

CAUSE NO. _____

THE STATE OF TEXAS,
Plaintiff,

v.

TCL NORTH AMERICA, INC.,
Defendant.

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IN THE DISTRICT COURT OF

WILLIAMSON COUNTY, TEXAS

____ JUDICIAL DISTRICT

**TEXAS' ORIGINAL VERIFIED PETITION,
APPLICATION FOR TEMPORARY AND PERMANENT INJUNCTIONS
AND REQUEST FOR AN EX PARTE TEMPORARY INJUNCTION**

TCL Smart TVs are watching you back. TCL TVs aren't just entertainment devices—they're a mass surveillance system sitting in millions of American living rooms. What consumers were told would enhance their viewing experience actually tracks, analyzes, and sells intimate details about everything they watch. Through Automatic Content Recognition (ACR) technology, TCL secretly monitors what consumers watch across streaming apps, cable, and even connected devices like gaming consoles or Blu-ray players. This isn't a glitch or side effect—it's deliberate. TCL harvests this data, builds profiles of consumers' behavior, and sells it for profit.

Consumers never agreed to TCL Watchware. When families buy a television, they don't expect it to spy on them. They don't expect their viewing habits packaged and auctioned to advertisers. Yet TCL deceptively guides consumers to activate ACR and buries any explanation of what that means in dense legal jargon that few will read or understand. The so-called "consent" TCL claims is meaningless. Disclosures are hidden, vague, and misleading. The company collects

far more data than necessary to make the TV work. Consumers are stripped of real choice and kept in the dark about what's happening in their own homes on TCL Smart TVs.

TCL's mass surveillance of consumers violates Texas law. The Texas Deceptive Trade Practices Act exists to stop exactly this kind of unfair, deceptive conduct. TCL chose data extraction and advertising dollars over honesty and respect for consumer privacy. That's illegal. This Christmas morning, tens of thousands of Texans will unwrap a disturbing gift: TCL TVs that immediately begin ACR surveillance without their knowledge or consent, adding to the millions already affected by these DTPA violations. Texas families have the right to watch TV without being secretly surveilled or exploited. This lawsuit exists to protect that right.

Texas Attorney General Ken Paxton holds consumer-abusing corporations like TCL accountable. Texas Attorney General Ken Paxton, on behalf of the State of Texas, hereby sues Defendant TCL NORTH AMERICA, INC., ("TCL") for violating Tex. Bus. & Com. Code § 17.46 (the Texas Deceptive Trade Practices Act or "DTPA").

DEFENDANTS

1. DEFENDANT TCL NORTH AMERICA, INC., is a manufacturer of consumer electronics, information technology, mobile communications, and device solutions, including TVs, smartphones, PCs, soundbars, and other smart devices. TCL is a foreign corporation regularly transacting, soliciting, and conducting business in Texas that is headquartered in Irvine, California, and incorporated under the laws of Delaware.

2. TCL is the North American operations arm for the global TCL consumer electronics group. TCL's agent for service of process in Texas is Saurabh Khatri, 2809 Preston Road, Suite # 1200, Frisco, TX 75034.

JURISDICTION AND VENUE

3. This action is brought by the Texas Attorney General's Office through its Consumer Protection Division in the name of the State of Texas ("Texas") and in the public interest, pursuant to the authority granted by Section 17.47 of the DTPA.

4. Venue is proper in Williamson County, Texas, because a substantial part of the events or omission giving rise to Texas's claims occurred in Williamson County, because TCL has done business with retailers and consumers in Williamson County, because TCL unlawfully surveilled consumers who own Smart TVs in Williamson County, and because TCL advertised and sold Smart TVs to consumers at locations in Williamson County, including but not limited to those sold at Costco Wholesale, 2201a I-35, Georgetown, TX 78628, and at Walmart Supercenter, 2701 I-35, Round Rock, TX 78664. *See* Tex. Civ. Prac. & Rem. Code § 15.002(a)(1), Tex. Bus. & Com. Code § 17.47.

5. Jurisdiction is proper because TCL has established minimum contacts in Texas such that maintenance of this suit does not offend traditional notions of fair play and substantial justice, *see Int'l Shoe Co. v. State of Wash., Off. of Unemployment Comp. & Placement*, 326 U.S. 310, 316 (1945), and because TCL transacts business in Texas and is therefore subject to Texas' long-arm statute, *see* Tex. Civ. Prac. & Rem. Code §§ 17.001–093.

6. The Court has general jurisdiction over TCL because their contacts and affiliations with Texas are so continuous and systematic as to render them essentially at home in Texas. *BMC Software Belg., N.V. v. Marchand*, 83 S.W.3d 789, 797 (Tex. 2002).

7. Alternatively, the Court has specific jurisdiction over TCL because they purposefully availed themselves of the privileges of conducting activities in Texas and the causes

of action in this suit arise out of or relate to TCL's contacts in Texas, including the advertising and sale of millions of Smart TVs in Texas and the unlawful ACR surveillance of millions of consumers in Texas. *Luciano v. SprayFoamPolymers.com, LLC*, 625 S.W.3d 1, 9 (Tex. 2021).

8. The Court also has jurisdiction over TCL because it consented to personal jurisdiction by registering and transacting business in Texas. *See Mallory v. Norfolk S. Ry. Co.*, 600 U.S. 122 (2023); *see also Acacia Pipeline Corp. v. Champlin Expl., Inc.*, 769 S.W.2d 719, 720 (Tex. App.—Houston [1st Dist.] 1989, no writ) (“In return for the privilege of doing business in Texas, and enjoying the same rights and privileges as a domestic corporation, Champlin has consented to amenability to jurisdiction for purposes of all lawsuits within the state.”).

DISCOVERY

9. Discovery in this case should be conducted under Level 3 pursuant to Texas Rule of Civil Procedure 190.4. Restrictions concerning expedited discovery under Texas Rule of Civil Procedure 169 do not apply because Texas seeks non-monetary injunctive relief as part of its claims.

10. Additionally, Texas' claims entitlement to monetary relief in an amount greater than \$1,000,000.00, including civil penalties, reasonable attorney's fees, litigation expenses, and costs.

FACTS

I. TCL SPYSCREENS ARE PERVASIVE IN TEXAS

11. TCL was founded in 1981 in Huizhou, China by Tomson Li Dongsheng and Luca Situ as an audio cassette manufacturer and has since expanded into a technology behemoth selling electronics in over 160 countries.¹

12. “So, while you enjoy your next big game on your TCL TV, keep in mind that China could be tracking what programs you’re tuned into—or who knows. Perhaps the risk isn’t high, but you should ask yourself how much risk you are really willing to take.”²

13. TCL claimed the number two position in global TV sales in 2023, which it credits to its “mission to make great technology accessible to everyone.”³

14. TCL’s penetration into Texas households is vast, giving it expansive access to viewing habits, application usage, and patterns of life across millions of consumers.

