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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

13 **THE PEOPLE OF THE STATE OF**
14 **CALIFORNIA,**

15 Plaintiff,

16
17 **DISNEY DTC, LLC; ABC ENTERPRISES,**
18 **INC.**

19 Defendants.

Case No.

**COMPLAINT FOR INJUNCTION, CIVIL
PENALTIES, AND OTHER EQUITABLE
RELIEF**

(Civ. Code, § 1798.100 et seq.;
Bus & Prof. Code, § 17200 et seq.)

The People of the State of California, through Attorney General Rob Bonta, bring this action against Defendants Disney DTC, LLC and ABC Enterprises, Inc. (“Disney”) for violations of California’s consumer protection laws. The People allege the following facts based on information and belief:

INTRODUCTION

1. Advertisers crave information about you, including what you buy, what you watch, where you live, and, importantly, what devices you use. When advertisers and ad-tech companies can connect you to the devices you use, they can serve ads everywhere your eyes and ears can be found—which is why a consumer browsing for shoes on their laptop will be peppered with ads for the same products while watching TV, using a social media app, or listening to a podcast. While many companies use algorithms to probabilistically connect consumers to different devices, advertisers will pay a premium when they can ensure that their targeted ads are reaching the intended consumer. Disney, the owner and operator of multiple streaming services, has the ability to determine the various devices connected to a specific consumer each time that consumer logs into any one of Disney's services. And Disney has leveraged its extensive database of consumers' devices into a profitable targeted advertising business by touting its ability to deliver ads across services *and* devices.

2. California's comprehensive data privacy law, the California Consumer Privacy Act (CCPA), created a whole new world of consumer data protections. Under the CCPA, consumers can prevent businesses from sharing their data for targeted advertising, including across their devices. But in a tale as old as time, Disney placed its profits over these critical consumer privacy rights. Specifically, Disney implemented disjointed opt-out methods that only stopped some of Disney's consumer data sales and sharing, rather than halting it completely as the law required. While Disney diligently linked consumer devices and data for purposes of targeting consumers with ads, it failed to link those same devices and data when it came to complying with consumers' exercise of their statutory right to opt out of targeted advertising. As a result, a consumer's opt-out choice was not effectuated across all devices connected to the consumer's Disney account. Disney claimed that vendor and technical limitations hindered its ability to

1 provide a comprehensive consumer identity-based opt-out, but tellingly, these limitations did not
2 hinder the company from associating devices with specific users for purposes of identity-based
3 advertising.

4 3. This enforcement action reiterates and emphasizes the CCPA’s requirement that
5 consumer opt-out requests—whether submitted through a business’s website, app, or via an opt-
6 out preference signal—must stop all selling and sharing by a business. The opt-out process must
7 be frictionless, simple, and comprehensive. And if a business can associate a consumer’s devices
8 with the consumer for advertising purposes, it can and must associate those devices with the
9 consumer for purposes of honoring the consumer’s opt-out rights.

10 **PARTIES**

11 4. Plaintiff the People of the State of California bring this action by and through Rob
12 Bonta, Attorney General of the State of California. The Attorney General is authorized to bring
13 this action under Civil Code section 1798.199.90 and Business and Professions Code sections
14 17204 and 17206.

15 5. Defendants Disney DTC, LLC and ABC Enterprises, Inc. are a Delaware limited
16 liability company, and a California corporation, respectively, headquartered in Burbank,
17 California. Disney DTC, LLC and ABC Enterprises, Inc. are wholly owned subsidiaries of the
18 Walt Disney Company. Defendants Disney DTC, LLC and ABC Enterprises, Inc. are
19 collectively referred to herein as Disney.

20 **JURISDICTION AND VENUE**

21 6. Disney has conducted and continues to conduct business within the State of
22 California, including the County of Los Angeles, at all times relevant to this complaint. The
23 violations of law described herein were committed or occurred in the County of Los Angeles and
24 elsewhere in the State of California.

25 **FACTUAL ALLEGATIONS**

26 7. Disney owns and operates the Disney+, Hulu, and ESPN+ streaming services, each of
27 which require consumers to have an account and login before watching content from these
28 services. Since at least 2019, Disney has promoted and offered the “Disney bundle,” and allowed

1 a common login across these services. In addition to charging subscription fees, Disney generates
2 revenue through advertising within these streaming services as well as on its other websites and
3 properties.

