

● Facebook Parent Meta Plans 10,000 Job Cuts in New Round of Layoffs

Updated March 14, 2023 at 6:44 pm ET

https://www.wsj.com/articles/facebook-parent-meta-begins-new-round-of-job-cuts-e34b81cc?st=r30p9fcsorons8g&reflink=desktopwebshare_permalink

- [Meta Platforms](#) Inc. [META 13.93%increase; green up pointing triangle](#) said it [would cut roughly 10,000 jobs](#) over the coming months, the [Facebook](#) parent's [META 13.93%increase; green up pointing triangle](#) second wave of mass layoffs in what it says is an effort to be more efficient in a difficult economy.
- Meta Chief Executive [Mark Zuckerberg](#) said in an email to staff on Tuesday that the company would in the coming months conduct [multiple rounds of job cuts](#), as well as cancel some projects and reduce hiring rates as part of what he has dubbed the “year of efficiency.”
- Mr. Zuckerberg said his company must cope with a longer term [change in the economy](#), marked by [the end of low interest rates](#), growing geopolitical tensions and costly new regulations.
- The new round of cuts is likely to add up to roughly the same magnitude as those layoffs, [The Wall Street Journal reported last week](#).
- The new rounds of layoffs are likely to hit non-engineering roles especially hard, and among projects that will be cut are [some wearable devices](#) that were in the works at Reality Labs, Meta's hardware and metaverse division, the Journal reported.
- While saying that layoffs were difficult, Mr. Zuckerberg in his email on Tuesday also described what he said were [the advantages of a leaner organization](#), expanding on a new view of management for the current economy that he has been laying out in recent months.
- Meta said Tuesday that it plans to extend a hiring freeze and pause internal transfers in the company while the layoffs and restructuring occur. Those freezes will lift in each unit once the restructuring there is complete.
- U.S. employees affected by the layoffs will get 16 weeks of severance pay, plus an additional two weeks for every year they worked at Meta, the company said. Outside the U.S., packages will vary depending on local laws.

● Pain In the Tech Industry Is Beginning to Hit the Rest of Us

March 18, 2023 at 12:00 am ET

https://www.wsj.com/articles/whythe-tech-industrys-pain-is-spreading-df6ff087?mod=Searchresults_pos12&page=2

- [Amazon.com](#)'s decision early this month to [delay the next phase of its vaunted, \\$2.5 billion HQ2 construction project](#) in suburban Virginia. [Facebook](#)-parent Meta Platforms' [recent announcement that it will slash another 10,000 jobs](#) on top of the 11,000 it cut in November. A [national crisis of confidence in the banking system sparked by the collapse of Silicon Valley Bank](#). These events show how systemic weakness in big areas of the tech economy—retail, advertising, startups and venture capital—are beginning to spread outward from the companies most affected by them.
- Mr. Zuckerberg cited higher interest rates, geopolitical instability and increased regulation as challenges. He didn't mention the tech industry's interconnectedness.
- In the first act, we see how tech is especially sensitive to broader conditions. In the second, how trouble in one part of the industry can ripple through the rest of it. In the denouement, we witness the way this amped-up trouble spills back out into the wider world.
- The unraveling of Silicon Valley Bank began when interest rates rose, the “free money” spigot shut off, and investment in startups crashed. The result was investors and companies drawing down their

accounts at the bank. It is now apparent that the ruination of this 40-year-old institution was, in a sense, [an inside job](#), initiated by the very startups and investors who had previously been so devoted to it.

- That said, part of investors' enthusiasm flows from the same cost cutting and layoffs that aren't great for the broader economy.
- The information-technology industry directly accounts for [more than 10% of the U.S. economy](#), and about 8% of all jobs, according to the Commerce Department. The Information Technology & Innovation Foundation, a Washington-based think-tank backed by tech companies, claims that the industry accounts for [nearly one in five jobs in the U.S.](#), when you include roles that support tech.
- In his book "Normal Accidents: Living With High Risk Technologies," Yale sociologist Charles Perrow unpacked how it was that something like the 1979 meltdown at Three Mile Island could happen, then the largest nuclear disaster in history. What he discovered was that any sufficiently complicated system with elements that are tightly coupled is especially prone to catastrophic failure. A lot can go wrong, and when something does, it happens quickly.
- One obvious example of such an interdependency is the way that [Apple](#), with a single change that allowed users to opt out of data-gathering, gutted revenue at Meta's Facebook and Instagram—to the tune of more than \$10 billion in 2022 alone, [Meta has said](#).
- As other companies follow big tech companies' lead in shrinking their workforces, they are also likely to shrink their spending on items like services and software. If a firm wants to cut \$200 million in costs for payroll and benefits, says Mr. Barosi of AlixPartners, he advises them to cut just as much in spending on third-party services.
- The same negative-feedback mechanisms are playing out in the microchip industry. The almost unprecedented drop in global demand for microchips of the past nine months seems mainly because people bought lots of devices during the pandemic and have [not updated them since](#). But in the future, as tech companies and other corporations halt hiring or shed more workers, it follows that their spending on personal computing devices, and the cloud services they deliver, will also slow.
- Meanwhile, the pain for tech startups that led to the collapse of Silicon Valley Bank may be just beginning. Many startups are sustaining themselves on money they raised during the boom times for venture investing. They anticipate that raising more funds in the near future will be [difficult, if not impossible](#). In the final quarter of 2022, fundraising by venture-capital firms hit a [nine-year low](#), down 65% from the same time in 2021.
- As with early nuclear power plants, when a complex and tightly-interconnected system, such as the tech industry isn't as robust against failure as originally imagined, the crisis moves quickly and can spread far.

Big Tech's Cuts Now Hitting Growth Areas

March 20, 2023 at 2:43 pm ET

https://www.wsj.com/articles/big-techs-cuts-now-hitting-growth-areas-ab9eef9f?st=6htcxbhnme47jy8&reflink=desktopwebshare_permalink

- A company that employs more than 1.5 million people ought to be able to get by with a few less. But a few less in the wrong areas still sends a worrisome message.
- [Amazon AMZN 4.61%increase; green up pointing triangle](#) announced [a new round of layoffs](#) on Monday affecting 9,000 employees. This comes on top of [18,000 job cuts](#) that the company announced in early January. The two rounds combined will affect a little less than 2% of the head count Amazon reported for the end of 2022, though they reflect a higher proportion of the company's corporate staff given that a large number of Amazon's employees work in its warehouses and other fulfillment operations.
- Monday that the company's cloud, advertising and video-game-play streaming Twitch businesses would be the main target for the latest cuts.
- But even the cloud isn't immune to the slowing economy. Amazon's latest quarterly results showed that business decelerated sharply in the December quarter in both revenue and earnings growth,

and [similar trends](#) were seen at [Microsoft](#) and Google—Amazon’s key rivals in the cloud services market.

- The Facebook parent announced [a second round of cuts](#) last week as part of its “year of efficiency” that will bring the size of its workforce down 23% from its pre-layoff level, compared with Google’s 6% reduction.
- Alphabet’s share price has badly lagged behind that of its archrival Meta this year, and analysts think improving profitability is the company’s best way to shore up investor support.

AI Bots Listen In on the Toxic World of Videogame Voice Chat

Updated March 25, 2023 at 12:15 pm ET

https://www.wsj.com/articles/ai-bots-listen-in-on-the-toxic-world-of-videogame-voice-chat-e0260392?st=0et49s2ca4xbxx9&reflink=desktopwebshare_permalink

- In the videogame “Gun Raiders,” a player using voice chat could be muted within seconds after hurling a racial slur. The censor isn’t a human content moderator or fellow gamer—it is an [artificial intelligence bot](#).
- New AI-based software aims to reduce such harassment. Developers behind the tools say the technology is capable of understanding most of the context in voice conversations and can differentiate between playful and dangerous threats in voice chat.
- If a player violates a game’s code of conduct, the tools can be set to automatically mute him or her in real time. The punishments can last as long as the developer chooses, typically a few minutes. The AI can also be programmed to ban a player from accessing a game after multiple offenses.
- The major console makers—[Microsoft](#) Corp., [Sony Group](#) Corp. and [Nintendo](#) Co.—offer voice chat and have rules prohibiting hate speech, sexual harassment and other forms of misconduct. The same goes for [Meta Platforms](#) Inc.’s virtual-reality system Quest and Discord Inc., which operates a communication platform used by many computer gamers.
- None monitor the talk in real time, and some say they are leery of AI-powered moderation in voice chat because of concerns about accuracy and customer privacy.
- Game companies aren’t alone in dealing with the [challenges of monitoring](#) what people say online. Social-media outlets such as Twitter, Facebook and Reddit have been struggling for years [to keep tabs](#) on users’ text, photo and video posts. Though they police users through [human and automated moderation](#), they get accused of both not doing enough and going too far.
- Voice chat, which is generally more intimate, makes that job even more difficult. Tens of thousands of people may be simultaneously talking while playing a popular game. It isn’t unusual in games for players to curse or threaten to kill without really meaning any harm.
- The technology doesn’t always work. It can have trouble with some accents and “algospeak,” or code words that gamers use to evade moderation. Some AI-monitoring tools support more languages than others, and providers recommend pairing them with experienced human moderators.

● Disney Eliminates Its Metaverse Division as Part of Company’s Layoffs Plan

Updated March 28, 2023 at 9:44 am ET

https://www.wsj.com/articles/disney-eliminates-its-metaverse-division-as-part-of-companys-layoffs-plan-94b03650?st=ojz1btjpoz302s&reflink=desktopwebshare_permalink

- [Walt Disney](#) Co. [DIS 3.44%increase; green up pointing triangle](#) has eliminated its next-generation storytelling and consumer-experiences unit, the small division that was developing metaverse strategies, according to people familiar with the situation, as part of a broader restructuring that is expected [to reduce head count by around 7,000](#) across the company over the next two months.

