

Facebook settles US suit on 'sponsored stories'

May 22 2012

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.

(c) 2012 AFP

Citation: Facebook settles US suit on 'sponsored stories' (2012, May 22) retrieved 20 April 2024 from <https://phys.org/news/2012-05-facebook-sponsored-stories.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.