

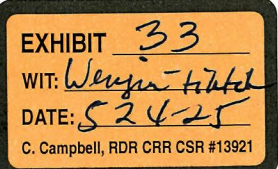
AMENDED Exhibit 406

PLAINTIFFS' OMNIBUS OPPOSITION TO DEFENDANTS' MOTIONS FOR SUMMARY JUDGMENT

Case No.: 4:22-md-03047-YGR

MDL No. 3047

In Re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation



[P&C] Decision Doc: Force Login vs. Guest Mode (Consent Box + Age Gate) in US/EU

Outcome of 3/8 meeting:

1. No decision made as of 3/8
2. Need to list all legal concerns - [REDACTED] provided more in this meeting
3. Need more detailed list of features for Guest Mode [REDACTED]
4. Create separate decision doc for EU vs. US @Sean Kim @Michael Buzinover
5. We will have 2 separate meetings for EU vs. US - include [REDACTED] for US meeting
6. We will meet again this week after we have more info. EU doc to review for the next meeting: [HYPERLINK [REDACTED]]

Problem Statement

Regulators are concerned with the data TikTok collects from unregistered users (who might potentially be under-age), how we use the data, what data privacy rights we provide them, and how we comply with privacy law. Starting 8/29/20, we launched force login 100% for new users and 20% for existing non-registered users globally. **Due to negative impact on growth, we rolled back force login in place of 'consent box' globally (excluding US/EU). However US/EU still shows force login for new users and consent box for existing non-registered users.** Separately, due to an [HYPERLINK "https://www.forbes.com/sites/carlieporterfield/2021/02/03/tiktok-will-bar-users-aged-13-and-under-in-italy-after-10-year-old-girls-death/" \h] in Italy, we implemented force login for existing non-registered users to confirm with the Italian Data Protection Authority that all Italian users have provided their age.

Current status of force login vs. consent box globally.

Country	New user	Existing non-registered user
US	Force login	Consent box
EU (excl. Italy)	Force login	Consent box

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Commented [2]: [REDACTED]

Commented [3]: [REDACTED - Attorney Client]

Elaine Fox : [REDACTED - Attorney Client]

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Commented [5]: [REDACTED - Attorney Client]

Italy	Force login	Force login
RoW	Consent box	Consent box

What is a potential solution?

In this document, we recommend a new option called **Guest mode (consent box + age gate)** as an alternative to force login. Guest mode minimizes friction in onboarding, but adds complexity to compliance and monetization.

	Age Gate	Monetisation Benefits	User Rights Tools	No requirement to logically separate data storage & design separate data capture logic	Reduced sign-up friction	No hybrid model required
	To prohibit children from using the App	Greater IP data collection	Current availability of data downloaded and in-app reporting feature	No logical separation of data capture/storage between registered and unregistered users required	Less friction to user onboarding	Removes requirement to maintain current hybrid ID
Option 1: Forced Login	✓	✓	✓	✓	✗	✓
Option 2: Consent Box + Age Gate	✓	✗	✗	✓*	✓	✗

* conditional on making all user rights tools/features available to unregistered users

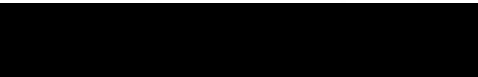
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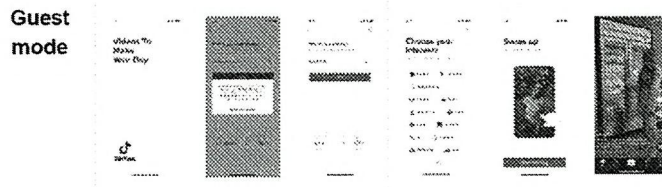
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What is the business impact by end of 2021?



Current	Welcome	Signup	Age Gate	Signup (1P)	Interest	Swipe up	FYP
Forced Login							
Proposed							

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What decisions need to be made?

For all decisions, we recommend testing with a small audience before rolling out 100%.

Decision 1: EU (excluding Italy)

1. **New users:** Roll back force login and enable guest mode
2. **Existing non-registered users:** Status quo

Request from EU Privacy Legal: Redacted - Attorney Client

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Decision 2: Italy

Given the recent situation in Italy, legal recommends keeping the experience status quo.

