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# \$20M Facebook Settlement Faces Parental Consent Challenge

By Andrew Scurria

Law360, New York (September 24, 2013, 2:48 PM ET) — A consumer advocacy group lodged an appeal with the Ninth Circuit on Tuesday of a \$20 million privacy settlement over Facebook Inc.'s use of members' pictures in digital ads, saying the company can still exploit minors' images under the deal in violation of state parental consent laws.

Five class objectors will challenge the deal's purported safeguards against Facebook's use of minors' images without parental consent in its 'Sponsored Stories' program, which creates ads that incorporate a user's name and likeness after they click on the site's 'Like' feature for a particular company, according to a statement from Public Citizen.

Although it did not adopt an opt-out process, Facebook agreed to allow users to see what content related to them has been used in Sponsored Stories and to prevent specific content from appearing in future ads, as well as to disclose explicitly in its terms of use that all members consent to the appropriation of their information in Sponsored Stories.

The deal also imposed new requirements for teenagers to affirm that they have received parental consent before agreeing to those terms, but according to the objectors minors can easily circumvent those safeguards and subject themselves to the Sponsored Stories program without having obtained the proper consent.

"The settlement has several provisions that purport to protect minors, but those protections all require the minors to take affirmative steps to provide Facebook with information about their parents," said Scott Michelman, a Public Citizen attorney representing the objectors. "If the minors don't do that, Facebook will use the minors' images based only on a representation of the minor giving his or her parent's consent — and a minor's representation of parental consent is no substitute for actual parental consent."

The settlement **won final approval** from U.S. District Judge Richard Seeborg in August after he had rejected **an earlier proposed pact** due to concerns over the lack of monetary relief to consumers and the size of attorneys' fees.

In a statement to Law360, Facebook called the objector's claims "without merit."

"The court-approved settlement provides substantial benefits to all Facebook users, including minors, through enhanced notice and consent provisions and innovative new tools related to advertising," the statement said.

The suit was launched by six individuals who claimed that they and millions of others had no knowledge that by 'liking' a company page, their names and likenesses would be used for marketing purposes and they would be turned into spokespeople for various products. The case survived a motion to dismiss, and after rejecting the first proffered settlement Judge Seeborg approved a **revised version** that dialed down the plaintiffs' attorneys' fees by roughly \$2.5 million and included additional injunctive relief.

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In addition to a \$10-per-claimant award that as many as one in three Americans will be eligible for, Facebook agreed to allow class members to view their actions and other content usage on the site that have been displayed in Sponsored Stories and create a tool for both adult and minor users to stop any additional displays of a Sponsored Story in which their images have appeared.

Public Citizen argued in district court that the deal sanctioned violations of parental consent laws of California, New York, Tennessee, Virginia, Florida, Oklahoma and Wisconsin, saying that though parents and minor children who identify themselves as such to Facebook could control the commercial use of children's information, the measures are inadequate to prevent the use of a minor's likeness without parental consent.

According to the objection, minors were likely to misrepresent themselves as adults to keep parents out of their online lives and out of a fear that Facebook might ban them from using the site.

"There is no requirement that minors and parents confirm their relationship, and there is no requirement that a minor indicate the membership status of his or her parents one way or the other," the objection said. "For those minors who indicate nothing regarding their parents, there is no requirement that Facebook refrain from using their names or likenesses."

Facebook will likely argue on appeal that any attempt to subject the deal to state parental consent laws is doomed by the preemptive scope of the Children's Online Privacy Protection Act. In pushing for final approval of the settlement, Facebook argued that under the law no state law can require parental consent to collect and use information from teenage Internet users.

Facebook is represented by Michael G. Rhodes, Matthew D. Brown and Jeffrey M. Gutkin of Cooley LLP.

The objectors are represented by Scott Michelman and Scott L. Nelson of Public Citizen Litigation Group and by Jay Rorty of the Law Offices of Jay Rorty.

The case is Fraley et al. v. Facebook Inc., case number 3:11-cv-01726, in the U.S. District Court for the Northern District of California.

