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**From:** Jud Hoffman </O=THEFACEBOOK/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JUDSON HOFFMAN>  
**Sent:** Thursday, January 10, 2013 11:32 AM  
**To:** Justin Osofsky; Mark Zuckerberg; Javier Olivan  
**Cc:** David Fischer; Dan Rose; Mike Vernal; Mike Schroepfer; Sheryl Sandberg; Greg Badros; Elliot Schrage; Ted Ullyot; Cory Ondrejka; Gokul Rajaram; Sam Lessin; Colin Stretch  
**Subject:** Re: Competitive Mobile App Install Ads

To confirm the policy: We will reject ads for the competitive Google products + WeChat, Kakao and Line. We'll revisit additions to the list as new potential competitive threats are surfaced.

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**From:** Justin Osofsky <josofsky@fb.com>  
**Date:** Thursday, January 10, 2013 9:09 AM  
**To:** Mark Zuckerberg <zuck@fb.com>, Javier Olivan <jolivan@fb.com>  
**Cc:** David Fischer <davidf@fb.com>, Dan Rose <drose@fb.com>, Mike Vernal <vernal@fb.com>, Mike Schroepfer <schrep@fb.com>, Judson Hoffman <judsonhoffman@fb.com>, Sheryl Sandberg <sheryl@fb.com>, Greg Badros <badros@fb.com>, Elliot Schrage <elliot@fb.com>, Ted Ullyot <tu@fb.com>, Cory Ondrejka <cory.ondrejka@fb.com>, Gokul Rajaram <Gokul@fb.com>, Sam Lessin <sl@fb.com>, Colin Stretch <stretchcs@fb.com>  
**Subject:** Re: Competitive Mobile App Install Ads

We will block Wechat, Kakao and Line from spending on ads.

Fischer, Elliot, I'll connect with appropriate folks on your teams to ensure that we're coordinated in our communications with Wechat and have reactive PR messaging prepared.

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**From:** Mark Zuckerberg <zuck@fb.com>  
**Date:** Thursday, January 10, 2013 1:28 AM  
**To:** Javier Olivan <jolivan@fb.com>  
**Cc:** David Fischer <davidf@fb.com>, Dan Rose <drose@fb.com>, Mike Vernal <vernal@fb.com>, Mike Schroepfer <schrep@fb.com>, Jud Hoffman <judsonhoffman@fb.com>, Sheryl Sandberg <sheryl@fb.com>, Greg Badros <badros@fb.com>, Elliot Schrage <elliot@fb.com>, Ted Ullyot <tu@fb.com>, Cory Ondrejka <cory.ondrejka@fb.com>, Gokul Rajaram <Gokul@fb.com>, Sam Lessin <sl@fb.com>, Colin Stretch <stretchcs@fb.com>, Justin Osofsky <josofsky@fb.com>  
**Subject:** Re: Competitive Mobile App Install Ads

I think we should block WeChat, Kakao and Line ads. Those companies are trying to build social networks and replace us. The revenue is immaterial to us compared to any risk.

And I agree we should use ads to promote our own products, but I'd still block companies that compete with our core from gaining any advantage from us.

I'd also keep blocking Google but otherwise wouldn't extend the block to anyone else.

On Jan 9, 2013, at 2:06 PM, "Javier Olivan" <jolivan@fb.com> wrote:

A/C priv

I would block products that, if successful, could replace our core functionality & engagement / jeopardize our complete existence. I don't think E-commerce sites that compete with gifts make that cut (you could decide to block them for other reasons – but I am not arguing for that). I would be worried about SSNs like G+ / Path (if they were successful) and I am definitively worried about mobile messengers with scale (which as opposed to G+/Path have huge retention, are already extremely successful and evolving into full SSNs where you can share all types of content, have identity and profiles, are becoming gaming platforms, and are literally one step away from having a full newsfeed).

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**From:** David Fischer  
**Sent:** Wednesday, January 09, 2013 1:44 PM  
**To:** Javier Olivan; Dan Rose; Mike Vernal; Mike Schroepfer  
**Cc:** Jud Hoffman; Mark Zuckerberg; Sheryl Sandberg; Greg Badros; Elliot Schrage; Ted Ullyot; Cory Ondrejka; Gokul Rajaram; Sam Lessin; Colin Stretch; Justin Osofsky  
**Subject:** Re: Competitive Mobile App Install Ads

The revenue we make from this isn't the big driver of why I think we should allow competitive ads. It's not important or material. If we expand our list of what counts as competitive (e.g. eCommerce sites that compete with Gifts) it could become so but isn't for now.

