

	CAUSE NO. _____	
THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
v.	§	COMAL COUNTY, TEXAS
	§	
HISENSE USA CORPORATION,	§	
<i>Defendant.</i>	§	_____ JUDICIAL DISTRICT

**TEXAS’S ORIGINAL PETITION AND APPLICATION  
FOR TEMPORARY AND PERMANENT INJUNCTIONS**

**Your TV is watching you back.** Hisense Smart TVs aren’t just entertainment devices—they’re mass surveillance systems sitting in millions of American living rooms. What consumers thought would enhance their viewing experience actually tracks, analyzes, and sells intimate details about everything they watch. Through Automatic Content Recognition (ACR) technology, Hisense 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. Hisense harvests this data, builds profiles of consumers’ behavior, and sells it for profit.

**Consumers never agreed to Hisense 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 Hisense makes ACR the default setting and buries any explanation in dense legal jargon that few will read or understand. The so-called “consent” Hisense 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.

**Hisense’s mass surveillance of consumers violates Texas law.** The Texas Deceptive Trade Practices Act exists to stop exactly this kind of unfair, deceptive conduct. Hisense 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: Hisense 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 Hisense accountable.** Texas Attorney General Ken Paxton, on behalf of the State of Texas, hereby sues Defendant HISENSE USA CORPORATION ("Hisense") for violating Tex. Bus. & Com. Code § 17.46 (the Texas Deceptive Trade Practices Act or "DTPA").

### **DEFENDANT**

1. **Defendant Hisense USA Corporation** ("Hisense") is a foreign corporation regularly transacting, soliciting, and conducting business in Texas, that is headquartered in Suwanee, Georgia and incorporated under the laws of Georgia.

### **JURISDICTION AND VENUE**

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

3. Venue is proper in Comal County, Texas, because a substantial part of the events or omission giving rise to Texas's claims occurred in Comal County, because Hisense has done business with retailers and consumers in Comal County, because Hisense unlawfully surveilled consumers who own Smart TVs in Comal County, and because Hisense advertised and sold Smart TVs to consumers at locations in Comal County.

4. Jurisdiction is proper because Hisense 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 Hisense transacts business in Texas and is therefore subject to Texas' long-arm statute, *see* Tex. Civ. Prac. & Rem. Code §§ 17.001–093.

5. The Court has general jurisdiction over Hisense 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). Hisense maintains its presence in Texas through its authorized distributor and service provider located at 701 Spinks Rd, Suite 100, Lewisville, TX 65067. It also maintains its presence in Texas through its authorized retailers' hundreds of locations across the state, such as Amazon, Best Buy, BJ's Wholesale, Costco, Lowe's, Sam's Club, Target, and Walmart.

6. Alternatively, the Court has specific jurisdiction over Hisense because it purposefully availed itself of the privileges of conducting activities in Texas and the causes of action in this suit arise out of or relate to Hisense'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).

### **DISCOVERY**

7. 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 the State seeks non-monetary injunctive relief as part of its claims.

8. Additionally, the State 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. HISENSE’S SPYSCREENS ARE PERVASIVE IN TEXAS**

1. Hisense was originally founded in 1969 in Qingdao, China as a radio manufacturer.<sup>1</sup> It has since expanded into a technology behemoth selling electronics in over 130 countries around the world under many brand names, including Sharp and Toshiba.<sup>2</sup>

2. Hisense claimed the number two position in global TV shipments in 2022, which it credits to its “pursuit to help provide millions of families with a high-quality and healthy life.”<sup>3</sup>

3. In 2024, Hisense shipped more than 29.14 million TVs around the world—a 14% global market share.<sup>4</sup>

4. Hisense’s Smart TV portfolio includes TVs running the Google TV operating system, Roku OS, and its own VIDAA operating system; all are connected to monitor and advertise to consumers in Hisense’s ecosystem.<sup>5</sup>

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

6. By 2026, Hisense aims to become the No. 1 TV company in the U.S.<sup>6</sup>

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<sup>1</sup> *About Hisense*, Hisense USA, <https://tinyurl.com/yyxbjavs>.

<sup>2</sup> *Id.*

<sup>3</sup> *Hisense Ranks No.2 Globally for TV Shipments for Third Consecutive Quarter*, PR Newswire (Aug. 24, 2023), <https://tinyurl.com/3npf43v2>.

<sup>4</sup> *Hisense TV Shipments*, Hisense (Feb. 18, 2025), <https://tinyurl.com/y3h52s82>.

<sup>5</sup> *Smart TV Made Simple*, Hisense (accessed Dec. 11, 2025), <https://tinyurl.com/y2krv9zv>.

<sup>6</sup> *China’s Hisense Aims to Become the No. 1 TV Company in the U.S. within 2 years, Top Executive Says*, CNBC, (Nov. 4, 2024), <https://tinyurl.com/5a9u8mp5>.