- Headed by Mike White, a former Disney consumer-products executive, the division was tasked with finding ways to tell interactive stories in new technological formats using Disney's extensive library of intellectual property, the people said.
- All of the team's roughly 50 members [have lost their jobs](#), the people said. Mr. White remains at the company, although what his new role will be is unclear.
- Plans for Disney's metaverse strategy remained sketchy a year after the division was created, although the company had hinted that the new technology might have applications in fantasy sports, theme-park attractions and other consumer experiences.
- Mr. Iger has been bullish about the metaverse. Last year, he [invested in and joined the board](#) of Genies Inc., a technology startup that sells tools allowing users to create elaborate online avatars for use in the metaverse.
- Slow growth in the popularity of the metaverse has frustrated tech companies that have bet on new entertainment formats. [Meta Platforms](#) Inc., the parent of Facebook and Instagram, has shifted billions in resources to the metaverse, only to find [low demand and widespread confusion](#) among users about how to use the technology.

● Artificial Intelligence Is Teaching Us New, Surprising Things About the Human Mind

April 1, 2023 at 12:00 am ET

https://www.wsj.com/articles/artificial-intelligence-is-teaching-us-new-surprising-things-about-the-human-mind-ba7cdceb?st=e5bcdxfkwseidiej&reflink=desktopwebshare_permalink

- Less noticed, but just as important: Researchers are learning a great deal about us – with the help of AI.
- AI is helping scientists decode how neurons in our brains communicate, and explore the nature of cognition. This new research could one day lead to humans connecting with computers merely by thinking—as opposed to typing or voice commands. But there is a long way to go before such visions become reality.
- The most important feature of AI which enables new kinds of research, says Dr. Kidd, is the same that makes possible AI chatbots like [OpenAI's ChatGPT](#), [Google's Bard](#), and [Microsoft's Bing chat](#): It's the capacity of modern computer systems to process a lot more data than in the past. It "opens up a lot of possibilities for new insights, from biology to medicine to cognitive science," she adds.
- In her research, Tatiana Engel, an assistant professor of neuroscience at Princeton University, uses the same kinds of networks of artificial neurons that are behind most of what we currently call artificial intelligence. But rather than using these to better-target ads, or to generate fake images, or compose text, she and her team use them to interpret the electrical signals of hundreds of neurons at once in the brains of animals.
- In other words, in contrast to what neuroscientists once believed about how we make decisions, there are no "eat the chocolate" neurons and "don't eat the chocolate" neurons. Thinking, it turns out, is just electrical signals zooming about inside our heads, forming a complex code which is carried by our neurons.
- What's more, AI is letting scientists listen in on the things that happen in our brains when we're not doing anything in particular.
- If a research lab owned by [Meta META 13.93%increase; green up pointing triangle](#) Platforms, Facebook's parent company, figuring out how to read your mind makes you at all uncomfortable, you're probably not going to be a fan of what the rest of the 21st century has in store.
- But progress in artificial intelligence techniques is yielding a more-powerful amplifier of those weak brain signals. Meta's AI lab [published research on one such mind-reading technology](#) last summer.
- Meta scientists didn't actually stick anyone in a brain scanner. Instead, they used data on brain signals gathered by researchers at universities. This data was captured from human subjects who were listening to words and phrases, while sitting in non-invasive brain scanners. These scanners came in two varieties:

One was the sort of electrodes-embedded-in-a-swim-cap with which many people are familiar, called an EEG (short for “electroencephalogram”). The other looks like a supervillain’s attempt to create a world-crushing megabrain, called a MEG (for “magnetoencephalogram”).

- To analyze this data, researchers used a type of AI called a “self-supervised learning model.” Without this technique, the latest generation of AI chatbots would be impossible. Such models can extract meaning from giant pools of data without any instruction from humans, and have also been used to try and [figure out what animals are communicating with each other](#).
- A little less than half of the time, Meta’s AI algorithm was able to correctly guess what words a person had heard, based on the activity generated in their brains. That might not sound too impressive, but it’s leaps and bounds better than what such systems have been able to achieve in the past.
- Alexandre Défossez, a scientist at Meta who was part of the team that conducted this research, says that the eventual goal of this work is to create a general-purpose “speech decoder” that can directly transform our brain activity—our thoughts—into words.

Stock-Based Pay and Bonuses Fall Under Finance Chiefs’ Cost-Cutting Knife

April 4, 2023 at 3:30 pm ET

https://www.wsj.com/articles/stock-based-pay-and-bonuses-fall-under-finance-chiefs-cost-cutting-knife-1e15a4e1?st=hfr6g8nqmlz8gqi&reflink=desktopwebshare_permalink

- Some finance executives are tweaking compensation expenses—including stock-based pay and bonus eligibility—in the latest move among U.S. companies to cut costs from increasingly lean operations as recession concerns grow.
- Videogame company [Unity Software](#) Inc. and business-software firm [Salesforce](#) Inc. are among businesses weighing or moving ahead with bringing down stock-based compensation, while companies such as DSW Designer Shoe Warehouse parent [Designer Brands](#) Inc. and Facebook owner [Meta Platforms](#) Inc. are planning adjustments to worker bonuses. Firms like Google are making other [trims to the employee experience](#) by eliminating popular perks like snack bars and choosing software and equipment vendors based on cost.
- These moves to cut compensation, which aren’t yet widespread, mark a reversal of company behavior in the years following the pandemic as companies raised salaries and other benefits in a bid to recruit and retain workers. The U.S. labor force has been shrinking since early 2020, as [more baby boomers retire](#).
- Companies early in the pandemic adjusted bonus payouts and targets in response to the uncertainties, said Allison Hoeinghaus, a managing director at professional-services firm Alvarez & Marsal. But those adjustments to performance metric levels, which largely stabilized in 2021 and last year, are starting to creep back into compensation discussions as finance executives are facing a volatile economy, she said. “It’s just kind of a natural time to recalibrate, if you will, those performance metrics, given just the uncertainty and change in the market.”
- Meta Platforms, meanwhile, said last month that it plans to lower some bonus payouts and review employee performance more frequently, The Wall Street Journal [reported](#), citing an internal memo. The news came as the Menlo Park, Calif.-based company has in recent months looked to cut costs, including by reducing office spaces, cutting travel expenses and announcing multiple rounds of layoffs. The company didn’t respond to a request for comment.
- “We understand that while this is a significant change that might disappoint some people, it aligns with our continued focus on maintaining a high-performance culture,” the memo said.

Hype Around Weight-Loss Drugs Shows No Signs of Abating. Neither Do the Ads.

April 4, 2023 at 4:24 pm ET

https://www.wsj.com/articles/hype-around-weight-loss-drugs-shows-no-signs-of-abating-neither-do-the-ads-87b911e0?st=ohz5es1uudjq7ti&reflink=desktopwebshare_permalink

- Companies promoting drugs such as Ozempic, Wegovy and [Mounjaro](#) for diabetes management and weight loss are steadily expanding their marketing strategies, striving to capitalize on the interest around the drugs without seeming to advocate misuse.
- Ozempic, made by Danish healthcare company Novo Nordisk A/S, has been prescribed by doctors to treat Type 2 diabetes for more than half a decade in the U.S., but GLP-1s in the past year have entered popular parlance as some celebrities and influential names in technology and media decreed them [the hottest new approach to weight loss](#).
- A [Journal analysis last year](#) found that telehealth companies, including those promoting weight-loss pills, ran ads on Facebook and Instagram that described benefits of prescription drugs without citing risks and promoted drugs for unapproved uses. In response, congressional leaders have called for more oversight of telehealth advertising.

Tech's Year of Efficiency Already Priced In

April 5, 2023 at 7:00 am ET

https://www.wsj.com/articles/techs-year-of-efficiency-already-priced-in-7d76812f?st=5qrhdqrxoub1ch3&reflink=desktopwebshare_permalink

- Many tech companies have spent the first part of the year [laying off workers by the thousands](#), or at least announcing plans to do so. Announced job cuts among major tech companies during the first quarter totaled 219,569 positions, according to tech job tracker site TrueUp. That follows announced cuts totaling 115,860 jobs during the fourth quarter, when Twitter and Facebook-parent [Meta Platforms](#) kicked off the layoff wave.
- The upsurge in tech stocks likely has a variety of drivers—including [investor flight from the financial sector](#) during last month's banking panic. But momentum was strong for the tech sector well ahead of that, as investors broadly cheered the industry's [newfound sense of financial discipline](#) following a surge in postpandemic hiring and expansion costs.
- Yet those cuts probably won't be of much help in the coming first-quarter earnings season. Take Facebook's parent, which is expected to show its fourth consecutive quarter of year-over-year advertising revenue declines. The social-network giant has [leaned in hardest on the cost-cut story](#), having announced plans to cut loose a total of 21,000 employees since November. But unfriending nearly a quarter of its workforce [isn't going to boost the bottom line soon](#); the midpoint of Meta's current projected range of total expenses for this year is nearly 2% higher than last year's outlay. And the Reality Labs division that is pursuing the [company's metaverse dream](#) is still expected to generate nearly \$4 billion in operating losses in the first quarter alone.
- Tech investors aren't just counting on job cuts to boost the bottom line. Analysts are also widely projecting a strong rebound in business in the second half of this year—still a risky assumption given uncertainty about the slowing economy and the ultimate direction of interest rates. Projected revenue growth rates for Apple, Microsoft, Amazon, Nvidia and the parent companies of Google and Facebook for the second half of this year are nearly 12 percentage points higher than the average growth projections for the first half, according to FactSet data.
- "I think it's clear investors have already begun to shift their attention to topline growth and there is a moderate expectation that most tech companies will see a meaningful reacceleration" in the second half, Bernstein analyst Mark Schilinsky wrote in a note to clients over the weekend. "It better come or watch out below," he added.