4 8. Disney recognized that the value in their streaming services wasn't simply from the
5 ability to display ads like traditional linear TV—it was from amassing information about their
6 consumers **and** the devices they use to target ads. In promoting its advertising business, Disney
7 executives noted that even ad-free streaming subscriptions are “immensely valuable to [Disney’s]
8 data and advertising business” because they provide “strong visibility into device ID . . . [which
9 lets Disney] see when that person is in other Disney experiences.”¹ Identifying a consumer across
10 devices is a competitive advantage because advertisers can more easily target, track, and measure
11 the effectiveness of their ads. For example, advertisers can use consumer browsing history from a
12 consumer’s mobile phone to target ads for a product on the consumer’s connected TV and then
13 see whether the consumer later purchased the product on their computer. So at the same time
14 Disney was developing and introducing the Disney streaming bundle, it was also building out its
15 internal advertising technology and partnering with third-parties to collect, combine, and
16 monetize data from its streaming consumers.

17 9. Each time a consumer logs into one of Disney’s streaming services, Disney collects
18 personal information such as device identifiers, device type (e.g. laptop, TV, mobile device), IP
19 addresses, and a user’s interaction with its streaming service products, including what types of
20 content the user streamed and how long they watched. And when a consumer use the same login
21 on different devices, Disney associates those devices with the consumer for advertising purposes.
22 Disney and its partners use this information to personally target ads to consumers in at least two
23 separate ways.

24 10. First, like many other online companies, Disney works with third-party ad-tech
25 companies to sell advertising opportunities on Disney’s websites and services as well as to target
26 ads for Disney products on third-party sites and services. Disney embeds code on its streaming
27

28 ¹ *Disney’s Digital Evolutions – And Ambitions* (interview with Rita Ferro, Disney
President of Advertising Sales) Ad Exchanger (May 16, 2019).

1 websites and apps that automatically collects and transmits consumer personal information to
2 Disney's third-party ad-tech partners. These third parties combine consumer personal
3 information with data collected from other websites and services to personally target ads to
4 Disney users, both on and off Disney's websites and platforms. Second, Disney offers its own
5 advertising platform that allows advertisers to directly place ads on Disney's streaming services
6 and websites. To maximize its advertising revenue, Disney combines the information collected
7 from its streaming services with data purchased or licensed from data brokers or other third-party
8 vendors to profile consumers and place them into audience segments based on characteristics
9 such as income, household size, shopping and browsing history, and predicted interests or
10 purchasing intent for more precise targeted advertising on its platform. Both types of targeted
11 advertising constitute cross-context behavioral advertising as defined in the CCPA, Civil Code
12 section 1798.140, subdivision (k).

13 11. The CCPA provides consumers with the right to opt-out of this sale and sharing of
14 their personal information. To effectuate this right, businesses are required to provide consumers
15 with a method to opt-out on their websites and apps. Businesses are also required to accept opt-
16 out requests communicated by opt-out preference signals, such as the Global Privacy Control
17 (GPC). Disney created the appearance that it was complying with these requirements by
18 providing an opt-out webform (Figure 1), opt-out toggles in its streaming websites and apps
19 (Figure 2), and accepting opt-out preference signals, such as the GPC, on its streaming websites.
20 But digging a little deeper revealed that none of these opt-out methods satisfied the bare
21 necessities of the law.

22 12. In the course of an Investigative Sweep focusing on streaming services' compliance
23 with the CCPA, the Attorney General found that Disney's opt-out methods had key gaps that
24 obstructed the ability of consumers to completely opt-out out of and stop all sales/sharing of their
25 data. The company's a mix of webforms, toggles, and responses to opt out preference signals
26 only partially effectuated opt-out requests, rather than implementing them across all of Disney's
27 systems, brands and devices. For example, Disney effectuated opt-out requests submitted through
28 its webform only with respect to the company's own advertising platform. However, Disney

continued to share those consumers' data with third-party ad-tech partners, in violation of the CCPA. Consumers who opted out via opt-out toggle or through the GPC, on the other hand, were opted out from Disney's data sharing with ad-tech partners, but only for the specific service and device the consumer was using when they requested to opt-out, even if they were logged in to their Disney account.