7. 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.<sup>7</sup>

8. Hisense holds roughly 6% of the U.S. Smart TV installed base, which converts to approximately 470 thousand households across Texas alone.<sup>8</sup>

9. With an average of 2.7 persons per household, nearly 1.27 million Texans, nearly one in twenty Texans likely live in a home monitored by Hisense Smart TVs.

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

**A. ACR Technology.**

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

12. Since the 1950s, Nielsen has *paid consumers* to permit it to track the viewership habits of approximately 42,000 representative households.<sup>9</sup>

13. 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.<sup>10</sup>

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

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<sup>7</sup> 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/2vpjsrpr>.

<sup>8</sup> *Share of smart TVs in U.S. households during the month of June from 2019 to 2021, by OEM*, Statista Research (Nov. 26, 2025), <https://tinyurl.com/5n7475se>.

<sup>9</sup> 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>.

<sup>10</sup> *Id.*

15. 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.<sup>11</sup>

16. ACR has become a multi-billion-dollar global business.<sup>12</sup>

17. 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.<sup>13</sup>

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

19. 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 then the ACR server can determine what piece of content is being watched.<sup>14</sup>

20. 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.<sup>15</sup>

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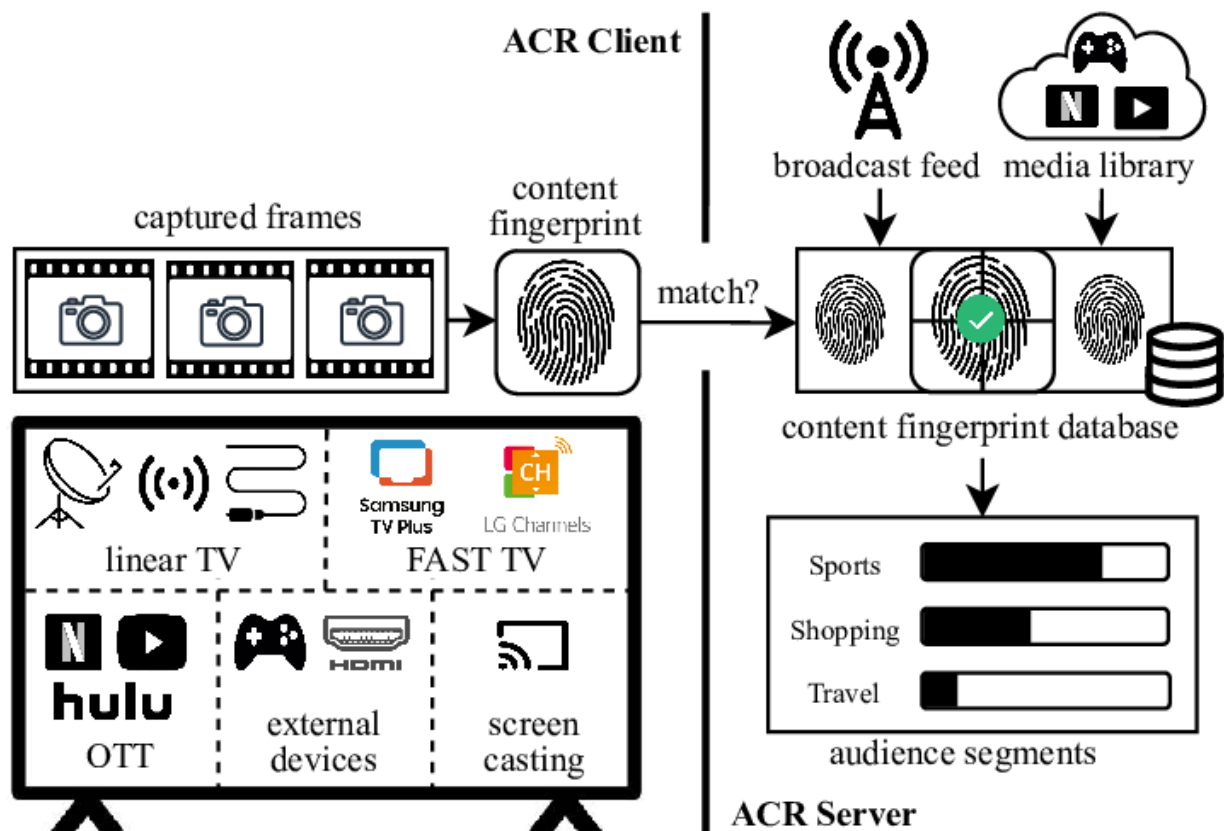
<sup>11</sup> Lee Neikirk, *How to Get Your Smart TV to Stop Spying on You*, NY Times (Oct. 6, 2025), <https://tinyurl.com/vvrc7hza>.

