

## ★ Twitter's Facebook Trick Is Bittersweet

[https://www.wsj.com/articles/twitters-facebook-trick-is-bittersweet-11572631688?st=5xt3x2tav2j0ze3&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/twitters-facebook-trick-is-bittersweet-11572631688?st=5xt3x2tav2j0ze3&reflink=desktopwebshare_permalink)

Nov. 1, 2019 at 2:08 pm ET

- Less than two weeks after Facebook Chief Executive Mark Zuckerberg gave a long-winded oration defending free speech and uncensored political ads on his platform, Twitter Chief Executive Jack Dorsey announced—via Tweet—that his platform would ban political ads, citing the risks of misinformation and manipulation.
- Mr. Zuckerberg says his defense of political ads on his platform isn't about money.
- Facebook estimates ads from politicians will comprise just 0.5% of its revenue in the 2020 election year.
- Ad firm GroupM predicts there will be \$2.8 billion in digital political ad spending next year in the U.S. alone.
- According to Facebook's Ad Library Report, Planned Parenthood has run 430 ads on Facebook in the past 90 days alone, spending roughly \$424,000 on the platform.
- Indeed, Mr. Zuckerberg admits banning some ads would be a slippery slope, noting it is hard to define where to draw the line. "
- Then there is the fact that the majority of content on Facebook is user-driven and not advertisements.
- Facebook hasn't quantified the size of all political ads and related discourse on its platform, but says they are "a small percentage of overall revenue."
- More likely is that investors know the value of political ads and political discourse to social-media platforms and aren't eager to see it diminished by self-regulation.
- For as much heat as Mr. Zuckerberg and his company have taken over his stance, Facebook has gained nearly \$10 billion in market value in just two days since its earnings report, with Twitter shares down slightly over the same period.

## Google Weighs Changes to Political Ad Policy

[https://www.wsj.com/articles/google-weighs-changes-to-political-ad-policy-11573081092?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/google-weighs-changes-to-political-ad-policy-11573081092?reflink=desktopwebshare_permalink)

Updated Nov. 6, 2019 at 6:06 pm ET

- Alphabet Inc.'s Google is in discussions about changing its political ad policy, according to people familiar with the matter, about a week after Facebook Inc. and Twitter Inc. publicly diverged on how to handle those ads amid the spread of misinformation.
- Google has been holding internal meetings about changing its political ad policy and is expected to share more information with employees this week, the people said, though it is unclear what the changes will be.
- Some Google employees are speculating the changes could be related to what type of audience targeting the company allows ad buyers to place.
- All of Google's advertising policies are uniform across search and YouTube, and any ad policy change would be reflected across all of its platforms, a Google spokesperson said.
- Facebook, meanwhile, continues to accept political ads to run and has said it won't fact-check statements from politicians, a stance that has largely drawn criticism from those on the left and praise from the right.
- Google has historically accepted political ads, and last month ran a controversial ad by the Trump campaign that included an unsubstantiated claim about former Vice President Joe Biden's role in the ouster of a Ukrainian prosecutor.

## California Probing Facebook's Privacy Practices

[https://www.wsj.com/articles/california-attorney-general-says-facebook-hasnt-adequately-complied-with-subpoenas-11573068750?st=v0rr4apopl8y6yz&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/california-attorney-general-says-facebook-hasnt-adequately-complied-with-subpoenas-11573068750?st=v0rr4apopl8y6yz&reflink=desktopwebshare_permalink)

Updated Nov. 6, 2019 at 6:31 pm ET

- California is investigating Facebook Inc.'s privacy practices, the state's attorney general revealed Wednesday in a lawsuit that accuses the Silicon Valley tech giant of failing to adequately comply with information requests.
- Attorney General Xavier Becerra said he has asked the San Francisco Superior Court to force Facebook to comply with investigators' subpoenas, the latest of which were issued in June.
- "The responses we have received to date are patently inadequate," he said at a press conference.
- California prosecutors began probing Facebook in 2018, shortly after the company said data from as many as 87 million of its users may have been improperly shared with Cambridge Analytica, a British political consulting firm that worked on President Trump's 2016 campaign and has since shut down.
- Facebook says it has complied with requests from California authorities.
- California said in its legal filing that it doesn't believe Facebook has searched the emails of either Mr. Zuckerberg or Chief Operating Officer Sheryl Sandberg in response to the subpoena.
- California's investigation focuses on Facebook's compliance with state privacy and consumer protection laws, the lawsuit says, including whether Facebook allowed its business partners to access user data even when those users had opted out of such sharing, as well as the company's technical explanations about how its software allowed outside entities to access user data.
- Facebook and other tech giants face increasing pressure from regulators for some of their actions.
- A bipartisan group of more than 40 state attorneys general in September formally launched an investigation into Facebook and Alphabet Inc.'s Google to determine whether the companies sought to stifle competition, potentially harming consumers.
- As Facebook aims to comply with the FTC consent decree, it has been trying to stamp out areas where user data is improperly shared.
- In a blog post Tuesday, Facebook said it found instances where app developers had more access to user data than intended.

## ★● Facebook Feared WhatsApp Threat Ahead of 2014 Purchase, Documents Show

[https://www.wsj.com/articles/facebook-feared-whatsapp-threat-ahead-of-2014-purchase-documents-show-11573075742?st=u0llsqr1che46fn&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-feared-whatsapp-threat-ahead-of-2014-purchase-documents-show-11573075742?st=u0llsqr1che46fn&reflink=desktopwebshare_permalink)

Updated Nov. 6, 2019 at 6:37 pm ET

- In the months before acquiring WhatsApp in 2014, Facebook Inc. executives described the messaging service and others like it as a threat to the company's core business, offering potential evidence to regulators in the U.S. and Europe that are pursuing antitrust probes into the social-networking company.
- In a trove of internal Facebook documents published Wednesday, including email chains and presentations, Chief Executive Mark Zuckerberg and other executives repeatedly called messaging apps including WhatsApp a threat to Facebook and to its own chat app, Facebook Messenger.
- The danger was perceived to be mounting as the social network's usage moved from desktop to smartphones, where chat apps had proven popular, the documents showed. "
- Facebook announced its purchase of WhatsApp in February 2014 and closed the roughly \$22 billion deal in October that year.
- The U.S. Federal Trade Commission has reached out to the founders of WhatsApp, Jan Koum and Brian Acton, to schedule a meeting as part of its probe into Facebook's competitive practices, according to a person familiar with the matter.
- The documents published by multiple media outlets on Wednesday are among confidential court filings from a lawsuit brought by an app developer in California state court.
- Duncan Campbell, an Irish journalist, said on his website Wednesday that the court documents were sent to him anonymously in February of this year, and he supplied them to various publications.
- The Wall Street Journal wrote about some of the documents last year, and a subset of the nearly 7,000-page cache was subsequently released by the U.K. Parliament, which was considering more stringent regulation of social-media companies.
- The latest files could nevertheless present fresh problems for Facebook as it faces a range of regulatory inquiries on both sides of the Atlantic into how it treats competitors and safeguards users' data.

- The FTC, a group of U.S. states led by New York, and the European Union are all conducting investigations into Facebook.
- Facebook agreed to pay a \$5 billion fine to the FTC to settle an investigation into its consumer-data practices, and it faces privacy probes in Europe.
- misleading it about the WhatsApp takeover after the commission learned that Facebook was able to match user accounts from both services—after having assured EU officials during merger review that it couldn't routinely do so.
- It's unclear on what grounds the FTC might hang an antitrust case against Facebook or the extent to which Wednesday's mountain of documents will provide them ammunition.
- The documents published Wednesday— most dating from about 2010 to 2015—include sealed filings from a lawsuit against Facebook initiated by a company called Six4Three LLC.
- Six4Three, the developer of a now-defunct app, sued Facebook in 2015, alleging that the social-media giant's data policies were anticompetitive and favored certain companies over others.
- Facebook's growth team, led by Mr. Olivan, saw messaging apps as its top competitive threat, according to a classification system revealed in the documents.
- The documents reveal how Facebook used its strength in monitoring and controlling data flows to help it buy WhatsApp, the world's most popular messaging app.

