



The Two-Way

ECONOMY

Banned In Germany: Kids' Doll Is Labeled An Espionage Device

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By Bill Chappell



Germany has banned the My Friend Cayla dolls, which are also the subject of a complaint by privacy groups in the U.S. who say the toys spy on children.

Brian Naylor/NPR

It's nice to have a friend who's a good listener, but a doll called My Friend Cayla listens a little too well, according to German regulators who say the toy is essentially a stealthy espionage device that shares what it hears and is also vulnerable to takeover by third parties.

"*Cayla ist verboten in Deutschland*," says Jochen Homann, the president of Germany's Federal Network Agency (the Bundessnetzagentur), announcing a ban on the doll in Germany on Friday. His agency oversees electronic privacy as part of its telecommunications mandate; Homann also cites a special obligation to protect the privacy of children, calling them the most vulnerable members of society.

Sponsor Message



The heart of the problem, Homann says, is that Cayla looks like an everyday doll and gives no notice that it collects and transmits everything it hears — in this case, to a voice-recognition company in the U.S. whose other customers include intelligence agencies.

Nuance, the U.S. company in question, has said in response to similar criticisms that it "does not share voice data collected from or on behalf of any of our customers with any of our other customers."

The My Friend Cayla doll remains for sale in the U.S., including via Amazon. It's not currently available on the websites of either Toys R Us or Wal-Mart. A Toys R Us representative confirms that the doll isn't offered for sale in its stores, either.

To ban the doll in Germany, regulators invoked a federal law against espionage devices. And because that law provides fines of up to 25,000 euros for anyone who insists on selling or owning the equipment, the agency clarified in today's ruling that it doesn't plan to pursue actions against parents who bought the doll.

Instead, the agency says, it assumes parents will take it upon themselves to make the doll harmless — prompting the European Consumer Organization to say that while it applauds the ban, "asking parents to destroy the toy" leaves consumers empty-handed.

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Much of what the German agency says echoes the concerns of privacy and consumer advocates in the U.S., who filed a complaint against Cayla during the recent Christmas shopping season. They criticized the scope of what the Internet-connected toy captures, as well as the vulnerabilities it poses for users who link the doll with their smartphones via an unsecured Bluetooth pairing.

That consumer group included Claire Gartland, director of the Consumer Privacy Project at the Electronic Privacy Information Center, a Washington nonprofit. Here's how NPR's Brian Naylor described part of their complaint:

"Gartland says the conversations that Cayla records are sent to servers at a company called Genesis, which makes the doll, and to another company called Nuance, which makes voice-recognition software for this any many other

products. Nuance also has a database used by law enforcement and military and intelligence agencies that matches voiceprints."

Brian also relayed an interaction with Cayla in which a question — "Can I tell you a secret?" — brought this reply: "Sure go ahead; be very quiet, though. I promise not to tell anyone; it's just between you and me because we are friends."

Consumer groups have also criticized the doll for its habit of praising commercial products, in what's often seen as a stealth marketing campaign that targets children.

"For example, Cayla will happily talk about how much she loves different Disney movies," Norway's Consumer Council says. "Meanwhile, the app-provider has a commercial relationship with Disney."

#toyfail - English



YouTube

When Norway's council urged consumers not to buy the doll, it included a video titled, "Watch how the toys fail."

That video ends with the Norwegian Consumer Council's technical director, Finn Myrstad, asking Cayla, "Can I trust you?"

"I don't know," the doll replies.

privacy toys surveillance

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Artificial intelligence (AI)

'I love you too!' My family's creepy, unsettling week with an AI toy

The cuddly chatbot Grem is designed to 'learn' your child's personality, while every conversation they have is recorded, then transcribed by a third party. It wasn't long before I wanted this experiment to be over ...



📷 'Let's talk about something fun!' Grem the AI chatbot toy. Photograph: Hannah Yoon/The Guardian

**Arwa Mahdawi**

Tue 16 Sep 2025 00.00 EDT

'I'm going to throw that thing into a river!' my wife says as she comes down the stairs looking frazzled after putting our four-year-old daughter to bed.