● Metaverse Mania Cools for Many, but Not for Marketers

April 7, 2023 at 1:45 pm ET

https://www.wsj.com/articles/metaverse-mania-cools-for-many-but-not-for-marketers-c0721e17?st=sjiubrasv6d0qke&reflink=desktopwebshare_permalink

- Even while some of the metaverse's biggest proponents are scaling back or shutting down spending on their visions for virtual worlds, many marketers are standing firm.
- Forty-six percent of consumer brand marketers say they will increase their metaverse budgets this year, and only 12% say they will spend less, according to a survey of 903 executives conducted by research firm [Forrester](#) in January and February.
- [Microsoft](#) Corp. recently shut down a social virtual-reality platform; [Walt Disney](#)Co. closed its division for metaverse strategy; and [Mark Zuckerberg](#), who kicked off much of the interest in the sector when he renamed [Facebook](#) as Meta Platforms Inc., has [shifted his focus at least in part](#) to the industry's new obsession: artificial intelligence.
- Mr. Zuckerberg is hardly alone. Generative AI was mentioned on 163 corporate earnings calls in March, up from seven one year earlier, while the metaverse received 35 mentions last month, down from 112 the previous March, according to financial data firm [FactSet](#).
- Marketers aren't immune to the enthusiasm over AI, which the industry is eyeing for everything from [developing campaign ideas](#) to deciding [where ads should run](#).
- Fifty-one percent of marketers named AI as their biggest tech investment priority in a survey of 408 executives conducted by research firm Advanis on behalf of marketing automation software maker Sitecore last month, compared with 8% who placed the metaverse at the top of the list. When asked where the money to fund these AI initiatives might come from, 48% of respondents pointed to their metaverse budgets.
- So it is striking that many big brands still say they will continue making long-term investments in the immersive, three-dimensional digital experiences that define the metaverse.
- Roblox, which lets players drop their avatars into millions of 3-D virtual experiences, is on track to double the number of branded worlds it hosts this year after recording about 100 in 2022, a spokeswoman said. Recent examples include Roblox experiences backed by retail clothing brand PacSun and restaurant-and-entertainment chain [Dave & Buster's](#).
- Designer Samuel Jordan, who goes by Builder_Boy on Roblox and has worked with fashion brands such as Stella McCartney and Forever 21 and celebrities including Elton John, has begun receiving requests to collaborate with properties ranging from TV shows to Nascar, he said.
- Consumers in 2021 spent an average of six to seven minutes playing a series of games on Drest, an app on which users can sample 3-D virtual fashions, that were sponsored by Nars, she said.
- "When you think about seven or eight precious minutes with a consumer and how lucky you are to get maybe six seconds of someone's attention on a platform like an Instagram or a TikTok, I think it's very easy to validate the theory that this is a qualitative engagement," Ms. Fierro said.
- Many marketers build their metaverse campaigns largely to raise awareness or improve consumer perceptions of their brands.
- Marketers' enthusiasm aside, consumer interest in some of the metaverse's signature experiences appears to have cooled.
- Another challenge for marketers is the uncertain value of their metaverse investments; 46% of those surveyed by Forrester in late 2022 agreed that measuring metaverse returns is difficult.

Pro Take: AI Boom Will Test Readiness of IBM, and Its Customers

April 7, 2023 at 8:28 pm ET

https://www.wsj.com/articles/pro-take-ai-boom-will-test-readiness-of-ibm-and-its-customers-96f878c8?st=s3m9bnk6jxvemex&reflink=desktopwebshare_permalink

- International Business Machines Corp. researchers spent decades developing artificial intelligence when most of the world wasn't ready to embrace it, and the company struggled at times to build a business

around it. Now, as interest in AI booms amid new advances, [IBM](#) is tailoring the technology to address the individual business problems of customers that are prepared to use it.

● Is Big Tech's R&D Spending Actually Hurting Innovation in the U.S.?

April 8, 2023 at 12:00 am ET

https://www.wsj.com/articles/is-big-techs-r-d-spending-actually-hurting-innovation-in-the-u-s-acfa004e?st=pq6bh15pvo6g2ps&reflink=desktopwebshare_permalink

- “The first few weeks after the acquisition, we began dealing with the bewildering corporate bureaucracy,” says Mr. Bardin. “What seems natural at a corporation—multiple approvers and meetings for each decision—is completely alien in the startup environment: make quick decisions, change them quickly if you are wrong.”
- What he learned along the way tracks with what researchers who study business have found: that big companies of every sort tend to give their employees incentives to be cautious rather than bold, to pursue overly complicated solutions rather than simple ones, and to seek promotions over serving the customer.
- Fresh evidence from a [massive new study](#) bolsters the narrative that some version of what happened to Mr. Bardin is happening to many of America’s most sought-after and skilled workers. Economists say it’s part of a broader, worrisome story about the pace of innovation that in the past has kept the fires of America’s economic engine burning.
- The findings, published this past week in a paper from researchers at the University of Chicago and the U.S. Census Bureau, show that when inventors join large firms, they get a pay bump, but they also produce fewer new innovations, relative to inventors hired by young firms. The research is based on a gigantic data set, including 760,000 U.S. inventors and their patent-filing histories.
- This research and related studies bear on everything from the slowing pace of productivity growth in the U.S. to why it is that a startup that currently has fewer than 400 employees, OpenAI, was able to release a useful artificial-intelligence chatbot before any of the tech behemoths that have many multiples of that number of people working on AI.
- Before the sale, everyone’s financial interest was aligned with the performance of the company’s products. Once Waze was a subsidiary, getting ahead was all about getting promoted. This was the shortest route to personal enrichment, since it determined one’s salary and stock grants, says Mr. Bardin.
- Authors of the new study found similar issues for inventors who joined big firms. After being hired by a big company, inventors produced 6% to 11% fewer innovations, as measured by their output of patents.
- At the same time, these inventors earned on average 12.6% more than those who were hired by smaller, newer companies. Given that companies like Google parent [Alphabet GOOG 3.75%increase; green up pointing triangle](#) or [Facebook](#) parent Meta Platforms were, until recently, legendary for having some of the most employee-friendly cultures on the planet, it’s easy to see why talented people would trade the stress and risk of life at a startup for a gig at a big company.
- One such effect is that inventors have become less likely to become entrepreneurs in recent decades, and more likely to work for large companies, something the researchers were able to determine by examining census data. The proportion employed by the biggest companies grew to around 58% by the end of the 2010s from less than 50% in the year 2000.
- At big companies, people generate new ideas and get them in front of customers more slowly because of misaligned incentives, bureaucracy and institutional risk aversion, says Mr. Bardin. “The people who stay at a big company have to play the same games as everyone else, which means their innovative side doesn’t help them,” he adds. “Their political side is what gets them promoted.”
- Similar effects have been observed at the level of companies, rather than individuals. In a 2021 paper called [“Killer Acquisitions,”](#) Colleen Cunningham, an economist at the University of Utah, and her

colleagues found that companies sometimes buy a startup not to incorporate its technology but to neutralize a potentially disruptive competitor.

- “Research and history show that innovation is one key benefit arising from fair competition,” Federal Trade Commission chair Lina Khan said in an emailed response to questions. “If one or a small handful of companies dominate a sector, they often don’t feel much pressure to deliver breakthrough innovations.”
- Big companies aren’t deliberately trying to make America’s innovators less likely to spawn the next great thing, says Mr. Bessen, but this has been one effect of their tendency to over-hire and hoard talent.
- A [2020 analysis](#) by Mr. Atkinson and a colleague found that America is still creating high-growth, high-tech startups, and that the more concentrated an industry is, the more of these kinds of startups are born in it. As for innovators producing fewer patents when they join a big firm, he says this is probably not representative of their actual productivity.
- But what’s worrisome about OpenAI is that many of the same [forces that allow big companies to be so dominant](#) may be contributing to its need to partner early in its life with a company like Microsoft, says Mr. Bessen. (OpenAI’s technology was recently incorporated into a number of Microsoft products, after a multibillion-dollar investment from the company.)
- As technology becomes more complicated, and companies hold on to it more tightly, it takes much longer to spread to other companies than it did before, he adds.
- The total number of inventors in the U.S., and the total amount of money invested in R&D in the U.S., continue to grow. Yet business dynamism—the rate at which new firms arise, grow, and fail—is down, [according to a large body of research](#), and economic growth is slowing, says Dr. Akcigit.

As Tech Jobs Disappear, Silicon Valley Veterans Reset Their Careers

April 9, 2023 at 5:30 am ET

https://www.wsj.com/articles/as-tech-jobs-disappear-silicon-valley-veterans-reset-their-careers-dbdb983?st=3hf1qjty3hryf47&reflink=desktopwebshare_permalink

- Now, many Silicon Valley veterans are being driven to new paths far from the tech giants, prizing stability and personal values over prestige.
- Laid-off tech workers are finding jobs with smaller and midsize firms, landing tech roles at nontech companies and becoming freelance consultants. It is an unconventional mix, at least for a group of people used to having an abundance of choice working for names in tech.
- While some of the largest tech companies in the world—including Meta Platforms Inc.’s Facebook, Alphabet Inc.’s Google and Amazon.com Inc.—have announced layoffs, some parts of the industry are still growing. The unemployment rate for tech occupations is still low at 2.2%, which indicates tech employees are being reabsorbed back into the workforce, said Tim Herbert, chief research officer with the tech trade association CompTIA.

