

Facebook's popularity also brings lawsuits

February 3 2012, by Chantal Valery



As Facebook readies for Wall Street's richest high-tech debut, it is wrangling with litigation and bracing for potential new suits. The social network filed February 1 for a \$5 billion stock offering that could create one of America's largest publicly traded companies.

As Facebook readies for Wall Street's richest high-tech debut, it is wrangling with litigation and bracing for potential new suits.

The social network filed Wednesday for a \$5 billion stock offering that could create one of America's largest publicly traded companies.

But even as Facebook reinvents the way people around the world communicate, it anticipates a mountain of [legal challenges](#) which will take armies of lawyers years to disentangle.

In its filing with the [Securities and Exchange Commission](#), Facebook hinted at some of the legal tangles ahead, writing that it is already embroiled in litigation and anticipates "numerous" more lawsuits in

coming years.

"We are currently, and expect to be in the future, party to patent lawsuits and other [intellectual property rights](#) claims that are expensive and time-consuming, and, if resolved adversely, could have a significant impact on our business, financial condition, or results of operations," Facebook said.

Legal experts said there is virtually no corner of public life where Facebook's impact is not felt.

"Social media drastically affects almost every aspect of how society communicates," said Brian Wassom, a partner at Honigman Miller Schwarz and Cohn law firm in Detroit.

Wassom said the numerous types of possible legal challenges reflect the unprecedented reach that Facebook has achieved in its few years of existence.

The company says it has over 845 million users including nearly half a billion who log in daily.

Ryan Calo, director for privacy at Stanford University's Center for Internet and Society, said the social network is "a real transformative [communication platform](#)."

"For better or for worse, this pattern is really accelerating," Calo said, speaking about Facebook's expanding reach.

Legal experts said the untold number of unresolved legal issues for users of Facebook, Twitter, Foursquare and other social networking sites cover every aspect of financial and personal transactions carried out between individuals.

For instance, can a prosecutor use elements gleaned from Facebook in making a legal case against a defendant? Is it possible to use Facebook to establish whether a loan applicant is a good credit risk?

Can law enforcement officials prosecute threats or intimidating statements posted on Facebook? How and when can an employer use information gathered on Facebook to discipline or terminate an employee?

Calo said the ubiquity of Facebook increases the urgency to update the legal roadmap governing how it can be accessed, and by whom.

"Facebook has become almost as indispensable as the telephone or radio," he said. "We need to make changes in laws or update our laws to reflect a new reality."

Pedram Tabibi, an attorney at the New York firm Melzer Lippe, said three businesses in four use some form of social media.

"The dependence on Facebook in people's personal lives is high, (and) the dependence on Facebook in business is increasing," Tabibi said, alluding to what he called the "intersection of two roads."

But slightly less than half of US companies have put in place ground rules on how their workers are to proceed in using [social networking sites](#), Tabibi said, adding that firms that tarry are leaving themselves open to headaches.

Equally opaque are the conditions under which the US government can access the information on an individual's Facebook account, [legal experts](#) said.

Nebulous rules have not stopped the government however from

deporting migrants or conducting broader investigations based on tips gleaned from Facebook.

"People now put their lives on [Facebook](#)," said Tabibi, adding that they need to exercise caution because that information "might be used against them."

(c) 2012 AFP

Citation: Facebook's popularity also brings lawsuits (2012, February 3) retrieved 2 May 2024 from <https://phys.org/news/2012-02-facebook-popularity-lawsuits.html>

<p>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.</p>
--