

TIKTOK TECHNOLOGY LIMITED

10 Earlsfort Terrace, Dublin, D02 T380, Ireland

TIKTOK ITALY S.R.L.

Via mazzini 9-11 20123 - Milano

TIKTOK INFORMATION TECHNOLOGIES UK LIMITED

4 lindsey street,

London, EC1A 9HP.

Brussels, 09/04/2024

Re: demand for compensation and redress following the ruling issued by the Italian Competition Authority on March 5, 2024.

We're writing on behalf of Euroconsumers¹ regarding the recent ruling issued by the Italian Competition Authority on March 5, 2024², which imposed fines totaling 10 million euros on TikTok Technology Limited, TikTok Italy S.r.l., and TikTok Information Technologies UK Limited for engaging in unfair commercial practices on the TikTok platform. These practices have posed significant threats to the psycho-physical well-being of users, particularly children and adolescents, and your companies have failed to implement adequate measures to prevent their dissemination.

¹ Gathering five national consumer organisations (Test-Aankoop / Test-Achats in Belgium, Altroconsumo in Italy, DECO and DECO Proteste in Portugal, OCU in Spain, Proteste in Brazil) and giving voice to a total of more than 1.5 million people, Euroconsumers is the world's leading consumer group in innovative information, personalised services and defence of consumer's rights.

 $^{^2}$ PS12543 - Italian Competition Authority: TikTok sanctioned for an unfair commercial practice, https://en.agcm.it/en/media/press-releases/2024/3/PS12543

The violations outlined in the ruling, including the failure to diligently apply your own Guidelines communicated to users, the undue conditioning of users by re-proposing content exploiting the vulnerability of certain consumer groups, the inadequacy of control and supervision measures, especially concerning the protection of minors and vulnerable individuals, and the dissemination of content endangering the psycho-physical safety of children and adolescents, are deeply concerning.

Furthermore, the ruling highlights the insufficient control over content, despite TikTok's promises of a safe virtual environment. The discretionary interpretation and application of these Guidelines have resulted in inadequate protection of minors and vulnerable individuals.

Of particular concern is the undue conditioning generated by the use of a recommendation system based on algorithmic profiling techniques, exploiting the vulnerability of consumer groups to increase interactions and induce users to spend more time on the platform, consequently increasing advertising revenue or other economic benefits associated with prolonged platform use.

Considering the seriousness of these violations, it is imperative that TikTok Technology Limited, TikTok Italy S.r.l., and TikTok Information Technologies UK Limited take immediate action to rectify the situation and compensate all affected parties. The gravity of the situation is exacerbated by the enormous popularity of the TikTok platform, which has reached an average of 134 million monthly active recipients in the European Union between February 2023 and July 2023³, and continues to grow.

Additionally, the economic magnitude of your companies, as evidenced by significant revenues and profits, further underscores the responsibility to address the harm caused to consumers. It is evident that these practices have caused harm to users, particularly in terms of their psychophysical safety, and have also exploited their data for commercial purposes. Therefore, we demand appropriate compensation for the damages incurred by all affected parties.

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³ Information about TikTok's Monthly Active Recipients number for the European Union https://www.tiktok.com/transparency/en/eu-mau-2023-7/

We specifically demand compensation⁴ for each participant of the so called "French Scar" challenge⁵, as they have suffered direct harm due to the reckless dissemination of deleterious content on your platform.

Moreover, TikTok must implement and demonstrate, within a three-month period, the adoption of sufficient measures aimed at preventing the propagation of materials posing risks to the psychological and physical well-being of users, particularly minors and individuals vulnerable to harm.

TikTok is further required to adhere to the guidelines it has established and communicated to users, affirming the platform's designation as a secure environment. However, it is noted that these guidelines are applied without due regard to the unique susceptibility of adolescents, who may exhibit inclinations such as difficulty in discerning between reality and fiction, as well as a propensity to mimic group conduct.

In this regard, we request the launch, in agreement with Euroconsumers' organizations, of new communication initiatives, both within the app and through television, radio, and newspapers, as well as the implementation of educational activities aimed at fostering conscious and safe use of the platform, to be considered among the mitigation measures that Very Large Online Platforms as TikTok has to put in place according to art. 35, par. 1, lett. j, Regulation (UE) 2022/2065 (Digital Services Act).

We expect a prompt response detailing your proposed actions to rectify the situation and provide adequate compensation to the affected parties.

⁴ As a preliminary assessment, with a reservation of any further rights and deductions, we believe it appropriate for TikTik to establish a fund for the victims of the challenge. This request takes into account the total number of views (estimated to be close to 60 million) of challenge-related content and the fact that it has resulted in temporary facial deformation for those involved. Such effects may persist for several weeks and could potentially lead to significant skin damage. Therefore, in quantifying the damages, we propose utilizing commonly accepted tables for calculating minor biological injuries. It is reasonable to estimate an average biological damage of not less than 1000 euros per affected individual.

 $^{^5\} https://www.marca.com/en/lifestyle/world-news/2023/03/24/641d6e4f22601d62478b457a.html$

Failure to do so will leave us with no choice but to pursue legal action to protect the rights and interests of those harmed.

Please acknowledge receipt of this letter at your earliest convenience. Sincerely,

Marco Scialdone

Head Of Litigation

Euroconsumers





Sara Vermeulen

General Legal Advisor

Test Achat/Test Aankoop

Bianca Luongo

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Altroconsumo

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DocuSigned by:







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