

MARKETING

TikTok sues Trump administration over app ban

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US companies are banned from doing business with TikTok beginning September 15th. Image credit: TikTok

By LUXURY DAILY NEWS SERVICE

Chinese-owned video-sharing social media platform TikTok is suing the United States government after the current administration announced a ban of the mobile application in the U.S. market.

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An executive order from President Donald Trump banning TikTok due to national security concerns is set to go into effect next month. TikTok, a favorite among Generation Z consumers, announced the lawsuit in a blog post on Aug. 24.

"We believe the Administration ignored our extensive efforts to address its [national security] concerns, which we conducted fully and in good faith even as we disagreed with the concerns themselves," the company said in the announcement.

"To be clear, we far prefer constructive dialogue over litigation," TikTok's statement continued. "But with the Executive Order threatening to bring a ban on our U.S. operations [] we simply have no choice."

TikTok ban?

On Aug. 6, President Trump issued an executive order to ban TikTok unless it is sold by Beijing-based ByteDance to another company.

TikTok has been accused of potentially passing on user data, including IP addresses and geolocation data, to the Chinese government. Meanwhile, technology giant Microsoft has confirmed that it is in discussions to purchase TikTok in the U.S., Canada, Australia and New Zealand, which would help safeguard the data of U.S. users ([see story](#)).

However, TikTok argues in its lawsuit that its leadership, including its chief executive officer, global chief security officer and general counsel, are U.S. citizens residing stateside, and therefore are not subject to Chinese law.

TikTok also claims that U.S. user data is stored on servers outside of China, including the U.S. The complaint also argues that the executive order due process protections, among other criticisms against the administration.

Should the TikTok ban go into effect, it could negatively impact how American luxury brands are able to reach affluent Chinese consumers, giving European labels an even bigger advantage in terms of marketing reach.

China is the fastest-growing region of consumption for the luxury business and its rebound from COVID-19 makes it an ideal market to promote goods as U.S. retail continues to reel from the aftermath of the pandemic lockdown. An inability to use TikTok could be a hurdle to brands in the social media-heavy region, while giving European brands the spotlight ([see story](#)).

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