

Facebook to end Beacon tracking tool in settlement

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(AP) -- Facebook is shutting down its much-maligned Beacon marketing program, launched nearly two years ago amid fanfare only to generate a storm of privacy complaints over tracking of user activities at partner Web sites.

Facebook agreed to end Beacon and create a foundation to promote online privacy, safety and security as part of a \$9.5 million settlement in a lawsuit over the program. A federal judge in San Jose, Calif., still must approve the terms.

<u>Facebook</u> thought the Beacon marketing program would help users keep their friends better informed about their interests while also serving as "trusted referrals" that would help drive more sales to the participating sites. Sprinkled in with status updates and photos were alerts on what



items their friends had bought or reviewed.

But users complained that friends could learn of holiday gifts they had bought at the online retailer Overstock or learn of the mindless movies for which they had purchased tickets through Fandango.

Users were able to decline tracking on a site-by-site basis, but not systemwide - at least not initially. Many users simply didn't notice a small warning that appeared on a corner of their Web browsers; the box disappeared after about 20 seconds, after which consent was assumed.

After an uproar, Palo Alto, Calif.-based Facebook ultimately let users turn Beacon off, and CEO Mark Zuckerberg publicly apologized for it.

The service never really caught on, though, and Facebook said late Friday it agreed to end it as part of the proposed settlement.

The lawsuit was filed in August 2008 on behalf of 19 users against Facebook, as well as Blockbuster Inc., Fandango, Overstock.com Inc. and other companies that used Beacon. It claimed the defendants disclosed users' personal information for advertising purposes, without their consent.

"We learned a great deal from the Beacon experience," Facebook spokesman Barry Schnitt said in a statement. "For one, it was underscored how critical it is to provide extensive user control over how information is shared. We also learned how to effectively communicate changes that we make to the user experience."

While Beacon was unsuccessful, out of the experience grew Facebook Connect, which lets the online hangout's 300-million-plus users access other sites using their Facebook log-ins and share with Facebook information on activities elsewhere.



Unlike Beacon, however, Facebook Connect gives users, rather than Facebook and advertisers, control over the information they share.

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