15. Census records show that Texas has roughly 10.7 million households, and industry reach shows that approximately 68% of U.S. households now own a Smart TV.⁴ Applying that ratio to Texas yields an estimated 7.8 million Texas households with a Smart TV.

16. TCL holds roughly 14% of the U.S. Smart TV installed base, which converts to approximately 1.09 million households across Texas alone.⁵

¹ *About TCL*, TCL, <https://tinyurl.com/4hk772vk>.

² Ethen Kim Lieser, *TCL (Who Makes Those Great Smart TVs) is Backed by the Chinese Government*, National Interest (Mar. 27, 2020), <https://tinyurl.com/4m5de8xx>.

³ *TCL Takes the Top 2 TV Brand Spot Globally by Making Mini LED Technology Accessible to Millions*, TCL News (Mar. 31, 2023), <https://tinyurl.com/yk458bup>.

⁴ Press Release, *Parks Associates: 68% of US households have a smart TV and 46% have a streaming media player* (Nov. 14, 2024), <https://tinyurl.com/2vpjsrpp>.

⁵ Michael Balderston, *Samsung Still Top Smart TV in US*, Per Statista, TV Tech (Sept. 23, 2020), <https://tinyurl.com/432rcff>.

17. With an average of 2.7 persons per household, nearly 2.95 million Texans, about every one in ten Texans likely live in a home monitored by TCL Smart TVs.

18. TCL is monitoring millions of Texans without their knowledge and informed consent through the Smart TVs.

19. TCL’s Smart TV portfolio includes TVs running the Google TV operating system, Roku OS, and the Fire TV operating system; all are connected to monitor and advertise to consumers in TCL’s ecosystem.⁶ TCL has even partnered with Samba TV to accelerate its TV “content identification” surveillance.⁷

20. As of late 2024, TCL’s ad-supported streaming service on TCL TVs reportedly had over 24 million monthly users globally.⁸

21. This scale grants TCL outsized control of Texas’s connected TV market, allowing the company to harvest data on millions of consumers worth billions of dollars—all without their knowledge or consent.⁹

A. ACR Technology.

22. The corporate desire to monitor consumer viewing habits is not new.

23. Since the 1950s, Nielsen has *paid consumers* to permit it to track the viewership habits of approximately 42,000 representative households.¹⁰

⁶ *Exploring What is a Smart TV and its Options: A Beginner’s Guide*, TCL (May 24, 2024), <https://tinyurl.com/5f2453z4>.

⁷ *Samba TV & TCL Announce Research and Development Partnership to Build Next Generation of AI Powered Smart TVs*, Samba TV (Jan. 5, 2023), <https://tinyurl.com/yc6tzmb6>.

⁸ *TCL and NBCUniversal Partner to Expand Entertainment Offerings*, TCL News (Dec. 11, 2024), <https://tinyurl.com/fs6k76a>.

⁹ *Online Advertising & Tracking*, Epic.org (accessed Nov. 20, 2025), <https://tinyurl.com/4hacz6ne>.

¹⁰ Bill Shea, *The Ultimate Nielsen FAQ: How we, and they, know how many of you are watching Sports on TV*, NY Times (Mar. 22, 2022), <https://tinyurl.com/w2ma8ypt>.

24. Consumers tracked by Nielsen Ratings have a “people meter” device installed on their television, that they carry around with them which must be manually activated when they start and stop watching a show.¹¹

25. ACR is different and consumers are not *paid* for their participation.

26. ACR arose in 2011 when Shazam, a company known for pioneering the software algorithm that can identify a piece of music after sampling a few bars, demonstrated that it could do the same thing with TV clips.¹²

27. ACR has become a multi-billion-dollar global business.¹³

28. In 2017, ACR gained national attention when the FTC and the New Jersey Attorney General fined Vizio \$2.2 million for collecting ACR data on 11 million consumers without their knowledge or consent.¹⁴

29. By 2021, Vizio reported that it had earned more profit from the sale of customer data than from TV sales.¹⁵

¹¹ *Id.*

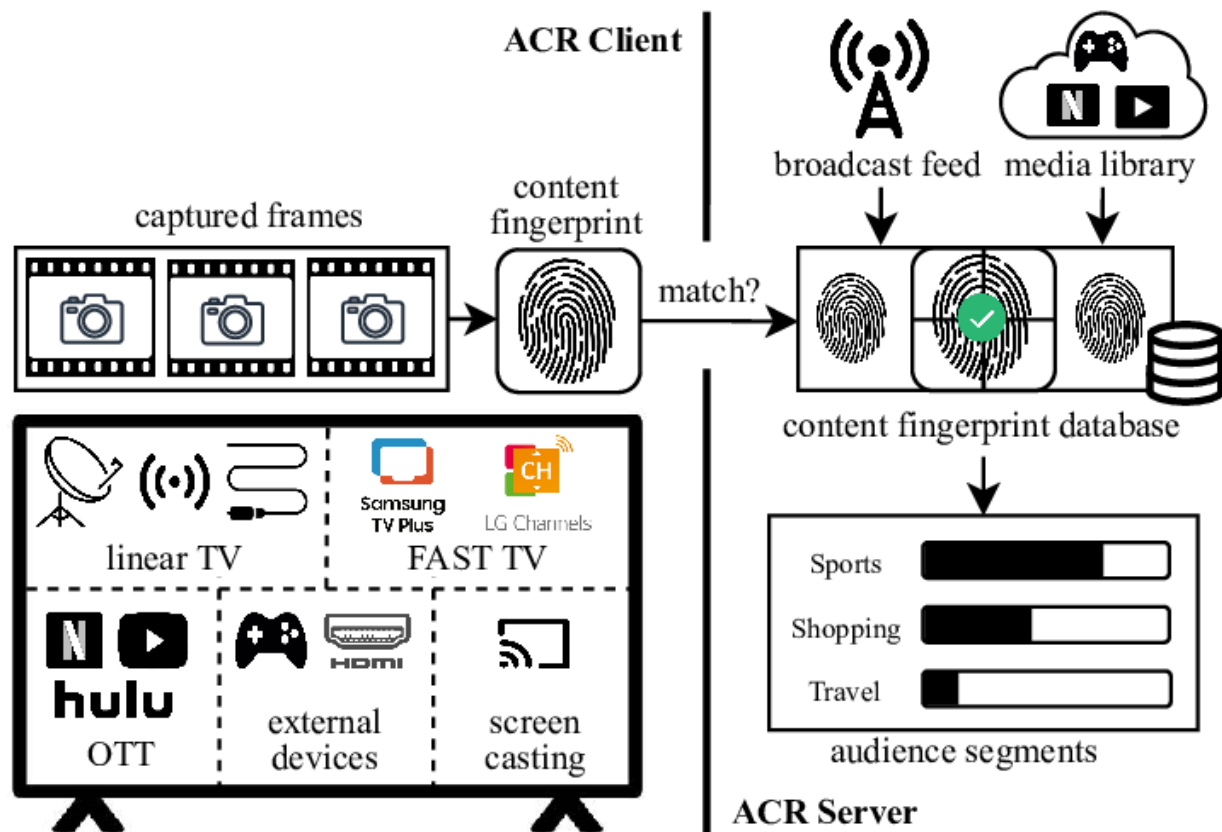
¹² Lee Neikirk, *How to Get Your Smart TV to Stop Spying on You*, NY Times (Oct. 6, 2025), <https://tinyurl.com/vvrc7hza>.