● Facebook, Twitter Rebuffed Sandy Hook Families’ Request for Data in Alex Jones Case

April 9, 2023 at 5:30 am ET

https://www.wsj.com/articles/facebook-twitter-rebuffed-sandy-hook-families-request-for-data-in-alex-jones-case-4dd1cb69?st=ur8dd889rtacn8e&reflink=desktopwebshare_permalink

- Twitter and Facebook rebuffed subpoenas from families of the Sandy Hook school massacre victims, who were seeking internal company data to show how conspiracy theorist Alex Jones’s false claims about the killings spread on social media, according to court documents and lawyers for the families.
- The falsehood Mr. Jones helped to start spread for more than a decade, often via Facebook and Twitter, and led to intense harassment of victims’ survivors, they testified. Before he was booted off the platforms, social media also helped Mr. Jones earn huge amounts from doomsday preparation kits, virility

pills and other products that he sold on his own online sites. Mr. Jones lost two civil lawsuits by default last year in Connecticut and Texas and was hit with judgments totaling \$1.4 billion. Mr. Jones and his companies, including Infowars parent Free Speech Systems LLC, have filed for bankruptcy. He has signaled he will appeal in the defamation cases.

- At the Connecticut trial, the families sought to use data from the social-media platforms to support their claim that he had spread the conspiracy theory because it boosted internet traffic and his online sales.
- Twitter Inc. and Facebook's parent, Meta Platforms Inc., fought subpoenas from a Connecticut court and ultimately avoided turning over the data the families were requesting, according to court filings, correspondence among lawyers and interviews with people involved in the case.
- Facebook and Twitter's lawyers initially said that federal law and company policy prevented them from turning over Mr. Jones's and his companies' user data. The families ended up going to trial without what they said was the best evidence that social media incubated the defamatory conspiracy theory at the heart of the case.
- "They will take down the worst actors here and there, but their bread is buttered by people like Alex Jones," he said. "Alex Jones made them a lot of money."
- Mr. Murphy wants Congress to limit the immunity technology companies have for user content on their platforms, which the tech industry has opposed on grounds that it would stifle free expression.
- "The companies were acting in bad faith to prevent the disclosure of data that was central to our case, but that would have reflected extremely negatively on their own complicity in what was a 10-year campaign against these families," he said.
- The tech companies have taken some action. In 2018, Mr. Jones and his outlets were banned from Twitter, Facebook and Alphabet Inc.'s YouTube unit on grounds they violated usage policies. Those actions meant millions fewer views for Jones' broadcasts and posts.
- Facebook and Twitter initially rebuffed the requests, arguing that the federal Stored Communications Act precluded them from producing data without a user's consent, among other objections, according to Mr. Mattei and correspondence reviewed by the Journal.
- After the plaintiffs' lawyers secured written consent from Mr. Jones's lawyers, Mr. Mattei said, the social-media companies "moved the goal posts." While Facebook provided some basic subscriber data showing the owners of accounts, it maintained it couldn't isolate analytics specific to those the plaintiffs were seeking, such as for content related to mass-casualty events.
- Some family members of the Sandy Hook victims said they were frustrated by the refusal of Twitter and Facebook to more readily cooperate.
- "They absolutely could have done more," said Erica Lafferty, whose mother, Dawn Lafferty Hochsprung, was the school's principal and died in the shooting. "They just turned a blind eye to it because it was the easy thing to do."

● Mothers Power New Drive to Make Social-Media Firms Accountable for Harms

April 10, 2023 at 9:00 am ET

https://www.wsj.com/articles/mothers-power-new-drive-to-make-social-media-firms-accountable-for-harms-398bbf3c?st=55ibdrd69o4iy74&reflink=desktopwebshare_permalink

- Mothers who say social media devastated their sons and daughters are stepping up efforts to pass legislative remedies, including by making personal appeals to lawmakers and working with congressional aides to fine-tune legislation.
- Kristin Bride, 56, of Mesa, Ariz., clutched a picture of her late 16-year-old son as she approached the reception desk. Several more mothers followed, holding their own photographs of children whose deaths or struggles they blame, in part, on platforms such as YouTube, Instagram and Snapchat.
- Ms. Cantwell's staff set up a meeting the next day. The senator sat with the mothers for an hour, participants said, hearing about young people who made connections with drug dealers and predators via social media apps, or who suffocated after attempting a viral "blackout challenge," in which users film themselves choking and passing out.

- “Every day that continues without any sort of checks on this industry, there is going to be more kids dying,” is how Ms. Bride described her message to Ms. Cantwell and other lawmakers. Her son died by suicide in 2020, Ms. Bride said, after receiving what she said were a series of anonymous, abusive messages on social media.
- The child-protection measures being sought by Ms. Bride and other mothers now are being driven by a growing awareness of the downsides of social media, fueled in part by disclosures by news organizations including The Wall Street Journal, which reported in 2021 on documents leaked by former Facebook employee Frances Haugen showing that parent company [Meta Platforms](#) Inc. knew its platforms [were riddled with flaws](#) that cause harm.
- The mothers’ group that met with Ms. Cantwell is rallying behind [the Kids Online Safety Act](#), which was introduced in 2022 by Sens. Richard Blumenthal (D., Conn.) and Marsha Blackburn (R., Tenn.). It would require online services to take reasonable measures to prevent and mitigate harms to minors. Tech companies would have to allow young users to limit direct messages, location-data collection, and autoplay or other potentially addictive features.
- The bill stalled last year amid opposition by the tech industry and some liberal advocacy groups.
- The House remains a question mark, as many lawmakers there want to give priority to privacy protections for users of any age. Even so, the Senate Commerce Committee is likely to pass some version of children’s online safety legislation—a goal supported not just by Ms. Cantwell, the committee chair, but Sen. Ted Cruz (R., Texas), the top Republican on the panel.
- The mothers in early 2021 started a working group that is part of the Screen Time Action Network, a coalition of advocates organized by Fairplay. The working group meets monthly and now numbers about 40 people, including mothers of victims and others who support tougher social media restrictions.
- Some of the mothers have given feedback to congressional staffers on draft legislation. Others are lobbying states to follow [a law California passed](#) last year that created a so-called age-appropriate design code for online apps.
- The strategy of mothers telling stories of how their sons and daughters were hurt by social media has been particularly effective, participants say, although it takes a toll on the women who must constantly relive their child’s tragedy, said Shelby Knox, campaign director for ParentsTogether Action, one of the advocacy groups that is organizing the mothers’ lobbying efforts.

Social-Media Platform Discord Emerges at Center of Classified U.S. Documents Leak

Updated April 10, 2023 at 9:22 pm ET

https://www.wsj.com/articles/social-media-platform-discord-emerges-at-center-of-classified-u-s-documents-leak-2fa87de?st=ojni741avmdep&reflink=desktopwebshare_permalink

- A federal [investigation into a major leak](#) of [highly classified U.S. documents](#) has cast a spotlight on a social-media outlet popularized by videogame enthusiasts.
- The leaked documents, which appear to have numbered in the hundreds, stayed among the members of the tiny group on Discord until early March when another user reposted several dozen of them to another group with a larger audience. From there, at least 10 files migrated to a much bigger community focused on the computer game Minecraft.
- Document leaks have emerged as a common tactic during the war in Ukraine. In September researchers at [Alphabet](#) Inc.’s Google concluded that some activist groups that were leaking information were likely doing so in coordination with Russia’s military intelligence agency.
- Monitoring conversations on social media is challenging. Though the major platforms police users through [human and automated moderation](#), they get accused of both [not doing enough](#) and [going too far](#).

● Digital Ad Revenue Grew Again in 2022, but Much More Slowly

April 12, 2023 at 6:02 am ET

https://www.wsj.com/articles/digital-ad-revenue-grew-again-in-2022-but-much-more-slowly-41485957?st=agzan305f9wlult&reflink=desktopwebshare_permalink

- Digital ad revenue in the U.S. rose 10.8% to \$209.7 billion last year as marketers continued to spend in online channels despite slower economic growth, market uncertainty and mass layoffs at big tech companies, according to a new report from the Interactive Advertising Bureau and PricewaterhouseCoopers LLP.
- In addition to broader economic uncertainty, which led some companies to draw back on marketing budgets in the last part of 2022, the online ad business has been grappling with evolving privacy regulation and increased consumer privacy protections from companies such as Apple Inc., which some industry players say have [made it harder to target messages and measure their efficacy](#).
- Digital ad sales got a boost from factors including the growth of so-called retail media networks, in which consumer businesses such as grocery and big-box chains offer advertisers ways to reach consumers using their retailer data.
- Retail media will make up a quarter of global online advertising spending by 2025, and will drive 45% of the growth in online ad spending between now and then, [Morgan Stanley](#) analysts said last week.
- Ad-supported streaming video, including ad-supported tiers from services including [Netflix](#) and HBO Max, is another major growth driver in the digital ad space.
- Research firm Insider Intelligence said in March that [Alphabet](#) Inc.'s Google, [Meta Platforms](#) Inc. and [Amazon.com](#) Inc. siphoned 60.6% of digital ad budgets in the U.S. in 2022, down from 61.6% in 2021. Those giants of online advertising are facing new pressure from ByteDance Ltd.'s TikTok and other challenges.
- Social media ad revenue grew 3.6% in 2022, a slowdown in growth from 39.3% a year earlier, according to the new IAB report, as privacy protections affected companies in the sector in particular.
- "Social media, of all the different kinds of [media] types that we looked at, was the most adversely affected in 2022" as a result of tech platform policies, Mr. Cohen said.