<sup>12</sup> *Id.*

<sup>13</sup> FTC, *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* (Feb. 6, 2017), <https://tinyurl.com/3s6uf63m>.

<sup>14</sup> Gianluca Anselmi, et al., *Watching TV with the Second-Party: A First Look at Automatic Content Recognition Tracking in Smart TVs* (Sept. 2024), <https://tinyurl.com/3248jceez>.

<sup>15</sup> *Id.*



21. 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 Google Cast, and from other devices connected to your TV by HDMI, including personal laptops, video game consoles, and Blu-ray players.<sup>16</sup>

22. 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 updated.<sup>17</sup>

23. Nearly three-fourths of U.S. households have a Smart TV with ACR.<sup>18</sup>

<sup>16</sup> *Id.*

<sup>17</sup> 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>.

<sup>18</sup> *Id.*

24. Experts have described ACR as “like someone has installed a camera 24-7 in your living room.”<sup>19</sup>

## II. HISENSE’S MASS SURVEILLANCE ACR PROGRAM

25. Hisense began incorporating ACR into their devices in 2019, through Alphonse, Inc.<sup>20</sup>

26. Since Hisense entered the TV business in the early 2000s, it has undercut the competition on the retail price of TVs.<sup>21</sup>

27. To make a profit, Hisense’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 recent years with Hisense’s aggressive expansion.<sup>22</sup> By 2024, Hisense shipped more than 29.14 million TVs worldwide.

28. Hisense’s ACR monitors consumers by capturing audio and video from the millions of Hisense Smart TVs in the U.S. every 500 milliseconds—7,200 images per hour.<sup>23</sup>

29. Hisense employs this tracking across all devices connected to the Hisense Smart TVs, 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.

30. Hisense Smart TVs also tracks other devices that share the same IP address as the Hisense Smart TVs.

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<sup>19</sup> *Id.*

<sup>20</sup> *End User Terms and Conditions*, Hisense USA (Feb. 1, 2019), <https://tinyurl.com/3ks5en97>.

<sup>21</sup> 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>.

<sup>22</sup> *Id.*

<sup>23</sup> Mohamed Al Elew & Gabriel Hongdsutit, *Your Smart TV Knows What You’re Watching*, Markup (Dec. 12, 2023), <https://tinyurl.com/rj9fppfd>.



31. 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.<sup>24</sup>

32. Furthermore, because ACR, metadata, and identifiers combine, the collected data becomes more than just "what show a consumer watched."<sup>25</sup>

33. 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.

34. Hisense builds profiles on consumers based on what genre when, how often, and what ads consumers see. This yields "household-level content viewership" that is used for advertising.<sup>26</sup>

35. Hisense 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.

36. Hisense 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.

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

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<sup>24</sup> Jack Morse, *How to make your smart TV a little dumb (and why you should)*, Mashable (Mar. 4, 2021), <https://tinyurl.com/ms48cccf>.

<sup>25</sup> *Id.*

<sup>26</sup> *Four Ways Automatic Content Recognition Data Unlocks Advertising Success*, CMO Tech Asia (April 11, 2024), <https://tinyurl.com/2xx6za99>.

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

### III. HISENSE’S DATA COLLECTION PROGRAM IS UNLAWFUL<sup>27</sup>

39. Hisense 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.

40. Hisense 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 from consumers in a deceptive or misleading manner.

41. Hisense’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.

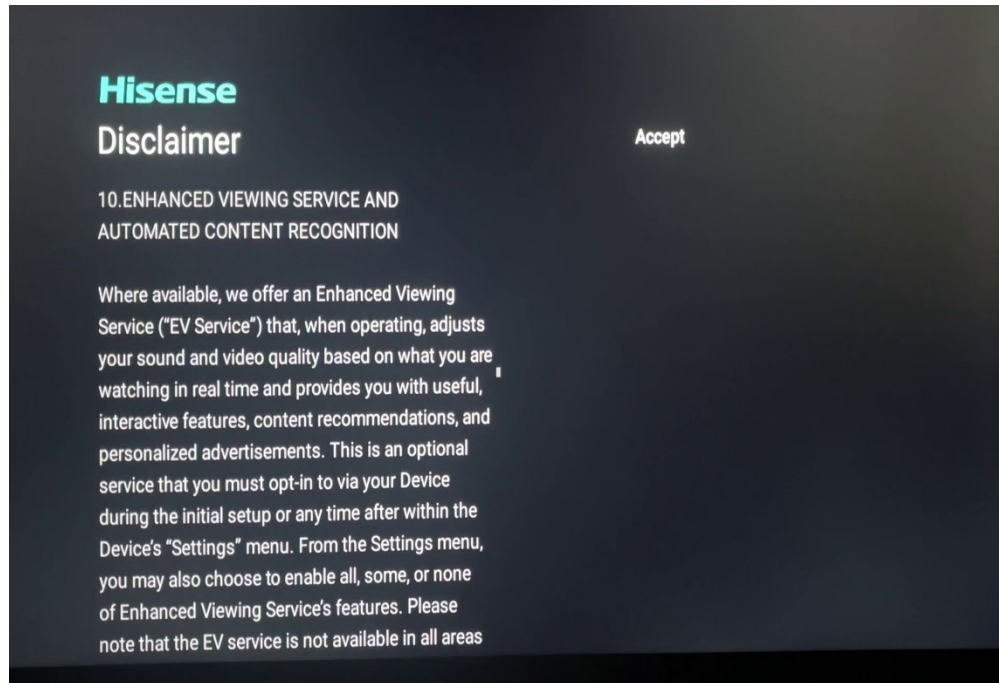
42. Hisense’s user interface (“UI”) reveals a surveillance-by-default design philosophy that is intended to manipulate consumer consent to align with its business interests. This scheme is illustrated in the following two ways.