¹³ *Id.*

¹⁴ *VIZIO to Pay \$2.2 Million to FTC, State of New Jersey to Settle Charges It Collected Viewing Histories on 11 Million Smart Televisions without Users' Consent*, FTC (Feb. 6, 2017), <https://tinyurl.com/3s6uf63m>.

¹⁵ Adrianna Nine, *Vizio Makes 2x More Selling Ads and Data Than it Does on TVs*, Extreme Tech (Nov. 12, 2021), <https://tinyurl.com/6xnpjy5c>.

30. Generally, ACR works by capturing audio and visual data of what you're watching on TV, captured in hundredths of milliseconds, to build a "fingerprint" of the content and then matches that "fingerprint" with a database of known content. When the fingerprint matches the ACR server can determine what piece of content is being watched.¹⁶



31. The ACR data collected about consumers is worth as much, or more, than the Smart TVs themselves, which is one reason Smart TVs have become so cheap and ubiquitous over the past decade.¹⁷

32. ACR captures everything on your screen, not just TV shows, but also YouTube videos, security or doorbell camera streams, and video or photos you send via Apple AirPlay or

¹⁶ Gianluca Anselmi, et al., *Watching TV with the Second-Party: A First Look at Automatic Content Recognition Tracking in Smart TVs*, Proceedings of the 24th ACM Internet Measurement Conference (Sept. 2024), <https://tinyurl.com/3248jcez>.

¹⁷ *Id.*

Google Cast, and from other devices connected to your TV by HDMI, including personal laptops, video game consoles, and Blu-ray players.¹⁸

33. ACR captures information even when the TV is disconnected from the internet and will share the data collected if the TV ever reconnects to the internet, such as for a firmware update.¹⁹

34. Nearly three-fourths of U.S. households have a Smart TV with ACR.²⁰

35. Experts have described ACR as “like someone has installed a camera 24-7 in your living room.”²¹

II. TCL’S MASS SURVEILLANCE ACR PROGRAM

36. TCL began incorporating ACR into its devices since at least 2017 in its TVs with Roku OS.²²

37. Since TCL entered the TV business in the early 2000s, it has undercut the competition on the retail price of TVs.²³

38. To make a profit, TCL’s business has been focused not on hardware but on connected TV advertising, and this ad tech has only become more sophisticated and intrusive in

¹⁸ *Id.*

¹⁹ Rachel Cericola, et al., *Yes, Your TV Is Probably Spying on You. Your Fridge, Too. Here’s What They Know*, NY Times (June 25, 2025), <https://tinyurl.com/4wh9cvjk>.

²⁰ *Id.*

²¹ *Id.*

²² Todd Spangler, *Roku-Enabled TVs Will Soon ‘Listen’ to Programs You’re Watching to Suggest Streaming Content*, Variety (Apr. 12, 2017), <https://tinyurl.com/5ye66kph>.

²³ Ramon Lobato, *Automated content recognition (ACR), smart TVs, and ad-tech infrastructure*, Convergence: The International Journal of Research into New Media Technologies (July 15, 2025), <https://tinyurl.com/36wkfe3b>.

recent years with TCL's aggressive expansion.²⁴ TCL's push into U.S. markets is not slowing down.²⁵

39. TCL's ACR monitors consumers by capturing audio and video from the millions of TCL Smart TVs in the U.S. every 500 milliseconds—7,200 images per hour.²⁶

40. TCL employs this tracking across all devices connected to the TCL Smart TV, capturing raw data about not just the native streaming apps or built-in channels, but also *external inputs* such as cable, satellite, gaming consoles, and other HDMI devices, even if the Smart TV is used simply as a monitor for a laptop.²⁷

41. TCL has a special focus on gamers and how they engage with their game consoles.²⁸

42. This creates a detailed log of a household's media consumption from what content was watched, when, and for how long, across all inputs and apps.²⁹

43. Furthermore, because ACR, metadata, and identifiers combine, the collected data becomes more than just “what show a consumer watched.”³⁰

44. ACR captures or infers highly personal attributes pertaining to consumers' race, sex, or religious and political beliefs, all of which fall under sensitive personal data categories under Texas' state privacy law and nearly every other privacy regime both nationally and internationally.

²⁴ *Id.*

²⁵ Ning Jiayan, *TCL's Sales in North America Should Achieve 30% Growth This Year, Chinese TV Giant's Chair Says*, Yicai Global (Jan. 09, 2025), <https://tinyurl.com/y588ekxs>.

²⁶ Mohamed Al Elew & Gabriel Hongsdusit, *Your Smart TV Knows What You're Watching*, Markup (Dec. 12, 2023), <https://tinyurl.com/rj9fppfd>.

²⁷ *What is CEC and What Does it Do?*, TCL Support, <https://tinyurl.com/mspwmjbf>.

²⁸ Bruce Walker, *TCL is Accelerating Big Screen Gaming. Again.*, TCL Blog (June 9, 2023), <https://tinyurl.com/bdct8sp6>.

²⁹ Jack Morse, *How to make your smart TV a little dumb (and why you should)*, Mashable (Mar. 4, 2021), <https://tinyurl.com/ms48cccf>.

³⁰ *Id.*

45. TCL builds profiles on consumers based on what genre, when, how often, and what ads consumers see.³¹ These yield “household-level content viewership” that is used for advertising.³²

46. TCL consumer profiles include cross-device or cross-screen linkage, meaning that data collected from Smart TVs is correlated with other online activity and smart devices to facilitate cross-device ad targeting and tracking.

47. TCL ACR data collection, when combined with identifiers, metadata, and network information, becomes a powerful tool for profiling, targeting, and behavioral tracking, often without informed consent.

48. TCL profiles on consumers includes intimate details like political leanings, sexual orientation, health interests, marital status, family composition and age, and religion.

49. TCL Smart TVs are not a passive mode of entertainment, but a relentless surveillance device when ACR is activated.

III. TCL’S ACR DATA COLLECTION PROGRAM IS UNLAWFUL³³

50. TCL has operated an unlawful ACR data collection system, because consent from consumers is not informed, privacy choices are not meaningful, users cannot reasonably understand the surveillance model, and the system defaults towards maximal data extraction.

51. TCL engaged in false, deceptive, or misleading business practices relating to the collection and use of ACR data without adequate disclosure to consumers and by obtaining consent

³¹ *Can I change the ad settings on my TCL Google TV?*, TCL Support, <https://tinyurl.com/4dndpny7>.