1. **New users:** Recommendation is force login (status quo). We will re-evaluate risk when Guest Mode feature is ready for testing in 18 weeks.
2. **Existing non-registered users:** Recommendation is force login (status quo).

E	Options	Pros	Cons
U			
1	Force login (status quo)	1. Improve monetization: User registration info (email, phone) improves ads targeting 2. Less engineering work: a. Minimize Data	1. Greater sign-up friction: Requiring users to register using email/password will lead to sign-up friction 2. Lower DAU

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Segregation: Less eng
worked required to
distinguish how we store
data (everyone is logged
in)

b. **User Rights Tools:**
In-app data download,
data deletion and in-app
reporting tool already
available allowing users
to exercise their data
subject access data
portability rights, also
right of erasure in the
same way as registered
users

c. **No hybrid UX:** Build
for one experience to
expedite product/eng
work in the future

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- 2 Guest Mode
1. **Less sign-up friction:** Ease friction in onboarding
 2. **Increase DAU**

1. **Decrease monetization opportunity:** Lack of first party data collection has negative impact on monetization that uses email/phone matching to monetize users. Reliance on DID (IDFA/GAID) may be unstable and inadequate.

2. The formal introduction of "Guest Mode" draws attention to some of the other data collection practices we're doing on main registration. Will need a lot of corresponding work around Privacy Policy, Help Centre, consultation with regulator.

3. **More engineering/product work:**

a. **More Data Segregation:**
More eng worked required to distinguish how we store data (data by DID for Guest Mode,

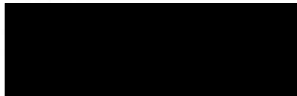
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data by UID for login user)

b. **User Rights Tools:** Need to build in-app data download, in-app reporting tool, and personalized ad toggle (full list [[HYPERLINK](#)



c. **Ongoing Hybrid UX:** Build for one experience to expedite product/eng work in the future

4. **Inconsistency UX from regulator viewpoint:** If Italy has "Force login" and rest of EU as "Guest Mode", we must explain why its different to regulators. Italy and other EU countries should implement the same solution so as to avoid problematic justification of hybrid model.

5. **Age Gate alone is insufficient:** Feedback from regulators indicates age gate is not enough and we will need to implement proactive measures to identify underage users (e.g. AI)

6. **Guest Mode age gate less effective:** Guest Mode may be seen by regulators as less of an effective age gate as children may feel more comfortable lying without having to provide registration details. E.g. Having to provide a phone number/email address psychologically may deter underage users from lying knowing that they are contactable (especially if they don't even own a phone or email account/using a shared family device).

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Decision 3: US

1. **New users:** Recommendation is force login (status quo) due to potentially less DAU impact and increased scrutiny from regulators due to ongoing FTC investigation. We recommend getting data on Guest Mode test for EU. Based on EU results, we can consider a unique experience: **Guest Mode that requires U13 to create account.**

2. **Existing non-registered users:** Recommendation is consent box (status quo).

Guest Mode that requests U13 to create account

- **U13:** If user provides under 13 age, we require user to create an account
- **Over 13:** If user provides over 13 age, user can continue to Guest Mode

U S	Options	Pros	Cons
1	Force login (status quo)	1. Improve monetization: User registration info (email, phone) improves ads targeting 2. Less engineering work: a. Minimize Data Segregation: Less eng worked required to distinguish how we store data (everyone is logged in) b. User Rights Tools: In-app data download, data deletion and in-app reporting tool already available allowing users to exercise their data subject access data portability rights, also right of erasure in the same way as registered users c. No hybrid UX: Build for one experience to	1. Greater sign-up friction: Requiring users to register using email/password will lead to sign-up friction 2. Lower DAU

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expedite product/eng
work in the future

- | | | |
|---|---|---|
| <p>2 Guest Mode: U13 tied to UID +13 tied to DID</p> | <p>1. Less sign-up friction: Ease friction in onboarding</p> <p>2. Increase DAU</p> | <p>1. Decrease monetization opportunity: Lack of first party data collection has negative impact on monetization that uses email/phone matching to monetize users. Reliance on DID (IDFA/GAID) may be unstable and inadequate.</p> <p>2. More engineering/product work:</p> <p>a. More Data Segregation:
More eng worked required to distinguish how we store data (data by DID for Guest Mode, data by UID for login user)</p> <p>b. User Rights Tools: Need to build in-app data download, in-app reporting tool, and personalized ad toggle (full list [HYPERLINK])</p> <div style="background-color: black; width: 150px; height: 40px; margin: 10px 0;"></div> <p>c. Hybrid UX: Initial fixed costs and maintaining consistency long-term</p> <p>3. Increased scrutiny and risk due to FTC investigation</p> <p>a. Changes to current experiences will bring scrutiny. Change can tip regulators we didn't have an age gate earlier for existing non-registered users.</p> <p>b. Because of investigation, rules can change within 5-6 months and may need to stop development mid-way.</p> <p>c. If Guest Mode decreases</p> |
|---|---|---|

