# NebuAd closing doors after Internet privacy woes

May 20 2009, By DEBORAH YAO , AP Business Writer

(AP) -- NebuAd Inc., a company that sought to target ads to consumers based on their online behavior, is going out of business after facing scrutiny over whether its technology infringed on the privacy of Internet surfers.

In court filings this week, NebuAd said it has been winding down its business since last year. It laid off virtually all its employees in July and August, closing its office in Redwood City, Calif., in September. NebuAd once employed over 60 people.

NebuAd has "essentially ceased to exist," according to documents filed with the U.S. District Court for the Northern District of California.

NebuAd's clients - Internet service providers who wanted to share the ad revenue with NebuAd - started dropping out after Congress held hearings last July on the technology, which examined consumers' Internet traffic to determine their interests. Although individual Web sites routinely target advertising, privacy advocates argued that NebuAd's all-encompassing approach went too far, and said consumers' overall Web surfing should be tracked only if they opted into the system.

Among the cable and phone operators that abandoned interest in NebuAd were Charter Communications Inc., Bresnan Communications LLC, The Washington Post Co.'s Cable One Inc. and Embarq Corp.

In Britain, a similar company called Phorm Inc. has also faced

complaints since it struck partnerships with three access providers reaching 70 percent of Britain's broadband market - BT Group PLC, Virgin Media Inc. and Carphone Warehouse Group PLC's TalkTalk.

But Phorm spokesman Justin Griffiths said the company has retained its partners. BT has completed its trial of Phorm's ad-targeting service and expects to deploy it this year.

Griffiths said Phorm asks consumers upfront after they log on whether they want to receive targeted ads. Griffiths added that the company has received assurances from the British government that its technology "can be operated in a lawful manner."

Even so, Richard Clayton from Internet think tank Foundation for Information Policy Research in Cambridge, England, believes Phorm is getting some snubs from potential partners.

"I haven't seen any other ISPs queuing up to associate themselves with Phorm at all," he said. "A number of smaller ones have said they won't go anywhere near it."

*©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

Citation: NebuAd closing doors after Internet privacy woes (2009, May 20) retrieved 26 April 2024 from https://phys.org/news/2009-05-nebuad-doors-internet-privacy-woes.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.