## ★ Targeting Mark Zuckerberg

[https://www.wsj.com/articles/targeting-mark-zuckerberg-11573171559?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/targeting-mark-zuckerberg-11573171559?reflink=desktopwebshare_permalink)

Nov. 7, 2019 at 7:06 pm ET

- Perhaps the most important political divide in our polarized times isn't between those who support Donald Trump and those who oppose him.
- The relentless campaign demanding that CEO Mark Zuckerberg police the political ads of candidates for accuracy on Facebook shows the prevalence of the latter view.
- A Columbia law professor opines in the New York Times that, with its recent decision not to fact-check or censor ads by politicians, Facebook is "refusing to stay out" of politics and therefore asking to be broken up.
- Facebook's policy is wise precisely because it takes the company out of the political fray.
- Facebook could ban political ads altogether.
- Freedom of speech should be curtailed because it protects "bad actors who hide behind it to weaken our society," Hungarian strongman Viktor Orbán recently said.
- The current high-minded justification for internet censorship is that free speech is "sowing division" with "misinformation."
- Yet this view of social media's political effect reflects prejudice more than evidence.
- Established gatekeepers want to shut out alternative perspectives.
- The tech columnist Kara Swisher said last week she expects Mark Zuckerberg to "change his mind" on Facebook's ad policy.
- The fight over fact-checking prompted by Mr. Trump's ad is one skirmish in a broader offensive by Democrats and liberals to turn social-media platforms into their information-enforcement arm.
- We hope Mr. Zuckerberg shows more foresight and fortitude, and that he accepts the temporary loss of allies on the left as a price for keeping the internet open for political speech.

## ★ Facebook, Censorship and Political Speech

[https://www.wsj.com/articles/facebook-censorship-and-political-speech-11574097326?st=3vrovjn2a5vnsol&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-censorship-and-political-speech-11574097326?st=3vrovjn2a5vnsol&reflink=desktopwebshare_permalink)

Nov. 18, 2019 at 12:15 pm ET

- Your Nov. 8 editorial "Targeting Mark Zuckerberg" defends Facebook's stance on political ads.
- You characterize the push to strengthen regulation of social media as a partisan bid to censor political speech—and President Trump in particular.
- This represents a gross underestimation of the global threat posed to democracy by online disinformation.

- Mike Abramowitz President, Freedom House Washington Facebook's commitment to supporting free expression by not fact-checking candidate election ads is a clever way for Mr. Zuckerberg to avoid responsibility and, yet again, another hit to Facebook's reputation.
- Fact-checking political ads on Facebook would advance the public interest, take the pressure off Mr. Zuckerberg and restore faith in the electoral process rather than undermine it.
- game changer, it's a predictable political move and yet another reason why so many Americans have lost trust in Facebook.
- Cristina Paule Boston Mr. Zuckerberg is executing his own censorship of Facebook's users with algorithms or trolls hooked in to monitor comments.
- And there is no appealing Facebook's decisions, nor real communication with it.
- I have been deplatformed for innocuous comments to news and political sites multiple times for ridiculous reasons.
- Either the algorithms are set to squash conservative speech for specious reasons or outside organizations are combing the site launching complaints against speech they want to silence.
- And Mr. Zuckerberg is a party to it.
- Facebook has already declared that it will deter and remove much of that, at its own discretion.
- In other words, Facebook is deft at deciding that it will limit speech whenever it suits Facebook's interests.
- Here, Facebook is disingenuously wrapping itself in the First Amendment flag.

## ★ Facebook Weighs Steps to Curb Narrowly Targeted Political Ads

[https://www.wsj.com/articles/facebook-discussing-potential-changes-to-political-ad-policy-11574352887?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-discussing-potential-changes-to-political-ad-policy-11574352887?reflink=desktopwebshare_permalink)

Updated Nov. 21, 2019 at 8:13 pm ET

- Facebook Inc. is discussing increasing the minimum number of people who can be targeted in political ads on its platform from 100 to a few thousand, according to people familiar with the matter.
- The potential move is part of an effort to make it less easy for advertisers to microtarget, which has been criticized as enabling political actors to single out groups for misleading or false ads that aren't seen by the broader public.
- Alphabet Inc.'s Google said on Wednesday that advertisers would no longer be able to target political messages based on users' interests inferred from their browsing or search histories.
- And last month, Twitter Inc. said it would stop accepting most political ads.
- Bill Russo, a spokesman for the former vice president, said the new policies from Twitter and Google are a step in the right direction but not enough. "
- Facebook has sought feedback from large Republican and Democratic political ad buyers about boosting the minimum number of people who are targeted in political ads as well as other ideas, one of the people familiar with the matter said.
- The discussions picked up around the time Facebook Chief Executive Mark Zuckerberg testified on Capitol Hill about a month ago about the company's plans for a new cryptocurrency. "
- As we've said, we are looking at different ways we might refine our approach to political ads," a Facebook spokesman said Wednesday night and reiterated Thursday.
- It is unclear if or when Facebook would roll out any changes.
- Ad buyers have said narrowly targeted ads are often used to reach specific audiences ranging from racial or ethnic groups to lawmakers' and their staff.
- Questions about any potential changes were expected to be front and center at a Facebook event for political ad buyers scheduled Thursday evening in Washington, ad buyers said.
- Total spending on digital political ads in the U.S. is expected to reach \$2.9 billion in 2020, up from \$1.4 billion in 2016, according to Borrell Associates Inc., a consulting firm.
- The ad's text quickly acknowledged the endorsement claim was false and criticized Facebook's policy.
- Last week, Twitter detailed its policy—first announced in October—of banning political ads and imposing restrictions on geographic and keyword targeting for advertising tied to political causes.

- It will go into effect world-wide on Friday.
- On Wednesday, Google said it would stop allowing highly targeted political ads on Google Search, Google's video platform YouTube and third-party sites across the web purchased through Google's ad-buying software.
- Political ads can only be targeted based on users' age, gender, and location at the postal-code level.
- Google said in a blog post it will roll out the ban world-wide on Jan. 6, with launches planned earlier in Europe.
- Google has historically accepted political ads, and in October carried a controversial ad by the Trump campaign that included an unsubstantiated claim about Mr. Biden's role in the ouster of a Ukrainian prosecutor when he was vice president.
- Mr. Biden's campaign has been in touch with Facebook, Google and Twitter about its concerns over their political ad policies, according to letters reviewed by the Journal and a person familiar with the matter.

## How a Facebook Employee Helped Trump Win—But Switched Sides for 2020

[https://www.wsj.com/articles/how-facebooks-embed-in-the-trump-campaign-helped-the-president-win-11574521712?st=2q5ne41b6tgb58c&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/how-facebooks-embed-in-the-trump-campaign-helped-the-president-win-11574521712?st=2q5ne41b6tgb58c&reflink=desktopwebshare_permalink)