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

44. In Hisense’s first mention of ACR, it refers to ACR as *Enhanced Viewing Service*.

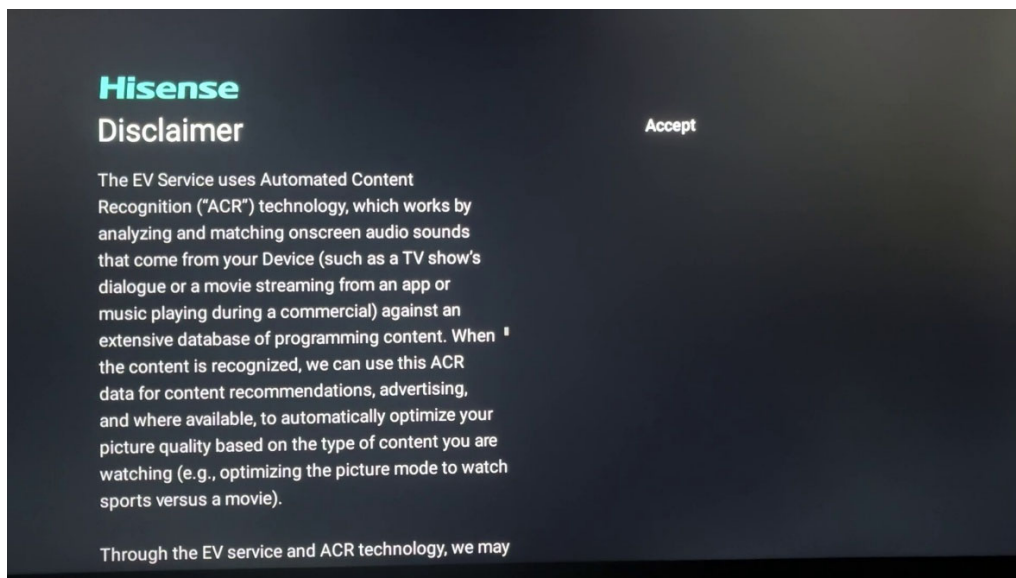
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<sup>27</sup> The allegations in this suit hereby serve as notice under Tex. Bus. & Com. Code § 541.154. Should Hisense *fail* to cure the violations of Tex. Bus. & Com. Code §§ 541.101–102 described herein within 30 days, Texas *will* amend to add claims for violations of the Texas Data Privacy and Security Act.