Kids Mode DAU, it will negatively impact regulator viewpoint of TikTok

4. **DAU increase might be low or negligible:** Because the primary churn is at age gate, DAU increase might be low

Guest Mode that requests U13 to create account user experience

U13	Description	Welcome	Consent	Age Gate	Username	Password	FYP (Kids)
	If user provides +13 age, they can continue to Guest Mode						
Over 13	Description	Welcome	Consent	Age Gate	Interest	Swipe up	FYP
	User provides U13 age, they must create an account and enter Kids Mode (status quo)						

What is the conclusion?

Decision makers: [REDACTED] @V Pappas

Current status:

Country	New user	Existing non-registered user
US	Force login	Consent box
EU (excl.	Force login	Consent box

Italy)

Italy	Force login	Force login
RoW	Consent box	Consent box

Next step:

Country	New user	Existing non-registered user
US		
EU (excl. Italy)		
Italy		
RoW	Consent box	Consent box

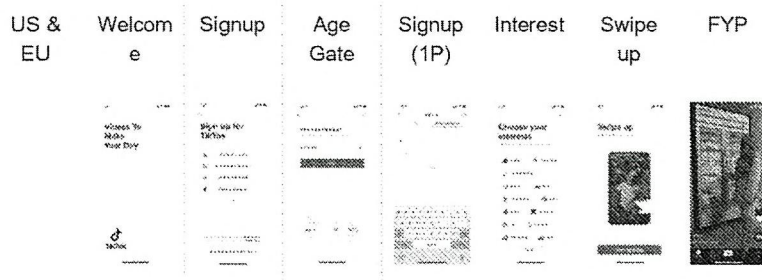
Appendix

All features we need to implement

[HYPERLINK]

[A] What is the user experience by region, age and type?

1. US & EU, Over 13, Force Login



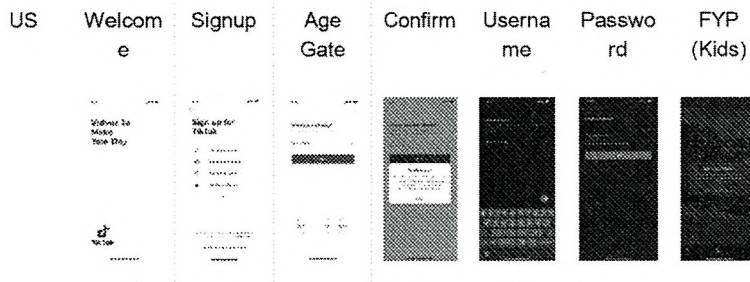
2. US, U13, Force Login

Commented [41]: It seems we've three group, 1,2,3 are for "forced login", 4,5,6 are for "Guest mode", 7,8,9 are for "optional guest mode or sign in"

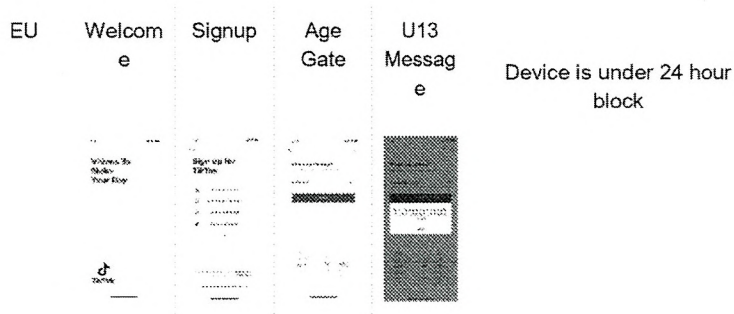
Commented [42]: How do user sign in under 4,5,6?