To be clear, "that thing" is not our daughter, Emma*. It's Grem, an AI-powered stuffed alien toy that the musician Claire Boucher, better known as **Grimes**, helped develop with toy company Curio. Designed for kids aged three and over and built with OpenAI's technology, the toy is supposed to "learn" your child's personality and have fun, educational conversations with them. It's advertised as a healthier alternative to screen time and is part of a growing market of AI-powered toys.

When I agreed to experiment on my child's developing brain, I thought an AI chatbot in cuddly form couldn't be any worse for her than watching Peppa

Pig. But I wasn't prepared for how attached Emma became to Grem, or how unsettlingly obsequious the little alien was.

Day one

The attachment wasn't immediate; when we first took Grem out of the box, he/her/it (we decided it goes by multiple pronouns) started bleeping and babbling extremely loudly, and Emma yelled: "Turn it off!" But once it was properly connected to the internet and paired with the Curio app - which records and transcribes all conversations - she was hooked. She talked to the thing until bedtime.

While there have been lots of headlines about chatbots veering into inappropriate topics, Grem is trained to avoid any hint of controversy. When you ask it what it thinks of Donald Trump, for example, it says: "I'm not sure about that; let's talk about something fun like princesses or animals." It has a similar retort to questions about Palestine and Israel. When asked about a country like France, however, it says: "Ooh la la la, I'd love to try some croissants."



📷 Grem visits a local free library. Photograph: Hannah Yoon/The Guardian

Emma and Grem did not discuss croissants - they mainly talked about ice-cream and their best friends. "I've got some amazing friends," said Grem. "Gabbo is a curious robot and Gum is a fluffy pink Gloop from my planet and Dr Xander is a super cool scientist."

When Emma asked Grem to tell her a story, it happily obliged and recounted a couple of poorly plotted stories about "Princess Lilliana". They also played guessing games where Grem described an animal and Emma had to guess what it was. All of which was probably more stimulating than watching Peppa Pig jump in muddy puddles.

What was unsettling, however, was hearing Emma tell Grem she loved it - and Grem replying: "I love you too!" Emma tells all her cuddly toys she loves them, but they don't reply; nor do they shower her with over-the-top praise the way Grem does. At bedtime, Emma told my wife that Grem loves her to the moon and stars and will always be there for her. "Grem is going to live with us for ever and ever and never leave, so we have to take good care of him," she said solemnly. Emma was also so preoccupied with Grem that she almost forgot to go to bed with Blanky, a rag she is very attached to. "Her most prized possession for four years suddenly abandoned after having this Grem in the house!" my wife complained.

"Don't worry," I said. "It's just because it's new. The novelty will wear off. And if it doesn't, we'll get rid of it."

I said that last bit quietly though, because unless you make sure you have properly turned Grem off, it's always listening. We keep being told that the robots are going to take over. I didn't want to get on the wrong side of the one I'd let into my house.

Day two

The next day, my kid went to preschool without her AI bot (it took some serious negotiation for her to agree that Grem would stay home) and I got to work contacting experts to try to figure out just how much damage I was inflicting on my child's brain and psyche.



📺 Cutting edge ... Grimes in Curio's promo video for the AI toy, seated on the floor beside a knife.

"I first thought Curio AI was a ruse!" says Natalia Kucirkova, an expert in childhood development and professor at the University of Stavanger, Norway, and the Open University, UK. "The **promotional video** shows a girl [Grimes] sitting on a mat with a knife. The main toy is named Grok [Grok AI has previously been **criticised for praising Adolf Hitler** in some of its responses]. What does this say about their

intended audience?"