Editing by Stephen Berg.	
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## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION 600 Pennsylvania Avenua NW

600 Pennsylvania Avenue NW WASHINGTON, DC 20580

Bureau of Consumer Protection Division of Enforcement, Mailstop M-8102B Direct Dial: (202) 326-2272

September 20, 2013

Via Federal Express and electronic mail (ABeringer(a)gibsondunn.com)

Ashlie Beringer Gibson, Dunn & Crutcher LLP 1881 Page Mill Road Palo Alto, CA 94304-1211

Re: In the Matter of Facebook, Inc., Docket No. C-4365

Dear Ms. Beringer:

(b)(3):6(f),(b)(4)

1. Section 10.1 of the proposed SRR states: "You give us permission to use your name, profile picture, content, and information in connection with commercial, sponsored, or related content (such as a brand you like) served or enhanced by us."

(b)(3):6(f),(b)(4)

a) Please identify with specificity the provisions in the current SRR and DUP that

- a) Please identify with specificity the provisions in the current SRR and DUP that disclose this practice.
- b) Is it Facebook's position that the proposed language would allow Facebook in the future to expand or make other changes to the types of user information it collects, uses, or shares? If so, please explain the basis for this contention.

(b)(3):6(f),(b)(4)			

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page	2		

(b)(3):6(f),(b)(4)
Not Responsive
4. The proposed DUP states: "We may ask advertisers or other partners to serve ads or services to computers, mobile phones or other devices, which may use a cookie, pixel or other similar technology placed by Facebook or the third party (although we would not share any-other information that personally identifies you with an advertiser)."
(b)(3):6(f),(b)(4)

- a) Does Facebook contend that, under the current DUP language, it could share with advertisers or developers information "associated with" a user, even if it does not "personally identify" that user? If so, please identify the language that permits this.
- b) Is it Facebook's position that this proposed revision to the DUP would allow Facebook in the future to expand or make other changes to the types of user information it collects (e.g., through the use of cookies, pixels, or similar technologies), uses, or shares (e.g., such as with advertisers or developers)? If so, please explain the basis for this contention.
- c) Does Facebook contend that, under the proposed DUP language, it could in the future share with advertisers or developers information "associated with" a user, even if it does not "personally identify" that user? If so, please explain the basis for this contention.
- 5. Among other things, the proposed DUP states: "We receive data about you whenever you use or are running interact with Facebook." The proposed DUP also states: "We receive data from or about the computer, mobile phone, or other devices you use to install Facebook apps or to access Facebook, including when multiple users log in from the same device. This may include network and communication information, such as your IP address or mobile phone number, and other information about things like your internet service, operating system, location, the type (including identifiers) of the device or browser you use, or the pages you visit. For example, we may get your GPS or other location information so we can tell you if any of your friends are nearby, or we could request device information to improve how our apps work on your device."

(b)(3):6(f),(b)(4)

- a) Please identify with specificity the provisions in the current DUP that disclose that Facebook collects this data.
- b) Is it Facebook's position that the proposed language would allow Facebook in the future to expand or make other changes to the types of data it will collect from mobile users, disclose, or make accessible to third parties? For example, does Facebook contend the proposed DUP would allow Facebook to collect data or other information from mobile users who are logged into but not actively using Facebook that Facebook does not currently collect? If so, please explain the basis for this contention. In addition, please specify what new or additional data Facebook would collect.

\* \* \* \* \*

Please have a responsible corporate officer or manager of Facebook certify under penalty of perjury that the report and information produced or identified in response to this demand letter are complete and accurate, and that the report and information represent all information responsive to this letter. Please send your responses via overnight courier (e.g., FedEx, UPS) to:

Associate Director Division of Enforcement Federal Trade Commission 600 Pennsylvania Ave. NW Mailstop M-8102B Washington, DC 20580

Re: In the Matter of Facebook, Inc., Docket No. C-4365

In lieu of overnight courier, you may send your response by first-class mail, but only if you contemporaneously send an electronic copy to the Commission at DEBrief@ftc.gov, with a courtesy copy to us at lkoss@ftc.gov and rkim1@ftc.gov.

If you have any questions, please do not hesitate to contact us at 202-326-2272 (Reenah Kim) or 202-326-2890 (Laura Koss).