Updated Nov. 24, 2019 at 3:18 pm ET

- After the 2016 presidential election, Republican Party officials credited Facebook Inc. with helping [Donald Trump](#) win the White House. One senior official singled out a then-28-year-old Facebook employee embedded with the Trump campaign, calling him an “MVP.”
- Now that key player is working for the other side—as national debate intensifies over Facebook’s role in politics.
- James Barnes left Facebook this spring, and said he is now dedicated to using the digital-ad strategies he employed on behalf of the Trump campaign to get President Trump out of office in 2020.
- Mr. Barnes said he remains supportive of Facebook’s mission but is uneasy about the company’s influence on political discourse. One question that has nagged him over the past three years about his time at Facebook: “Did I actually do the right thing?”
- Social-media platforms are sure to be a critical battlefield in 2020, with political spending [on digital advertising](#) expected to hit \$2.9 billion, up from \$1.4 billion in 2016, according to consulting firm Borrell Associates Inc.
- In response, Facebook has made changes to slow the spread of misinformation and eliminated commissions for employees [who sell political ads](#). The company is also considering ways to make it harder [to target political ads](#) to very small groups of people.
- Another big change that came out of this reckoning: Last year, Facebook said it would no longer embed its employees with political campaigns, as Mr. Barnes had done.
- Chief Executive [Mark Zuckerberg](#) has discussed his own soul-searching around whether Facebook should accept political ads at all, eventually deciding that it should and that it wouldn’t fact-check those messages as it does other content.
- Like other tech companies, Facebook divvies up its political-ad sales team by party. Republican employees usually work with Republican clients; Democrats work with Democrats. Mr. Barnes was part of the team that dealt exclusively with Republicans.
- One of the first things Mr. Barnes and his team advised campaign officials to do was to start running fundraising ads targeting Facebook users who liked or commented on Mr. Trump’s posts over the past month, using a product now called “[engagement custom audiences](#).”
- The product, which Mr. Barnes hand-coded, was available to a small group, including Republican and Democratic political clients. (The ad tool was rolled out widely around Election Day.) Within the first few days, every dollar that the Trump campaign spent on these ads yielded \$2 to \$3 in contributions, said Mr. Barnes, who added that the campaign raised millions of dollars in those first few days.

- Mr. Barnes frequently flew to Texas, sometimes staying for four days at a time and logging 12-hour days. By July, he says, he was solely focused on the Trump campaign. When on-site in the building that served as the Trump campaign's digital headquarters in San Antonio, he sometimes sat a few feet from Mr. Parscale.
- Each variation of the ad would be targeted to certain demographics. It could be as specific as 18-to-24-year-old men who visited the Trump campaign donation page and made it to the third step but never finished, according to Mr. Barnes. They tested all the variations and doubled down on those that raised the most money.
- Trump campaign officials have said that some days the campaign churned out 100,000 separate versions of Facebook ads.
- Mr. Barnes's Democratic counterparts at Facebook weren't getting the same reception. Tatenda Musapatike, a former Facebook employee who worked with Democratic PACs and other independent expenditure groups in 2016, said she felt many Democrats held Facebook at arm's length.
- "For James, he'd suggest something and they'd say, 'Sure, let's try it,'" said Ms. Musapatike. "It was a battle for us to get anything accepted at a much smaller scale."
- Hillary Clinton's campaign didn't have Facebook employees stationed on site, according to people familiar with the campaign. One former Clinton campaign official said the campaign didn't want to give Facebook employees "24/7 opportunity" to sell more ads by embedding with its staff.
- During the campaign, Trump campaign officials frequently threatened to go to the press if Mr. Barnes and other Facebook employees failed to address problems to their satisfaction, he said.
- Mr. Barnes doesn't think Cambridge Analytica uploaded any illicitly gained Facebook user data to target ads, but that it wasn't the norm for Facebook employees to ask for such details.
- At one point, in mid-2018, Mr. Barnes helped design Facebook's [much-touted "war room"](#) for managing election integrity in the U.S. and abroad. Shortly before a press junket to showcase the effort, he said, two Facebook public-relations officials advised him to stay away from the event in case journalists raised questions about his role helping the Trump campaign.

## Facebook Says Outages Have Been Resolved

[https://www.wsj.com/articles/facebook-experiences-sporadic-outages-11574963022?st=bksq0rkq05i2c27&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-experiences-sporadic-outages-11574963022?st=bksq0rkq05i2c27&reflink=desktopwebshare_permalink)

Updated Nov. 28, 2019 at 3:39 pm ET

## Ordered by Singapore, Facebook Posts a Correction

[https://www.wsj.com/articles/facebook-complies-with-order-under-singapore-fake-news-law-11575116149?st=byqwgj1q9mhevm&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-complies-with-order-under-singapore-fake-news-law-11575116149?st=byqwgj1q9mhevm&reflink=desktopwebshare_permalink)

Nov. 30, 2019 at 7:15 am ET

- Facebook Inc. added a "correction notice" to a post that Singapore authorities alleged contains false information, becoming the first technology company to comply with a new law the government says is meant to curb fake news.
- The government had ordered the notice Friday on the post, which alleges authorities had made a wrongful arrest.
- The Protection from Online Falsehoods and Manipulation Act, which took effect in October, allows government ministers who deem information false to order correction notices or removal of the material, if they believe that is in the public interest.
- Officials have said the law applies to statements of fact rather than opinions or criticism, but critics say it could be used to suppress political rivals and chill free speech.
- The post was written by Alex Tan, who was a political activist in Singapore and now lives in Australia, operating a website that frequently criticizes the government and the long-dominant ruling party.
- The government ordered him to attach a correction notice, but Mr. Tan refused: As he is based in Australia, he said, he isn't obliged to comply.
- So the government ordered Facebook to do it.



- Facebook has long resisted taking down posts for allegedly being false.
- One of Facebook's concerns with the Singapore law, according to a person familiar with the matter, is that the government rather than fact checkers will determine accuracy.
- Facebook's position on false information has irked the Singapore government in the past, including last year when it refused to take down a post authorities said falsely linked Singapore to a multibillion-dollar financial fraud in neighboring Malaysia.

## ● Facebook to Antitrust Regulators: Data Is Complicated

[https://www.wsj.com/articles/facebook-to-antitrust-regulators-data-is-complicated-11575313591?st=pxqycuhwkbq2bkb&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-antitrust-regulators-data-is-complicated-11575313591?st=pxqycuhwkbq2bkb&reflink=desktopwebshare_permalink)

Dec. 2, 2019 at 2:06 pm ET

- Nick Clegg, Facebook's vice president of global affairs and communications, said Monday that antitrust officials should be careful not to treat data like other commodities that could be monopolized, but rather as something more complex that can be shared and kept at the same time. "
- But he added that officials defining what he called the orthodoxy of competition policy should "reconfigure old concepts" and "relinquish themselves of the idea that [using data] is the same as using finite resources in finite, one-off ways."
- Mr. Clegg's statement comes as tech companies including Facebook and Alphabet Inc.'s Google face growing antitrust scrutiny on both sides of the Atlantic for their control and use of user data.
- In the U.S., both the Justice Department and Federal Trade Commission are probing the companies.
- The European Commission, the European Union's antitrust enforcer, is also in the early stages of probes into how both Google and Facebook gather and monetize data about their users for advertising purposes, according to a commission spokeswoman.
- Google and Facebook say they are responding to public calls for stricter privacy controls, in particular the rules of the strict new EU privacy law, called the General Data Protection Regulation, or GDPR.
- Facebook said Monday that it will soon allow its users to export their photos directly to Google's photo-sharing platform, without needing first to download and upload those pictures.
- Data portability has gained attention after both the GDPR and a new privacy law in California created some new obligations for companies.
- Google and Facebook have offered some tools for users to download their data for many years.
- Still rivals say that it is hard for users to switch from one digital service to another—a phenomenon described as lock-in.
- Some critics were unsatisfied with Facebook's announcement on Monday. "

## ● She Argued Facebook Is a Monopoly. To Her Surprise, People Listened.

[https://www.wsj.com/articles/yale-law-grads-hipster-antitrust-argument-against-facebook-finds-mainstream-support-11575987274?st=4r2r68ws638sn96&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/yale-law-grads-hipster-antitrust-argument-against-facebook-finds-mainstream-support-11575987274?st=4r2r68ws638sn96&reflink=desktopwebshare_permalink)

Updated Dec. 10, 2019 at 3:44 pm ET

- When Dina Srinivasan quit her job as a digital advertising executive two years ago, she wasn't looking to retool antitrust law for the social-media age.
- Her conclusion was that rather than raising prices like an old-school monopolist, Facebook harmed consumers by charging them ever-increasing amounts of personal data to use its platform.
- Eventually she emailed an unsolicited article to the Berkeley Business Law Journal, which published it this year under the title, "The Antitrust Case Against Facebook."
- In the past year Ms. Srinivasan has presented at the American Antitrust Institute's annual conference and appeared at a private gathering of state attorneys general investigating Facebook.
- Now based in northern California, she is presenting her work at an international antitrust conference in Brussels this week.

