

Supreme Court Signals It Will Uphold Ban Over National Security

Last updated January 14th, 2024

Executive Summary

TikTok is facing a potential U.S. ban stemming from national security concerns related to its China-based owner, ByteDance. Lawmakers fear the Chinese government could access American users' data or leverage the app to spread misinformation. In response, legislation was enacted requiring TikTok to be sold to a U.S.-approved owner by January 19, 2025. If this deadline is not met, a law will take effect banning TikTok from app stores, preventing new downloads and updates, though existing users could continue using the app. However, during the January 10 Supreme Court hearing, TikTok's attorney, Noel Francisco, stated the platform could go completely dark in the U.S. if it fails to sell or no intervention occurs. The U.S. Supreme Court signaled on Friday, January 10th that they may uphold the federal law banning TikTok but a final ruling has not been delivered. Some notable outlets such as Forbes are reporting there may be a decision as soon as Wednesday, January 15th.

Possible Outcomes

Outcome #1 - Sold and Remains in the U.S.

If TikTok is sold and complies with U.S. regulations, status quo would likely be preserved to a large extent. This outcome would benefit users, creators, and businesses that have built their digital strategy around the platform, while also addressing regulatory concerns. This could influence the future regulations and policies governing other foreign tech entities operating in the U.S. However, ByteDance has remained firm in its stance against selling the app.

Outcome #2 - Trump Administration Intervenes

The Trump administration could intervene and allow for TikTok to continue to operate under ByteDance, however, the U.S. government could impose conditions or restrictions on TikTok's operations to address the national security concerns. This would likely lead to a complex mix of business continuity for TikTok and ongoing political and regulatory discussions regarding the oversight of international technology companies operating in the U.S.

Outcome #3 - Does Not Sell, But Remains on Devices

If the app does not secure a buyer, then TikTok will likely disappear from app stores on either January 19th or 20th. While the app would remain operational on devices that it is already installed on, it will no longer be available to download or update. Over time, the service will get worse and we will likely see users eventually migrate away from TikTok.

Outcome #4 - Complete Shutdown of TikTok in the U.S.

During the January 10 Supreme Court hearing, TikTok's attorney, Noel Francisco, stated the platform could go completely dark in the U.S. if it fails to sell or if no intervention occurs. A total shutdown would have significant economic and cultural impacts, affecting millions of users and creators while likely reshaping the social media landscape as users migrate to alternative platforms.

TikTok Timeline of Events

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March-August 2024

The House passed bill that could force ByteDance to divest TikTok's U.S. operations by January 19, 2025 or face a ban of the app.

December 6, 2024

A district federal appeals court ruled that the TikTok ban law is constitutional, meaning the app can be banned in the U.S. over national security concerns if ByteDance does not sell it.

December 18, 2024

The Supreme Court agreed to hear TikTok's argument about the constitutionality of the federal law that could ban TikTok. The ruling is set for January 10, an expedited timeline that allows the court to consider the issue before the ban goes into effect on January 19.

January 10, 2025

The U.S. Supreme Court heard oral arguments in TikTok v. Garland, a pivotal case concerning the future of TikTok's operations in the United States. The case challenges the constitutionality of the Protecting Americans from Foreign Adversary Controlled Applications Act (PAFACAA), a federal law passed in 2024.

We are here

**Week of
January 13, 2025**

Supreme Court will announce their decision on whether to uphold the ban or temporarily block the law so President-elect Donald Trump can "pursue a political resolution" to the dispute when he takes office.

January 19, 2025

Deadline for ByteDance to have sold TikTok U.S. to an American entity, or face a ban - unless the Supreme Court rules to hold off implementing this deadline.

January 20, 2025

Inauguration of President Donald Trump. While he has expressed opposition to the ban, no clear plans have been released.

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Impact on

If TikTok were to be banned, the impact on creators would be significant. Many rely on TikTok as their primary platform for connecting with audiences and earning income through sponsorships, ad revenue, and live-streaming. Rebuilding their following on alternative platforms like Instagram Reels, YouTube Shorts, or Snapchat Spotlight could take years and may not replicate TikTok's algorithm-driven reach and engagement. Additionally, TikTok's unique editing tools, trend-driven ecosystem, and community-focused content have shaped creators' workflows. Transitioning to different formats and tools on other platforms would present significant challenges, potentially affecting the quality and creativity of their output.

Code3 predicts that creators will strategically shift their content to platforms that align with their audience. Creators initially popular on YouTube are likely to refocus there, leveraging its established viewer base. Similarly, creators who benefited from TikTok's monetization opportunities may adopt Snapchat for its strong creator compensation. While creators will distribute short-form video content across these platforms, it's clear that many will also leverage Instagram Reels for its growing popularity and engagement.

Impact on Brands

A TikTok ban would require brands to quickly pivot and adapt to minimize disruption to their digital strategies. For many, the platform has become a cornerstone for cost-efficient advertising, offering unmatched audience reach and strong performance. Identifying where to shift TikTok investments to achieve comparable results will be essential for brands. Additionally, TikTok's ecosystem, known for driving viral trends and rapid cultural relevance, would be difficult to replicate on other platforms. Brands relying on this dynamic for organic reach and engagement will need to rethink their strategies to generate similar impact elsewhere. From an accessibility perspective, upcoming campaigns will need to be rebuilt on alternative platforms, which will be time-consuming and require swift execution.

Next Steps

1

Fine Tune Your Contingency Plan

Collaborate with your social team to develop backup media plans for upcoming campaigns, tailored to your target audience and the key TikTok KPIs the platform supports in your digital strategy.

2

Secure Your TikTok Data

Regardless of the outcome, export your data to ensure you don't lose out on the valuable learnings you've gleaned over the years. [Here](#) is a guide for exporting.

3

Add a Clause to Influencer & Creator Contracts

Connect with influencers who you have upcoming content contracts with to discuss backup plans, including a contingency to post on an alternative platform if TikTok is banned.