

NY man's Facebook ownership claim lands in court

July 20 2010, By CAROLYN THOMPSON , Associated Press Writer

(AP) -- Facebook will try to get a New York man's claim for majority ownership of the website thrown out of court, attorneys for the social networking site said Tuesday.

A complaint by Paul Ceglia of Wellsville claims that a 7-year-old contract he signed with Facebook founder [Mark Zuckerberg](#) for software development entitles him to 84 percent of the company.

"No one's ever said it's not his signature or it's a fake contract," Ceglia attorney Terrence Connors said during a federal court hearing in Buffalo.

Connors said the two men met when Zuckerberg, then a Harvard University freshman, responded to an ad Ceglia had posted on [Craigslist](#) looking for someone to develop software for a street-mapping database he was creating.

Zuckerberg offered to take on Ceglia's project for \$1,000, Connors said, and then told Ceglia about a project of his own, a kind of online yearbook for Harvard students that he wanted to expand.

Ceglia said he gave Zuckerberg another \$1,000 to continue work on Zuckerberg's "The Face Book," with the condition that Ceglia would own a 50 percent interest in the software and business if it expanded. The percentage grew to 84 percent based on a clause that added a percentage point for each day the project went past its Jan. 1, 2004, due

date.

Zuckerberg's undertaking "at that time was a fledgling project," Connors said. "Who knew it would turn into what it has turned into today."

Facebook recently celebrated its 500 millionth user, Connors said.

At the center of Ceglia's claim is a two-page "work for hire" contract bearing the names of both men.

Facebook attorney Lisa Simpson acknowledged on Tuesday that Zuckerberg and Ceglia had worked together on the street-mapping website but said the contract submitted by Ceglia was full of "inconsistencies, undefined terms and things that don't make sense."

"We have serious questions about the authenticity of this contract," Simpson told U.S. District Judge Richard Arcara. "What the contract asserts is there is a relationship about Facebook and there isn't one."

Ceglia's complaint was filed in state Supreme Court in Allegany County on June 30 and transferred to federal court at Facebook's request. A state judge's temporary order restraining Facebook from transferring assets was frozen by the federal judge last week. Both sides agreed Tuesday to let it expire July 23.

The attorneys also agreed to come up with a filing schedule for the case by Aug. 6, after Ceglia's attorneys indicated they may file a newer version of their complaint and Facebook attorneys said they planned to file a motion to dismiss it altogether.

Ceglia was the subject of a temporary restraining order issued by New York Attorney General Andrew Cuomo in December 2009, after Cuomo said a wood-pellet fuel company operated by Ceglia and his wife took

more than \$200,000 from consumers and failed to deliver the pellets or refunds.

The case is pending.

A telephone listing for Allegany Pellets was not in service Tuesday.

In 2008, Palo Alto, Calif.-based Facebook settled a lawsuit over its origins brought by three of Zuckerberg's former Harvard classmates, who claimed he turned their idea into [Facebook](#) after they hired him to work on a website that later became ConnectU.

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Citation: NY man's Facebook ownership claim lands in court (2010, July 20) retrieved 27 April 2024 from <https://phys.org/news/2010-07-ny-facebook-ownership-court.html>

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