Would you just block all messenger apps then? All competitive products? Trying to understand what the specific policy proposal would be that would address your concerns.

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**From:** Javier Olivan <jolivan@fb.com>  
**Date:** Wednesday, January 9, 2013 12:02 PM  
**To:** Dan Rose <drose@fb.com>, Mike Vernal <vernal@fb.com>, Mike Schroepfer <schrep@fb.com>, David Fischer <davidf@fb.com>  
**Cc:** Jud Hoffman <judsonhoffman@fb.com>, Mark Zuckerberg <zuck@fb.com>, Sheryl Sandberg <sheryl@fb.com>, Greg Badros <badros@fb.com>, Elliot Schrage <elliot@fb.com>, Ted Ullyot <tu@fb.com>, Cory Ondrejka <cory.ondrejka@fb.com>, Gokul Rajaram <gokul@fb.com>, Sam Lessin <sl@fb.com>, Colin Stretch <stretchcs@fb.com>, Justin Osofsky <josofsky@fb.com>  
**Subject:** RE: Competitive Mobile App Install Ads

A/C Priv:

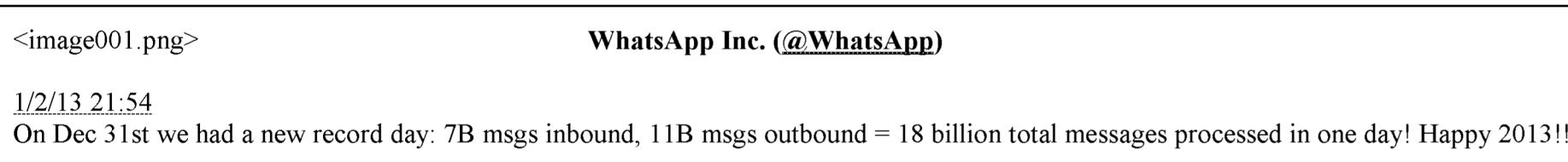
I guess my PoV on this won't be news for anyone, but sharing just in case:

Orkut, StudiVZ, Vkontakte and every other competitor we have tried to advertise on have blocked us in the past.

It sounds great to say that we should let them do it because we are better, we will look weak, etc... but we will look like complete idiots if we lose our business to these messenger services and help them along the way for a couple of \$s! The sum-product of shift to mobile + messenger services morphing into fully fleshed SSN sites is IMO the biggest competitive threat we face as a business. I can see the point about where to draw the line / ever growing list of competitors, but IMO messenger services deserve special treatment, since it arguably is one of the most dangerous beach heads to morph into FB.

Some data points from the last couple of weeks:

[Tweet from Whatsapp](#):



From Korea: (<http://www.edaily.co.kr/news/NewsRead.edy?SCD=JE31&newsid=02624006602675424&DCD=A00503&OutLnkChk=Y>)

According to Korea Information Society Development Institute, the volume of messages sent via Kakao Talk has increased by 857% with this year's 104.3 billion compared to 12.2 billion of last year during 1Q. The institute reckoned that the number of Kakao Talk users amounts to 46 million. The number of app downloads for Kakao Talk constituted 26 million or 80 percent of the total 33 million. During the respective period of study, the number of Kakao Talk messages consisted of 56.7 percent of the gross messages in Korea. The trend contributed to a 22.6 percent decrease in the number of SMS messages from 121.6 billion in 2010 to 94.1 billion in 2011. The institute also added that mVoIP rarely had an impact on user landscape of voice calling via mobiles.

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**From:** Dan Rose  
**Sent:** Wednesday, January 09, 2013 11:30 AM  
**To:** Mike Vernal; Mike Schroepfer; David Fischer; Javier Olivan  
**Cc:** Jud Hoffman; Mark Zuckerberg; Sheryl Sandberg; Greg Badros; Elliot Schrage; Ted Ullyot; Cory Ondrejka; Gokul Rajaram; Sam Lessin; Colin Stretch; Justin Osofsky  
**Subject:** Re: Competitive Mobile App Install Ads

(+Javi) If we don't block WeChat / Kakao / Line, should we reconsider our decision to block G+?