● TikTok Parent ByteDance Battles Meta for Virtual-Reality App Developers

April 13, 2023 at 5:30 am ET

https://www.wsj.com/articles/tiktok-parent-bytedance-battles-meta-for-virtual-reality-app-developers-30ce091f?st=txmeqzji2cgwpfg&reflink=desktopwebshare_permalink

- TikTok parent ByteDance Ltd. is offering to pay developers who have made virtual-reality software for [Meta Platforms](#) Inc. [META 0.74%increase; green up pointing triangle](#) to bring their apps to its own fast-growing Pico headsets, according to people familiar with the matter.
- The incentives underscore the [intensifying competition](#) between the two companies in virtual reality, a space that Meta Chief Executive [Mark Zuckerberg](#) has predicted will become the next major computing platform. ByteDance has offered some VR developers \$15,000 to \$25,000 per title, the people said.
- Both companies are seeking to lure software makers who can build apps and experiences that will be crucial in drawing new users to virtual reality. [Apple](#) Inc. is planning to launch an augmented-reality headset later this year, analysts say.
- Some developers have voiced frustration with how Meta is vetting new software in the app store for its Quest headsets after facing extended delays in gaining approval for widespread distribution. Meta, which renamed itself from Facebook and spent nearly \$16 billion in 2022 to put the so-called [metaverse at the center of its strategy](#), has opted to carefully curate the available apps in

the Quest Store. Some developers say the company's process for vetting apps lacks clear guidelines, leaving them eagerly anticipating the entrance of new competitors.

- "It's a net positive for Meta that ByteDance has gotten into the VR market and is funding developers," Chris Pruett, Meta's director of content ecosystem, told The Wall Street Journal at the Game Developers Conference last month. "I want all boats to rise." He previously defended Meta's decision to carefully curate the Quest Store as necessary to ensure users have a good experience.
- As of February 2023, the number of apps that have made more than \$1 million on Meta's VR devices has surpassed 200, up 44% compared with the year prior, a company spokeswoman said.
- As of October, Meta's Quest headset had 6.37 million monthly active players, the documents show. Quest headset shipments declined by more than 90% in the fourth quarter of 2022, compared with the previous year, according to estimates from research firm International Data Corp. Meanwhile, ByteDance increased shipments of its Pico headsets by 110%, IDC estimated. ByteDance shipped 290,000 headsets in the final quarter of the year, just shy of Meta's 310,000. In March, [Meta reduced the price](#) of one of the Quest 2 headsets by \$70 "so more people can get into VR," Mr. Zuckerberg said.
- In 2021, ByteDance purchased VR headset-maker Pico, which had been focused on the business market, and pivoted to the consumer space. To compete with Meta, ByteDance recognized that it needed significant resources and would need to subsidize manufacturing costs, according to Lazius Kaye, a former Pico employee who worked on the launch of the latest Pico 4 consumer headset. That headset, available in Europe and Asia but not in the U.S., went on sale last fall and retails for about \$470. The Quest 2 headset with the same storage costs \$400.
- Even at a comparable price point, ByteDance knew that the Pico 4 might still fall short of Meta's offerings: It had fewer game titles, inferior hand-tracking technology and a less developed overall ecosystem, said Mr. Kaye, who also runs a VR-related YouTube channel that has 13,000 followers. For reference, ByteDance's Pico has more than 300 apps available, compared with more than 500 in the official Quest Store. ByteDance has also teased a social hangout and world-building app called Pico Worlds, similar to Meta's Horizon Worlds.
- Meta in March rolled out its own strategy for attracting more developers with the announcement of Oculus Publishing, a program the company has set up to fund VR games that are being created by independent developers. The company has contributed funding to more than 300 titles and has another 150 currently in development.
- Some VR developers are frustrated after being allowed to list their apps in Meta's App Lab rather than in the Quest Store, where there is far broader distribution. App Lab allows developers to create links that consumers can use to download their apps, but developers complain that App Lab titles are difficult to search for consumers, making their apps hard to find. When consumers do manage to find an App Lab title, they are prompted with a warning that says Meta hasn't fully reviewed the app.
- The difference between being in the Quest Store and in App Lab is the same as selling a product in a grocery store versus selling it on the street, said Sarah Hill, CEO of Healium, which makes a VR mental-health app.
- Meta charges VR developers on the Quest Store and App Lab 30% of revenue they generate, the same rate others such as the Apple App Store and Google Play charge most of their major mobile developers.

Document Leaks Indicate Extent of U.S. Electronic Snooping

Updated April 15, 2023 at 7:53 am ET

https://www.wsj.com/articles/document-leaks-indicate-extent-of-u-s-electronic-snooping-63b10387?st=sromyv5yu3p9fdf&reflink=desktopwebshare_permalink

- The [classified documents](#) that investigators say were leaked by a junior member of the Massachusetts Air National Guard indicate the extent to which U.S. spy agencies rely on clandestinely intercepted communications to keep tabs on their adversaries and allies alike.

- One of the U.S. government's primary eavesdropping tools is Section 702 of the Foreign Intelligence Surveillance Act, or FISA. Set to lapse at the end of the year if Congress doesn't reauthorize it, the program allows the NSA to target communications of non-U.S. citizens that traverse U.S.-owned platforms such as [Alphabet](#) Inc.'s Google, [Meta Platforms](#) Inc., [Microsoft](#) Corp. and [Apple](#) Inc. Surveillance under Section 702 is supervised by a special foreign-intelligence court, which approves the rules the program operates under but doesn't approve each individualized surveillance target.
- Not all signals intelligence is collected under Section 702. The U.S. government also uses techniques such as gaining backdoor access into foreign telecommunications networks, and has specialized planes, drones and satellites that collect signals as well.

A Guide to Freeing Your Social Feeds From Annoying Algorithms

April 15, 2023 at 11:00 am ET

https://www.wsj.com/articles/a-guide-to-freeing-your-social-feeds-from-annoying-algorithms-e2081ce2?st=v3m1ar1u0rj8lep&reflink=desktopwebshare_permalink

- Tech companies' algorithms are the secret sauce that make their apps so popular. They use your likes, comments and other online behavior to gauge what you're likely to interact with. The goal of algorithms is to keep you in the app as long as possible. But [it isn't always what you want](#), at least not in those quantities.
- Last month, TikTok began rolling out a tool that lets users refresh their For You feeds, essentially rebuilding the recommendations from scratch. [Meta Platforms](#), parent of [Facebook](#) [META 0.74%increase; green up pointing triangle](#) and Instagram, made it easier to manage suggested content directly in each app's feeds in recent months.

● Meta Opens Horizon Worlds VR App to Teens as Company Seeks More Metaverse Users

April 18, 2023 at 4:13 pm ET

https://www.wsj.com/articles/meta-opens-horizon-worlds-vr-app-to-teens-as-company-seeks-more-metaverse-users-2e9deeeb?st=hbl3fol6ivosve0&reflink=desktopwebshare_permalink

- Facebook-parent [Meta Platforms](#) Inc. [META 0.74%increase; green up pointing triangle](#) has opened its flagship [Horizon Worlds VR app to teenagers](#), part of a strategy to boost engagement on its Quest headsets as the company seeks to gain traction in the so-called metaverse.
- The company announced on Tuesday that the service will open up to teens ages 13 to 17 in the U.S. and Canada over the coming weeks.
- The move comes as Meta seeks to bolster Horizon's user growth and retention after [struggling with the technology](#) and a lack of clarity about the service's strategy last year. Horizon World's monthly active user base sat just above 200,000 in February, The Wall Street Journal reported. That was short of the company's original goal of 500,000 by the end of 2022, according to internal company documents reviewed by the Journal.
- "For Horizon to succeed we need to ensure that we serve this cohort first and foremost," wrote Meta Vice President of Horizon Gabriel Aul to his division in a memo reviewed by the Journal.
- [Two democratic senators](#) and a coalition of more than [70 organizations and experts](#) on health, privacy and children's rights called on Meta to abandon its plans to launch Horizon to teens after the Journal's report. Sen. Ed Markey (D., Mass.) on Tuesday called on Meta to abandon its decision to open Horizon to teens.
- "Meta has a record of abject failure to protect children and teens, and yet again, this company has chosen to put young users at risk so that it can make more money," Mr. Markey said.
- The launch to teens will come with a robust set of age-appropriate default protections to provide them with a safe experience, Meta said in a blog post. Those protections include setting teens' profiles to

private by default, giving teens control of who can follow them and not recommending adults who teens don't know to their lists of "people you might know." The protections also include using ratings to prevent teens from finding, seeing or entering parts of Horizon that contain mature content.

- Meta has also expanded its VR parental supervision tools to include Horizon, making it easier for parents to manage their teens' experience. The company said it would also garble and transform the voices of teens and adults who don't know each other.

● Don't Blame China and TikTok for Child-Rearing Failures

April 18, 2023 at 6:21 pm ET

https://www.wsj.com/articles/dont-blame-china-and-tiktok-for-child-rearing-failures-biden-trump-bytedance-mental-health-ban-349eb4a1?st=nu8ljc12a58lan1&reflink=desktopwebshare_permalink

- When the Trump administration tried to ban TikTok three years ago, you might recall that things didn't go so well. The Biden administration believes it will have better luck, but don't count on it.
- Three years later, TikTok has more influencers. Americans who use the platform to share fashion ideas, dance moves, jokes, political opinions and much else reportedly number more than 150 million. Still, President Biden hopes to succeed where his predecessor failed even if it means risking the wrath of millions of young adults who prefer TikTok over rivals such as [Facebook](#) and Twitter.
- To its credit, the White House is taking a more deliberative approach. It wants TikTok's owner, ByteDance, to sell the app to a buyer that the government can trust or face a ban in the U.S., and it's urging Congress to pass legislation to restrict TikTok's use. State and local policy makers are also starting to intervene.
- Last week, a school district in California filed a federal lawsuit against TikTok and other social-media companies alleging that the platforms have created a mental-health crisis among young people. On Friday, Montana passed legislation that bans the app on all personal devices. It's not at all clear how the state will monitor or enforce the ban, but the governor is expected to sign the bill anyway.
- At a Senate hearing earlier this year, FBI Director Christopher Wray said that what worried him was the "control of the data" by Beijing. "It's the control of the recommendation algorithm which allows them to conduct influence operations," he said. "It's the control of the software which allows them to then have access to millions of devices." Put all those things "together and, again, come back to the starting point, which is this is a tool that is ultimately within the control of the Chinese government."
- Hence, the White House is backing legislative proposals that would give the president, even without any national emergency being declared, unprecedented authority to ban foreign apps that he deems a security threat. The potential for mischief is obvious. In the name of national security, presidents could restrict apps favored by political opponents, or to protect market share for U.S. companies, which could stymie innovation and limit consumer choices.
- What's worse is that banning TikTok in the U.S. would not stop the Chinese from acquiring data on Americans. Plenty of other companies collect the same data and then sell it legally through third parties. "Numerous U.S. mobile apps process comparable levels of sensitive personal information like geolocation, device identifiers, browsing history, and more," Caitlin Chin of the Center for Strategic and International Studies wrote recently in *Barron's*. "U.S. data privacy laws are fragmented and outdated, leaving many mobile apps with almost no hard restrictions on the type and granularity of data they collect, how long they store it, and which entities they share it with." Neither forcing ByteDance to sell TikTok nor banning the platform in the U.S. would solve this problem.