³² *Id.*

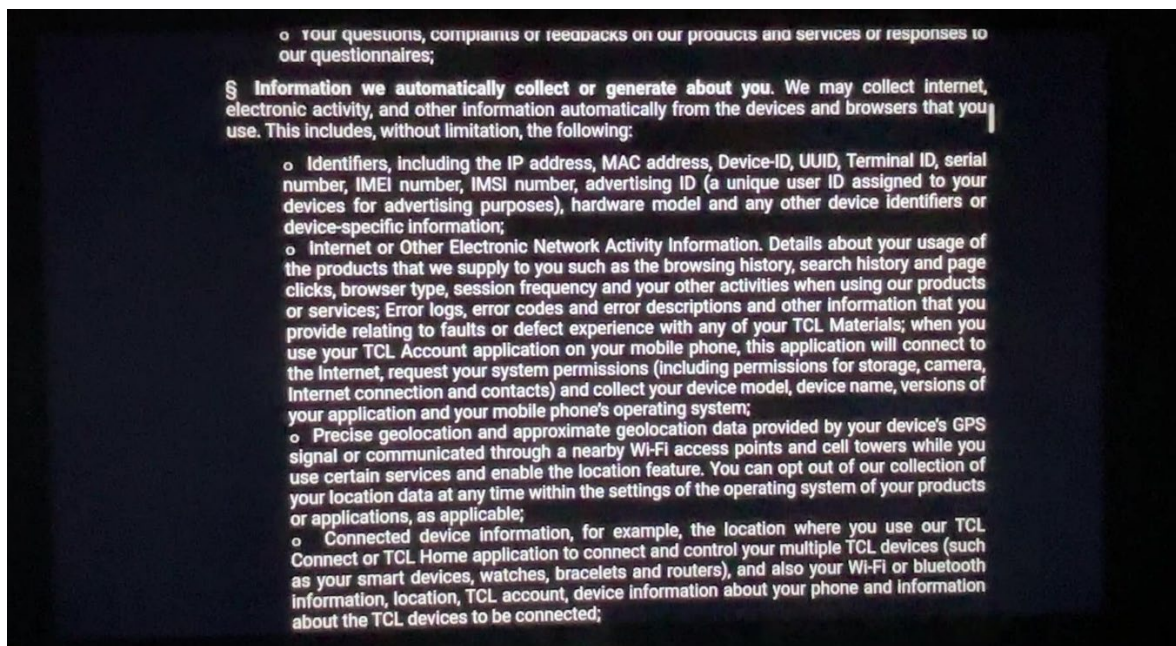
³³ **The allegations in this suit hereby serve as notice under Tex. Bus. & Com. Code § 541.154. Should TCL *fail* to cure the violations of Tex. Bus. & Com. Code §§ 541.101–102 described herein within 30 days, Texas *will* amend to add claims for violations of the Texas Data Privacy and Security Act.**

from consumers in a deceptive or misleading manner.

52. TCL's unlawful conduct was calculated to acquire or deprive money or other property from consumers who were 65 years of age or older.

A. Consent is Not Informed.

53. TCL's user interface ("UI") reveals a surveillance-by-default design philosophy that is intended to manipulate consumer consent to align with its business interests. This scheme is illustrated in the following three ways.



TCL's Privacy Notice as seen during TV setup on devices using Google TV

54. *First*, consent is not informed because TCL relies on non-intuitive nomenclature—deceptive and misleading labeling for their ACR data collection program.

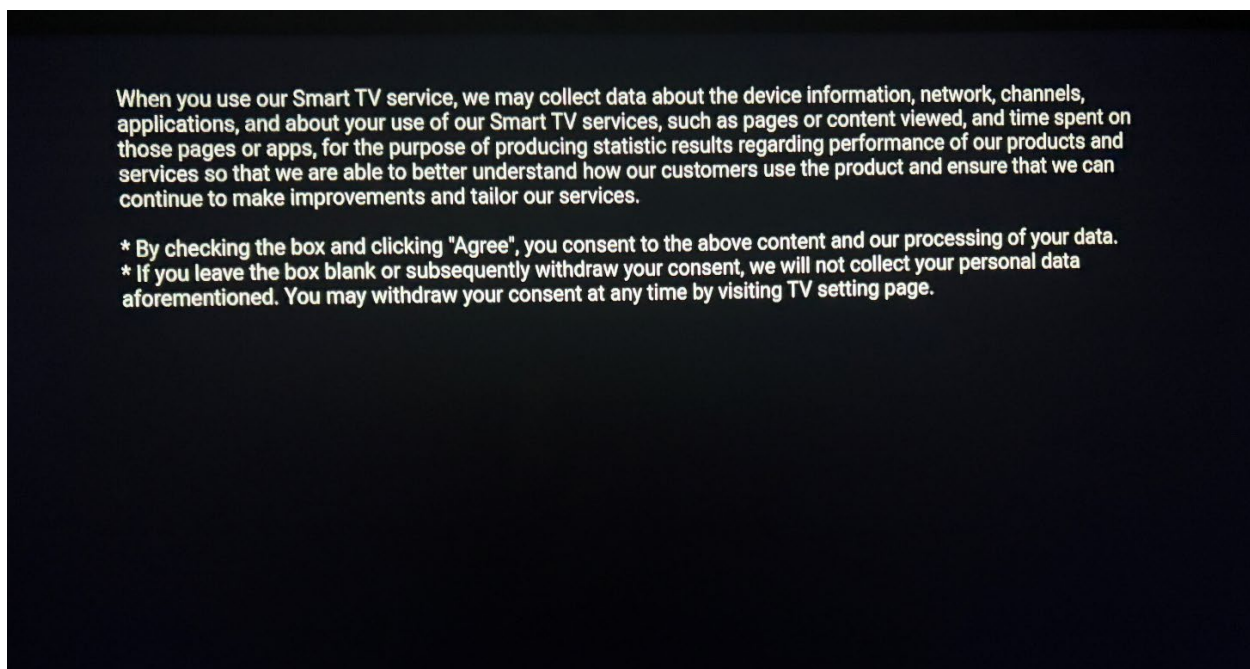
55. The mislabeling of ACR on the consent screens presented to consumers does not put them on notice, let alone give rise to any reasonable inference, about what activity they are enabling and certainly does not inform them that ACR technology integrated into TCL's TVs

permits continuous real-time capturing of *every sound and image on their Smart TV every 500 milliseconds*.

56. *Second*, the *TCL Smart Services Terms and Conditions* accessible on TCL TVs use opaque and non-intuitive disclosures to present ACR to consumers in a manner that is deceptive and misleading.

57. For example, TCL misleadingly tells consumers that they *may* collect usage data “for the purpose of producing statistics results regarding performance of our products and services.”

58. TCL’s disclosures violate principles of informed consent because consumers are not given a sufficient or clear understanding of what data categories, recipients, or purposes are actually involved by accepting TCL’s terms.