Also, the thread below suggests we would increase the price for competitors. If we don't block them, should we at least charge a premium to account for the cost to us of their growth?

FYI, we're going to continue blocking messenger apps from accessing friends.get, even if we don't block them from running ads.

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**From:** Mike Vernal <[vernal@fb.com](mailto:vernal@fb.com)>  
**Date:** Wednesday, January 9, 2013 10:22 AM  
**To:** Mike Schroepfer <[schrep@fb.com](mailto:schrep@fb.com)>, David Fischer <[davidf@fb.com](mailto:davidf@fb.com)>  
**Cc:** Jud Hoffman <[judsonhoffman@fb.com](mailto:judsonhoffman@fb.com)>, Mark Zuckerberg <[zuck@fb.com](mailto:zuck@fb.com)>, Sheryl Sandberg <[sheryl@fb.com](mailto:sheryl@fb.com)>, Greg Badros <[badros@fb.com](mailto:badros@fb.com)>, Elliot Schrage <[elliot@fb.com](mailto:elliot@fb.com)>, Ted Ulliyot <[tu@fb.com](mailto:tu@fb.com)>, Cory Ondrejka <[cory.ondrejka@fb.com](mailto:cory.ondrejka@fb.com)>, Gokul Rajaram <[gokul@fb.com](mailto:gokul@fb.com)>, Dan Rose <[drose@fb.com](mailto:drose@fb.com)>, Sam Lessin <[sl@fb.com](mailto:sl@fb.com)>, Colin Stretch <[stretchcs@fb.com](mailto:stretchcs@fb.com)>, Justin Osofsky <[josofsky@fb.com](mailto:josofsky@fb.com)>  
**Subject:** Re: Competitive Mobile App Install Ads

I also agree. I also think we should be more aggressive about using house ads with our own products, to both promote those apps but also to dogfood our own ad system.

-mike

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**From:** Mike Schroepfer <[schrep@fb.com](mailto:schrep@fb.com)>  
**Date:** Wednesday, January 9, 2013 10:16 AM  
**To:** David Fischer <[davidf@fb.com](mailto:davidf@fb.com)>  
**Cc:** Jud Hoffman <[judsonhoffman@fb.com](mailto:judsonhoffman@fb.com)>, Mark Zuckerberg <[zuck@fb.com](mailto:zuck@fb.com)>, Sheryl Sandberg <[sheryl@fb.com](mailto:sheryl@fb.com)>, Greg Badros <[badros@fb.com](mailto:badros@fb.com)>, Mike Vernal <[vernal@fb.com](mailto:vernal@fb.com)>, Elliot Schrage <[elliot@fb.com](mailto:elliot@fb.com)>, Ted Ulliyot <[tu@fb.com](mailto:tu@fb.com)>, Cory Ondrejka <[cory.ondrejka@fb.com](mailto:cory.ondrejka@fb.com)>, Gokul Rajaram <[gokul@fb.com](mailto:gokul@fb.com)>, Dan Rose <[drose@fb.com](mailto:drose@fb.com)>, Sam Lessin <[sl@fb.com](mailto:sl@fb.com)>, Colin Stretch <[stretchcs@fb.com](mailto:stretchcs@fb.com)>, Justin Osofsky <[josofsky@fb.com](mailto:josofsky@fb.com)>  
**Subject:** Re: Competitive Mobile App Install Ads

I generally agree with this.

schrep

On Jan 9, 2013, at 4:53 AM, David Fischer wrote:

I continue to believe we should allow ads from competitors for several reasons:

--We should be secure enough in the quality of our products to enable them to compete effectively in the open marketplace.  
--I'd like to believe our ads system can have enough impact to make or break a product, though that is often debatable. If that is the case, we should be able to use it better than anyone else to compete effectively.  
--It looks weak to be so defensive.  
--This will be a challenge to enforce. We have many competitors and the list will grow in time. How will we judge retailers and e-commerce sites as we grow Gifts, since they arguably are competitors too?