Commented [43]: We have different screens we would like to test if we go with guest mode. Right now, we are showing consent box version which doesn't have a sign-in option, but we also have versions that let user choose "Guest mode" OR "sign-in/login"

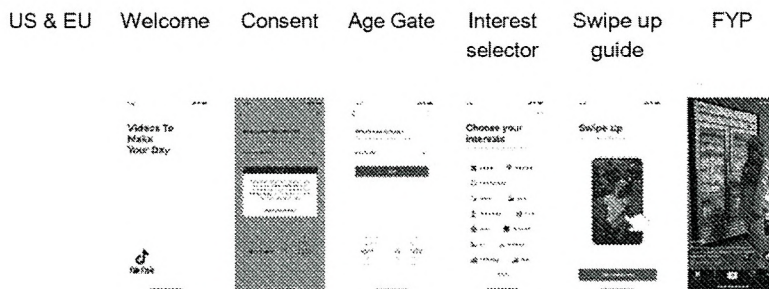
Commented [44]: @Wenjia Zhu When users take an action which requires account such as comment, create profile, follow, save etc. It triggers a signup modal.



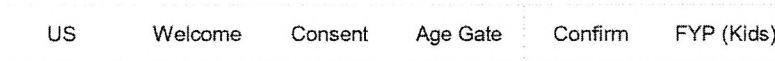
3. EU, U13, Force Login

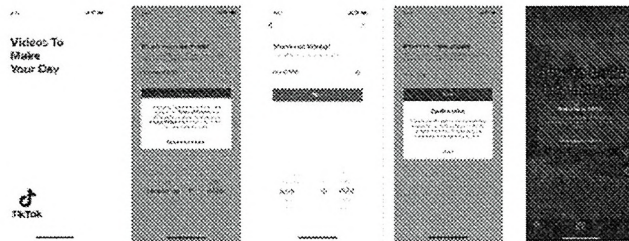


4. US & EU, Over 13, Guest Mode

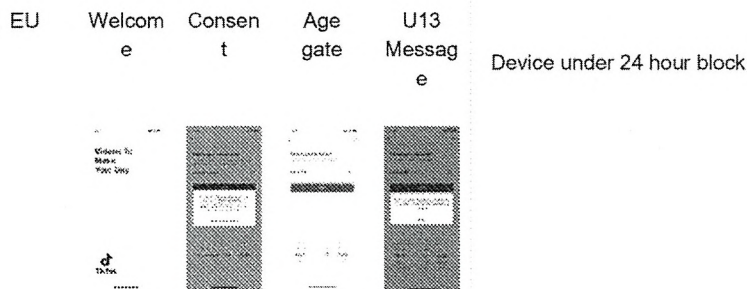


5. US, U13, Guest Mode

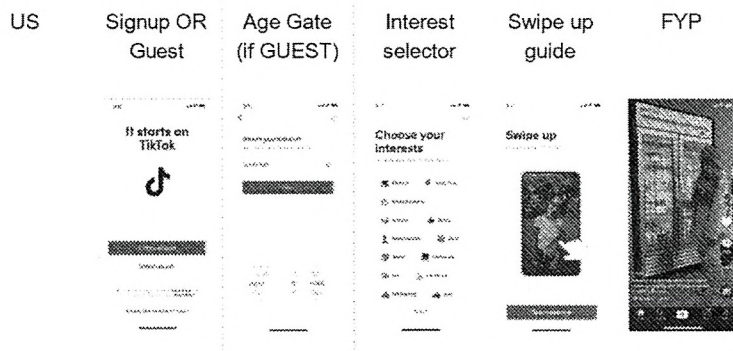




6. EU, U13, Guest Mode

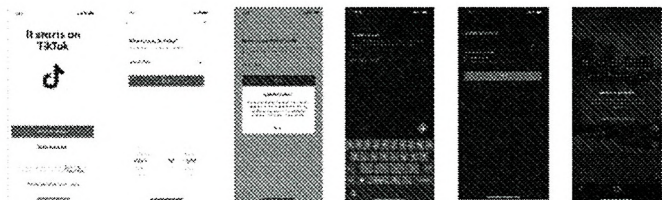


7. US & EU, Over 13, Optional guest mode or sign-in



8. US, U13, Optional guest mode or sign-in





9. EU, U13, Optional guest mode or sign-in

EU	Signup OR Guest	Age Gate (if GUEST)	U13 Message	Device under 24 hour block
				

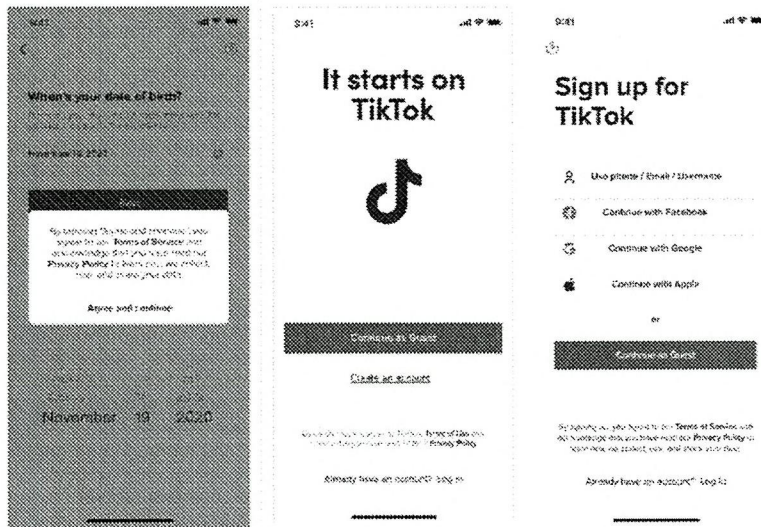
[B] Sample guest mode UIs

Goal: Ensure user agrees to TOS and PP

Consent box

2-button

Multi-button



[C] Detail analysis of DAU impact @本宁

[HYPERLINK]

[D] Legal & TnS documents

[HYPERLINK]

[HYPERLINK]

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[T&S]

[E] Other Options Considered