Sincerely yours,

Reenah L. Kim Laura D. Koss Attorneys

cc: Mr. Edward Palmieri

Mr. Daniel Li

#### AMENDED SETTLEMENT AGREEMENT AND RELEASE

THIS AMENDED SETTLEMENT AGREEMENT AND RELEASE ("Settlement Agreement" or "Settlement" or "Agreement" or "Revised Agreement") is entered into between plaintiffs Susan Mainzer, James H. Duval, and W.T., a minor, by and through Russell Tait as Guardian ad Litem ("Plaintiffs"), individually and in their representative capacity as plaintiffs on behalf of the Class (including the Minor Subclass), and defendant Facebook, Inc. ("Facebook" or "Defendant") (Plaintiffs and Facebook collectively, "Parties," or singularly, "Party").

#### RECITALS

- A. On or about March 11, 2011, plaintiffs Angel Fraley, Paul Wang, and Susan Mainzer commenced a lawsuit ("Action") by filing an unverified Complaint in the Superior Court of the State of California, County of Santa Clara entitled Angel Fraley, Paul Wang, and Susan Mainzer, individually and on behalf of all others similarly situated v. Facebook, Inc., a corporation, and DOES 1-100. The case was assigned the number 11-cv-196193. The Complaint sought relief on behalf of a putative class and asserted claims under California Civil Code section 3344 and California Business and Professions Code section 17200 (California's Unfair Competition Law ("UCL")) and for unjust enrichment. The Complaint generally asserted that Facebook used the plaintiffs' names, photographs, likenesses, or identities (or some combination thereof) to advertise or sell products or services through "Sponsored Stories" without the plaintiffs' permission.
- **B.** On March 18, 2011, plaintiffs Angel Fraley. Paul Wang, Susan Mainzer, and newly-added plaintiffs James H. Duval, a minor by and through James Duval, as Guardian ad Litem, and W.T., a minor, by and through Russell Tait, as Guardian ad Litem, filed an Amended Complaint. The Amended Complaint, like the original Complaint, sought relief on behalf of a putative class related to Sponsored Stories and asserted claims under California Civil Code section 3344 and California's UCL and for unjust enrichment.
- C. On April 8, 2011, Facebook removed the Action from the Superior Court of the State of California, County of Santa Clara to the United States District Court for the Northern District of California ("Court"). Following removal, the Action was assigned case number 11-cv-01726.
- **D.** On May 18, 2011, Facebook moved to dismiss the Amended Complaint and all of its claims pursuant to Federal Rule of Civil Procedure 12(b)(1), for lack of Article III standing, and Federal Rule of Civil Procedure 12(b)(6), for failure to state a claim.
- **E.** On June 6, 2011, Plaintiffs responded to Facebook's motion to dismiss by filing a Second Amended Complaint. The Second Amended Complaint, like the prior complaints, sought relief on behalf of a putative class related to Sponsored Stories and asserted claims under California Civil Code section 3344 and California's UCL and for unjust enrichment.
- **F.** On July 1, 2011, Facebook moved to dismiss the Second Amended Complaint and all of its claims pursuant to Federal Rule of Civil Procedure 12(b)(1), for lack of Article III standing, and Federal Rule of Civil Procedure 12(b)(6), for failure to state a claim.
- G. On December 16, 2011, the Court granted Facebook's motion to dismiss with respect to the unjust enrichment claim but denied the motion with respect to the remaining two claims.