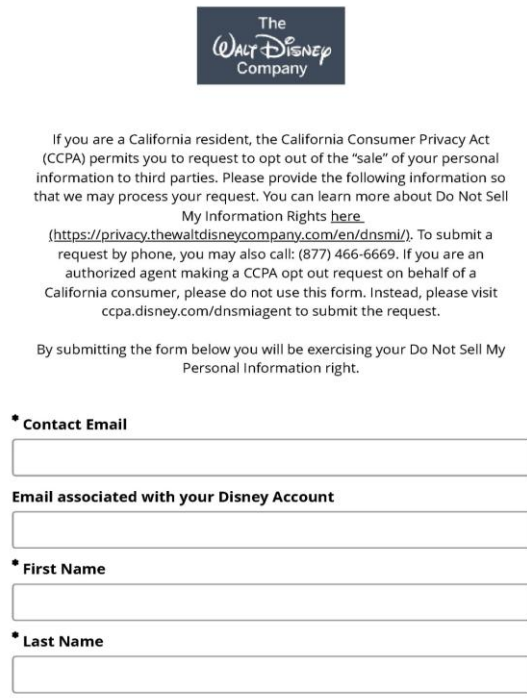
The image shows a webform for The Walt Disney Company. At the top is the company logo. Below it, a paragraph explains that if a California resident is a California Consumer Privacy Act (CCPA) resident, they can request to opt out of the "sale" of their personal information to third parties. It provides a link to "My Information Rights here" and a URL: (https://privacy.thewaltdisneycompany.com/en/dnsmi/). It also mentions that if you are an authorized agent making a CCPA opt out request on behalf of a California consumer, please do not use this form. Instead, please visit ccpa.disney.com/dnsmiagent to submit the request. Below this, a line states: "By submitting the form below you will be exercising your Do Not Sell My Personal Information right." The form itself has four fields: "Contact Email", "Email associated with your Disney Account", "First Name", and "Last Name". Each field is preceded by an asterisk and a label.

Figure 1 (Opt-Out Webform)

The Walt Disney Company

Notice of Right to Opt Out of Sale/Sharing

Some states provide residents (or, in some cases, their authorized agents) with the right to opt out of "targeted advertising," "selling," or "sharing" of personal information. **You or your legally authorized agent can move the toggle below to the left to opt out of these activities on this digital property consistent with applicable law.** If you are a registered user of the Hulu services, please also provide the information requested in this [opt-out form](#), which will enable us to associate your opt-out election with your Hulu account and take action on your election more broadly than just on this digital property. Please visit [Your US State Privacy Rights](#), including the [California](#) privacy rights section, for more information about your rights and our privacy practices.

Selling, Sharing, Targeted Advertising



Figure 2 (Hulu iOS App Opt-Out Notice)

13. Under Disney's disjointed opt-out system, Disney would not fully opt-out a consumer unless the consumer (1) completed Disney's opt-out webform and (2) individually used the opt-out toggle for *each* service on *each* device the consumer used, even though Disney **already knew** exactly which devices were associated with the user or connected to their account. This meant that a consumer who subscribed to the Disney bundle and accessed the service from a computer, tablet, and connected TV device would have to express their opt-out choice up to **ten** times: by logging in and using the opt-out toggle on Disney+, Hulu, and ESPN+ websites on their computer, repeating the process for all three apps on their tablet, repeating the process yet again on all three apps on their television, and then would still have to complete Disney's opt-out webform. Any one of these methods should have been sufficient.

14. Moreover, even if a consumer jumped through all these hoops, Disney may still have continued to sell or share the consumer's personal information through certain apps on specific types of connected devices. Disney, citing vendor and technological limitations, did not provide an in-app opt-out mechanism in many of its connected TV streaming apps. Instead, as shown the picture below, Disney directed consumers to use their computer or mobile device to visit Disney's opt-out webform—which Disney knew would have no impact on the embedded code that transferred personal information from these connected TV streaming apps to its ad-tech partners. As a result, there was no way for consumers to stop Disney from selling and sharing personal information from these apps.



Figure 3 (Disney+ Roku TV Opt-Out)

15. Finally, Disney's conduct deceived consumers. When a business creates a form, toggle, or other tool, and chooses to label it as an opt-out, even though it does not fully opt-out the consumers who use it, the business is engaged in deception. The same is true when a business tells consumers that it honors the Global Privacy Control or other opt out preference signals, when it actually doesn't. This deception violated California's consumer protection laws.

FIRST CAUSE OF ACTION

FOR VIOLATIONS OF THE CALIFORNIA CONSUMER PRIVACY ACT, CIVIL CODE SECTION 1798.100 ET SEQ.