- U.S. Attorney General William Barr, whose department is currently probing big tech, said Tuesday he is "open to that argument" that consumer harm can exist through the use of personal data, even if a service is free. "
- said, citing the company's recent release of a feature allowing users to review and block advertising based on their off-Facebook activity. "
- We haven't degraded privacy protection, we've increased it."
- The rise of Ms. Srinivasan's privacy-as-antitrust idea owes a great deal to an escalating argument over whether antitrust law had grown too narrow.
- Though founded on statutes that gave enforcers sweeping powers to protect competition, antitrust law has for the past 40 years marched toward a singular focus on consumer welfare in keeping with the Chicago School's free-market thinking.
- A new breed of antitrust experts believes new approaches are needed.
- Derided as "hipster antitrust" by critics, the movement seeks to broadly wield antitrust law against concentrated corporate power.
- Ms. Srinivasan has sometimes been lumped in with the hipster crowd but her argument has won credibility with mainstream antitrust scholars precisely because it sticks to the consumer welfare standard —substituting consumers' payment to Facebook with personal data for payment with money.
- When it comes to Facebook, she says, "the Chicago paradigm is dagger enough." "
- Her paper shows the protection of privacy at Facebook goes down as Facebook faces less competition.
- He said he found the paper to be "a great piece of work" but that "there's going to be a whole other side, saying this is just off the wall."
- Born in Seattle but raised mostly in Lebanon, she moved back to the U.S. alone at the age of 16 to finish high school.
- She founded an early text messaging interoperability startup in college, then went to law school.
- By the time Ms. Srinivasan graduated from Yale in 2006, however, she was expecting her third child and chose not to sit for the bar.
- Instead, Ms. Srinivasan co-founded a digital advertising technology company while raising her four children.
- Unlike some Facebook critics, Ms. Srinivasan isn't advocating for a breakup of the social media giant, or to force it to unwind some of its major acquisitions, such as WhatsApp or Instagram. Ms. Srinivasan would prefer that Facebook be forced to change certain business practices, including how it tracks users when they are off the company's platforms. "It would be a mistake to go after Facebook and not include the pattern and practice of deceptive conduct which allowed it to track users across the web," she said.

## ★● Facebook Pledges \$130 Million to Fund 'Supreme Court' for Content

[https://www.wsj.com/articles/facebook-pledges-130-million-to-fund-supreme-court-for-content-11576166992?st=vnv4zvf2olu0r5l&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-pledges-130-million-to-fund-supreme-court-for-content-11576166992?st=vnv4zvf2olu0r5l&reflink=desktopwebshare_permalink)

Updated Dec. 12, 2019 at 12:05 pm ET

- Facebook Inc. will pay \$130 million to establish an independent board charged with reviewing how the company moderates its content, providing long-term backing to its experiment in better policing the platform.
- The money, which Facebook described as an "initial commitment," is meant to cover six years of operations, including salaries for board members, office space and a staff including case managers, lawyers and human resources personnel.
- In recent years, Facebook has been beset by public controversies over how it handles misinformation, hate speech and graphic content.
- Sometimes dubbed "Facebook's Supreme Court," the board will function like an appeals court, with five-person panels adjudicating controversies arising from Facebook's in-house efforts to enforce its content standards.
- The review board has been in the works since last year, when GOOG -1.78% Appeared in the December 13, 2019, print edition.



- Thursday's funding announcement was paired with news of an additional delay: Facebook says it no longer expects to appoint board members before early next year.
- Alongside news of the board's funding and timing, Facebook also released a 60-page report it commissioned from social responsibility consultant BSR.
- The document, which Facebook said it hoped would influence the board's future actions, is an apparent victory for a coalition of human rights organizations that lobbied Facebook about the board.

## ★● Facebook Won't Change Web Tracking in Response to California Privacy Law

[https://www.wsj.com/articles/facebook-wont-change-web-tracking-in-response-to-california-privacy-law-11576175345?st=nkuijmnjvku0b22&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-wont-change-web-tracking-in-response-to-california-privacy-law-11576175345?st=nkuijmnjvku0b22&reflink=desktopwebshare_permalink)

Dec. 12, 2019 at 1:29 pm ET

- Facebook Inc. has told advertisers it doesn't need to make changes to its web-tracking services to comply with California's new consumer-privacy law, setting up a potential early clash over how the closely watched law will be enforced once it goes into effect.
- Facebook is one of several companies in the \$130 billion U.S. digital-ad industry that maintains that routine data transfers about consumers may not fit the law's definition of "selling" data.
- Other major competitors, including Alphabet Inc.'s Google, have introduced new tools to comply with the law's mandate to stop collecting data if a user opts out.
- Once the California Consumer Privacy Act takes effect Jan. 1, websites with third-party trackers must add to their home page a button that says "Do Not Sell My Personal Information."
- If a consumer clicks that button, the site is barred from transactions that send data to hundreds of third parties.
- In advance of the California law taking effect, Google has created a new protocol so sites won't send data to the company if consumers have opted out.
- Facebook, however, has told advertisers that its trackers' data collection doesn't constitute "selling" data under the California law and that it therefore doesn't believe it is required to make changes.
- The attorney general's office has declined to discuss enforcement regarding particular companies.
- Privacy experts disputed Facebook's interpretation, saying the law's authors expressly intended to crack down on this type of data collection. "
- The Facebook pixel is a sale because it's a transfer of data to a third party, and the purpose is for identity and attribution.
- The law defines a "sale" as a transfer of data in exchange for monetary or other valuable consideration.
- The Interactive Advertising Bureau, a digital-ad industry group, has released guidance for complying with the law, but it declined to take a stance on whether such data transfers constitute a "sale."
- The new privacy law's provisions on selling data may curtail Facebook's data collection across the web, but won't affect its core consumer properties.
- While the law takes effect on Jan. 1, its enforcement won't begin until mid-2020.

## ★● FTC Weighs Seeking Injunction Against Facebook Over How Its Apps Interact

[https://www.wsj.com/articles/ftc-weighs-seeking-injunction-against-facebook-over-how-its-apps-interact-11576178055?st=vknabx1n7jhqzr2&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/ftc-weighs-seeking-injunction-against-facebook-over-how-its-apps-interact-11576178055?st=vknabx1n7jhqzr2&reflink=desktopwebshare_permalink)

Dec. 12, 2019 at 2:14 pm ET

- Federal officials are considering seeking a preliminary injunction against Facebook Inc. over antitrust concerns related to how its products interact, according to people familiar with the matter.
- If it materializes, the action by the Federal Trade Commission would focus on Facebook's policies concerning it how it integrates its apps or allows them to work with potential rivals, these people said.
- The potential FTC action would likely seek to block Facebook from enforcing those policies on grounds that they are anticompetitive, the people said.

- Messaging networks are gaining in popularity, particularly among younger users, and becoming more important to Facebook's business.
- Columbia University law professor Tim Wu, a former senior adviser for the FTC, said seeking a preliminary injunction could hold strategic benefits for the commission. "
- Mr. Wu is among a group of Facebook critics who see the company's pursuit of closer integration as concealing anticompetitive motives.
- They have argued to the FTC that it should seek an injunction blocking the company's plans for further interoperability. "
- Moving swiftly toward litigation over interoperability also could allow the FTC to take enforcement action ahead of the Justice Department.
- The two agencies share federal antitrust-enforcement authority, and occasionally are rivals.
- Both agencies are known to be looking into possible antitrust issues involving Facebook.
- The FTC has been examining Facebook's acquisitions as a central part of its antitrust inquiry into the company, seeking to determine whether they were part of a campaign to consume potential rivals and head off competitive threats, the Journal reported in August.
- Facebook has acquired about 90 companies over the last 15 years, according to data compiled by S&P Global, including Instagram and WhatsApp.