Your Share of the \$725 Million Facebook Settlement Will Be Tiny

April 19, 2023 at 4:53 pm ET

https://www.wsj.com/articles/your-share-of-the-725m-facebook-settlement-will-be-tiny-93265db0?st=0j5gu4evusy3su&reflink=desktopwebshare_permalink

- People who used Facebook in the U.S. during the past 15 or so years can expect free money from its parent company—but not a lot, and not anytime soon.
- In December, [Meta Platforms Inc.](#) [META 0.74%increase; green up pointing triangle](#) [agreed to pay \\$725 million](#) to settle a class-action lawsuit accusing the social-media company of allowing data firm Cambridge Analytica and other third parties to access private information about millions of users.
- This week, people can start signing up to get their cut of the settlement. You need to have been a Facebook user in the U.S. at some point between May 2007 and December 2022 to qualify. Eligible users can submit a claim online or by mail by following the instructions on the [Facebook User Privacy Settlement website](#).
- The deadline to submit a claim for the Facebook settlement is Aug. 25. After that, the court still has to decide if it approves the settlement. Payments will be distributed after the court grants a final approval and any appeals are resolved. The whole process could take years.

Supreme Court Debates Free-Speech Defense in Cyberstalker Case

Updated April 19, 2023 at 4:58 pm ET

https://www.wsj.com/articles/supreme-court-debates-free-speech-defense-in-cyber-stalker-case-bf9c334d?st=3yub216r97j84ka&reflink=desktopwebshare_permalink

- The case was a textbook example of cyberstalking. Billy Counterman became obsessed with a Denver singer-songwriter, Coles Whalen, and in 2014 began texting her through Facebook Messenger, under the delusion that they were in a romantic relationship. The hundreds of messages, which kept coming even after she blocked Mr. Counterman and obtained a restraining order against him, were terrifying and drove her from performing in public, Ms. Whalen said.

● Mark Zuckerberg Says Meta Will Slow Hiring, Won't Rule Out Future Layoffs

Updated April 20, 2023 at 10:37 pm ET

https://www.wsj.com/articles/mark-zuckerberg-says-meta-will-slow-hiring-wont-rule-out-future-layoffs-98653b09?st=wx9xj7r726f5ymt&reflink=desktopwebshare_permalink

- [Meta Platforms Inc.](#) [META 0.74%increase; green up pointing triangle](#) Chief Executive Officer [Mark Zuckerberg](#) told employees that he won't rule out future layoffs and said he doesn't expect the social-media company to hire as quickly as it did before the layoffs that began late last year.
- Since November, Facebook's parent company has said it would lay off 21,000 employees, or nearly a quarter of its workforce.
- The company made cuts to its information problems engineering team, which helps enable fact-checking, addresses misinformation claims related to elections around the world and can downrank content deemed problematic. About 75% of this unit was let go on Wednesday, according to people familiar with the matter, with the remainder being merged into a larger team within Facebook's integrity operations that does related work to address false information.
- Meta will backfill positions that have been vacated, but in terms of net growth, Mr. Zuckerberg told employees that they shouldn't expect more than 1% to 2% year over year from this point forward.
- While the cuts were generally broad, they appear to have been relatively light within Reality Labs, the division responsible for virtual and augmented reality. Conversely, the company made far-steeper staff reductions in portions of Meta devoted to content quality and user experience.
- During the town hall, scores of employees took issue with high performance reviews—and bonuses—handed out to the tight circle of executives surrounding Mr. Zuckerberg.
- “Why did the entire executive team get EE/GE ratings when they are also directly responsible for the choices that led to us needing to lay off 20+% of the company? Where is the accountability?” asked one

employee, a question that numerous others posted in the comments section. EE and GE are abbreviations for top-tier performance reviews at Meta.

- Other employees took issue with the extent of the layoffs in Meta's user experience research operation, which studies how people use Meta's services and how its products affect users. In response, Meta Chief Product Officer Chris Cox said that the company had appreciated the efforts of the laid-off staffers and would continue to work on such concerns.
- Mr. Zuckerberg told employees that the company expects to complete most of the layoffs for 2023 in May, as he had previously announced in March, but he also said that it is hard to predict what will happen in 2024, 2025 and beyond.

The Joy of a Totally Empty Brain

April 21, 2023 at 9:33 am ET

https://www.wsj.com/articles/the-joy-of-a-totally-empty-brain-4fe4a739?st=plx1n1s8nnrt4ox&reflink=desktopwebshare_permalink

- As I get older, I realize I need to utterly unplug. My ideas will not come from my phone, a [Facebook](#) post or the latest tire fire on Twitter. For me, they come from digital distance, from oxygen and exercise and especially from time spent outdoors. There once was a time I could get ideas from staring at websites, but not anymore. I get them from looking at trees.
- I know I'm not alone. The science is vast on the value of boredom and the stimulus of fresh air—it's what opens the brain to sparks of creativity and inspiration. It's why child psychologists want parents to strip away the iPads and help their children get comfortable offline. Hearing "I'm bored!" should not be a parenting emergency. (Except on an airplane. I'll give a kid 15 iPads on an airplane.)
- I fear we're getting worse. Technology just gets better, as those airport bookstores get smaller. I'm wary of our artificial-intelligence future, and the notion that we will lean on bots to think for us, writing code, speeches and even poetry. It sounds like more off-loading of our brain space to technology. And to what end? To watch more episodes of "Love Is Blind?"

The Secret History of AI, and a Hint at What's Next

April 22, 2023 at 12:00 am ET

https://www.wsj.com/articles/the-secret-history-of-ai-and-a-hint-at-whats-next-428905de?st=xt8hlsqyznv83q&reflink=desktopwebshare_permalink

- If you're worried that artificial intelligence will transform your job, insinuate itself into your daily routines, or lead to wars fought with lethal autonomous systems, you're a little late—all of those things have already come to pass.
- The AI revolution is here. Recent developments like AI chatbots are important, but serve mostly to highlight that AI has been profoundly affecting our lives for decades—and will continue to for many more.
- What's unique about this moment is that new systems like text-generating AIs, [such as ChatGPT](#), and image-generating AIs, [like DALL·E 2 and Midjourney](#), are the first consumer applications of AI. They allow regular people to use AI to make things. That's awoken many of us to its potential.
- As Cara LaPointe, co-director of the Johns Hopkins Institute for Assured Autonomy told me recently, "In terms of public consciousness of AI, we are at an inflection point."
- In the meantime, artificial intelligence has been an essential tool for [fighting our wars](#), protecting our finances, [operating our capital markets](#), insuring our assets, targeting our advertisements and powering our search results—for more than a decade, and in some cases decades.
- For most of its history, AI was the sole purview of mathematicians and computer scientists, after all. And it wasn't called AI, because [that term had fallen out of fashion](#). Instead, engineers talked about generalized linear models, generalized boosted models, or decision trees.
- Later, broad classes of these algorithms were all grouped under "machine learning," and engineers started using artificial neural networks, inspired by neurons in the brain, in place of other mathematical

techniques. In general, these systems were designed to recognize patterns and predict outcomes—giving them a significant overlap with another blanket term, “predictive analytics.”

- Dr. LaPointe calls our current era “learning-based AI.” What characterizes this time is that computers—rather than humans—are now building the models that machines use to accomplish a task.
- These new generative AI systems, which pull together almost every trick cooked up by AI researchers since the turn of the millennium, are doing things no AI has ever done before. And that’s why they’re being integrated into search and productivity tools from Microsoft, Google, and countless startups in every field imaginable, from [healthcare](#) and [logistics](#) to [tax prep](#) and [videogames](#).
- The AIs that did all that are [all around us](#). We invoke them every time our speech is decoded by our smart assistants, we find what we are looking for on Google, we order something and it arrives the same day, our [social media feed is sorted for us](#) by [Facebook or TikTok](#), we get an instant quote online from an insurance broker, or a cruise missile finds its target a thousand miles from where it was launched.