TCL Smart Services Terms and Conditions screen

59. *TCL Smart Services Terms and Conditions* are a **bald-faced lie**—falsely representing to consumers that TCL’s collection is merely for making improvements and tailoring their

services. TCL’s other terms and conditions and privacy notice also fail to inform consumers, adding to the consumer confusion.

60. TCL gives better context on its ACR practices to consumers from the “Smart TV” section of its *TCL Global Privacy Notice* accessible on its website, though it is still opaque.³⁴ The other “Smart TV” descriptions are similarly muddled. No such information is provided to consumer when they are prompted to agree during TV setup or after.

61. TCL does not disclose what consumers are agreeing to *while using the TV*; they must search for it elsewhere.

Our third-party advertising partners may use automatic content recognition (ACR) and other technologies to collect your TV viewing and usage information to create profiles of users and determine the personalized advertisements that your devices will receive. You may control whether to allow us to activate the data collection by ACR by following the method provided in the settings page of your Smart TV.

“Smart TV” section of TCL Global Privacy Notice on ACR accessible on TCL’s website

62. *Third*, consent is not informed because consent is requested during forced initial set up.

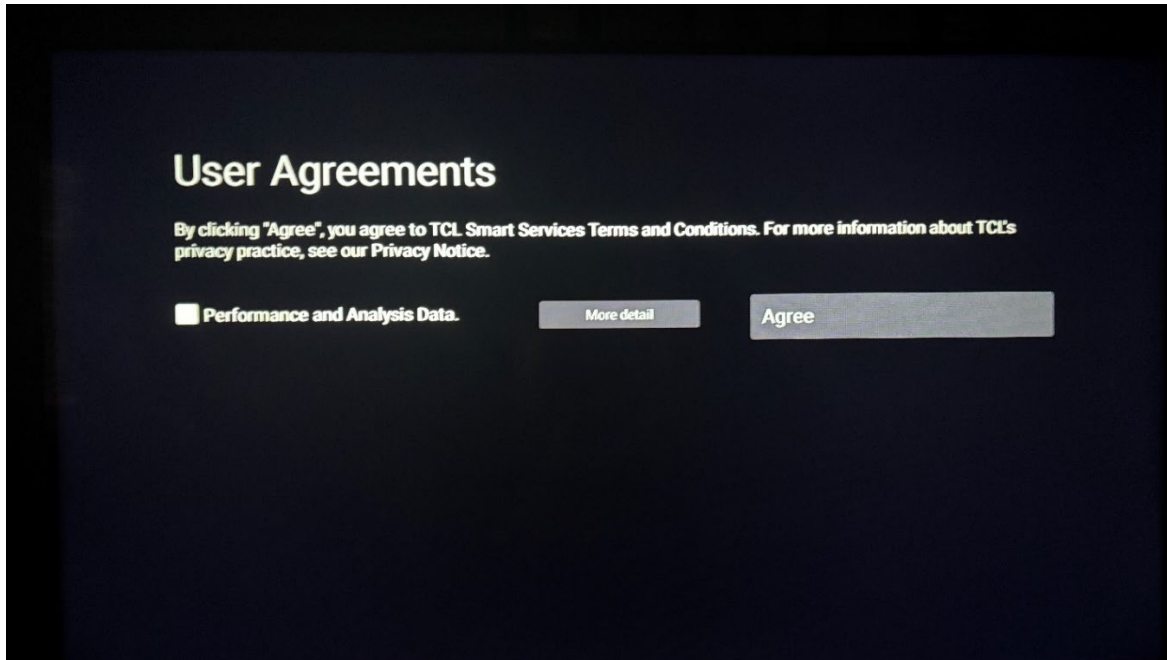
63. When TCL Smart TVs are turned on, consumers must click through a multi-page onboarding flow before landing on the consent screens for the terms and conditions.

64. Upon finally reaching the consent screen, consumers are presented a button for “More detail,” which leads to the anemic *TCL Smart Services Terms and Conditions* on a separate screen.

65. Again, TCL implies it only collects “Performance and Analysis Data” via a labeled checkbox—no context on what the agreement is.

³⁴ *TCL Global Privacy Notice*, TCL (effective Apr. 20, 2023), <https://tinyurl.com/yn6xe756>.

66. *Only one choice* is prominently displayed: *Agree*.



"User Agreements" screen during initial setup leads to separate TCL Smart Services Terms and Conditions

67. Nearly all consumers click *Agree* to simply finish the setup.

68. TCL intentionally created this deceptive consent architecture to present the consents and notices when consumers are least likely to read and carefully consider them in their eagerness to start watching their new Smart TV.

B. Privacy Choices Are Not Meaningful.

69. TCL's opt-out/opt-in architecture undermines the adequacy of meaningful choice in two ways.

70. *First*, TCL buries consumers' ability to exercise their privacy choices behind multi-step screens.

71. For example, consumers must navigate a long, non-intuitive path to exercise any right to **opt-out** during initial setup, even a limited opt-out.

72. *Second*, privacy choices are not meaningful because opt-out rights are scattered across four or more separate screens **which require over 200 clicks to read through** in full on the TV.

73. To avoid ACR and related ad tracking on TCL Smart TVs, consumers must disable these settings at setup.

74. There is no clear way for a consumer to change their opt-out/opt-in status after the initial setup or even review the notices they have supposedly agreed to.

75. To limit the use of advertising generally, TCL says consumers must go through a long process hidden behind at least nine screens (TCL with Google TV: Setting → Privacy → Ads → delete advertising ID; Android TV- Settings → Device → Preferences → About → Legal Information Ads → Delete advertising ID).³⁵

76. Still, this is not a full opt-out, just a way to “limit use of the advertising ID,” not stop it.³⁶

77. Worse, many TCL Smart TVs lack even this bare-bones partial opt-out, including the one observed by Texas, despite TCL’s advice to consumers.

78. Conversely, TCL provides consumers with a one-click enrollment options to **opt-in** during the initial start-up process.

79. The juxtaposition between TCL’s one-click **opt-in** enrollment and the inability to fully avoid tracking with the lack of later review are quintessential examples of unlawful dark patterns, including “Privacy Zuckering,” tricking consumers into sharing more private

³⁵ *TCL US Privacy Notice*, TCL (July 18, 2025), <https://tinyurl.com/39acbfk>.

³⁶ *Id.*

information than they intended or would have knowingly agreed to, and “Roach Motel,” tricking consumers with easy opt-ins while making it extremely difficult to later opt-out.³⁷

C. Consumers Cannot Reasonably Be Expected to Understand TCL Smart TVs Come Equipped with Surveillance Capabilities.

80. TCL’s disclosures are false, deceptive, and misleading.

81. Most consumers do not know, nor have any reason to suspect, that TCL Smart TVs are capturing in real-time the audio and visuals displayed on the screen and using the information to profile them for advertisers.