## ★● Facebook: Breaking Up Is Hard, but Not Impossible, to Do

[https://www.wsj.com/articles/facebook-breaking-up-is-hard-but-not-impossible-to-do-11576191947?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-breaking-up-is-hard-but-not-impossible-to-do-11576191947?reflink=desktopwebshare_permalink)

Dec. 12, 2019 at 6:05 pm ET

- Officials with the Federal Trade Commission may seek a preliminary injunction against the social-networking giant's efforts to integrate its family of apps.
- The Wall Street Journal reported Thursday afternoon that the move would seek to block Facebook from enforcing its "interoperability" rules that govern how apps such as Messenger, Instagram and WhatsApp interact with other digital platforms.
- Investors interpreted the move as a precursor to a much-feared breakup.
- Monthly users of the photo-sharing app passed the 1 billion mark last year and it now accounts for about one-fifth of Facebook's total advertising revenue, estimates Michael Nathanson of MoffettNathanson.
- Instagram and WhatsApp also offered Facebook a bit of cover after its reputation got tarnished in last year's Cambridge Analytica scandal.
- While the acquisitions were widely covered in the business press, a Pew Research survey in October found that less than one-third of Americans are aware that Facebook owns the two.
- Yet Facebook has still been working to integrate the apps more closely with its core business.
- Facebook's stock had shot up 54% this year prior to Thursday's drop.

## Peter Thiel at Center of Facebook's Internal Divisions on Politics

[https://www.wsj.com/articles/peter-thiel-at-center-of-facebooks-internal-divisions-on-politics-11576578601?st=58nmt7aqb1ss1m9&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/peter-thiel-at-center-of-facebooks-internal-divisions-on-politics-11576578601?st=58nmt7aqb1ss1m9&reflink=desktopwebshare_permalink)

Dec. 17, 2019 at 5:30 am ET

- Facebook Inc.'s senior leadership is increasingly divided over how to address criticism of the company's effect on U.S. politics, with board member and billionaire investor Peter Thiel serving as an influential voice advising CEO Mark Zuckerberg not to bow to public pressure, according to people familiar with the matter.
- Mr. Thiel has argued that Facebook should stick to its controversial decision, announced in September, to continue accepting them and to not fact-check those from politicians, the people said.

- However, some directors and executives are pushing for changes to the policy, including possibly banning political ads altogether, they said.
- Mr. Zuckerberg and other Facebook executives have said publicly that the company continues to consider potential changes related to political ads. "
- The reaction to Facebook's decision on political ads, presented in October by Mr. Zuckerberg as a commitment to free speech, largely broke along party lines.
- The tensions within Facebook's leadership are emerging as the social-media giant grapples with mounting political challenges less than a year before the 2020 election.
- Facebook is the subject of several federal and state regulatory investigations, including by the Justice Department, over antitrust concerns and alleged privacy violations.
- Lawmakers from both parties have criticized the company for what they see as transgressions related to how it polices the site.
- Facebook officials, including Mr. Zuckerberg, have vowed to fix the litany of problems confronting the company, but there is "pretty vigorous disagreement" among the leadership over how to tackle its political issues, one person familiar with the discussions said.
- Some close to the company say Mr. Thiel is extending his influence while the company's board and senior ranks are in flux.
- Over the past two years, more than a dozen senior executives have left or announced plans to leave Facebook.
- Both men periodically had tensions with Mr. Thiel over politics, people familiar with the relationships said.
- Mr. Zuckerberg has long valued Mr. Thiel's advice.
- More recently, Mr. Thiel, a Republican who backed Donald Trump in his 2016 presidential campaign, has been helping Mr. Zuckerberg understand the dynamics within the Trump White House, people familiar with their relationship said.
- Messrs. Zuckerberg and Thiel also had a private dinner at the White House with Mr. Trump in October.
- "Mark is friends with Peter Thiel and a lot of Republicans," said a former Facebook employee who worked in its political group. "
- It's a reality people aren't willing to accept."
- Last year, after it was disclosed that the data of 87 million users improperly wound up with Cambridge Analytica, Facebook directors scrambled to address the political fallout from the revelation, partly because the British political consulting firm had worked for the Trump campaign.
- Mr. Thiel was strongly against the idea, the people said.
- Mr. Thiel's status as the founder and chairman of Palantir Technologies Inc., a firm specializing in custom database creation and analysis, on at least one occasion raised internal worries at Facebook, a person familiar with the matter said.

## Facebook, Twitter Remove AI-Powered Fake Accounts With Pro-Trump Messages

[https://www.wsj.com/articles/facebook-twitter-remove-ai-powered-fake-accounts-with-pro-trump-messages-11576873453?st=7ev5xc4ionm7pun&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-twitter-remove-ai-powered-fake-accounts-with-pro-trump-messages-11576873453?st=7ev5xc4ionm7pun&reflink=desktopwebshare_permalink)

Updated Dec. 20, 2019 at 6:58 pm ET

- Facebook Inc. and Twitter Inc. have taken down a global network of fake accounts used in a coordinated campaign to push pro-Trump political messages, including some that used artificial intelligence tools to try to mask the behavior, the companies and outside research firms they worked with said on Friday.
- The move targeted a U.S.-based media company that also operates out of Vietnam called The BL, which, Facebook alleges, used computer-generated profile pictures to cover up the orchestrated nature of its activities.
- Facebook linked the company to the Epoch Media Group, which has had ties to the Falun Gong movement, a spiritual movement based in China which has clashed with the Chinese government and supported President Trump's reelection.

- The network of fake accounts bolstered its efforts by spending more than \$9 million on advertising on the platform.
- The BL itself had more than 1.5 million Facebook followers as of Tuesday, according to a version of its Facebook page captured by the Internet Archive.
- A Twitter spokesman said the company "identified and suspended approximately 700 accounts originating from Vietnam for violating our rules around platform manipulation—specifically fake accounts and spam."
- Facebook said it may remove additional accounts. "
- Fact-checking site Snopes, which isn't a Facebook partner, faulted the social-media company for not acting sooner.
- It said it had previously alerted Facebook to BL's alleged behavior and, in recent months, provided a list of allegedly fake accounts.
- Vinny Green, Snopes's vice president of operations, argued that Facebook's failure to act earlier demonstrates its inability to protect political discussion online.
- Mr. Gleicher acknowledged that the investigation had taken Facebook five months to complete, but said that time was needed to ensure Facebook had caught the entire network of accounts. "
- Separately, Facebook also took down a network of more than 400 pages, groups and Facebook and Instagram accounts it linked to inauthentic behavior in the country of Georgia.