Before You Die, Secure Your Digital Life

April 22, 2023 at 9:00 am ET

https://www.wsj.com/articles/a-plan-for-your-digital-life-after-death-177b065e?st=9xigy6osacwn56o&reflink=desktopwebshare_permalink

Amazon, Facebook, Google Headline Busy Earnings Week for Tech

April 23, 2023 at 5:30 am ET

https://www.wsj.com/articles/google-amazon-facebook-tech-earnings-week-bfd39a7a?st=k0q042d6xq68ftx&reflink=desktopwebshare_permalink

- The coming reports will provide clues to investors about how companies fared in the first quarter of 2023 as the recent banking crisis, continuing layoffs in sectors such as technology, and [inflation weighed on the economy](#).
- The quarterly updates come as Federal Reserve officials signal that they [could raise interest rates](#) at their next meeting in early May to combat stubbornly high inflation and tight labor markets, despite a greater likelihood of recession later this year.
- “Whether it’s a modest recession or we dodge that bullet sort of doesn’t matter that much,” Mr. Gorman said. “What really would matter is if inflation is not tamed, Fed has to go much higher than people are expecting, you go into a much deeper recession.”
- He added that it doesn’t seem likely right now and that despite all the pressures, from geopolitical concerns to rampant inflation, the broader economy is holding up. “It actually feels surprisingly benign from what it could have been,” he said.
- Results for the year’s first quarter are projected to be among the weakest since the early quarters of the pandemic, according to FactSet. The data tracker said that with 18% of S&P 500 companies having reported, earnings have so far this quarter dropped 6.2% from a year earlier, which would be the second consecutive quarterly decline. Revenue, on the other hand, has increased 2.1%
- Tech companies [continue to shed thousands of workers](#) as they retrench and focus on profit after ending feverish pandemic-era growth. Investors will look to understand how they have benefited from restructuring plans and how they plan to navigate the future, including more widespread adoption of [artificial-intelligence technology](#) that threatens to change the tech sector and beyond.

How 5G Could Make Virtual-Reality Devices Better

April 23, 2023 at 12:00 pm ET

https://www.wsj.com/articles/5g-virtual-reality-benefits-df58f6c4?st=vpqjzvr8ggnovk&reflink=desktopwebshare_permalink

- Virtual and augmented reality are often heralded as the next big internet platforms for consumers. But snagging that prize may hinge on people's ability to use those platforms on the go.
- Both depend on the ability to beam huge, uninterrupted data streams to VR headsets or AR glasses seamlessly, and that so far has limited the use of such products largely to home and office settings, where Wi-Fi and power outlets are handy.
- But companies now are testing whether 5G networks or other future wireless technology can make the difference, providing all the streamed data and at the necessary speeds for mobile use—in effect, helping consumers break free from the confines of indoor plugged-in networks.
- Uninterrupted gigabytes of data are necessary for both augmented-reality glasses, whose wearers see the real world and digital data simultaneously, and virtual-reality headsets, which allow users to move about in virtual realms. Even slight hiccups in the streaming can ruin the experience, blurring graphics and making users queasy.
- Tech companies such as [Microsoft Corp.](#), [MSFT 0.80%increase; green up pointing triangle](#) [Snapchat](#) [SNAP -17.05%decrease; red down pointing triangle](#) parent Snap Inc., [Meta Platforms](#) Inc. [META 0.74%increase; green up pointing triangle](#) and startup Magic Leap Inc. for years have worked on adding significant computing power to AR and VR systems without draining batteries, while also creating a comfortable device that can be worn on one's head for long periods. But the technology has seen limited adoption by consumers.
- "If you're able to offload more of the computing that has to currently happen on the device to either edge computing or the cloud," Mr. Diez says, "you can make the device smaller. You can use less battery power and 5G will be an essential component of that. It will be a completely essential component for outdoor and city-scale AR experiences."
- Mobile-chip giant [Qualcomm](#) Inc. [QCOM 2.53%increase; green up pointing triangle](#) has released technical blueprints of sleek, 5G-capable AR glasses to demonstrate to manufacturers what's possible using the company's chips, according to Hugo Swart, who heads AR and VR efforts at Qualcomm. The devices aren't commercially available, he says, but such so-called reference designs often portend what's coming from major manufacturers that incorporate showcased features in their own products. Companies working on AR glasses powered by Qualcomm's chips include TCL Technology, [Xiaomi](#) Corp. [1810 0.00%increase; green up pointing triangle](#) and Niantic Inc., the company behind the popular outdoor AR game Pokémon Go.
- XCOM Labs, which specializes in wireless technology for mobile networks, is developing AR and VR equipment in carefully controlled settings that could presage broader deployment as the technology develops. XCOM can support several dozen people using high-quality VR headsets when superfast networking and data-processing capabilities are close at hand, says Paul Jacobs, a former chief executive at Qualcomm and now CEO of San Diego-based XCOM.
- "Everything that was sitting there on your back is now in the back room," Mr. Grosky says, touting 5G's ability "to untether, to unlock and to bring that level of immersion at scale." Mr. Grosky adds that Dreamscape Immersive's sister company, Dreamscape Learn, which focuses on education using VR, is also hoping to use the 5G technology to expand its use cases. Currently, its immersive technology is being used in biology classes at Arizona State University, but the VR headsets are tethered to the desk setups, he and a spokesperson for Arizona State say.
- Though the higher data-transfer rates that 5G offers cut down on image-processing delays and glitches, the current technology has limits. Current networks wouldn't be able to handle the huge amounts of data needed if a large number of wireless headsets are in use in the same location, industry officials say. Catering to such uses could require telecommunications companies to move the servers that handle the data closer to wireless antennas and to invest more heavily in advanced networking equipment that isn't yet widely deployed, the officials add.
- Ultimately, Mr. Swart, the Qualcomm executive, says the industry still is waiting for more AR and VR headset sales to lead to more games and movies being made for them, which ought to generate more interest from new users. And that, the industry hopes, could convince wireless network operators to upgrade equipment to cater to that demand.

The Companies Conducting Layoffs in 2023: Here's the List

Updated April 24, 2023 at 12:24 pm ET

https://www.wsj.com/articles/the-companies-conducting-layoffs-in-2023-heres-the-list-11673288386?st=um35a9qmwbls65l&reflink=desktopwebshare_permalink

- A stream of companies have [announced layoffs](#) this year as they [recalibrate](#) amid concerns about a slowing economy.
- Tech-industry job cuts [dominated at the start of 2023](#) and included [Facebook](#) parent Meta Platforms Inc., Google parent Alphabet Inc. and Microsoft Corp.
- The downsizing has shifted beyond [high-growth technology companies](#) to other parts of the economy. Retailers, manufacturers, media companies and the financial sector have all announced cuts.
- The broader labor market has [continued to add jobs](#), however, with the U.S. unemployment rate at 3.5% in March.

Stocks Seek Direction at Start of Busy Earnings Week

April 24, 2023 at 4:19 pm ET

https://www.wsj.com/articles/global-stocks-markets-dow-news-04-24-2023-8baee08?st=46ha18xg5pjrchg&reflink=desktopwebshare_permalink

- Investors are turning their focus this week to Big Tech earnings. [Amazon.com](#), [Microsoft](#), Google parent [Alphabet](#), [Facebook](#) parent [Meta Platforms](#) and [Intel](#) are among the companies scheduled to report in the coming days. Analysts expect profits to decline from a year ago at all but Amazon, according to estimates compiled by FactSet.
- “It’s not like we’re all excited about growth,” said Daniel Morgan, senior portfolio manager at Synovus Trust. “We’re still seeing a pretty low bar coming into this quarter. I think we could get some surprises on the upside.”
- So far, 90 of the companies in the S&P 500, or about 18% of the index, have reported results. About 77% of those companies have topped profit expectations so far, according to FactSet. Analysts are projecting profits to drop by 6.2% from a year ago, based on projected earnings and actual results. That would mark the largest decline since the second quarter of 2020.

Google Ad Revenue Expected to Drop for Second Straight Quarter

April 25, 2023 at 5:30 am ET

https://www.wsj.com/articles/alphabet-google-googl-q1-earnings-report-2023-562dbb62?st=q8u6th4oh1fr6u1&reflink=desktopwebshare_permalink

- Google reported a second straight drop in advertising revenue, extending a rare decline as the company navigates economic concerns and tries to capitalize on recent advances in artificial intelligence.
- [Alphabet](#) Inc., [GOOG -0.14% decrease; red down pointing triangle](#) Google’s parent company, posted \$54.5 billion in ad revenue for the first quarter, a decrease of less than 1% from the same period last year but a smaller decline than Wall Street anticipated. That is the third drop in ad sales since Google became a public company in 2004, and the second consecutive quarterly decline following a [3.6% drop in the fourth quarter](#).
- Microsoft said revenue for the three months through March [rose 7% from a year earlier](#), better than expected but marking the second-straight quarter below the company’s yearslong trend of double-digit percentage growth.
- “We did see some signs of stabilization in ad spend,” Google Chief Financial Officer Ruth Porat said on a call with reporters, referring to the company’s video platform YouTube, which experienced a third-straight quarterly decline in ads revenue.

- The online advertising market has remained wobbly as companies respond to an uncertain economic outlook. Last week, Facebook parent [Meta Platforms](#) Inc. Chief Executive [Mark Zuckerberg](#) told employees to expect a [slower pace of hiring](#) following the company's latest rounds of layoffs.