16. The People reallege and incorporate by reference each of the paragraphs above as though fully set forth herein.

1 17. Disney has engaged in acts or practices that violated the CCPA and its implementing
2 regulations within the meaning of Civil Code section 1798.199.90. These acts or practices
3 include, but are not limited to, the following:

- 4 a. Selling and sharing a consumer's personal information to third parties despite
5 receiving direction from the consumer not to sell or share their data. (Civ. Code,
6 §§ 1798.120 subds. (a), (d), 1798.135 subds. (a), (c)(4); Cal. Code Regs. § 7026
7 subd. (f).)
- 8 b. Failing to treat the opt-out preference signal as a valid request to opt-out of sale
9 sharing for known consumers. (Civ. Code, § 1798.135 subd. (e); Cal. Code
10 Regs. § 7025 subd. (a), (c)(1).)
- 11 c. Failing to provide methods for submitting requests to opt-out of sale/sharing that
12 are easy for consumers to execute and require minimal steps. (Civ. Code, §§
13 1798.120, subd. (a), 1798.135, subd. (a); Cal. Code Regs., tit. 11, § 7026, subd.
14 (b).)
- 15 d. Failing to provide an easy-to-use method for submitting requests to opt-out of
16 sale/sharing reflecting the manner in which the business primarily interacts with
17 its customers, on app-based devices. (Civ. Code, § 1798.120 subd. (a); Cal.
18 Code Regs. § 7026 subd. (a).)

19 **SECOND CAUSE OF ACTION**

20 **FOR VIOLATIONS OF THE UNFAIR COMPETITION LAW,
21 BUSINESS AND PROFESSIONS CODE SECTION 17200 ET SEQ.**

22 18. The People reallege and incorporate by reference each of the paragraphs above as
23 though fully set forth herein.

24 19. Disney has engaged in unlawful, unfair, or fraudulent acts or practices, which
25 constitute unfair competition within the meaning of Section 17200 of the Business and
26 Professions Code. These acts may include but are not limited to violations of the following:

- 27 a. Civil Code section 1798.120, subdivisions (a), (b), and (c);
28 b. Civil Code section 1798.135, subdivisions (a)(1) and (a)(3);

- c. California Code of Regulations, title 11, sections 7013, 7015, and 7026; and
- d. Civil Code section 1770, subdivision (a)(5).

20. Disney also engaged in fraudulent acts or practices and deceived consumers by offering CCPA opt-out forms and toggles that, when used, did not result in the consumer being fully opted out of the sale and sharing of their personal information, and by claiming to comply with opt out preference signals when it failed to do so.

PRAYER FOR RELIEF

WHEREFORE, the People pray for judgment as follows:

1. Pursuant to Civil Code section 1798.199.90, that the Court enter an injunction to prevent Disney, as well as their successors, agents, representatives, employees, and all persons who act in concert with them from engaging in any act or practice that violates CCPA, including, but not limited to, as alleged in this Complaint;

2. Pursuant to Civil Code section 1798.199.90, that the Court assess civil penalties of two thousand six hundred sixty three dollars (\$2,663) for each violation of CCPA, or seven thousand nine hundred eighty eight dollars (\$7,988) for each intentional violation and each violation involving the personal information of minor consumers, as proven at trial;

3. Pursuant to Business and Professions Code section 17203, that the Court enter an injunction and make such orders or judgments as may be necessary to prevent Disney, as well as their successors, agents, representatives, employees, and all persons who act in concert with them from engaging in any act or practice which constitutes unfair competition;

4. Pursuant to Business and Professions Code section 17203, that the Court make such orders or judgments as may be necessary to restore any person in interest any money or property which may have been acquired by means of unfair competition in an amount according to proof;

5. Pursuant to Business and Professions Code section 17206, that the Court assess civil penalties of two thousand five hundred dollars (\$2,500) against each defendant for each violation of Business and Professions Code section 17200, as proven at trial;

6. Under the authority of Government Code section 12527.6, that the Court award the remedy of disgorgement in an amount according to proof;

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7. That the People recover their costs of suit; and

8. For such other and further relief as the Court deems just and proper.

Dated: February 11, 2026

Respectfully submitted,

ROB BONTA
Attorney General of California



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Deputy Attorney General
*Attorneys for The People of the State of
California*