

Documents show Facebook used user data as competitive weapon (Update)

December 5 2018, by Danica Kirka, Frank Bajak And Barbara Ortutay



In this April 10, 2018, file photo Facebook CEO Mark Zuckerberg pauses while testifying before a joint hearing of the Commerce and Judiciary Committees on Capitol Hill in Washington about the use of Facebook data to target American voters in the 2016 election. The British Parliament has released some 250 pages worth of documents that show Facebook considered charging developers for data access. The documents show internal discussions about linking data to revenue. (AP Photo/Andrew Harnik, File)

Internal Facebook documents released by a U.K. parliamentary

committee offer the clearest evidence yet that the social network has used its enormous trove of user data as a competitive weapon, often in ways designed to keep its users in the dark.

The parliament's media committee accused Facebook on Wednesday of cutting special deals with some app developers to give them more access to data, while icing out others that it viewed as potential rivals. In other documents, company executives discussed ways to obfuscate how the company was collecting and exploiting user data.

The committee released more than 200 pages of documents on the tech giant's internal discussions about the value of users' personal information. While they mostly cover the period between 2012 and 2015—the first three years after Facebook went public—they offer a rare glimpse into the company's inner workings and the extent to which it used people's data to make money while publicly vowing to protect their privacy.

Facebook said the documents are misleading and that the information they contain is "only part of the story."

"Like any business, we had many internal conversations about the various ways we could build a sustainable business model for our platform," the company said in a statement. "But the facts are clear: We've never sold people's data."



This March 28, 2018, file photo shows the Facebook logo at the company's headquarters in Menlo Park, Calif. The British Parliament has released some 250 pages worth of documents that show Facebook considered charging developers for data access. (AP Photo/Marcio Jose Sanchez, File)

In a Facebook post , Facebook CEO Mark Zuckerberg sought to put the documents in context. "Of course, we don't let everyone develop on our platform," he wrote. "We blocked a lot of sketchy apps. We also didn't allow developers to use our platform to replicate our functionality or grow their services virally in a way that creates little value for people on Facebook."

The U.K. committee seized the documents from app developer Six4Three, maker of a now-defunct bikini-picture search app. Six4Three acquired the files as part of a U.S. lawsuit that accuses Facebook of deceptive, anti-competitive business practices. The documents remain

under court seal in the U.S.

In a summary of key issues pertaining to the documents, the committee said Facebook "whitelisted," or made exceptions for, companies such as Airbnb and Netflix, giving them continued access to users' "friends" even after the tech giant announced changes in 2015 to end the practice.

"Facebook have clearly entered into whitelisting agreements with certain companies, which meant that after the platform changes in 2014/15 they maintained full access to friends data," the committee said in a statement. "It is not clear that there was any user consent for this, nor how Facebook decided which companies should be whitelisted or not."

The documents "raise important questions about how Facebook treats users' data, their policies for working with app developers, and how they exercise their dominant position in the social media market," said committee chair Damian Collins. "We don't feel we have had straight answers from Facebook on these important issues, which is why we are releasing the documents."



In this May 1, 2018, file photo, Facebook CEO Mark Zuckerberg makes the keynote speech at F8, Facebook's developer conference in San Jose, Calif. The British Parliament has released some 250 pages worth of documents that show Facebook considered charging developers for data access. The documents show internal discussions about linking data to revenue. "There's a big question on where we get the revenue from," Zuckerberg said in one email. "Do we make it easy for devs to use our payments/ad network but not require them? Do we require them? Do we just charge a rev share directly and let devs who use them get a credit against what they owe us? It's not at all clear to me here that we have a model that will actually make us the revenue we want at scale." (AP Photo/Marcio Jose Sanchez, File)

The cache includes emails from Zuckerberg and other key members of his staff. The emails show Zuckerberg and other executives scheming to leverage user data to favor companies not considered to be threats and to identify potential acquisitions.

Collins said the emails raise important issues, particularly around the use

of the data of Facebook users. "The idea of linking access to friends' data to the financial value of the developers' relationship with Facebook is a recurring feature of the documents," Collins said.

The committee's summary said the company used surveys of what mobile app customers were using to decide which companies to acquire. It also said Facebook knew that an update to its Android mobile app phone system—which enabled the Facebook app to collect user call logs—would be controversial.

"To mitigate any bad PR, Facebook planned to make it as hard as possible for users to know that this was one of the underlying features of the upgrade of their app," the summary said.

Facebook executives clearly understand the material is valuable. An unsigned memo setting policy for a system upgrade known as "Platform 3.0" rejected anyone who could be construed as a competitor.



In this file photo dated March 29, 2018, the logo for social media giant Facebook, appears on screens at the Nasdaq MarketSite, in New York's Times Square. The British Parliament's media committee seized confidential Facebook documents from a developer and on Wednesday Dec. 5, 2018, has released a cache of documents that show Facebook considered charging developers for data access. (AP Photo/Richard Drew, FILE)

"There are a small number of developers whom no amount of sharing to FB or monetary value can justify giving them access to Platform," the memo said. "These developers do not want to participate in the ecosystem we have created, but rather build their own ecosystem at the expense of our users, other developers and, of course, us. That is something that we will not allow."

The documents also suggest Facebook would jealously safeguard its interests. In a January 2013 email exchange, Zuckerberg signed off on cutting access to Twitter's Vine video-producing app, which had allowed users to find friends via Facebook.

"Unless anyone raises objections," Facebook Vice President Justin Osofsky wrote, the company would cut Vine's access to users' friend networks. "We're prepared reactive PR."

"Yup, go for it," Zuckerberg replied.

The documents also suggest robust internal discussions about linking data to revenue.

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payments/ad network but not require them? Do we require them? Do we just charge a (revenue) share directly and let (developers) who use them get a credit against what they owe us? It's not at all clear to me here that we have a model that will actually make us the revenue we want at scale."

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Citation: Documents show Facebook used user data as competitive weapon (Update) (2018, December 5) retrieved 26 April 2024 from <https://phys.org/news/2018-12-uk-parliament-internal-facebook-documents.html>

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