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**From:** Jud Hoffman <[judsonhoffman@fb.com](mailto:judsonhoffman@fb.com)>  
**Date:** Tuesday, January 8, 2013 8:39 PM  
**To:** Mark Zuckerberg <[zuck@fb.com](mailto:zuck@fb.com)>, Sheryl Sandberg <[sheryl@fb.com](mailto:sheryl@fb.com)>  
**Cc:** Greg Badros <[badros@fb.com](mailto:badros@fb.com)>, Mike Vernal <[vernal@fb.com](mailto:vernal@fb.com)>, David Fischer <[davidf@fb.com](mailto:davidf@fb.com)>, Elliot Schrage <[elliot@fb.com](mailto:elliot@fb.com)>, Ted Ulliyot <[tu@fb.com](mailto:tu@fb.com)>, Cory Ondrejka <[cory.ondrejka@fb.com](mailto:cory.ondrejka@fb.com)>, Gokul Rajaram <[gokul@fb.com](mailto:gokul@fb.com)>, Dan Rose <[drose@fb.com](mailto:drose@fb.com)>, Mike Schroepfer <[schrep@fb.com](mailto:schrep@fb.com)>, Sam Lessin <[sl@fb.com](mailto:sl@fb.com)>, Colin Stretch <[stretchcs@fb.com](mailto:stretchcs@fb.com)>, Justin Osofsky <[josofsky@fb.com](mailto:josofsky@fb.com)>  
**Subject:** Re: Competitive Mobile App Install Ads

In August, we decided to reject ads for directly competitive Google products but to continue to allow ads for other advertisers/products. However, given the changing competitive landscape, we've been asked to revisit whether we should extend this restriction to messenger apps. As context, WeChat spent \$544K in Dec. on Neko ads to drive installs (see screenshot) and is accelerating spend. Two other messenger apps spent <\$2K.

On the Platform side, we're restricting access to friends.get for all messenger apps so that they're not using our data to compete with us. If we decide to begin rejecting ads for messenger apps, we have a couple of options (I recommend the 2nd):

- Reject ads for WeChat and a specific list of competitors. This is "surgical" but the list is difficult to maintain as new products/companies become successful and it's difficult to explain.
- Reject ads for all messenger apps. This would potentially affect more advertisers, but it is easier to consistently enforce and explain, especially since it mirrors the Platform policy.

In both scenarios, we'd still allow Wechat and other messenger apps to have a Page, but they could not advertise or access the friends graph.

Please let us know your thoughts.

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**From:** Mark Zuckerberg <zuck@fb.com>  
**Date:** Thursday, August 23, 2012 10:16 AM  
**To:** Sheryl Sandberg <sheryl@fb.com>  
**Cc:** Greg Badros <badros@fb.com>, Mike Vernal <vernal@fb.com>, David Fischer <davidf@fb.com>, Elliot Schrage <elliot@fb.com>, Ted Ulyot <tu@fb.com>, Judson Hoffman <judsonhoffman@fb.com>, Cory Ondrejka <cory.ondrejka@fb.com>, Gokul Rajaram <Gokul@fb.com>, Dan Rose <drose@fb.com>, Mike Schroepfer <schrep@fb.com>, Sam Lessin <sl@fb.com>  
**Subject:** Re: Competitive Mobile App Install Ads

Yes for now

On Aug 23, 2012, at 10:25 AM, "Sheryl Sandberg" <sheryl@fb.com> wrote:

Yes or no to other google properties?

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**From:** Mark Zuckerberg  
**Sent:** Thursday, August 23, 2012 9:25 AM  
**To:** Sheryl Sandberg  
**Cc:** Greg Badros; Mike Vernal; David Fischer; Elliot Schrage; Ted Ulyot; Jud Hoffman; Cory Ondrejka; Gokul Rajaram; Dan Rose; Mike Schroepfer; Sam Lessin  
**Subject:** Re: Competitive Mobile App Install Ads

Yup, for now. We can always change later if the market develops so our competitors are a smaller part.

On Aug 23, 2012, at 7:54 AM, "Sheryl Sandberg" <sheryl@fb.com> wrote:

Making sure we are getting this right:

- no G+
- other Google properties?
- price higher for the entire competitive list

correct?

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**From:** Mark Zuckerberg  
**Sent:** Wednesday, August 22, 2012 11:46 PM  
**To:** Sheryl Sandberg  
**Cc:** Greg Badros; Mike Vernal; David Fischer; Elliot Schrage; Ted Ulyot; Jud Hoffman; Cory Ondrejka; Gokul Rajaram; Dan Rose; Mike Schroepfer; Sam Lessin  
**Subject:** Re: Competitive Mobile App Install Ads

I wouldn't allow G+, but the rest are probably fine.