## Police Tracked a Terror Suspect—Until His Phone Went Dark After a Facebook Warning

[https://www.wsj.com/articles/police-tracked-a-terror-suspectuntil-his-phone-went-dark-after-a-facebook-warning-11577996973?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/police-tracked-a-terror-suspectuntil-his-phone-went-dark-after-a-facebook-warning-11577996973?reflink=desktopwebshare_permalink)

Jan. 2, 2020 at 3:29 pm ET

- A team of European law-enforcement officials was hot on the trail of a potential terror plot in October, fearing an attack during Christmas season, when their keyhole into a suspect's phone went dark.
- WhatsApp, Facebook Inc.'s popular messaging tool, had just notified about 1,400 users—among them the suspected terrorist—that their phones had been hacked by an "advanced cyber actor."
- An elite surveillance team was using spyware from NSO Group, an Israeli company, to track the suspect, according to a law-enforcement official overseeing the investigation.
- A judge in the Western European country had authorized investigators to deploy all means available to get into the suspect's phone, for which the team used its government's existing contract with NSO.
- On Oct. 29, Facebook filed suit against NSO—which has been enmeshed in controversy after governments used its technology to spy on dissidents—in federal court in California, seeking unspecified financial penalties over NSO's alleged hacking of WhatsApp software.
- Facebook said in the lawsuit that spyware was installed by hacking WhatsApp's video-calling function.
- The thwarted terror investigation, as described by the law-enforcement official, spotlights an increasingly common clash of concerns over public security and personal privacy.
- Cracking the Code Law enforcement in Western European nations turned to NSO Group to tap into terror suspects' phones and prevent attacks.
- To get access to these phones, law enforcement turns to NSO Group.
- Its software connects with the phone by spoofing legitimate WhatsApp communications.
- It exploits a bug in WhatsApp's software to trick it into installing NSO software.
- Law enforcement learns of terror suspect using WhatsApp's encrypted messaging, which scrambles the content of messages.
- 12 NSO GroupNSO Group With the NSO software now running on the target's phone, the company's customers have a powerful spying tool that can read messages, take screenshots, and download browser history and contact lists.
- After identifying that journalists and activists have been targeted, on Oct. 29 Facebook sues NSO for hacking and notifies 1,400 targets that their phones may have been compromised.
- NSO says it investigates any misuse of its technology it learns of, such as surveillance outside of a criminal investigation.

- It says it doesn't allow mass surveillance and that Israel's defense ministry must approve any foreign sale of its products.
- In some cases, they said, NSO's spyware was the best way to learn details of criminal plots.
- Citizen Lab has issued reports for several years linking NSO's spyware to governments with a history of human-rights abuses, and said that record should put NSO out of the running for government contracts from Western agencies, said Ronald Deibert, Citizen Lab's director. "
- WhatsApp, which notified the Justice Department about the hacking in May, called in October for a moratorium on the use of tools such as NSO's, saying they need legal oversight to prevent their misuse.
- WhatsApp isn't the only tech entity targeted by NSO's technology: In 2016, Apple also released a security patch to close a vulnerability that allowed iPhones to be hacked.
- The most immediate concern was a suspected terrorist investigators linked to Islamic State.
- They had received a tip he was part of a group plotting an attack around Christmas.
- Once they saw the suspect's phone receive WhatsApp's alert, the phone went dark, the official said.
- The sleuths soon lost access to the suspect's messages, the official said, indicating he had discarded or disabled the phone. "
- The interception of data from the suspect's phone had gone on for just a few days before WhatsApp alerted the target.
- The terror suspect is still under traditional surveillance.
- The official said counterparts in other Western European countries told him more than 10 of their investigations may have been compromised by the WhatsApp alert. "
- NSO's technology bypasses the traditional legal request process, however, according to Facebook, Citizen Lab and others. "
- In a move highlighting the complex legal landscape tech companies and law enforcement must navigate in Europe, new European Union rules kicking in by the end of 2020 will oblige telecommunications companies, including Facebook, Google and Skype, to warn customers about security threats precisely the way WhatsApp notified its users in October.
- The European official said his own unit is so secretive that senior security and government officials in his own country don't know about the methods and tools they deploy.

## ★ Facebook Bans Deepfakes but Permits Some Altered Content

[https://www.wsj.com/articles/facebooks-deepfake-video-ban-permits-some-altered-content-11578384519?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebooks-deepfake-video-ban-permits-some-altered-content-11578384519?reflink=desktopwebshare_permalink)

Updated Jan. 7, 2020 at 5:33 pm ET

- Facebook Inc. is banning videos that have been manipulated using advanced tools, though it won't remove most doctored content, as the social-media giant tries to combat disinformation without stifling speech.
- But as with many efforts by social-media companies to address content on their sites that is widely seen as problematic, Facebook's move swiftly drew criticism for not going far enough and having too many loopholes.
- The policy unveiled Monday by Monika Bickert, Facebook's vice president for global policy management, is the company's most concrete step to fight the spread of so-called deepfakes on its platform.
- Deepfakes are images or videos that have been manipulated through the use of sophisticated machine-learning algorithms, making it nearly impossible to differentiate between what is real and what isn't. "
- Facebook said it would remove or label misleading videos that had been edited or manipulated in ways that would not be apparent to the average person.
- Social-media companies have come under increased pressure to stamp out false or misleading content on their sites ahead of this year's American presidential election.
- The company, unlike some rivals, has said it wouldn't block political advertisements even if they contain inaccurate information.
- A Facebook spokeswoman said the company's ban of deepfake videos will apply to political ads and they will be removed.

- The new policy also marks the latest front in Facebook's battle against those who use artificial intelligence to spread messages on its site.
- Last month, the company took down hundreds of fake accounts that used AI-generated photos to pass them off as real.
- In addition to Facebook's latest policy on deepfakes, which generally rely on AI tools to mask that the content is fake, the company also will continue to screen for other misleading content.
- The Facebook ban wouldn't have applied to an altered video of House Speaker Nancy Pelosi.

## ★ Facebook to Keep Targeted Political Ads but Give Users More Control

[https://www.wsj.com/articles/facebook-to-keep-targeted-political-ads-but-will-give-users-more-control-11578567603?st=5wim1gvslv6k5h9&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-keep-targeted-political-ads-but-will-give-users-more-control-11578567603?st=5wim1gvslv6k5h9&reflink=desktopwebshare_permalink)

Updated Jan. 9, 2020 at 2:22 pm ET

- In a break with other tech companies, Facebook Inc. said it wouldn't limit how political advertising targets potential voters, but would instead give users tools to see fewer of those ads on its platforms.
- Facebook's stance—that companies shouldn't decide how campaigns are able to reach voters—is at odds with other tech firms' approach to handling political advertising in the run-up to the 2020 election.
- Facebook's announcement Thursday highlighted the divide in opinion on what the company's role should be in elections, as critics—including some Democratic presidential candidates—said the latest decision leaves the door wide open for disinformation.
- Facebook has acknowledged that the spread of disinformation, including through targeted ads, is a problem and has expressed a desire for federal regulation of political advertising online.
- The company's announcement Thursday also included changes that Facebook said will boost transparency in its ad library relating to how political advertisers deploy their messages on its platforms.
- Facebook's approach, including giving users more control over what they see, contrasts with moves by Twitter Inc. and Alphabet Inc.'s Google.
- The practice known as microtargeting has been criticized for enabling political actors to single out groups for misleading or false ads that aren't exposed to broader public scrutiny.
- Facebook said its data showed more than 85% of ad spending by U.S. presidential candidates is for messages aimed at an audience of more than 250,000 people.
- The social-media giant said it consulted with a number of nonprofits, political groups and election campaigns—both Democratic and Republican—before reaching its decision.
- Trump campaign spokesman Tim Murtaugh said Facebook's decision not to limit targeting allows more Americans to be involved in politics.
- Facebook is doubling down on a policy that hurts our democracy," the presidential candidate said in a statement that reiterated her call for comprehensive federal rules on digital political ads.
- Roughly \$3 billion is expected to be spent on political advertising online for the 2020 U.S. election.
- following revelations that Russian entities purchased digital ads designed to influence the 2016 presidential election.
- Facebook's announcement comes two days after the New York Times reported on an internal post by Facebook executive Andrew Bosworth, in which he said he believed the platform played a central role in the 2016 presidential election.
- So was Facebook responsible for Donald Trump getting elected?
- He didn't get elected because of Russia or misinformation or Cambridge Analytica.
- He got elected because he ran the single best digital ad campaign I've ever seen from any advertiser.
- Facebook said seeing fewer political and social-issue ads was a common request from users and that it aims to roll out its new user-control feature in the U.S. early this summer on its main platform and on Instagram.
- Other features aimed at increasing ad transparency will launch in the current quarter.
- Efforts to block political advertising likely wouldn't have a large impact on Facebook's top line.