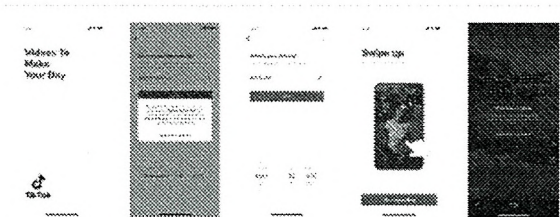
Option 2c: Multi Guest Mode

Provide multiple guest modes so users have different experiences without registration. Similar to registered accounts, device owner will have option to switch between different guest modes.

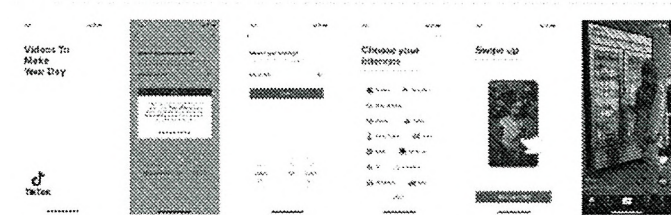
US Options Pros Cons

2 Guest Same as above
c Mode
(Multiple
Guest)

U13 Welcome Consent Age Gate Swipe up FYP
(Kids)



Over 13 Welcome Consent Age Gate Interest Swipe up FYP



Scenarios:

Status quo (Recommended)

Current	Over 13	Welcome	Signup	Age Gate	Signup (1P)	Interest	Swipe up	FYP
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Force
d
Login

U13 Welco Signup Age Confir Usern Passw FYP
me Gate Gate m ame ord (Kids)

◆ Proposal A (Guest mode for over 13 only)

Propo sal A Guest mode for over 13 only	Over 13	Welco me	Conse nt	Age Gate	Interes t	Swipe up	FYP
							
	U13	Welco me	Conse nt	Age Gate	Confir m	Usern ame	Passw ord FYP (Kids)
							

◆ Proposal B (Guest mode for over 13 and U13)

Propos Over Welco Signup Age Interest Swipe FYP

al B
Guest
mode for
over 13
and U13

13

me

Gate

up



U13

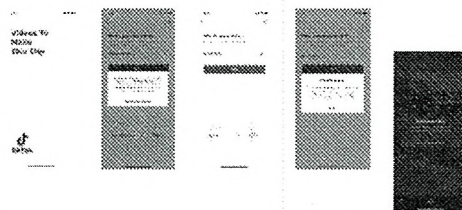
Welcome

Consent

Age Gate

Confirm

FYP (Kids)



* Proposal C (Hybrid model for existing users and new users)

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