- **H.** On January 9, 2012, Facebook filed its Answer to the Second Amended Complaint, The Answer denies the Second Amended Complaint's allegations of wrongdoing and raises several affirmative defenses.
- I. On February 14, 2012, Plaintiffs filed a motion to dismiss the claims of Angel Fraley and Paul Wang without prejudice and to withdraw Angel Fraley and Paul Wang as class representatives. On March 13, 2012, the Court entered an order dismissing Angel Fraley and Paul Wang's claims without prejudice and granting their request to withdraw as class representatives.
- J. On March 1, 2012, the Parties attended a full-day mediation before the Honorable Edward A. Infante (ret.) of JAMS. The Parties also submitted briefs and supporting papers to the mediator. Although a settlement was not reached at that time, with the assistance of the mediator, the Parties continued their arms-length settlement discussions after March 1, 2012.
- **K.** On March 29, 2012, Plaintiffs filed a motion for class certification (along with supporting papers) pursuant to Federal Rule of Civil Procedure 23(b)(3), or in the alternative, Federal Rule of Civil Procedure 23(b)(2) or (c)(4). On April 19, 2012, Facebook filed an opposition (along with supporting papers) to Plaintiffs' motion for class certification. On May 3, 2012, Plaintiffs filed a reply (along with supporting papers) in support of their motion for class certification.
- L. The Parties have engaged in extensive formal discovery for almost a full year, including depositions of fact witnesses and expert witnesses, requests for production of documents and written responses thereto, requests for admission and written responses thereto, interrogatories and written responses thereto, and production of documents and electronically stored information.
- M. Based on the Parties' investigations, Plaintiffs believe the Action has merit, while Facebook believes the Action has no merit. The Parties have also each looked at the uncertainties of trial and the benefits to be obtained under the proposed Settlement, and have considered the costs, risks, and delays associated with the continued prosecution and defense of this complex and time-consuming litigation and the likely appeals of any rulings in favor of either Plaintiffs or Facebook.
- N. Accordingly, it is now the intention of the Parties and the objective of this Settlement Agreement to avoid the costs, risks, and delays of continued litigation, including but not limited to trial and likely appellate proceedings, and settle and dispose of, fully and completely and forever, any and all claims and causes of action asserted or that could have been asserted in the Action.
- O. The Parties previously entered a Settlement Agreement and Release with an execution date of June 14, 2012. Plaintiffs filed a motion for preliminary approval of that settlement on June 14, 2012 (Dkt. No. 181), and Facebook filed a brief in support of it two weeks later (Dkt. No. 188). On August 2, 2012, the Court held a hearing on Plaintiffs' preliminary approval motion. In an order dated August 17, 2012 (Dkt. No. 224) ("Order"), the Court denied the motion without prejudice, stating that the Parties "may elect to negotiate for modifications to their agreement" or "may present a renewed motion for preliminary approval of the existing agreement, with additional evidentiary and/or legal support directed at ameliorating the listed concerns." (Order at 2.) The Order further explained that, "[a]s discussed at the hearing, plaintiffs generally appear to have satisfied the prerequisites for preliminary approval of the settlement, except with respect to the issues discussed [in the Order]." (Id. at 8.)

**P.** Subsequent to this Court's Order, the Parties made several substantial modifications to their agreement, and they now enter into this Amended Settlement Agreement and Release.

#### AGREEMENT

- 1. **DEFINITIONS.** The following section defines terms, including terms that are not defined above. Some definitions use terms that are defined later in this section:
- 1.1 The terms "Authorized Claimant" or "Authorized Claimants" mean any Class Member (including Minor Class Member) who submits a valid and timely Claim Form consistent with Section 4.1 below and for whom Facebook's records reflect that the Class Member appeared in a Sponsored Story on or before the date of entry of the Preliminary Approval Order.
- 1.2 The terms "Claim Form" or "Claim Forms" mean the form Class Members (including Minor Subclass Members) must timely submit to receive payment under this Settlement Agreement. The Claim Form must be substantially similar to the form attached as Exhibit 5.
- 1.3 The term "Claimant" means any Class Member (including Minor Subclass Member) who submits a Claim Form under this Settlement Agreement.
- **1.4** The terms "Class Counsel" or "Plaintiffs' Counsel" mean the Arns Law Firm through Robert S. Arns and Jonathan Jaffe Law through Jonathan Jaffe.
- 1.5 The term "Class Counsel's Fees and Costs" means the reimbursement of attorneys' fees, costs, and expenses incurred by Class Counsel, if any, that is awarded by the Court to Class Counsel following the petition for such awards by Class Counsel as described in Section 2.5.
- 1.6 The terms "Class," "Class Member," and "Class Members" mean all persons in the United States who have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, at any time on or before the date of entry of the Preliminary Approval Order.
- 1.7 The term "Court" means the United States District Court for the Northern District of California.
- 1.8 The term "Cy Pres Recipients" shall mean any of the following entities that is approved by the Court for a cy pres distribution pursuant to Section 2.3 or Section 2.4: Center for Democracy and Technology, Electronic Frontier Foundation, MacArthur Foundation, Joan Ganz Cooney Center, Berkman Center for Internet and Society (Harvard Law School), Information Law Institute (NYU Law School), Berkeley Center for Law and Technology (Berkeley Law School), Center for Internet and Society (Stanford Law School), High Tech Law Institute (Santa Clara University School of Law), Campaign for Commercial-Free Childhood, Consumers Federation of America, Consumer Privacy Rights Fund, ConnectSafely.org, and WiredSafety.org.
- 1.9 The term "Email Notice" means the legal notice summarizing the proposed Settlement terms, as approved by Class Counsel, Facebook's Counsel, and the Court, to be provided to Class Members (including Minor Subclass Members), under Section 3.3 of this Agreement via electronic mail or the Facebook domain of www.facebook.com. The Email Notice must be substantially similar to the form attached hereto as Exhibit 3.