On Aug 22, 2012, at 10:24 PM, "Sheryl Sandberg" <[sheryl@fb.com](mailto:sheryl@fb.com)> wrote:

I would block Google.

Mark?

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**From:** Greg Badros

**Sent:** Wednesday, August 22, 2012 10:04 PM

**To:** Mike Vernal; David Fischer; Mark Zuckerberg; Sheryl Sandberg; Elliot Schrage; Ted Ulyot; Jud Hoffman; Cory Ondrejka; Gokul Rajaram; Dan Rose; Mike Schroepfer; Sam Lessin

**Subject:** RE: Competitive Mobile App Install Ads

a/c privileged

If we're able to model the competitive cost to us as part of the price and distribution determination, I'm fine with that rather than an outright block. (E.g., if twitter paid enough for an install [or impression while we're building CPI pricing], we'd allow that.)

I know a single install of one of those products is not infinitely damaging to us, and that's what an outright blocking incorrectly models.

If folks want simple: I think we should block all actually competitive apps. Like Mike, I'm not sure we need to block all of the below, and I'm not sure that there aren't others that we should be blocking, too.

Greg

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**From:** Mike Vernal

**Sent:** Wednesday, August 22, 2012 2:03 PM

**To:** David Fischer; Mark Zuckerberg; Sheryl Sandberg; Elliot Schrage; Ted Ulyot; Jud Hoffman; Cory Ondrejka; Greg Badros; Gokul Rajaram; Dan Rose; Mike Schroepfer; Sam Lessin

**Subject:** Re: Competitive Mobile App Install Ads

Is there room between option #1 (prohibiting "all" competitive products) and options #2 (google only)?

I think we should basically be willing to block key competitors, which is likely only Google, but you could imagine including Twitter or 2-3 other apps over time. I don't think we should be talking about blocking all competitor apps.

-mike

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**From:** David Fischer <[davidf@fb.com](mailto:davidf@fb.com)>

**Date:** Wed, 22 Aug 2012 13:50:33 -0700

**To:** Mark Zuckerberg <[zuck@fb.com](mailto:zuck@fb.com)>, Sheryl Sandberg <[sheryl@fb.com](mailto:sheryl@fb.com)>, Elliot Schrage <[elliot@fb.com](mailto:elliot@fb.com)>, Ted Ulyot <[tu@fb.com](mailto:tu@fb.com)>, Jud Hoffman <[judsonhoffman@fb.com](mailto:judsonhoffman@fb.com)>, Cory Ondrejka <[cory.ondrejka@fb.com](mailto:cory.ondrejka@fb.com)>, Greg Badros <[badros@fb.com](mailto:badros@fb.com)>, Gokul Rajaram <[Gokul@fb.com](mailto:Gokul@fb.com)>, Dan Rose <[drose@fb.com](mailto:drose@fb.com)>, Mike Schroepfer <[schrep@fb.com](mailto:schrep@fb.com)>, Mike Vernal <[vernal@fb.com](mailto:vernal@fb.com)>

**Subject:** FW: Competitive Mobile App Install Ads

We have a policy decision to make around our mobile app install network: Do we want to allow competitive apps to participate? Twitter has already expressed interest in participating and I'm sure this is only the first of many to come.

To date, we've had a policy to prohibit ads from direct competitors but have defined that only as G+ and a small number of additional Google products like their local business pages (see more detailed list below in Jud's note).

I'd expect that a large part of the market for our network will come from current and potential competitors. Here's the list that Jud worked up of what we'd likely prohibit if we were to adopt a ban "competitors" using a broad definition:

- Social network apps ([Google+](#), [Twitter](#), [Path](#), etc.)
- Photo sharing apps ([Picasa](#), [Flickr](#), [LiveShare](#), [Shutterfly](#), etc.)
- Messaging apps ([WhatsApp](#), [Viber](#), [Imo](#), [KakaoTalk](#), etc.)
- Local apps ([Google+ Local](#), [Google Offers](#), [Yelp](#), [yp](#), etc.)
- Social search apps ([HeyStaks](#), [Wajam](#), etc.)
- Platforms ([Google Play](#), Amazon, etc.)