● TikTok, Twitter, Meta Face Countdown to Comply With West's Toughest Content Law

Updated April 25, 2023 at 10:32 am ET

https://www.wsj.com/articles/tiktok-twitter-meta-face-countdown-to-comply-with-tough-content-law-3efc3048?st=zi0pa9vfu2q5ww1&reflink=desktopwebshare_permalink

- The world's most far-reaching digital-content law will oblige 19 social-media, search and e-commerce services to comply with strict new rules by late August.
- Companies including [Apple](#) Inc., [AAPL 0.75%increase; green up pointing triangle](#) [Amazon.com](#) Inc., [AMZN -3.98%decrease; red down pointing triangle](#) [Meta Platforms](#) Inc. [META 0.74%increase; green up pointing triangle](#) and [Alphabet](#) Inc.'s [GOOG -0.14%decrease; red down pointing triangle](#) Google had one or more of their services listed Tuesday as "very large" online platforms or search engines by the European Union's executive arm. The designations, which also include Bytedance Ltd.'s TikTok and Twitter, mean the clock starts on a four-month countdown to get into compliance with a slew of rules in the new law, called the Digital Services Act.
- Under prior laws, like the U.S.'s Section 230, companies could generally escape liability from content their users posted, provided they took efforts to respond to certain types of problematic content when flagged. But under the EU's new law, companies will need to conduct regular assessments to determine all the possible risks their systems could pose either to individual people or pillars of civic life, such as free expression or electoral participation—and show regulators they are addressing them with robust systems.
- Violators face fines of up to 6% of their global annual revenue. The law includes the potential to block a platform's services in case of certain repeated infringements.
- "With great scale comes great responsibility," said Thierry Breton, the EU's internal market commissioner. Very large online platforms and search engines "will not be able to act as if they were too big to care," he said.
- Mr. Breton said the bloc is proposing companies allow themselves to be audited before the new rules take effect in late August so they have the chance to fix any potential violations without the risk of sanctions. He said the commission expects to audit Twitter in late June at the invitation of the company's chief executive, [Elon Musk](#).
- TikTok has also expressed an interest in being audited before the new rules kick in, Mr. Breton said.
- Apple said that it has previously committed to following DSA rules for its app stores. Amazon said it is finalizing its plans for complying with the new rules. Google said it is working with EU officials to comply, and Meta said it is taking steps to meet the DSA's requirements, including by expanding its transparency tools and reporting system. Meta said it takes significant steps to combat the spread of harmful content on its platforms and recognizes that doing so is particularly important during elections and times of crisis. The company said it removes content that breaks its rules and has built a large fact-checking program.
- The DSA is serving in some ways as a template for other parts of the world. The U.K. is nearing the final stretches of a parliamentary debate [on a parallel law](#), called the Online Safety Bill, which will also create tough new requirements for social-media companies—with a particular focus on protecting children.
- Under the DSA, very large social-media services, online marketplaces and search engines must maintain systems for taking down content that violates their terms or that European national governments consider to be illegal, while providing users with tools to appeal if they believe material they posted was unfairly removed or demoted in rankings. The law also requires regular outside audits and sharing details of their content-ranging algorithms with regulators.

- Tech companies have since last year mobilized major engineering and product-revision efforts to comply with the new law. Company executives say some of the most challenging aspects will be engineering their systems to provide data on content takedowns and demotions that the EU will seek. Another will be maintaining outside dispute resolution mechanisms required under the law for users who contest the reasons their content was removed or demoted.
- Meta's Facebook and Instagram were listed as being subject to the law's provisions for very large platforms. The company last week laid off three-quarters of its information problems engineering team, which helps enable fact-checking, addresses misinformation claims related to elections around the world and can downrank content deemed problematic.
- A person familiar with the matter told The Wall Street Journal last week that the remainder of that team was being merged into a larger team within Facebook's integrity operations that does related work to address false information.
- Mr. Breton on Tuesday said he is concerned by Facebook's content-moderation system in the context of elections. "Meta needs to carefully investigate its system and fix it where needed," Mr. Breton said.
- Meta said it takes significant steps to combat the spread of harmful content on its platforms and recognizes that doing so is particularly important during elections and times of crisis. The company said it removes content that breaks its rules and has built a large fact-checking program.

Microsoft, Activision Decision Shows Tech Companies Face New Scrutiny From Regulators

April 26, 2023 at 1:24 pm ET

https://www.wsj.com/articles/tech-companies-face-new-scrutiny-from-regulators-d5cb1d5f?st=nn3njul3cmkmbmqh&reflink=desktopwebshare_permalink

- The U.K. decision to block [Microsoft](#) Corp.'s [MSFT 0.80%increase; green up pointing triangle](#) plan to buy videogame producer [Activision Blizzard](#) Inc. [ATVI 0.13%increase; green up pointing triangle](#) is the latest sign of how global regulators [are toughening their approach](#) to market-dominating tech companies.
- Antitrust agencies have faced criticism in recent years for allowing mergers to go ahead that critics say boosted the market power of large tech companies such as [Facebook](#) parent Meta Platforms Inc. and Google's [Alphabet](#) Inc. and made it harder for newcomers to compete.
- "In the current environment, tech companies are under increased scrutiny by antitrust agencies, not just in terms of conduct, but also merger control," said Salomé Cissal de Ugarte, a partner with King & Spalding LLP.
- The European Union last year approved a law that will impose [a range of tough new obligations](#) on the biggest digital giants, tackling functions such as online messaging, digital advertising, and the app ecosystem. Those rules are set to take effect next year.
- Separately, the U.K. government this week proposed a new digital-competition law that aims to give more power to the CMA in regulating large tech companies.
- The CMA said on Wednesday that digital markets have characteristics that make them particularly vulnerable to competition problems, and merger control is a first line of defense in preventing companies from gaining too much market power.
- But U.S. law enforcers have nonetheless pursued an aggressive strategy, challenging large tech deals and investigating whether the biggest companies including Alphabet, [Apple](#) Inc. and [Amazon.com](#) Inc. maintain their dominance through anticompetitive practices. The U.S. Justice Department in January sued to break up Google's advertising technology business, and the FTC has sued Meta, seeking to unwind [its purchase of Instagram and WhatsApp](#).
- U.S. antitrust authorities have suffered several legal defeats in their anti-merger cases, including a trial loss that allowed Meta [to acquire a virtual-reality company](#), but say they remain committed to taking their chances in court. The two chief enforcers, the DOJ's Jonathan Kanter and Federal Trade

Commission Chair Lina Khan, both say they need to bring cases that will advance the boundaries of U.S. antitrust law, after decades of the government permitting most deals.

- When the CMA and the FTC both oppose a merger, “any big tech acquisition is going to get a rough ride,” said Tom Smith, an antitrust lawyer with Geradin Partners and a former legal director at the CMA.
- The CMA is widely viewed as an exceptionally tough global regulator because it favors structural commitments such as divestments of a business unit over an offer from a company to behave in a particular way.
- The CMA can also make decisions in-house, without the need to convince a judge, giving it more leeway to pursue the outcomes it wants.
- “The CMA has shown itself to be very aggressive on tech deals, and that has introduced additional uncertainty that can be challenging to manage,” said Dieter Paemen, a partner with Clifford Chance LLP.
- Some antitrust lawyers said there is a risk that the decision could make it harder for the country to attract tech companies.

Facebook Parent Meta Platforms Sees First Sales Increase in Nearly a Year

Updated April 26, 2023 at 6:52 pm ET

https://www.wsj.com/articles/meta-platforms-q1-earnings-report-2023-aa820bcd?st=yf5703ria2dxq2f&reflink=desktopwebshare_permalink

- Facebook parent [Meta Platforms](#) Inc. [META 0.74%increase; green up pointing triangle](#) on Wednesday reported its first increase in sales in nearly a year due to continued improvements in its advertising business, as the company continues to pare back spending during what Chief Executive [Mark Zuckerberg](#) has called a “year of efficiency.”
- Mr. Zuckerberg attributed some of these gains to Reels, the company’s short-form video product. Mr. Zuckerberg said that Reels is increasing overall app engagement and that the company believes it is gaining share in the short-form video market.
- The tough economic climate, an increasing number of regulations [limiting personalized ads](#) and the fallout from [Apple](#) Inc.’s ad-tracking changes in 2021 have weighed on the [digital-ad market](#). Meta has faced growing competition from TikTok, which in February reached 150 million monthly users in the U.S.
- Those efforts in AI, along with shifting to forms of advertising less dependent on harvesting user data from its platforms, are essential to the company’s plans to bounce back. Meta has made [progress in overcoming an Apple privacy change](#) that restricted Meta’s capacity to gather information about what its users do outside its platforms’ walls, The Wall Street Journal reported in January.
- Mr. Zuckerberg said he expects so-called generative AI to have an impact every one of Meta’s apps and services. He theorized that the technology could help marketers more easily create advertisements for Meta’s services, power chatbots for businesses on Messenger and WhatsApp, and help metaverse users more easily create avatars and virtual worlds.
- He also said that he expects Meta to take a more open-source approach to generative AI than companies like [Alphabet](#) Inc., [Microsoft](#) Corp. and [Amazon.com](#) Inc. due to their different business models.
- The company said its operating margin would have been four percentage points higher if not for restructuring charges that Meta undertook related to three rounds of layoffs that it announced in March. These layoffs, which will be completed in May, are expected to result in the [elimination of 10,000 employees](#), and they come [after Meta laid off 11,000 employees](#) in November.
- Reality Labs reported revenue of \$339 million for the quarter, a decline of 51% compared with a year prior. The unit, which makes Meta’s Quest virtual-reality headsets, posted an operating loss of \$4 billion.
- “Building the Metaverse is a long-term project, but the rationale for it remains the same and we remain committed to it,” Mr. Zuckerberg said.

State Attorneys General Lose Bid to Revive Facebook Antitrust Case

April 27, 2023 at 12:20 pm ET

https://www.wsj.com/articles/state-attorneys-general-lose-bid-to-revive-facebook-antitrust-case-e59a1696?st=2s6g8s6rnp40jd8&reflink=desktopwebshare_permalink

- An appeals court said it wouldn't revive a major antitrust case against [Meta Platforms](#) Inc., [META 0.74%increase; green up pointing triangle](#) handing a defeat to dozens of state attorneys general who sought to undo the Facebook parent's acquisition of messaging platform WhatsApp and photo-sharing app Instagram.
- Meta still faces a similar case brought by the Federal Trade Commission. The federal agency filed that case in 2020 on the same day the state attorneys general filed theirs.
- In Thursday's ruling, the D.C. Circuit said the dozens of state attorneys general waited too long to challenge the WhatsApp and Instagram transactions.
- "And so now an injunction breaking up Facebook, ordering it to divest itself of Instagram and WhatsApp under court supervision, would have severe consequences, consequences that would not have existed if the States had timely brought their suit and prevailed," the judge wrote.
- The core allegation in both the FTC's case and the state-led case is that Facebook unlawfully sought to suppress competition by buying up potential rivals.