

Judge blocks US restrictions against Chinese smartphone maker Xiaomi

A federal judge has blocked the US Department of Defense from placing restrictions on Chinese smartphone maker Xiaomi that were set to take effect next week.

Just before former President Trump left office in January, the DoD designated Xiaomi as a “Chinese Communist military company,” (CCMC) making it subject to Trump’s executive order banning the US from investing in such companies. But late Friday, U.S. District Judge Rudolph Contreras issued a preliminary injunction to prevent what he called “irreparable harm” to Xiaomi, saying the designation was “arbitrary and capricious.”

Xiaomi said in court filings it would suffer “extreme and irreversible damage” to its business and reputation if the restrictions took effect, and has maintained it operates “in compliance with the relevant laws and regulations of jurisdictions where it conducts its businesses.” A company spokesperson told *The Verge* in January that Xiaomi “is not owned, controlled or affiliated with the Chinese military, and is not a ‘Communist Chinese Military Company.’”

In his Friday ruling, Contreras called into question the Trump administration’s argument that “civilian Chinese companies” like Xiaomi allow the Chinese government to “directly threaten the United States homeland.”

“The court is somewhat skeptical that weighty national security interests are actually implicated here,” the judge

wrote.

Xiaomi said in a statement that it will continue to request that the CCMC designation be permanently removed.

<https://www.theverge.com/2021/3/13/22328969/judge-grants-xiaomi-injunction-us-restrictions>