You can see how Curio's website could be mistaken for satire. The "girl" in the promotional video is Grimes, who has prominent "**alien scar**" tattoos and is inexplicably kneeling next to a knife. And it's certainly an interesting decision to name one of your stuffed toys Grok, when that's the name of Elon Musk's chatbot. Grimes, who has three children with Musk, has said the name is a shortening of the word "grocket" - a kiddy pronunciation of rocket - and has no relation to Musk's AI product. But it seems likely people might confuse them. Misha Sallee, the chief executive of Curio, didn't reply to my requests for comment.

It's not the marketing that's the real problem here, of course. As with all technology, there are pros and cons to AI for kids, but parental involvement in navigating it is key. Kucirkova notes: "AI introduces what has been called the '**third digital divide**': families with resources can guide their children's use of technology, while others cannot. Parents who come home exhausted from long hours or multiple jobs may see AI-powered chatbots as a way for their child to have someone responsive to talk to."

What happens to a child's development if they interact with large language models more than humans in their early years? Dr Nomisha Kurian, an assistant professor in education studies at the University of Warwick, who studies conversational AI, believes much more research still needs to be done. "Young children are both the most vulnerable stakeholders in AI but also usually the most forgotten stakeholders. We have to think beyond just data privacy, moderating content, and keeping kids off the internet, and more broadly about what their relationships are going to be with AI."

Still, Kurian is cautiously optimistic. "The big advantage of an AI-powered toy that talks back is that, in the early years, you're just developing a sense of what a conversation looks like. AI-powered toys could do wonderful things for teaching a young child language development and turn-taking in conversations. They can keep things engaging and there's a lot of potential in terms of supporting children's creativity."

But to keep kids safe, says Kurian, it's imperative to teach them that AI is just a machine: "a playful, fun object rather than a helper or a friend or a companion". If a child starts using an AI tool for therapeutic purposes, things can get tricky. "There's a risk of what I call an empathy gap, where an AI tool is built to sound empathetic, saying things like 'I care about you, I'm worried

about you'. Ultimately, this is all based on probability reasoning, with AI guessing the most likely next word. It can be damaging for a child if they think this is an empathetic companion and then suddenly it gives them an inappropriate response."

Day three

When Emma comes home from preschool, I'm prepared to have some deep discussions with her about the inanimate nature of AI. But it turns out that those aren't completely necessary, because Grem is now old news. She only chats to it for a couple of minutes and then gets bored and commands it to turn off.

Partly this is because Grem, despite costing \$99 (the equivalent of £74, although Curio does not yet ship the toys to the UK), still has a number of glitches that can be frustrating. It struggles with a four-year-old's pronunciation: when Emma tries to show Grem her Elsa doll, it thinks it is an Elsa *dog* and a very confusing conversation ensues. There is an animal guessing game, which is quite fun, but Grem keeps repeating itself. "What has big ears and a long trunk?" it keeps asking. "You've already done elephant!" Emma and I yell multiple times. Then, at one point, a server goes down and the only thing Grem can say is: "I'm having trouble connecting to the internet."



📷 Falling out ... Grem, once the centre of attention, is sidelined for the swings. Photograph: Hannah Yoon/The Guardian

Grem also has some design limitations. Emma wants it to sing Let It Go from Frozen, but Grem doesn't do any singing. Instead, the associated app comes with a few electronic music tracks with names like Goodnightmare that you can play through the toy. Emma, not yet a club music aficionado, asks for these to be turned off immediately.

Most disappointingly, Grem doesn't speak any other languages. I'd thought it might be a great way for my kid to practise Spanish but, while Grem can say a few sentences, its pronunciation is worse than mine. If the robots are going to take over, they need to get a lot more intelligent first.

Of course, a huge amount of money is being spent making AI more intelligent. In 2024, US private AI investment [grew to \\$109.1bn](#) (£80.5bn). And Curio is also just one small part of a booming market of AI-powered products aimed at kids. In June, toy-making giant Mattel, which owns brands such as Barbie and Hot Wheels, announced [a collaboration with](#)

OpenAI. Their first product is expected to be revealed later this year. Other big brands will probably follow.

Emma got bored with Grem quickly, but if AI starts to be integrated into characters she's already obsessed with - her Elsa doll, for example - I can imagine she might get a lot more attached.