- **1.10** The term "*Escrow Agent*" means the entity that shall perform the escrow duties set forth in this Settlement. The Escrow Agent will be the Garden City Group, Inc. ("GCG").
- **1.11** The term "Fairness Hearing" means the hearing at which the Court will decide whether to approve this Settlement Agreement as being fair, reasonable, and adequate.
- 1.12 The terms "Final Order Approving Class Action Settlement and Judgment" and "Final Order and Judgment" means a proposed order and judgment approving this Settlement. The Final Order and Judgment must be in substantially similar form as Exhibit 7 attached hereto.
- 1.13 The term "Final Settlement Date" means two Court days after the Final Order and Judgment become "final." For the purposes of this Section 1.13, "final" means (a) if no appeal from the Final Order and Judgment is filed, the expiration of the time for the filing or noticing of any appeal from the Final Order and Judgment; (b) if an appeal from the Final Order and Judgment is filed, the date on which all appeals therefrom, including but not limited to petitions for rehearing or reargument, petitions for rehearing en banc, and petitions for certiorari or any other form of review, have been finally disposed of in a manner that affirms the Final Order and Judgment; or (c) if the Class Counsel and Facebook's Counsel agree in writing, "Final Settlement Date" can occur on any other agreed upon date.
  - **1.14** The term "Facebook's Counsel" means the law firm of Cooley LLP.
- 1.15 The term "Incentive Awards" means the service awards, if any, awarded by the Court to Plaintiffs following the petition for such awards by Plaintiffs as described in Section 2.6.
- 1.16 The term "Long Form Notice" means the legal notice of the proposed Settlement terms, as approved by Class Counsel, Facebook's Counsel, and the Court, to be provided to Class Members (including Minor Subclass Members) under Section 3.3 of this Agreement. The Long Form Notice must be substantially similar to the form attached hereto as Exhibit 2.
- 1.17 The terms "Minor Subclass," "Minor Subclass Member," and "Minor Subclass Members" mean all persons in the Class who additionally have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, while under eighteen (18) years of age, or under any other applicable age of majority, at any time on or before the date of entry of the Preliminary Approval Order.
- 1.18 The term "Net Settlement Fund" means the Settlement Fund, plus any interest or investment income earned on the Settlement Fund, less all of the following: the costs of Taxes; Tax Expenses; Class Counsel's Fees and Costs; Plaintiffs' Incentive Awards; the costs incurred by the Escrow Agent and Settlement Administrator; and the costs of delivering notice to the Class.
- 1.19 The term "Objection, Opt-Out, and Claim Deadline" means one hundred and fifty (150) calendar days after entry of the Preliminary Approval Order (i.e., sixty (60) calendar days after the transmission of the Email Notice pursuant to Section 3.3(b) is to be completed).
- 1.20 The terms "Opt-Out Form" or "Opt-Out Forms" mean the form Class Members (including Minor Subclass Members) must timely submit in order to make an exclusion request

pursuant to Section 3.8. The Opt-Out Form shall be substantially similar to the form attached as Exhibit 6.