*Captured during Hisense Smart TV setup*

45. Only after *twenty-plus clicks* does Hisense mention that its *Enhanced Viewing Service* is in fact ACR.



*Captured during Hisense Smart TV setup*

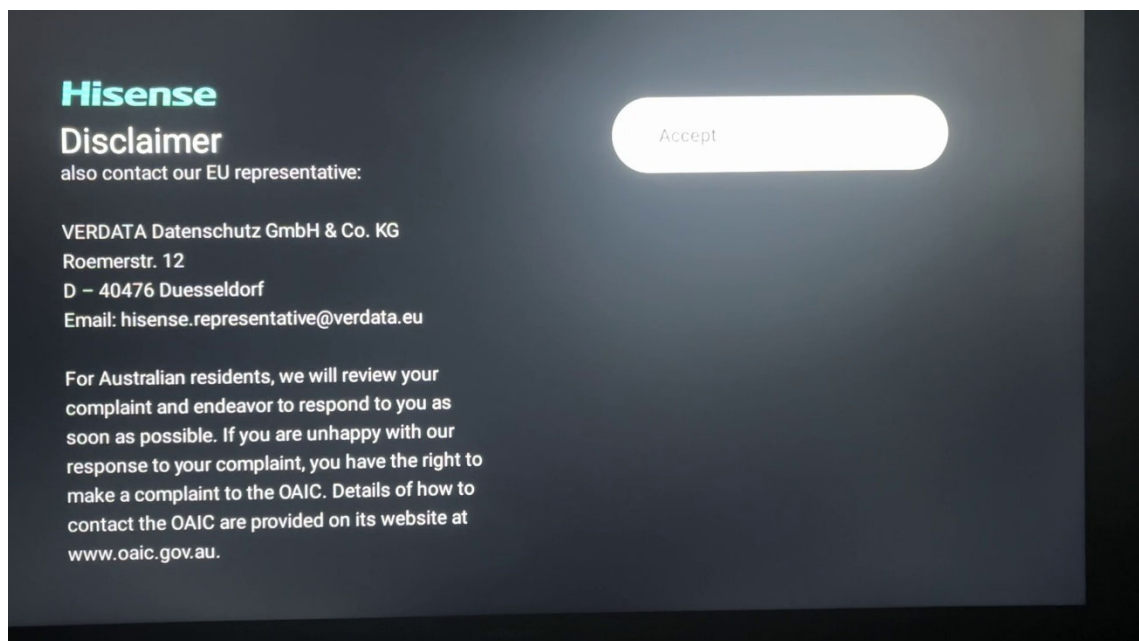
46. The mislabeling of ACR on the consent screens presented to consumers does not put them on notice, let alone give rise to any reasonable inference, about what activity they are

enabling and certainly does not inform them that ACR technology integrated into Hisense's TVs permits continuous real-time capturing of *every sound and image on their Smart TV every second*.

47. *Second*, consent is not informed because consent is requested during forced initial set up.

48. When Hisense 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.

49. After *thousands of clicks* and *upwards of 20 minutes* clicking through technical, convoluted terms, consumers are presented with one *only one choice* prominently displayed: *Accept*.



50. Nearly all consumers click *Accept* to simply finish the setup.

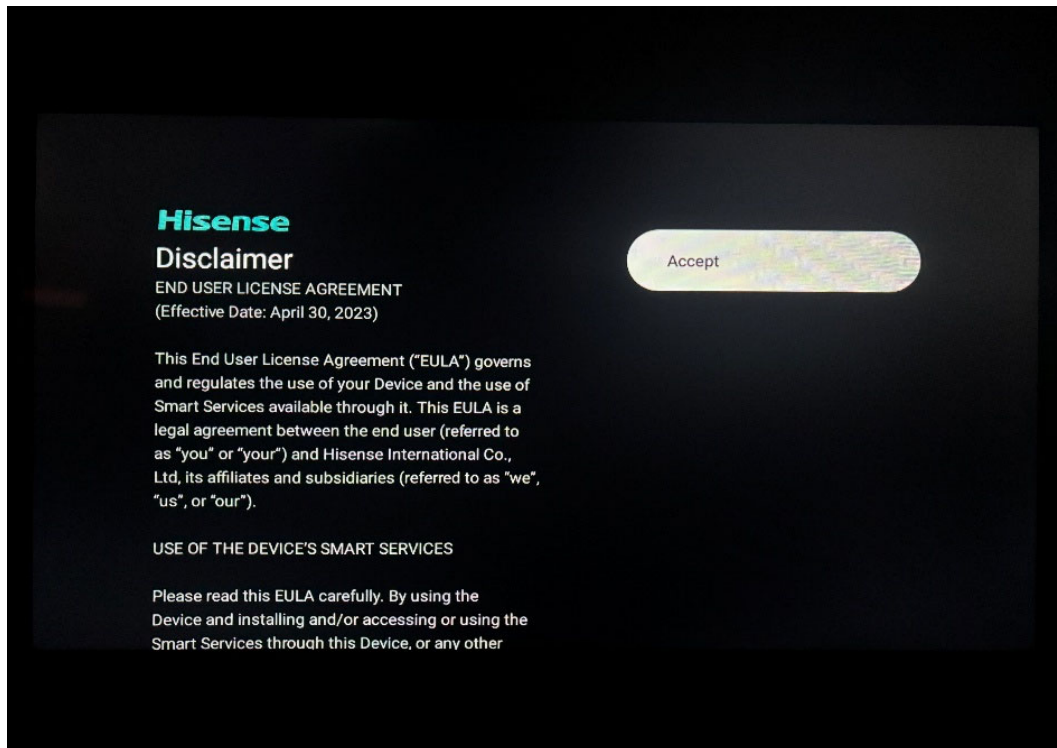
51. Hisense intentionally created this deceptive consent architecture to present the consents and notices when consumers are least likely to read and carefully consider them in their eagerness to start watching their new Smart TV.