# Landmark Facebook Settlement Still Working Its Way Through Court

[https://www.wsj.com/articles/landmark-facebook-settlement-still-working-its-way-through-court-11578652202?st=os34wpngpzr3dfm&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/landmark-facebook-settlement-still-working-its-way-through-court-11578652202?st=os34wpngpzr3dfm&reflink=desktopwebshare_permalink)

Jan. 10, 2020 at 5:30 am ET

- Almost six months after Facebook Inc. agreed to a \$5 billion settlement of privacy violations, the issue is anything but settled for the social-media giant.
- The deal with the Federal Trade Commission announced in July to settle allegations that Facebook broke its promises to protect users' privacy is still under review by a federal judge, who has been weighing objections from opponents who believe the deal is inadequate.
- Judge Timothy Kelly of the U.S. District Court for the District of Columbia has ordered Facebook and the government to file by Jan. 24 written responses to privacy advocacy groups critical of the settlement.
- Facebook and the FTC have defended the record penalty and related requirements for the company, saying it will reshape how the company considers users' privacy.
- The settlement is based on charges that Facebook violated a 2012 FTC order by deceiving users about their ability to control their personal information.
- Still, Facebook isn't concerned the deal with the FTC will fall apart, people familiar with the matter said.
- The settlement requires Facebook to restructure its privacy practices from the board of directors down.
- Some aspects legally can't be activated until after the court gives final approval, Facebook said.
- There are additionally a number of privacy requirements that have taken longer than expected to implement given the number and complexity of Facebook's databases and servers, the people familiar said.
- Company officials in Hawaii also heard updates about other potential headaches, one of the people said, including investigations by state attorneys general.
- Dozens of states in 2018 wrote a joint letter asking Facebook for information about its privacy practices in the wake of reports about Cambridge Analytica.
- State investigations are continuing, with New York and Pennsylvania among the most aggressive, according to the person.
- Attorneys general representing California, Massachusetts and the District of Columbia have each taken Facebook to court demanding access to internal company documents.
- In California's case, the state is subpoenaing emails from senior executives. "
- When the FTC announced the settlement in July, it didn't disclose emails from Mr. Zuckerberg or other executives.
- Facebook at the time said it fully cooperated with the FTC's investigation and provided tens of thousands of documents, emails and files.
- Others at the FTC have said the agency should have pressed further to investigate the role of senior Facebook executives.

## ★ Facebook Backs Off Controversial Plan to Sell Ads in WhatsApp

[https://www.wsj.com/articles/whatsapp-backs-off-controversial-plan-to-sell-ads-11579207682?st=u6rq8phgwpoxbuo&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/whatsapp-backs-off-controversial-plan-to-sell-ads-11579207682?st=u6rq8phgwpoxbuo&reflink=desktopwebshare_permalink)

Updated Jan. 16, 2020 at 5:36 pm ET

- Facebook Inc. is backing away from efforts to sell ads in WhatsApp, in a retreat from a controversial plan that drove the creators of the popular messaging service to resign more than 18 months ago, according to people familiar with the matter.
- WhatsApp in recent months disbanded a team that had been established to find the best ways to integrate ads into the service, according to people familiar with the matter.
- The team's work was then deleted from WhatsApp's code, the people said.

- The shift marks a detour in the social-media giant's quest to monetize WhatsApp, which it bought in a blockbuster \$22 billion acquisition in 2014 that has yet to pay financial dividends despite the service being used by more than 1.5 billion people globally.
- In 2018 Facebook unveiled plans to generate more revenue from the app that included selling ads.
- A year ago, WhatsApp's then-chief executive, Chris Daniels, called ads a "primary monetization mode" for the company.
- Facebook's push to sell ads in WhatsApp was a big factor in the decisions by Jan Koum and Brian Acton, who created the messaging service, to resign from the company, leaving on the table a combined \$1.3 billion in value. *Appeared in the January 17, 2020, print edition.*
- In 2016, the two changed WhatsApp's terms of service to explicitly forbid displaying ads in the app, and complicating any future efforts to do so, according to people familiar with the matter.
- Though Facebook's eponymous social network is its biggest moneymaker, analysts believe that product is growing more slowly than Instagram and WhatsApp.
- The decision to focus WhatsApp on commercial interactions reflects the way the service is used by most of its users around the world.
- But many users in developing nations—who are the majority of WhatsApp's users—have also adapted the platform to commerce and customer service, and the company has sought to accommodate them.
- In addition to helping businesses respond to simple customer-service requests, WhatsApp's tools allow for sorting and responding automatically to customer service queries.
- Advertisers on Facebook and Instagram can choose to shuttle users who click or tap on ads in those platforms directly into chats in WhatsApp.
- WhatsApp also has said it is testing projects related to payments in India, where the service is hugely popular.
- Messrs. Koum and Acton are known as privacy advocates and showed open disdain for the commercial applications of the service.
- Advertising accounted for about 98% of Facebook's revenue in the third quarter.
- Facebook's underlying business has remained healthy and a favorite of investors even as it continues to face sharp criticism for its handling of user privacy, misinformation and other matters.
- Over the past 12 months, Facebook shares are up more than 50%, almost doubling the gains of the S&P 500.

## German Court Rules Against Facebook on Data Protection

[https://www.wsj.com/articles/german-court-rules-against-facebook-on-data-protection-11579891532?reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/german-court-rules-against-facebook-on-data-protection-11579891532?reflink=desktopwebshare_permalink)

Jan. 24, 2020 at 1:45 pm ET

- The Berlin ruling partially upheld a complaint from the Federation of German Consumer Organizations, finding that certain Facebook terms violated a principle of GDPR requiring that "informed consent" be given by users before their data is collected.
- The cited terms include a default setting to allow search engines to display a link to a user's Facebook profile, and a requirement that users allow Facebook to use their name and profile picture for commercial purposes.
- Facebook said the case dated back to 2015 and terms cited by the VZBZ in its complaint "have long ceased to exist" as the company had updated its user settings.
- Facebook has argued in recent months that [data is not a finite resource](#) capable of monopolization, like oil, but something that can be both shared and stored.

## Facebook Expected to Post Higher Revenue, Analysts Watch Instagram Growth

[https://www.wsj.com/articles/facebook-expected-to-post-higher-revenue-analysts-watch-instagram-growth-11580295601?st=6v32dl53i5xgnlk&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-expected-to-post-higher-revenue-analysts-watch-instagram-growth-11580295601?st=6v32dl53i5xgnlk&reflink=desktopwebshare_permalink)

Jan. 29, 2020 at 6:00 am ET

- Facebook Inc. is scheduled to report its fourth-quarter and full-year 2019 results after the market closes Wednesday.
- EARNINGS FORECAST: Analysts polled by FactSet expect Facebook's quarterly profit will be \$2.53 a share, rising to \$7.3 billion from \$6.9 billion a year earlier.
- But earnings for the year are anticipated to be \$8.75 a share, down slightly as year-over-year profit is expected fall to \$18.3 billion from \$22.1 billion, largely because of a \$5 billion privacy settlement with the Federal Trade Commission.
- INSTAGRAM DECELERATION: While consistently impressive, the pace of Instagram's revenue growth appears to be slowing, according to data from digital-marketing firm Kenshoo, which estimates platform-specific spending that Facebook itself doesn't reveal.
- Meanwhile, eMarketer estimates that Instagram's user growth in the U.S. will have slowed from 10.1% in 2018 to 6.7% in 2019, with older demographics not picking up the app as quickly as previously forecast.
- Any guidance from the company about the state of Instagram's business will be watched closely. —

## Facebook Reports Revenue Growth, Rising Expenses

[https://www.wsj.com/articles/facebook-reports-25-revenue-growth-in-latest-quarter-11580333926?st=k56j1d91ffn8zwe&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-reports-25-revenue-growth-in-latest-quarter-11580333926?st=k56j1d91ffn8zwe&reflink=desktopwebshare_permalink)

