

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>IN RE TIKTOK, INC.,</b>	)	
<b>CONSUMER PRIVACY</b>	)	<b>MDL No. 2948</b>
<b>LITIGATION</b>	)	
	)	<b>Master Docket No. 20 C 4699</b>
	)	
<b>This Document Relates to</b>	)	
<b>All Cases</b>	)	<b>Judge John Z. Lee</b>
	)	<b>Magistrate Judge Sunil R. Harjani</b>
	)	

**MEMORANDUM OPINION AND ORDER**

Tens of millions of Americans use the social media and entertainment application now known as TikTok (“TikTok” or “the App,” formerly known as “Musical.ly”) to view, create, and share short videos. That is all well and good, but according to the lead plaintiffs (“Plaintiffs”) in this multidistrict litigation (“MDL”), the App’s widespread popularity comes at the expense of its users’ privacy rights. On behalf of a putative class comprising all TikTok users in the United States (an estimated 89 million people) and a subclass of Illinois users, Plaintiffs allege that ByteDance, Inc. (the China-based company that created TikTok) and its subsidiaries—TikTok, Inc., TikTok, Ltd., ByteDance Inc., and Beijing ByteDance Technology Co., Ltd. (collectively, “Defendants”)—have used the App to surreptitiously harvest and profit from collecting the private information of users in violation of numerous federal and state consumer privacy laws.

Last year, the Court granted Plaintiffs’ motion for preliminary approval of a class action settlement that would provide monetary relief to class members in the form of a \$92 million settlement fund, as well as broad injunctive relief prohibiting

Defendants from engaging in the alleged privacy violations going forward. *See In re TikTok, Inc. Consumer Priv. Litig.*, 565 F. Supp. 3d 1076 (N.D. Ill. 2021), ECF No. 161.

Now, after disseminating notice to the class and receiving approximately 1.4 million claims, Plaintiffs have filed a motion for final approval of the settlement, as well as a motion for attorneys' fees, expenses, and service awards. Various objectors have filed objections to both motions, as well as their own fee and service award petitions. For the following reasons, the Court certifies the Nationwide Class and Illinois Subclass for purposes of the settlement, grants Plaintiffs' motion for approval of the settlement, approves the fee and service award petitions to the extent stated below, and makes other rulings as applicable.

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## I. Background<sup>1</sup>

### A. **Factual and Early Procedural History**

The App is a social media and entertainment platform that allows users to view, create, and share short videos. Using the App, individuals can record videos and overlay them with visual effects, background music, and other enhancements. *See* Consol. Am. Class Action Compl. ¶¶ 127–28 (“Compl.”), ECF No. 114. After recording a video, a user can either save the video to their device or “post” the video to their TikTok account. *See id.* ¶¶ 146–47.

When a user posts a video to their account, the video is shared with the user’s “followers” (that is, other users who subscribe to see the user’s content) and also is posted publicly and displayed to users across the world using the App’s proprietary content-delivery algorithm. *Id.* ¶¶ 2, 7–9, 128. The algorithm uses artificial intelligence technologies and machine learning to gather information about a user and to predict what types of videos the user would want to see. *Id.* ¶¶ 8–9. The App then shows the user a curated feed of content (and advertisements) based on those predictions.<sup>2</sup> *Id.* ¶ 141.

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<sup>1</sup> The Court assumes familiarity with the facts of this case as stated in the Preliminary Approval Order. *See In re TikTok*, 565 F. Supp. 3d at 1079–83.

<sup>2</sup> For example, if a user “likes” or comments on a video of a dog dancing to a popular song, the App’s algorithm will “learn” about the user’s preference for such videos and will adjust to show the user more videos involving dogs or other animals dancing to music on the user’s video feed. *See* Compl. ¶ 268.

The simultaneous success and secrecy of TikTok's proprietary AI technology has prompted considerable backlash from privacy advocates, politicians, and the United States government. In February 2019, the Federal Trade Commission entered into a consent decree with several Defendants over the App's purported violations of the Children's Online Privacy Protection Act ("COPPA"), 15 U.S.C. § 6501 *et seq.*<sup>3</sup> The Department of Defense expressed concerns that its employees' use of the App raised security issues because of the App's "ability to convey location, image and biometric data to its Chinese parent company." Compl. ¶ 6. And several United States Senators called on the intelligence community to investigate TikTok's alleged ties to the Chinese government and its potential as a "target of foreign influence campaigns like those carried out during the 2016 election on United States-based social media platforms." Letter from Senator Charles E. Schumer and Senator Tom Cotton to Joseph Maguire, Acting Director of National Intelligence (Nov. 27, 2019) (on file with the United States Senate), <https://www.democrats.senate.gov/imo/media/doc/10232019%20TikTok%20Letter%20-%20FINAL%20PDF.pdf>.

These privacy concerns also prompted a wave of putative class action lawsuits against TikTok in federal courts across the country. Beginning in 2018, several plaintiffs' law firms began to investigate whether Defendants' AI and machine

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<sup>3</sup> Press Release, *Video Social Networking App Musical.ly Agrees to Settle FTC Allegations That It Violated Children's Privacy Law*, FTC (Feb. 27, 2019), <https://www.ftc.gov/news-events/news/press-releases/2019/02/video-social-networking-app-musically-agrees-settle-ftc-allegations-it-violated-childrens-privacy> (last accessed May 20, 2022).



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