- 1.21 The term "Preliminary Approval of Class Settlement and Provisional Class Certification Order" or "Preliminary Approval Order" means an order preliminarily approving the Settlement of this Action and provisionally certifying the Class for settlement purposes only. This order must be in substantially similar form as Exhibit 1 attached hereto.
- **1.22** The term "Publication Notice" means the legal notice summarizing the proposed Settlement terms, as approved by Class Counsel, Facebook's Counsel, and the Court, to be provided to Class Members (including Minor Subclass Members), under Section 3.3 of this Agreement via publication. The Publication Notice must be substantially similar to the form attached hereto as Exhibit 4.
  - **1.23** The term "*Released Claims*" is defined in Section 5.2 below.
  - 1.24 The term "Released Parties" is defined in Section 5.2 below.
  - 1.25 The term "Releasing Parties" is defined in Section 5.2 below.
- 1.26 The term "Settlement Administrator" means the entity that shall perform the settlement administration duties set forth in this Settlement. The Settlement Administrator will be GCG.
  - 1.27 The term "Settlement Fund" means twenty million dollars (\$20,000,000).
- 1.28 The term "Settlement Website" means a website set up by the Settlement Administrator for the purposes of providing the Class with notice of the proposed Settlement.
- by or on behalf of Facebook that Facebook refers to or markets as "Sponsored Stories." Without limiting the generality of the foregoing definition, Sponsored Stories are typically posts about or from a Facebook user or entity that a business, organization, or individual has paid to promote so there is a better chance that the posts will be seen by the user or entity's chosen audience. They may be displayed, for example, when a Facebook user interacts with the Facebook service (including subdomains, international versions, widgets, plug-ins, platform applications or games, and mobile applications) in certain ways, such as by clicking on the "Like" button on a business's, organization's or individual's Facebook page. Sponsored Stories typically include a display of a Facebook user's Facebook name (i.e., the name the user has associated with his or her Facebook account) and/or profile picture (if the user has uploaded one) with a statement describing the user's interaction with the Facebook service, such as "John Smith likes UNICEF," "John Smith played Farmville," or "John Smith shared a link." For illustrative purposes only (and without limiting the definition to those examples depicted), Exhibit 8 hereto shows examples of Sponsored Stories.
- **1.30** The term "*Taxes*" means all taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund.
- 1.31 The term "Tax Expenses" means expenses and costs incurred in connection with the calculation and payment of taxes or the preparation of tax returns and related documents

(including, without limitation, expenses of tax attorneys and/or accountants and costs and expenses relating to filing (or failing to file) the returns).

#### 2. SETTLEMENT TERMS

- **2.1** Class Relief. For U.S. users, Facebook agrees to take the following measures within a reasonable time not to exceed six months following the Final Settlement Date:
  - (a) Revision of Facebook's Terms of Use. In addition to other changes Facebook reserves the right to make to section 10.1 of its Statement of Rights and Responsibilities, Facebook will revise section 10.1 to include language reading substantially as follows:

## About Advertisements and Other Commercial Content Served or Enhanced by Facebook

Our goal is to deliver advertising and other commercial or sponsored content, such as Facebook Ads and Sponsored Stories, that is valuable to our users and advertisers. In order to help us do that, you agree to the following:

You give us permission to use your name, profile picture, content, and information in connection with commercial, sponsored, or related content (such as a brand you like) served or enhanced by us. This means, for example, that you permit a business or other entity to pay us to display your name and/or profile picture with your content or information. If you have selected a specific audience for your content or information, we will respect your choice when we use it.

If you are under the age of eighteen (18), or under any other applicable age of majority, you represent that at least one of your parents or legal guardians has also agreed to the terms of this section (and the use of your name, profile picture, content, and information) on your behalf.

(b) User Visibility and Control Over Sponsored Stories. Facebook will create an easily accessible mechanism that enables users to view, on a going-forward basis, the subset of their interactions and other content on Facebook that have been displayed in Sponsored Stories (if any). Facebook will further engineer settings to enable users, upon viewing the interactions and other content that are being displayed in Sponsored Stories, to control which of these interactions and other content are eligible to appear in additional Sponsored Stories. Without limiting the foregoing, but for the sake of clarity, these settings will include the ability to enable users to prevent individual interactions and other content (or categories of interactions and other content) from appearing in additional Sponsored Stories.

