

Facebook settles US suit on 'sponsored stories'

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Facebook has settled a lawsuit alleging the social network improperly used members for advertising purposes without their consent in so-called "sponsored stories," court documents showed Tuesday.

The terms of the settlement were not disclosed. But the parties said in a statement filed in California federal court that they had agreed to end the case.

The suit, which sought class-action status and could have applied to millions of members, alleged that Facebook improperly used advertising when a member indicated he or she "liked" a particular company.

The "like" was passed on to the friends of those members as an implied endorsement of a company or product. In some cases, the profile or picture was used in the "sponsored stories" that the suit said was a form of advertising.

[Facebook](#) was also said to have misled members into believing they could limit the use of their pictures or images in such endorsements.

The company, which launched a massive public offering last week, is under growing scrutiny for its [privacy policies](#). It is also under pressure from [investors](#) to find ways to monetize its social network with more than 900 million members.

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