Updated Jan. 29, 2020 at 7:19 pm ET

- The social-media giant's revenue rose 25% to \$21.1 billion for the quarter, beating analyst expectations of \$20.9 billion.
- Revenue for 2019 rose nearly 27%.
- Profit for the fourth quarter also narrowly topped expectations, rising 7% to \$7.35 billion.
- The Menlo Park, Calif., company said daily users of its core Facebook platform increased 9% from a year earlier to 1.66 billion, continuing a year and a half of outpacing expectations.
- Analysts polled by FactSet had expected the number of daily users to increase to nearly 1.65 billion.
- Fourth-quarter revenue grew at the slowest pace in Facebook's history as a listed company, according to data from FactSet.
- At the same time, Mr. Zuckerberg sounded a defiant note about criticism of Facebook's role in society.
- In the past, "because we wanted to be liked, we didn't always communicate our views as clearly because we were worried about offending people," he said. "
- My goal for the next decade isn't to be liked but to be understood."
- Mr. Zuckerberg said he would defend users' rights to associate with groups of their choosing, the societal value of targeted advertising and the model of providing free communications services—all of which he said are under attack.
- He also defended the company's plans to further integrate its products, which critics have said are meant to make it harder for antitrust regulators to take action against the company.
- Mr. Zuckerberg also alluded to some convergence of features across Facebook's messaging products and its traditional social platforms, changes that he said would start appearing later this year.
- But Facebook disclosed that 2.26 billion people use at least one of its services daily.
- Facebook's initial push to launch a digital currency withered as its financial-industry partners jumped ship in response to regulatory ire, leaving the social-media giant to regroup and pursue a way forward with the project's remaining backers.
- Revenue per user averaged \$8.52 world-wide, with the disparity growing between Facebook's most lucrative markets and those in developing nations.
- The number of daily active accounts in North America ticked up slightly, to 190 million.

# ★● Facebook Reaches \$550 Million Settlement in Facial-Recognition Lawsuit

[https://www.wsj.com/articles/facebook-reaches-550-million-settlement-in-facial-recognition-lawsuit-11580347594?st=v8qh2eragiqr0&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-reaches-550-million-settlement-in-facial-recognition-lawsuit-11580347594?st=v8qh2eragiqr0&reflink=desktopwebshare_permalink)

Jan. 29, 2020 at 8:26 pm ET

- Facebook Inc. said Wednesday it has reached a tentative \$550 million settlement of an Illinois class-action lawsuit alleging it wrongfully used its facial-recognition technology on residents of the state.
- The long-running suit alleges the company violated a 2008 Illinois law prohibiting companies from collecting biometric data without users' consent.
- Rather than seeking permission, the plaintiffs alleged, Facebook created and stored "face templates" that powered an automatic photo-tagging feature.
- The \$550 million Facebook has agreed to pay will be the largest-ever cash privacy settlement won by class-action attorneys, with estimated payouts of around \$200 for each affected user, according to a press release by the attorneys who brought the case.
- Facebook didn't admit to wrongdoing.
- Tech companies including Alphabet Inc.'s Google unit and Apple Inc. have faced a rash of suits enabled by the Illinois law in recent years.
- LLP—the suit sought penalties of more than \$1,000 per user.
- That meant it theoretically could have cost Facebook billions of dollars.
- Facebook's lawyers had sought to dismiss the case on the grounds that the Illinois law didn't cover its method for identifying users in photos.
- The company also said it had given users the ability to opt out of the feature, an argument which didn't succeed in court.
- Earlier this month, the U.S. Supreme Court declined to hear Facebook's appeal, leaving the company with the choice of settling or facing a trial.

## Facebook's Relationship With Democrats Hits a Low Point

[https://www.wsj.com/articles/facebook-relationship-with-democrats-hits-a-low-point-11580380202?st=uomiszmabafii6ob&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-relationship-with-democrats-hits-a-low-point-11580380202?st=uomiszmabafii6ob&reflink=desktopwebshare_permalink)

Updated Jan. 30, 2020 at 12:41 pm ET

- Facebook Inc. officials say they try to avoid political bias.
- The relationship between the company and the political left is at an all-time low, more than a dozen Democratic operatives, campaign officials and leaders of progressive groups said in interviews, following a series of company policy decisions widely seen among their ranks as favoring President Trump.
- Many Democrats and campaign officials are increasingly criticizing Chief Executive Mark Zuckerberg in personal terms.
- It is a stark departure from the 2016 campaign, when Facebook Chief Operating Officer Sheryl Sandberg endorsed Democrat Hillary Clinton.
- The relationship has frayed partly because of actions Facebook took to address criticisms of bias from conservatives and in part owing to revelations from U.S. intelligence and special counsel Robert Mueller's report on how Russia used Facebook to spread disinformation to boost Mr. Trump's campaign.
- Facebook representatives say the company is in an awkward position.
- Democrats want the company to fulfill its promise to combat misinformation, but conservatives argue that the fact-checking groups employed by Facebook's Sheryl Sandberg endorsed Hillary Clinton in the 2016 election.
- Still, she has put more than \$6.8 million into Facebook ads since the start of 2019.
- Sen. Bernie Sanders, who has also been critical of the company, spent more than \$7 million in that time.
- Mr. Trump's campaign put more than \$22 million toward Facebook ads during the period.

- A Facebook board member, Jeffrey Zients, who was National Economic Council director during the Obama administration, is backing Mr. Biden for president.
- Mr. Biden has said it is worth taking a "really hard look" at breaking up tech companies including Facebook.
- Conservatives have long complained of bias in Silicon Valley.
- In 2016, employees of Facebook donated almost 100 times more to Mrs. Clinton than Mr. Trump, according to federal data.
- included a claim about Mr. Biden's role in the ouster of a Ukrainian prosecutor.
- The former vice president's campaign said the claim was false.
- In an Oct. 4 letter, the Biden campaign accused the company of selling "the tools to target certain segments of the population with lies."
- Facebook's global head of elections policy, Katie Harbath, who previously worked with Republicans, responded that the company strove to "empower voters to judge what politicians say for themselves."
- The Biden campaign then urged Facebook to remember that it "promised the public, the United States Congress, and its users...that its platform will no longer be a conduit for misinformation and a tool of political distortion."
- In some discussions with Democrats, Facebook staffers describe Facebook as the public's "favorite punching bag," this person said.

## ★● Facebook to Ban Posts About Fake Coronavirus Cures

[https://www.wsj.com/articles/facebook-to-ban-posts-about-fake-coronavirus-cures-11580453772?st=v47bsu8y45o2pec&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-ban-posts-about-fake-coronavirus-cures-11580453772?st=v47bsu8y45o2pec&reflink=desktopwebshare_permalink)

Jan. 31, 2020 at 1:56 am ET

- Facebook Inc. said it would take the rare step of removing false claims about cures and prevention methods for the coronavirus, in an effort to crack down on misinformation related to the global outbreak.
- The announcement on Thursday came shortly after the World Health Organization declared the coronavirus outbreak an international public-health emergency beyond China, where the respiratory virus originated last month.
- Facebook said it would also block and restrict hashtags used to spread misinformation on its photo- and video- sharing network Instagram as well as alert users who share or have shared content about the virus that third- party fact-checkers deem false.
- The willingness of Facebook to take down false content about the coronavirus stands in contrast to the way the company has handled misinformation about politics and other issues.
- Facebook said the move was in accordance with existing company rules requiring removal of content that might spark physical harm.
  - drinking bleach cures the coronavirus.
- Facebook said it would also remove posts that contain confusing claims about what kind of health resources are available.
- The company's position on the coronavirus outbreak underscores the evolving and ad-hoc nature of its stance on whether and how it should monitor the accuracy of content shared on Facebook.
- Medical misinformation is one of many longstanding issues for Facebook, which is investing billions of dollars in new technical tools and new staff to help police content.
- Facebook said it would remove false content about the coronavirus that have been flagged by global health organizations and local health officials.
- It also said it would share anonymized "mobility data" with Harvard University's School of Public Health and National Tsing Hua University in Taiwan to help researchers build models to forecast the spread of the virus.