

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Ex-Lawmakers Side With OpenAI In Battle With News Publishers

by **Wendy Davis** , 9 hours ago



Siding with artificial intelligence company OpenAI, two former Republican lawmakers are urging a judge to rule that training large language models on news articles and other copyrighted material is a fair use that doesn't infringe the owners' copyright.

"The use of copyrighted works to train AI models is a paradigmatic case of fair use," former Senator Rick Santorum (R-Pennsylvania) and former Representative Rich Boucher (R-Virginia) argue in a friend-of-the-court brief filed late last week with U.S. District Court Judge Sidney H. Stein in New York.

but rather, quite differently, to derive the statistical patterns of language that allow the model to function," they add.

The former public officials say a decision in favor of fair use "is vitally important" to the country.

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"The freedom of American scientists, companies, and entrepreneurs to train AI is of paramount economic and strategic importance," they write. "A contrary ruling would impose a de facto licensing regime with grave consequences for AI development."

They are weighing in on a high-profile battle between publishers including The [illegible] and Daily[illegible]

least two ways – using content to train ChatGPT, and reproducing portions of content in outputs that are generated in response to users' prompts.

OpenAI is seeking dismissal of the lawsuit, arguing that it is protected by fair use concepts.

Among other arguments, the company says, using copyrighted material to train a large language model is transformative – a key factor that judges assess when evaluating fair use claims. OpenAI also says it takes steps to prevent verbatim outputs of articles, and that "regurgitation" of copyrighted content in response to queries is "extremely rare."

The publishers disagree on all points.

"Defendants envision a world where they can freely copy entire news articles to generate content that engages users at the expense of publishers, keeping users on their AI platforms and discouraging those users from reading the original works on publishers' websites," the news publishers wrote in their response to OpenAI's arguments.

Santorum and Boucher argue in their papers that a ruling against OpenAI will lead to a "licensing regime that will bottleneck AI development and restructure its underlying economics at a critical time."

The former lawmakers aren't the only ones to weigh in on the dispute. On Friday, numerous outside parties filed friend-of-the-court briefs, including digital rights groups, tech industry associations, and businesses in the entertainment industry such as talent agency William Morris Endeavor.

The digital rights groups and tech industry generally support OpenAI, and entertainment-related businesses oppose the company.

William Morris Endeavor specifically contended that its clients are already "losing paid work to AI output built on their own copyrighted works," and also "losing the licensing fees they would otherwise command for the very use defendants made of those works for free."

"There is an existing and robust market for licensing copyrighted work for AI use," the agency writes, adding that it "routinely negotiates" those licenses.

"AI's unauthorized use of creative materials harms that market, both by producing substitutes for creators' work and by undercutting the licenses those creators would otherwise command," the agency continues.

On the other side, the tech industry organizations Computer & Communications Industry Association, NetChoice and Chamber argued that training chatbots on news articles is transformational because developers do so in order "to build a fundamentally new kind of tool: one that analyzes statistical relationships among words and word fragments to enable human users not only to create new expression, but also to answer factual research questions, detect fraud, classify and organize information, assist people with disabilities, and achieve many other goals."

Two federal judges have already weighed in on whether using copyrighted materials to train large language models infringes authors' rights.

U.S. District Court Judge William Alsup in the Northern District of California **ruled** recently that artificial intelligence company Anthropic did not infringe copyright by digitizing books it had purchased and then using the texts to train the chatbot Claude. But he also sided against Anthropic regarding allegations that it downloaded millions of pirated books.

Anthropic later agreed to a $1.5 billion settlement with authors.

U.S. District Court Vince Chhabria, also in the Northern District of California, said in a recent ruling that using books to train large language models was transformative, but also likely infringed copyright "in most cases" because generative artificial intelligence "has the potential to flood the market with endless amounts of images, songs, articles, books, and more."

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