#### (c) Relief for Minor Subclass.

- (i) Revision of Facebook's Terms of Use. Facebook will revise its Statement of Rights and Responsibilities to provide that Facebook users under the age of eighteen (18), or under any other applicable age of majority, represent that their parent or legal guardian consents to the use of their name and likeness in connection with commercial, sponsored, or related content, as set forth in the revised section 10.1 of the Statement of Rights and Responsibilities (see Section 2.1(a) above).
- (ii) Confirmed Parental Relationships. Facebook will encourage new users, upon or soon after joining Facebook, to include in their profile information their family, including their parents and children. Where both a parent and a minor child are users and confirm their relationship, Facebook's systems will record this confirmed parent/child relationship and utilize it as further described below.
- (iii) **Parental Controls.** Facebook will add an easily accessible link in the Family Safety Center (https://www.facebook.com/safety) to the tool it currently provides that enables parents to prevent the names and likenesses of their minor children from appearing alongside Facebook (currently available at https://www.facebook.com/help/contact/328678960533614) and Facebook will extend this tool to enable parents to also prevent the names and likenesses of their minor children from appearing in Sponsored Stories. Facebook will also implement a method for enabling parents with a confirmed parental relationship with a minor user to utilize this tool through their own Facebook accounts, without obtaining access to their children's accounts. Finally, Facebook will add a control in minor users' profiles that enables each minor user to indicate that his or her parents are not Facebook users. Where a minor user indicates that his or her parents are not on Facebook, Facebook will make the minor ineligible to appear in Sponsored Stories until he or she reaches the age of 18, until the minor changes his or her setting to indicate that his or her parents are on Facebook, or until a confirmed parental relationship with the minor user is established.
- (iv) Parental Educational Information. Facebook will add a clear, easily understandable description of how advertising works on Facebook to the "parents" section of its Family Safety Center (https://www.facebook.com/safety). Facebook will also create and show advertising to users with a confirmed parental relationship with a minor user, directing them to the Family Safety Center, and/or other parent-specific resources on Facebook.
- (d) Additional Educational Information. For a period of up to ninety (90) calendar days following the Final Settlement Date, Facebook agrees to make a good faith effort to work with Plaintiffs, through Plaintiffs' Counsel, to identify

- any educational or other information on www.facebook.com that in Plaintiffs' view does not accurately or sufficiently explain how advertising works on Facebook. Facebook will endeavor to clarify such language.
- (e) Compliance Audit If Court Ordered. For a period of two years following the Final Settlement Date, Class Counsel shall have the right to move the Court, for good cause shown, for an order requiring one third-party audit to confirm compliance with the provisions of subparts (a) through (d) of Section 2.1 of this Agreement, and Facebook shall have the right to oppose such a motion. In the event the Court requires such a third-party audit, Facebook agrees to conduct a total of one such audit during the two-year period at its own expense and provide the results thereof to Class Counsel.

Once implemented, the measures described above in this Section 2.1 will remain in place until, at least, a date that is two years after the Final Settlement Date. Nothing described in this Section 2.1 above will inhibit, prevent, or limit Facebook from making product changes, changes to its terms of use (currently referred to as the "Statement of Rights and Responsibilities"), changes to product names or other terminology, or other changes, from time to time, as it deems appropriate in the conduct of its business, provided that such changes are consistent with the relief described above, or to comply with the law.

- 2.2 Settlement Fund. The Settlement Fund shall be used for the payment of the costs of Taxes; Tax Expenses; Class Counsel's Fees and Costs; Plaintiffs' Incentive Awards; the costs incurred by the Escrow Agent and Settlement Administrator; the costs of delivering notice to the Class; and the claims of Authorized Claimants, and/or the distributions to Cy Pres Recipients described in Section 2.3 and Section 2.4. If any interest or other investment income is earned on the Settlement Fund while in the control of the Escrow Agent, such interest shall be included in the Net Settlement Fund and disbursed as part of the Settlement or, if the Final Settlement Date does not occur, returned to Facebook as provided below.
  - Order, Facebook shall cause to be paid into an interest-bearing account designated and controlled by the Escrow Agent that portion of the Settlement Fund projected to be adequate to pay for the costs of delivering notice to the Class (as described in Section 3.3 below), based on reasonable estimates provided by the Settlement Administrator and/or any third-party vendor contemplated to be responsible for delivering notice. For the sake of clarity, this payment into the escrow account will exclude any amounts for payment of Class Counsel's Fees and Costs, Plaintiffs' Incentive Awards, and the claims of Authorized Claimants, and/or the distributions to Cy Pres Recipients described in Section 2.3 and Section 2.4.
  - (b) Thereafter, Facebook may, at its discretion, cause to be paid into the escrow account additional portions of the Settlement Fund for the purposes of paying any additional costs of delivering notice to the Class, any costs incurred by the Escrow Agent and Settlement Administrator, any costs of Taxes, or any Tax Expenses. For the sake of clarity, these payments into the escrow account will exclude any amounts for payment of Class Counsel's Fees and Costs, Plaintiffs'