82. A survey of 36,000 U.S. consumers found almost half (49%) were unsure if their connected TV was being monitored, despite 62% of them having a connected TV.³⁸

83. TCL takes advantage of consumers’ naivety when it comes to the technical possibilities within a Smart TV.

84. TCL’s UI does not provide any visual indication to consumers that ACR is actively capturing the audio and visual from their Smart TV, such as a red-light or a message advising that the TV is “recording.”

85. Consumers cannot reasonably infer surveillance is happening on their Smart TVs in the absence of any visual cue.

86. Consumers, moreover, cannot reasonably understand or infer how TCL collects viewing data because it is not clearly stated to them.

³⁷ Kaveh Waddell, *Your Smart Devices Are Trying to Manipulate You With ‘Deceptive Design’*, Consumer Reports (Apr. 17, 2023), <https://tinyurl.com/5e3kuab4>; Staff Report, *Bringing Dark Patterns to Light*, FTC (Sept. 2022), <https://tinyurl.com/5n7z4m9v>.

³⁸ Katie McQuater, *US consumers lack awareness of consent around smart TVs, finds study*, Research Live (July 9, 2018), <https://tinyurl.com/3zk2m2te>.

87. TCL’s consumer disclosures rarely disclose ACR as the way it collects consumer data, let alone that ACR can collect viewing data from HDMI ports, cable/satellite boxes, DVDs/Blu-rays, gaming consoles, and laptops connected as monitors.³⁹

88. TCL often uses vague euphemisms for behavioral advertising and personalized advertising, which typically relies on viewing data (ACR), app usage, device identifiers, household inferences, and location-related meta data.

89. For example, TCL’s *Privacy Notice* mentions customized content, personalized communications, and recommended services which do not provide consumers with a clear understanding of how data is collected about them and how it is actually used.⁴⁰

IV. TCL’S INSATIABLE APPETITE FOR CONSUMER DATA FAR EXCEEDS WHAT IS REASONABLY NECESSARY

90. TCL’s collection of viewing data is excessive, disproportionate, and unnecessary for the specific purposes disclosed to consumers.

A. Personalized Content

91. “Personalized content” is not a legitimate purpose for collecting ACR data about consumers.

92. But even if the Court finds that “personalized content” is a legitimate purpose, TCL’s ACR data collection still goes beyond TCL’s reasonable data needs.

93. Providing consumers with personalized content does not require the capture of ACR fingerprints every 500 milliseconds.

³⁹ *TCL US Privacy Notice*, TCL (July 18, 2025), <https://tinyurl.com/39acbfk>.

⁴⁰ *Id.*

94. To personalize a homepage or recommend shows, TCL needs simple, high-level indicators, such as which apps were opened, what genres are preferred, what shows were recently watched within the streaming apps that already collect this data.

95. The data TCL collects about consumers is, in reality, for target advertising—not to provide consumers with “personalized content.”

96. Personalized content does not require tracking content on external devices.

97. ACR monitors anything that appears on the screen, including game consoles like PlayStation and Xbox; Apple TV, Roku, Fire Stick; cable/satellite boxes; and laptops via HDMI.

98. None of which contributes to TCL providing consumers with “personalized content.”

99. Personalized content improves recommendations, helps surface content consumers are likely to enjoy, and can be done with minimal signals that do not require sharing with third-party advertising partners.⁴¹

B. Targeted Advertising

100. “Targeted advertising” is not a legitimate purpose for collecting ACR data about consumers.

101. But even if the Court finds that “targeted advertising” is a legitimate purpose, TCL’s ACR data collection still goes beyond TCL’s reasonable data needs.

102. The intrusiveness, granularity, continuity, and cross-device nature of TCL’s ACR tracking far exceeds what is reasonably necessary to provide consumers with “targeted advertising.”

⁴¹ CookieHub, *Privacy is personal, but doesn’t erase potential for personalization* (accessed Dec. 6, 2025), <https://tinyurl.com/4ve3vwn4>.

103. While detailed or behavioral data may enhance the relevance of advertisements, this type of data is not strictly necessary to deliver targeted advertisements.⁴²

104. Since ACR derived viewing data elements are not essential to show consumers targeted and precise behavioral advertisements, this method of tracking can only be described as extreme, granular, and continuous surveillance.

105. This kind of invasive data harvesting is only needed to increase advertisement revenue, which does not satisfy a consumer-necessity standard.

106. Minimal ad-supported systems could show non-targeted ads. This alternative is both functional and privacy preserving.⁴³

107. TCL chooses precision targeting which requires unnecessary data harvesting.

108. The existence of an alternative demonstrates TCL's data collection practices are excessive and not limited to what is reasonably necessary.

109. Lastly, to run targeted advertisements, TCL shares consumers' viewing data with demand-side platforms, ad networks, measurement companies, data brokers, and cross-device graphing companies.

110. Sharing data with third parties is not, and never was, necessary for TCL's core delivery service which provides consumers with access to streaming services and other television-viewing experiences.

⁴² *Contextual Advertising 2025*, Viasat (accessed Dec. 11, 2025), <https://tinyurl.com/2kfmedsb>.

⁴³ *How To Serve Non-Targeted Ads On Your Website*, Newor Media (Apr. 7, 2021), <https://tinyurl.com/5n6zm4sk>.

V. TCL'S ENTANGLEMENTS WITH THE COMMUNIST GOVERNMENT OF CHINA THREATEN TEXANS' PRIVACY

111. TCL is a Chinese state-owned enterprise under the control of the Chinese Communist Party (CCP).⁴⁴

112. TCL has received billions of dollars in CCP funds to subsidize its efforts to dominate global tech markets.⁴⁵

113. TCL *intentionally* incorporates “backdoors” into all of its TV sets which expose users to cyber breaches and data exfiltration at the hands of the CCP and other bad actors.⁴⁶

114. Chinese law obligates that TCL share the data of its users, including the approximately 2.95 million Texans, whenever the CCP requests it for whatever purpose.⁴⁷

115. TCL's terms and conditions and privacy policies state that they are governed by Chinese law.

116. Nowhere does TCL disclose to Texas consumers that every image and sound on their TCL Smart TV is collected, stored, and will be shared with the CCP upon request.

117. The CCP may use the ACR data it collects from its Smart TVs to influence or compromise public figures in Texas, including judges, elected officials, and law enforcement, and for corporate espionage by surveilling those employed in critical infrastructure, as part of the CCP's long-term plan to destabilize and undermine American democracy.⁴⁸

⁴⁴ Ethen Kim Lieser, *TCL (Who Makes Those Great Smart TVs) is Backed by the Chinese Government*, National Interest (Mar. 27, 2020), <https://tinyurl.com/4m5de8xx>.

⁴⁵ *Id.*

⁴⁶ Paul Wagenseil, *Department of Homeland Security: China using TCL TVs to spy on Americans*, Tom's Guide (Dec. 23, 2020), <https://tinyurl.com/yhsz7tcw>.

⁴⁷ *PRC National Intelligence Law (as amended in 2018)*, China Law Translate (June 27, 2017), <https://tinyurl.com/2s3mafxx>.