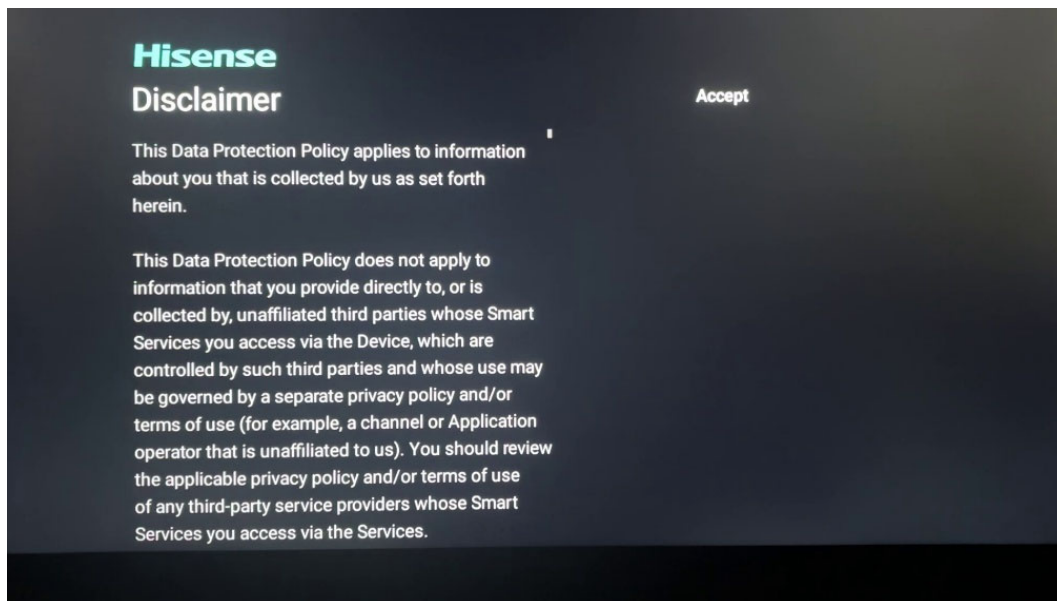
**B. Privacy Choices Are Not Meaningful.**

52. Hisense’s opt-out/opt-in architecture, and its privacy “section” undermines the adequacy of meaningful choice in two ways.

53. *First*, Hisense buries consumers ability to exercise their privacy choices within its *End User License Agreement*. Consumers cannot navigate to a standalone privacy policy during the initial Smart TV set up.

54. Instead, they must navigate *through thousands of clicks* to review the *Data Protection Policy section* toward the *end* the End User License Agreement.





*Captured during Hisense Smart TV setup*

55. *Second*, privacy choices are not meaningful because opt-out rights are scattered across four or more separate menus which requires over 200 clicks to read through in full on the TV, and the *End User License Agreement* can only be accessed during the initial TV set up.

56. Consumers cannot opt-out of ACR and related ad tracking on Hisense's Smart TVs during the initial start-up.

57. After having no other choice but to accept the ACR tracking, consumers must later go through a long process hidden behind multiple screens (Settings → Privacy → Ads → Delete advertising ID ).

58. Hisense makes it nearly impossible for Consumers to revisit the *End User License Agreement* that is reviewed and accepted during the initial Smart TV set up.

59. Notably, the opt-out instructions available online via Hisense's *End User Terms and Conditions*, effective February 1, 2019, are different (Home → Settings → Advanced Settings → click

turn off “Automatic Content Recognition.”). The *End User License Agreement* (effective April 30, 2023), *from* the initial Smart TV set up, is not available online.

If you have previously Opted-In but no longer wish to receive the benefits of the ACR service and wish to stop the collection of your SmartTV Viewing Data, you may disable the operation of the ACR service at any time by turning off the ACR service in the “Settings” menu for this device, as follows: Go to the “Home” screen, select “Settings”, select “System”, select “Advanced Settings”, and **Opt-Out** by selecting the icon to turn off “Automatic Content Recognition”.

60. Conversely, Hisense requires consumers to enable ACR with a one-click enrollment button to **opt-in** during the initial start-up process.

61. The juxtaposition between Hisense’s default one-click accept or **opt-in** enrollment and the multiples clicks spread across multiple menus to decline or **opt-out** are quintessential examples of unlawful dark patterns, including “Privacy Zuckering,” tricking consumers into sharing more private 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.<sup>28</sup>

**C. Consumers Cannot Reasonably Be Expected to Understand Hisense’s Smart TVs Come Equipped with Surveillance Capabilities.**

62. Hisense’s disclosures are false, deceptive, and misleading.

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

64. 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.<sup>29</sup>

<sup>28</sup> 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>.

<sup>29</sup> Katie McQuater, *US consumers lack awareness of consent around smart TVs, finds study*, Research Live (July 9, 2018), <https://tinyurl.com/3zk2m2te>.