My recommendation would be to be an open platform and allow these apps to participate. I don't believe we can have the winning product if we rule out such large parts of the market. Someone else will enable full participation and offer developers and publishers better monetization and a better experience. This is tricky since our success in this initiative could hurt us in other ways, but I expect that we will be able to use this network effectively to drive installs of our own apps, and that our products should stand up well enough on their own to succeed in this way.

Let's see if we have a consensus. If not, I'll suggest that Sheryl and Elliot set up a meeting with the right people to discuss this since I'm on a plane now and out of office for the next week.

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**From:** Jud Hoffman <[judsonhoffman@fb.com](mailto:judsonhoffman@fb.com)>  
**Date:** Mon, 20 Aug 2012 17:48:19 -0700  
**To:** David Fischer <[davidf@fb.com](mailto:davidf@fb.com)>  
**Cc:** Gokul Rajaram <[gokul@fb.com](mailto:gokul@fb.com)>, Elliot Schrage <[elliot@fb.com](mailto:elliot@fb.com)>, Grady Burnett <[gradyburnett@fb.com](mailto:gradyburnett@fb.com)>, Marne Levine <[marne.levine@fb.com](mailto:marne.levine@fb.com)>  
**Subject:** Competitive Mobile App Install Ads

David,

I've tried to lay out the issue, history and decision set for your (and ultimately Mark and Sheryl's) consideration below. Please let me know if you have any questions or suggestions.

Jud

**Issue:** Twitter wants to participate in our mobile app install ads beta test. We need to decide whether launch of the mobile app install ad product causes us to change our stance on ads for mobile apps that compete with Facebook products.

**Policy background:** We reserve the right to reject ads for any reason, including those that promote competitive products. So far, we've limited the list to Google products in the following categories:

- Geo/Local (Google Offers, Places, maps, etc.)
- Social (Google +, Groups, Orkut, Blogger, etc.)
- Platforms (competing games and other platforms like Google Play, etc.)

#### Options:

- Prohibit ads for products that compete with Facebook products. This would implicate a lot of advertisers and developers and potentially alienate those using Facebook integration:
  - Social network apps ([Google+](#), [Twitter](#), [Path](#), etc.)
  - Photo sharing apps ([Picasa](#), [Flickr](#), [LiveShare](#), [Shutterfly](#), etc.)
  - Messaging apps ([WhatsApp](#), [Viber](#), [Imo](#), [KakaoTalk](#), etc.)
  - Local apps ([Google+ Local](#), [Google Offers](#), [Yelp](#), [yp](#), etc.)
  - Social search apps ([HeyStaks](#), [Wajam](#), etc.)
  - Platforms ([Google Play](#), Amazon, etc.)

- Continue to prohibit only Google products (and allow the others above). There have been an increasing number of internal inquiries about the perceived inequity, and we're likely to get external inquiries at some point as well.
- Allow advertising for Google products. Given our view of Google's competitive strategy, this would effectively be a decision to allow ads for all competing products.

**Recommendation:** My preference (from both a policy and personal perspective) is that we should choose either option #2 or #3. As David said, if we intend to become the leading mobile app distribution network, we will have to allow apps that may compete with elements of Facebook.

On 8/18/12 2:43 PM, "David Fischer" <davidf@fb.com> wrote:

Jud,

Thanks for raising this. We should tee up a larger set of conversations here as there will be a whole bunch of potential competitors who are interested in our mobile app install network. We need a view on the following:

--Twitter  
--G+  
--messaging apps -- what's app, kakao talk, etc  
--photo apps

I'm sure there will be plenty more we put into the "competitor" camp.

My own take is that we should allow all of these since I don't see that we can be the leading mobile app distribution network without these but this needs debate and to go up to Mark.

Can you frame the broader decision set we need to consider for Elliot and me and we can then take to Sheryl and Mark?

Thanks

On 8/17/12 10:06 AM, "Jud Hoffman" <judsonhoffman@fb.com> wrote:

Hi David,

Twitter is approaching one of our PMD partners to run mobile app install ads as part of our beta test. We'd agreed a year ago that we'd accept ads from them if approached (they hadn't yet), but just want to make sure our thoughts about them as competitor haven't changed in the meantime.

Thanks,

Jud

 Sent from my iPhone