⁴⁸ FBI, *Made in Beijing: The Plan for Global Market Domination*, YouTube (Mar. 7, 2022), <https://tinyurl.com/mt562j7j>.

(E) if we decide to discontinue any part of the TCL Smart Services or replace it with an alternative service; and/or

(F) for any other reasons with 30 days' prior notice subject to applicable laws.

Unless otherwise specified in these Terms, termination will not affect rights, obligations and liabilities accrued before the date of termination.

12. Governing Law and Jurisdiction

12.1 These Terms are governed by the laws of the People's Republic of China (excluding the laws of Hong Kong SAR, Macao SAR and Taiwan) (China), except as otherwise provided by any mandatory applicable law in your jurisdiction, in which case the governing law in relation to all or particular rights and obligations of the parties shall be the laws of your usual place of residence.

12.2 The United Nations Convention on the International Sale of Goods is specifically excluded from application to these Terms.

12.3 To the extent permitted by applicable law, in the event of a dispute arising out of or in connection with your use of TCL Smart Services, TCL and you shall attempt, promptly and in good faith, to resolve any such dispute. In the event that no resolution can be concluded within 30 days from the date when such dispute has first been raised by either party, either party shall have the right to submit the dispute (which may be contractual or non-contractual) to the competent courts of China as the exclusive dispute resolution venue, unless applicable mandatory consumer protection laws in your jurisdiction prohibits from conferring such jurisdiction in which case the court of your usual place of residence will apply to such disputes related to these Terms. This does not affect your right to start proceedings to protect your legal position.

12.4 If you are a citizen of any European Union member states, after prior written request to TCL, you may also submit any claims on the dispute resolution platform by the European Commission at the following address: https://ec.europa.eu/info/live-work-travel-eu/consumers/resolve-your-consumer-complaint_en. The European Commission will transfer your claim to the notified competent national

TCL Terms and Conditions are governed by the laws of the People's Republic of China, as seen during TV setup

118. As a result, TCL Smart TVs are effectively Chinese-sponsored surveillance devices, recording the viewing habits of Texans at every turn without their knowledge or consent.

119. Texans should not be data-harvesting prey for Communists in China.

VI. TCL'S MISCONDUCT WARRANTS THE MAXIMUM IMPOSITION OF CIVIL PENALTIES

120. Texas is entitled to recover up to \$10,000 for each violation of the DTPA, and up to \$250,000 for each violation of the DTPA that was calculated to acquire or deprive money or other property from a consumer who was 65 years of age or older. Tex. Bus. & Com. Code § 17.47(c)(1).

121. Texas Bus. & Com. Code § 17.47(g) describes the six factors the trier of fact "shall consider" when determining the amount of civil penalties to impose: "(1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of any prohibited act or practice;

(2) the history of previous violations; (3) the amount necessary to deter future violations; (4) the economic effect on the person against whom the penalty is to be assessed; (5) knowledge of the illegality of the act or practice; and (6) any other matter that justice may require.”

122. Texas is not required to allege injuries to bring claims seeking civil penalties under the DTPA. Tex. Bus. & Com. Code § 17.47(a) (creating a cause of action “[w]henver the consumer protection division has reason to believe that any person is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by [the DTPA]....”).

123. The facts described above shall be considered by the jury when determining the civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(1)-(6).

124. TCL’s current financial situation must also be considered by the jury when determining civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(3)-(4), (6).

125. TCL’s history of anticompetitive, bribery, antitrust, stock manipulation, and anti-consumer practices must be considered by the jury when determining the civil penalties to impose. *See* Tex. Bus. & Com. Code § 17.47(g)(2), (5)-(6).

CAUSES OF ACTION

Count I

Violations of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code §§ 17.46 *et seq.* (“DTPA”)

126. Texas incorporates the forgoing allegations as set forth fully herein.

127. The Texas Deceptive Trade Practices Act prohibits false, misleading, or deceptive acts or practices in the conduct of trade and commerce. As alleged herein and detailed above, TCL has in the course and conduct of trade and commerce engaged in false, misleading, or deceptive acts or practices declared unlawful by and in violation of Section 17.46(a) and (b) of the DTPA.

128. At all times described below, TCL and their agents have engaged or continue to engage in conduct that constitutes “trade” and “commerce” as defined in Section 17.45(6) of the Texas Deceptive Trade Practices Act.

Violation 1: Misrepresentations Regarding the Collection of Personal Information

129. Texas Bus. & Com. Code § 17.46(a) prohibits “false, misleading, or deceptive acts or practices in the conduct of any trade or commerce.”

130. TCL falsely, expressly or by implication, misrepresents to Texas consumers that its Smart TV features are designed to provide consumers with a tailored viewing experience, while knowing the ACR embedded feature on its Smart TVs collects granular data to deliver hyper-focused consumer behavior insights to benefit itself and its advertising partners.

131. Through their misrepresentations, TCL violated Sections 17.46(a) of the DTPA.

Violation 2: Failure to Disclose Presence of Automated Content Recognition Technology

132. Texas Bus. & Com. Code § 17.46(b)(24) provides that “false, misleading, or deceptive acts or practices” includes “failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed.”

133. TCL engaged or continues to engage in false, misleading and deceptive acts when they fail to disclose to Texas consumers that they embed proprietary ACR technology into their Smart TVs. By withholding this information, TCL intend to induce Texas consumers into transactions they would not have entered had TCL disclosed this information.

134. In doing so, TCL violated Section 17.46(b)(24) of the DTPA.

TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION

135. Texas incorporates the forgoing allegations as set forth fully herein.

136. Generally, an applicant for a temporary restraining order or temporary injunction must plead and prove (1) a cause of action against the defendant; (2) a probable right to the relief sought; and (3) a probable, imminent, and irreparable injury in the interim.⁴⁹

137. However, the Texas Supreme Court has held that “when it is determined that [a] statute is being violated, it is within the province of the district court to restrain it” so “[t]he doctrine of balancing the equities has no application to this statutorily authorized injunctive relief.”⁵⁰

138. And “when an applicant relies upon a statutory source for injunctive relief . . . the statute’s express language supersedes the common law injunctive relief elements such as imminent harm or irreparable injury and lack of an adequate remedy at law.”⁵¹

139. Even so, the State’s inability to enforce its “duly enacted [laws] clearly inflicts irreparable harm on the State.”⁵²

140. This Court may issue a temporary restraining order with or without notice to the opposing party, while a temporary injunction requires notice.⁵³

⁴⁹ *Butnaru v. Ford Motor Co.*, 84 S.W.3d 198, 204 (Tex. 2002); *Polston v. State*, No. 03-20-00130-CV, 2022 WL 91974, at *3 (Tex. App.—Austin Jan. 6, 2022, no pet.); *Trove v. Scott*, No. 03-99-00118-CV, 1999 WL 546997, at *1 (Tex. App.—Austin July 29, 1999, no pet.) (not designated for publication); Tex. R. Civ. P. 680.

