

The Texas Lawbook

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Texas Obtains \$1.4B Settlement From Meta over Facial Recognition Data

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Texas reached a \$1.4 billion settlement with Facebook's Meta over the social media giant's use of facial-recognition technology to collect biometric data of millions of Texans for commercial purposes, lawyers for the state announced Tuesday.

The parties had reached an agreement in principle in May, just over a week before the trial was scheduled to start in a Harrison County state district courtroom. The details of the settlement were made public Tuesday.

McKool Smith lawyers representing the state and Texas Attorney General Ken Paxton touted the settlement as the largest ever obtained from a lawsuit brought by a single state.

However, in January 1998, the state of Texas under then-Attorney General Dan Morales settled the state's federal racketeering and fraud lawsuit against Phillip Morris, R.J. Reynolds and other cigarette makers for \$15.3 billion in federal court. While the Texas tobacco lawsuit was a separate case and separate settlement from 30 other states who also sued cigarette makers, the tobacco companies increased its payments to the state of Texas a year later when Big Tobacco reached a master settlement agreement with other states that included an additional \$3 billion for Texas.

Paxton said Tuesday's settlement is the largest ever obtained by an attorney general in a privacy case.

In the suit, Texas alleged the company violated both the Texas Deceptive Trade Practices Act and the state's Capture or Use of Biometric Identifier (CUBI). The company captured biometric information from user-uploaded photos and videos through its "Tag Suggestions" feature, the lawsuit states. As part of the feature, the company would recognize faces and identify people to the person uploading the content so the user could "tag" the identified people in visuals. The company discontinued tag suggestions in 2021.

Texas filed the suit in 2022, shortly after Meta reached a \$650 million settlement in a class action lawsuit in Illinois under that state's Biometric Information Privacy Act, which, like Texas' CUBI, prohibits a private entity from obtaining biometric identifiers without consent, but is more restrictive.

This is the first lawsuit brought and settlement reached under Texas' CUBI law, Paxton's news release said.

The settlement does not include an admission of wrongdoing on Meta's part. Lawyers for Meta did not immediately respond to *The Texas Lawbook's* request for comment.

Lead counsel [Sam Baxter](#) and [Jennifer Truelove](#) from McKool Smith, who represented Texas, issued a statement calling the settlement figure "historic."

"Companies that operate in Texas must be held accountable for their actions, particularly when it puts the privacy of Texans at risk," the statement reads.

Paxton praised the state's lawyers for "vigorously pursuing justice" for Texans.

"This historic settlement demonstrates our commitment to standing up to the world's biggest technology companies and holding them accountable for breaking the law and violating Texans' privacy rights,"

Paxton said in a statement. "Any entity abusing Texans' sensitive data will be met with the full force of the law."

The parties said in a court filing May 31 that they agreed in principle to resolve the lawsuit following a mediation the day before. There were still motions in the case that hadn't been ruled on.

After the state tried to get the deposition of Meta chairman and CEO Mark Zuckerberg, Meta filed a motion to quash, which the trial court denied. Meta appealed to the Texas Supreme Court. The justices had not ruled on the petition for writ of mandamus before the parties filed their joint motion to abate the case while the settlement was finalized.

The case had been assigned to Harrison County District Judge Brad Morin. Morin presided over a jury trial in February in which Dutch telecommunications company Koninklijke KPN N.V. won a \$341 million verdict against Samsung Electronics Co.

Meta is represented by [Trey Cox](#), [Allyson Ho](#), [Andrew LeGrand](#), [Ashley Rogers](#), [Bradley G. Hubbard](#), [Christine Demana](#), [Erin M. Choi](#), [Matthew Scorcio](#), [Collin Cox](#), [Gregg Costa](#), [Prerak Shah](#), [Benjamin D. Betner](#) and [Lauren Goldman](#) of Gibson, Dunn & Crutcher, Matthew D. Provance of Mayer Brown and Harry Gillam Jr. and McKellar L. Karr of Gillam & Smith.

Texas is represented by Ryan Baasch, Christin Vasquez, Jennifer Roscetti, Brad Schuelke, Jennifer Severn and Gabriella Gonzalez of the office of the attorney general, [Jennifer Truelove](#), [Samuel F. Baxter](#), [John B. Campbell](#) and [Lewis T. LeClair](#) of McKool Smith and Zina Bash and Ashley Keller of Keller Postman.

The Harrison County case number is 22-0121. The Texas Supreme Court case number is 24-0046.