

# German watchdog says Facebook may breach data protection rules

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Facebook has more than 1.59 billion monthly active users

Facebook may be using its dominant market position to violate data protection rules, Germany's competition watchdog said Wednesday, announcing it had opened a probe into the social network.

The Federal Cartel Office said it had "initiated a proceeding against Facebook Inc., USA, the Irish subsidiary of the company and Facebook

Germany GmbH".

"The authority is investigating suspicions that with its specific terms of service on the use of user data, Facebook has abused its possibly dominant position in the market for social networks," said the office, the Bundeskartellamt, in a statement.

The office said there was "an initial suspicion" that Facebook's conditions of use were in violation of [data protection](#) provisions.

This "could represent an abusive imposition of unfair conditions on users," it explained.

The Bundeskartellamt would examine, "among other issues, to what extent a connection exists between the possibly dominant position of the company and the use of such clauses".

Cartel office chief Andreas Mundt said that for advertising-financed Internet services such as Facebook, user data were "hugely important".

"For this reason it is essential to also examine under the aspect of abuse of market power whether the consumers are sufficiently informed about the type and extent of data collected," Mundt said.

The office said that Facebook collected a large amount of personal user data from various sources.

By creating user profiles the company enabled its advertising customers to better target their activities.

In order to access the social network, users must first agree to Facebook's collection and use of their data by accepting the terms of service, the office said.

It was difficult for users to understand and assess the scope of the agreement accepted by them, it argued.

"There is considerable doubt as to the admissibility of this procedure, in particular under applicable national data protection law," the cartel office said.

"If there is a connection between such an infringement and market dominance, this could also constitute an abusive practice under competition law."

The cartel office said it was conducting the probe "in close contact with the competent data protection officers, consumer protection associations as well as the European Commission and the competition authorities of the other EU member states."

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