65. Hisense takes advantage of consumers' naivety when it comes to the technical possibilities within a Smart TV.

66. Hisense'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."

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

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

#### **IV. HISENSE'S INSATIABLE APPETITIE FOR CONSUMER DATA FAR EXCEEDS WHAT IS REASONABLY NECESSARY**

69. Hisense's collection of viewing data is excessive, disproportionate, and unnecessary for the specific purposes disclosed to consumers.

##### **A. Personalized Content**

70. "Personalized content" is not a legitimate purpose for collecting ACR data about consumers.

71. But even if the Court finds that "personalized content" is a legitimate purpose, Hisense's ACR data collection still goes beyond Hisense's reasonable data needs.

72. Providing consumers with personalized content does not require the capture of ACR fingerprints every second.

73. To personalize a homepage or recommend shows, Hisense 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.



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

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

76. 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.

77. None of which contributes to Hisense providing consumers with “personalized content.”

78. 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.<sup>30</sup>

## **B. Targeted Advertising**

79. “Serving you with targeted advertisements” is not a legitimate purpose for collecting ACR data about consumers.

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

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

82. While detailed or behavioral data may enhance the relevance of advertisements, this type of data is not strictly necessary to deliver targeted advertisements.<sup>31</sup>

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<sup>30</sup> CookieHub, *Privacy is personal, but doesn’t erase potential for personalization* (accessed Dec. 6, 2025), <https://tinyurl.com/4ve3vwn4>.

<sup>31</sup> *Contextual Advertising 2025*, Viasat (accessed Dec. 11, 2025), <https://tinyurl.com/2kfmedsb>.

83. 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.

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

85. Minimal ad-supported systems could show non-targeted ads. This alternative is both functional and privacy preserving.<sup>32</sup>

86. Hisense chooses precision targeting which requires unnecessary data harvesting.

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

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

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

## **V. HISENSE'S ENTANGLEMENTS WITH THE CHINESE GOVERNMENT THREATEN TEXANS' PRIVACY**

90. Hisense is a Chinese state-owned enterprise under the control of the Qingdao government.<sup>33</sup>

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<sup>32</sup> *How To Serve Non-Targeted Ads On Your Website*, Newor Media (Apr. 7, 2021), <https://tinyurl.com/5n6zm4sk>.

<sup>33</sup> Salvatore Banones, *Love Your New TCL or Hisense 4K Smart TV? The Chinese Government Made That TV.*, National Interest (Jan. 23, 2020), <https://tinyurl.com/ay54b8et>.

91. Hisense has received billions of dollars in Chinese government funds to subsidize its efforts to dominate global tech markets.<sup>34</sup>

92. Hisense has a history of data insecurity, which is exacerbated by its Chinese government ties, exposing users to cyber breaches and data exfiltration at the hands of the Chinese government and other bad actors.<sup>35</sup>

93. Chinese law obligates that Hisense share the data of its users, including the approximately 1.27 million Texans, whenever the Chinese government requests it for whatever purpose.<sup>36</sup> Hisense's policy does not disclose this.

94. Instead, Hisense's *End User Terms and Conditions* state that it “*may transfer*” your personal information to the Peoples Republic of China.

#### 9. INTERNATIONAL TRANSFER OF INFORMATION

We may transfer and store Personal Information you provide to us in connection with your use of the Device on servers located in countries outside of your jurisdiction. We may also transfer Personal Information we collect from you to the People's Republic of China or to other countries outside of your jurisdiction to Hisense or to the third parties referred to in this Privacy Policy. By providing your personal information to us, you consent to us transferring your information outside of your jurisdiction.

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

96. 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

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<sup>34</sup> David Hsieh, *How China's TV Subsidy Program is Stabilizing LCD Open Cell Prices*, Omdia (Oct. 14, 2024), <https://tinyurl.com/42zhmmjn>.

<sup>35</sup> Markkus Rovito, *The 5 Best And 5 Worst Things About Hisense TVs*, Slashgear (Oct. 24, 2025), <https://tinyurl.com/4c78m2bd>.

<sup>36</sup> *PRC National Intelligence Law (as amended in 2018)*, China Law Translate (June 27, 2017), <https://tinyurl.com/2s3mafxx>.

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.<sup>37</sup>

97. As a result, Hisense Smart TVs are effectively Chinese-sponsored surveillance devices, recording the viewing habits of Texans at every turn without their knowledge or consent. None of this is properly disclosed.

98. Texans should not be data-harvesting prey for the People's Republic of China.

## **VI. HISENSE'S MISCONDUCT WARRANTS THE MAXIMUM IMPOSITION OF CIVIL PENALTIES**

99. 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).

100. 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."

101. 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

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<sup>37</sup> FBI, *Made in Beijing: The Plan for Global Market Domination*, YouTube (Mar. 7, 2022), <https://tinyurl.com/mt562j7j>.

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]....”

102. 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).