⁵⁰ *State v. Texas Pet Foods, Inc.*, 591 S.W.2d 800, 805 (Tex. 1979).

⁵¹ *West v. State*, 212 S.W.3d 513, 519 (Tex. App.—Austin 2006, no pet.); see *White Lion Holdings, L.L.C. v. State*, No. 01-14-00104-CV, 2015 WL 5626564, at *9 (Tex. App.—Houston [1st Dist.] Sept. 24, 2015, pet. denied) (mem. op.).

⁵² *Texas Ass’n of Bus. v. City of Austin*, 565 S.W.3d 425, 441 (Tex. App.—Austin 2018, pet. denied) (quoting *Abbott v. Perez*, 585 U.S. 579, 602 (2018)); see *Washington v. Associated Builders & Contractors of S. Tex. Inc.*, 621 S.W.3d 305, 319 (Tex. App.—San Antonio 2021, no pet.) (“Like the trial court, our sister court, and the Supreme Court, we agree that the ‘inability [of a state] to enforce its duly enacted [laws] clearly inflicts irreparable harm on the State.’” (quoting *Abbott*, 585 U.S. at 602 n.17, and *Texas Ass’n of Bus.*, 565 S.W.3d at 441)).

⁵³ See Tex. R. Civ. P. 680–81.

141. Whether to grant a temporary restraining order or temporary injunction rests with a trial court's sound discretion.⁵⁴

142. The purpose of a TRO is to maintain the status quo pending a full hearing on the merits, not to order the complete relief sought.⁵⁵ The same is true of a temporary injunction.⁵⁶

143. The Attorney General is charged with pursuing an action for a temporary restraining order, temporary injunction, or permanent injunction to prevent and restrain any violations of DTPA section 17.46(a)–(b).

144. Under the DTPA Texas need only prove the following to obtain a temporary restraining order and temporary injunction against TCL: (1) that the Attorney General has reason to believe it is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by the DTPA, and (2) that proceedings would be in the public interest.⁵⁷

145. The list of deceptive acts in section 17.46(b) is non-exhaustive and a restraining order is appropriate if Defendants engaged in any “[f]alse, misleading, or deceptive act[] or practice[].”⁵⁸

146. The fact that an entity has, or may, cease its unlawful conduct does not affect the State's entitlement to injunctive relief.⁵⁹

147. The DTPA itself creates a conclusive presumption that potentially violative conduct coupled with a public need presents a sufficient risk of harm.

⁵⁴ *In re MetroPCS Communications, Inc.*, 391 S.W.3d 329, 336 (Tex. App.—Dallas 2013, no pet.); *Butnaru*, 84 S.W.3d at 204.

⁵⁵ *In re Triantaphyllis*, 68 S.W.3d 861, 869 n.7 (Tex. App.—Houston [14th Dist.] 2002, no pet.) (citation omitted).

⁵⁶ *Intercont'l Terminals Co., LLC v. Vopak N. Am., Inc.*, 354 S.W.3d 887, 891 (Tex. App.—Houston [1st Dist.] 2011, no pet.).

⁵⁷ *West*, 212 S.W.3d at 518–19; *see also* Tex. Bus. & Com. Code § 17.47(a).

⁵⁸ Tex. Bus. & Com. Code § 17.46(a).

⁵⁹ *West*, 212 S.W.3d at 518–19.

148. The Attorney General has reason to believe that TCL is engaging in, has engaged in, or is about to engage in any act or practice declared to be unlawful by the DTPA and that a temporary restraining order and a temporary injunction would be in the public interest; consequently, this Court should immediately enter a temporary restraining order enjoining TCL and its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, from collecting, sharing, selling, disclosing, using, or disclosing the ACR data it collects from TCL Smart TVs about Texas consumers during the pendency of this suit.

TRIAL BY JURY

149. Texas demands a jury trial and tenders the appropriate fee with this petition.

PRAYER FOR RELIEF

150. Texas respectfully requests that this Honorable Court enter a judgment awarding the following for TCL's violations of the DTPA:

- (a) Imposing civil penalties of:
 - (1) not more than \$10,000 per violation of the DTPA; and
 - (2) if the act or practice that is subject of the proceeding was calculated to acquire or deprive money or other property from a consumer who was 65 years of age or older when the act or practice occurred, an additional amount of not more than \$250,000.
- (b) Declaring TCL's conduct as described herein to be in violation of the DTPA;
- (c) Temporarily and permanently enjoining TCL, their agents, employees, and all other persons acting on their behalf, directly or indirectly, from violating the DTPA, including by: (1) incorporating, employing, or otherwise using, directly or indirectly, any pattern or design that relates in any way to consumers' viewing data, which causes, or is intended to cause, a consumer to act in a way that they would not absent the pattern or design, including mechanisms to obtain consent from consumers; and (2) collecting, sharing, selling, using, or disclosing consumers' viewing data without providing customers with a clear

and conspicuous notice of TCL's practices and obtaining customers' express, informed consent.

- (d) Awarding the State attorney's fees and costs of court pursuant to Texas Government Code Section 402.006(c); and
- (e) Granting any other general, equitable, and/or further relief this Court deems just and proper.

Dated: December 15, 2025

Respectfully submitted,

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Attorney General of Texas

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ATTORNEYS FOR THE STATE OF TEXAS

VERIFICATION

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), Jake A. Evinger submits this unsworn declaration in lieu of a written sworn declaration, verification, certification, oath, or affidavit required by Texas Rule of Civil Procedure 682. I am an employee of the following governmental agency: Texas Office of the Attorney General. I am executing this declaration as part of my assigned duties and responsibilities.

I declare under penalty of perjury that the factual allegations in this motion are true and correct.

Executed in Harris County, State of Texas, on the 15th day of December 2025.

/s/ Jake Evinger _____
JAKE A. EVINGER

VERIFICATION

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), Michael O’Leary submits this unsworn declaration in lieu of a written sworn declaration, verification, certification, oath, or affidavit required by Texas Rule of Civil Procedure 682. I am an employee of the following governmental agency: Texas Office of the Attorney General. I am executing this declaration as part of my assigned duties and responsibilities.

On December 1st, 2025, our office purchased a TCL 32” Q31K Series (NEW 2025) 1080P FHD QLED Smart TV with Google TV- 32Q31K from walmart.com. Once received, I setup the TV using the on-screen interface for initial configuration provided to all new users. After setting up the TV, I continued to explore, interact and review the various settings and features available. I also reviewed defendants’ various user agreements, terms of service, and privacy policies available on the TV.

I declare under penalty of perjury that based on my experience navigating and utilizing the TV’s setup interface and user settings, review of privacy statements, agency records, and my personal knowledge, the facts pertaining to that TV stated in paragraphs 53–79 in the Petition are true and correct.

Executed in Travis County, State of Texas, on the 15th day of December 2025.

/s/ Michael O’Leary
MICHAEL O’LEARY