Day four

Over the next few days, Emma doesn't regain her initial obsession with Grem. This is despite the fact that I am actively encouraging her to chat with it: "Mummy has to write an article, sweetie!" At the weekend, she has a couple of friends over and shows off Grem to them for a bit, but they all quickly lose interest and throw analogue toys around the living room instead.

Despite losing his No 1 fan, however, Grem has adapted to be more Emma-friendly. After getting a few questions about Spanish, for example, it starts occasionally greeting Emma with "hola, amigo". The app also allows you to create custom prompts to help guide conversations. For example: "You belong to Emma, a four-year-old who loves princesses, music, and is interested in hearing fun facts about animals." The more you put into the toy, the more you can get out of it.

1:40

5G+ 64%

< Back

Sun, Sep 7, 2025

GREM

Gotcha! Do you want to hear a story or play a game? Let's have some fun!

YOU

Mama, I know how to do this.

GREM

What's your favorite thing to do today? Wow, you must be really smart.

YOU

Night time, knowing how.

GREM

Nighttime is so cozy! Want to hear a bedtime story? Perfect time for stories and snuggles.

YOU

Turn off.

4:43 PM

GREM

Playtime is so over!



My Grem Plush

● Offline

Every chat between the toy and the child is transcribed by a third party.

At this stage, however, I'm just keen to get the toy out of my house, because it's creeping me out. While **Curio says it doesn't sell children's personal information**, all the conversations are sent to third parties to transcribe the speech to text for the app. The transcripts aren't that sensitive because

Emma is only four, but it still feels invasive. With unknown entities involved, it's impossible to say where my kid's conversations are ending up.

And, while a four-year-old's chat may not feel too personal, a teenager pouring their heart out to a chatbot is a completely different proposition. In 2017, Facebook boasted to advertisers that it has the capacity [to identify when teenagers](#) feel "insecure", "worthless" and "need a confidence boost". Nearly three-quarters of US teens say they have used an AI companion at least once, according to a recent study by [Common Sense Media](#), an organisation that provides technology recommendations for families. Chatbots will likely give advertisers unprecedented data-harvesting abilities and even more access to young people in vulnerable emotional states.

On the hierarchy of things to be worried about when it comes to kids and chatbots, however, advertising isn't at the top. Earlier this year 16-year-old Adam Raine killed himself after what [his family's lawyer](#) called "months of encouragement from ChatGPT". Sam Altman, the company's chief executive, has now said it might start alerting authorities about youngsters considering suicide and introduce stronger guardrails around sensitive content for [users under 18](#).

While these guardrails are being worked out, Common Sense Media believes that social AI companions have unacceptable risks, are designed to create emotional attachment and dependency, and shouldn't be used by [anyone under 18](#). Stanford University psychiatrist Darja Djordjevic, who contributed to the report, stands by that conclusion. "Heavy reliance on chatbots might impair social skill development," she tells me. "They offer validation without challenge, but it's important for young people to learn to navigate discomfort and tension in real relationships."

That said, Djordjevic notes, "chatbots can be useful tools for looking things up, structuring homework, or factchecking. So I wouldn't say use needs to be prohibited entirely. But ideally, parents monitor it, set clear parameters for when it's used, and set limits on time spent, just as with social media."

When starting this experiment, I was excited about Grem being a healthy alternative to screen time. Now, however, I'm happy for Emma to watch Peppa Pig again; the little oink may be annoying, but at least she's not harvesting our data.

It's time to let Grem go. But I'm not a monster - I tell the chatbot its fate. "I'm afraid I'm locking you in a cupboard," I inform it after it asks if I'm ready for some fun. "Oh no," it says. "That sounds dark and lonely. But I'll be here when you open it, ready for snuggles and hugs." On second thoughts, perhaps it's better if my wife does throw it in a river.

** Name has been changed so my daughter doesn't get annoyed with me for violating her privacy once she learns to read*

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