103. Hisense’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).

104. Hisense’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”)**

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

106. 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, Hisense 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(b) of the DTPA.

107. At all times described below, Hisense and its 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: Failure to Adequately Disclose Presence of Automated Content Recognition Technology**

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

109. Hisense falsely, expressly or by implication, misrepresents to Texas consumers that its *Enhanced Viewing Services* feature is 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.

110. Through their misrepresentations, Hisense violated Sections 17.46(a) of the DTPA.

**Violation 2: Failure To Disclose That It May Provide The Peoples Republic Of China With Consumers’ Personal Data Upon Request, As Required By Chinese Security Laws**

111. 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.”

112. Hisense engaged or continue to engage in false, misleading and deceptive acts when it fails to disclose to Texas Consumers that under Chinese law, Hisense is required to transfer its collections of Texas consumers’ personal data to the Peoples Republic of China when requested by the PRC and when it inadequately discloses to Texas consumers that it embeds proprietary ACR technology into its Smart TVs. By withholding this information, Hisense intends to induce Texas consumers into transactions they would not have entered had Hisense disclosed this information.

113. In doing so, Hisense violated Section 17.46(b)(24) of the DTPA.

### **TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION**

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

115. 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.<sup>38</sup>

116. 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.”<sup>39</sup>

117. 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.”<sup>40</sup>

118. Even so, the State’s inability to enforce its “duly enacted [laws] clearly inflicts irreparable harm on the State.”<sup>41</sup>

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<sup>38</sup> *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.

<sup>39</sup> *State v. Texas Pet Foods, Inc.*, 591 S.W.2d 800, 805 (Tex. 1979).

<sup>40</sup> *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.).

<sup>41</sup> *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)).

119. This Court may issue a temporary restraining order with or without notice to the opposing party, while a temporary injunction requires notice.<sup>42</sup>

120. Whether to grant a temporary restraining order or temporary injunction rests with a trial court's sound discretion.<sup>43</sup>

121. 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.<sup>44</sup> The same is true of a temporary injunction.<sup>45</sup>

122. 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).

123. Under the DTPA Texas need only prove the following to obtain a temporary restraining order and temporary injunction against Hisense: (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.<sup>46</sup>

124. The list of deceptive acts in section 17.46(b) is non-exhaustive and a restraining order is appropriate if Defendant engaged in any “[f]alse, misleading, or deceptive act[] or practice[].”<sup>47</sup>

125. The fact that an entity has, or may, cease its unlawful conduct does not affect the State's entitlement to injunctive relief.<sup>48</sup>

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<sup>42</sup> See Tex. R. Civ. P. 680–81.

<sup>43</sup> *In re MetroPCS Communications, Inc.*, 391 S.W.3d 329, 336 (Tex. App.—Dallas 2013, no pet.); *Butnaru*, 84 S.W.3d at 204.

<sup>44</sup> *In re Triantaphyllis*, 68 S.W.3d 861, 869 n.7 (Tex. App.—Houston [14th Dist.] 2002, no pet.) (citation omitted).

<sup>45</sup> *Intercont'l Terminals Co., LLC v. Vopak N. Am., Inc.*, 354 S.W.3d 887, 891 (Tex. App.—Houston [1st Dist.] 2011, no pet.).

<sup>46</sup> *West*, 212 S.W.3d at 518–19; see also Tex. Bus. & Com. Code § 17.47(a).

<sup>47</sup> Tex. Bus. & Com. Code § 17.46(a).

<sup>48</sup> *West*, 212 S.W.3d at 518–19.



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

127. The Attorney General has reason to believe that Hisense 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 Hisense 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 Hisense Smart TVs about Texas consumers during the pendency of this suit.

#### **TRIAL BY JURY**

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

#### **PRAYER FOR RELIEF**

129. Texas respectfully requests that this Honorable Court issue a judgment awarding the following for Hisense'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 Hisense's conduct as described herein to be in violation of the DTPA;
- c. Temporarily and permanently enjoining Hisense, 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 Hisense'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

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Attorney General of Texas

**BRENT WEBSTER**

First Assistant Attorney General

**RALPH MOLINA**

Deputy First Assistant Attorney General

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Deputy Attorney General for Civil Litigation

Respectfully submitted,

/s/ Johnathan Stone

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**ATTORNEYS FOR THE STATE OF TEXAS**

### **VERIFICATION**

Pursuant to Tex. Civ. Rem. & Prac. Code § 132.001(f), Tisha James 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/ Tisha James  
TISHA JAMES

## **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 Hisense 32-inch Class A45 Series FHD 1080p Google Smart TV – DTS Virtual: X, Game & Sports Modes, Chromecast Built-in – 32A45K 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 Hisense’s various user agreements, terms of service, and privacy policies available on the TV.

I declare under penalty of perjury that based on my personal 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 42 - 61 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