



**Action brought on 16 February 2026 – X.AI Holdings v Commission**

(Case T-120/26)

(C/2026/2391)

*Language of the case: English*

**Parties**

*Applicant:* X.AI Holdings LLC (Carson City, Nevada, United States) (represented by: F. González Díaz and T. Verheyden, lawyers)

*Defendant:* European Commission

**Form of order sought**

The applicant claims that the Court should:

- annul the decision;
- in the alternative, annul the decision insofar as it is addressed to the applicant;
- in the further alternative, to annul in full or in part the fines imposed on the applicant ex Article 4 of the decision; and
- order the Commission to bear its own costs and pay the applicant's costs for the present proceedings.

**Pleas in law and main arguments**

In support of the action, seeking the annulment of the Commission's decision of 5 December 2025, in Cases DSA.100101, DSA.100102, and DSA.100103—X (formerly Twitter) (C(2025) 8630 final) ('decision'), the applicant relies on eight pleas in law.

1. First plea in law, alleging that the decision unlawfully imputes liability to the applicant despite the Commission's failure to address and validly notify a designation decision to the applicant, in breach of Article 33 DSA and the principle ex Article 288 TFEU that decisions are only binding on their addressees.
2. Second plea in law, alleging that the decision unlawfully imposes liability on the applicant as the 'provider' of X by interpreting the notion of 'provider' as covering all persons that are related to a provider of an intermediary service through direct or indirect shareholder or other links, such as to form a single economic entity, contrary to the DSA's text, context, history, and intended purpose.
3. Third plea in law, alleging that the decision unlawfully imputes liability to the applicant based on the 'single economic entity' doctrine. First, this doctrine, as an exception to the fundamental principles of property, personal liability, and presumption of innocence, does not apply to DSA proceedings, let alone in the absence of any legislative mandate, ex the principles of legality, legal certainty, and proportionality, and the principle according to which exceptions must be interpreted narrowly. Second, the decision misapplied this doctrine by failing to demonstrate that Mr. Musk, X.AI Holdings, X Holdings and X Internet form part of a single economic entity. Third, in any event, the decision's imputation of liability to the applicant of the conduct of separate legal persons, in as much as it is not based on any misuse of the corporate form, breaches the principles of property, personal liability, and presumption of innocence and the principle that exceptions must be interpreted narrowly.

4. Fourth plea in law, alleging that the Commission violated the applicant's rights of defence, to a fair trial, to good administration, and essential procedural requirements (a) by adopting the decision without having first lawfully notified the applicant of the objections relied on against it, (b) by relying in the decision on evidence that the Commission did not first disclose to the applicant, and (c) by denying the applicant full access to the file.
5. Fifth plea in law, alleging that the decision errs in law by relying on an unlawful interpretation of Article 25(1) DSA, as it (a) interprets and applies Article 25 in breach of the DSA's objective of promoting free speech and relies on the wrong counterfactual, (b) extends the notion of 'free and informed decisions' beyond what is foreseen ex Article 25(1) to the possible general user perception of the service and (c) violates the applicant's fundamental freedom to conduct a business in the EEA
6. Sixth plea in law, alleging that the decision errs in law by relying on an unlawfully broad interpretation of Article 39 DSA as imposing obligations on the scope and modalities for maintaining an advertisement repository that are not provided for in Article 39.
7. Seventh plea in law, alleging that the decision errs in law by relying on an unlawfully broad interpretation of Article 40(12) DSA as imposing obligations on the scope and modalities of provision of access to data to researchers that are not provided for in Article 40(12).
8. Eighth plea in law, alleging that the decision errs in law by imposing a fine on the Applicant in breach of essential procedural requirements and the principles governing the imposition of fines, as it (a) fails to comply with the duty to state reasons, (b) calculates the fine based on incorrect parameters, (c) fails to account for the novelty of the alleged infringement, and (d) unlawfully fined X.AI Holdings for an infringement period pre-dating its incorporation.

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