- Incentive Awards, and the claims of Authorized Claimants, and/or the distributions to Cy Pres Recipients described in Section 2.3 and Section 2.4.
- (c) Within five (5) business days after the Final Settlement Date, Facebook shall cause to be paid into the escrow account the remaining portion of the Settlement Fund that has not previously been paid into the escrow account.
- (d) All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Settlement Agreement and/or further order(s) of the Court.
- (e) Upon five (5) business days notice to Class Counsel and Facebook's Counsel, the Escrow Agent may pay itself and the Settlement Administrator their costs reasonably and actually incurred in their roles as the Settlement Administrator and Escrow Agent.
- The Settlement Fund is the total amount that Facebook will pay under this Settlement for any purpose, including without limitation, to satisfy claims by Class Members (including Minor Subclass Members), Class Counsel's Fees and Costs, Incentive Awards, the costs of delivering notice to the Class, and the costs incurred by the Settlement Administrator and Escrow Agent. Class Members (including Minor Subclass Members) shall look solely to the Settlement Fund for settlement and satisfaction against Facebook of all Released Claims. Except as expressly provided by order of the Court, no Class Member (including Minor Subclass Member) shall have any interest in the Settlement Fund or any portion thereof.
- **2.3** Relief Provided to Class. Each Authorized Claimant, subject to the limitations stated below regarding proration of claims or distribution to the *Cy Pres* Recipients, is entitled to a one-time cash payment equal to ten dollars (\$10).
  - (a) If payment of \$10 to all Authorized Claimants would exhaust the Net Settlement Fund, the following procedures shall be followed.
    - (i) The Settlement Administrator shall distribute the Net Settlement Fund pro rata to each Authorized Claimant.
    - (ii) Notwithstanding Section 2.3(a)(i). if, given the number of Authorized Claimants, each Authorized Claimant's pro-rata share of the Net Settlement Fund would be less than five dollars (\$5), the Court may, in its discretion, in the Final Order and Judgment either (A) order the Settlement Administrator to distribute the Net Settlement Fund pro rata to each Authorized Claimant, or (B) order the Settlement Administrator to distribute the entire Net Settlement Fund to the Cy Pres Recipients, as described in greater detail below in Section 2.4. If Court, in its Final Order and Judgment, does not address the disposition of the Net Settlement Fund under this Section 2.3(a)(ii), the Settlement

- Administrator shall distribute the Net Settlement Fund pro rata to each Authorized Claimant.
- (iii) Notwithstanding Section 2.3(a)(ii), if it is not economically feasible to make any pro rata payment to the Authorized Claimants without exceeding the Net Settlement Fund, the Settlement Administrator shall distribute the entire Net Settlement Fund to the Cy Pres Recipients, as described in greater detail below in Section 2.4.
- (b) If payment of \$10 to all Authorized Claimants would not exhaust the Net Settlement Fund, the Settlement Administrator shall first (i) distribute \$10 to each Authorized Claimant and then (ii) distribute to the *Cy Pres* Recipients any proceeds remaining in the Net Settlement Fund, as described in greater detail below in Section 2.4. Notwithstanding the foregoing and subject to Section 2.3(a)(iii), the Court may, in its discretion, order the Settlement Administrator to (i) increase the pro rata payment to each Authorized Claimant such that the total payment to each Authorized Claimant would exceed \$10 and (ii) then distribute to the *Cy Pres* Recipients any proceeds remaining in the Net Settlement Fund, as described in greater detail below in Section 2.4.
- (c) Manner of Payment. Payments shall be made by ACH (Automated Clearing House) transfer to the Authorized Claimants. Alternatively, the Class Member may elect to receive payment by physical check. The Claim Form will contain spaces for Class Members to elect the manner of payment and to provide the Settlement Administrator with their payment information.
- (d) Timing of Payment. The Net Settlement Fund shall be distributed to Authorized Claimants between thirty (30) and forty-five (45) calendar days after the Final Settlement Date.
- (e) Time to Cash Settlement Checks and Treatment of Undeliverable Checks. Authorized Claimants who receive a physical check shall have ninety (90) calendar days within which to cash the issued check. Any funds from checks not cashed within that ninety (90) calendar day period or funds from checks returned as undeliverable shall be returned to the Net Settlement Fund and distributed to the Cy Pres Recipients, as described in greater detail below in Section 2.4. Additionally, if an Authorized Claimant who elects payment by ACH fails to provide sufficient or correct information to permit payment to an account, the amount of that failed payment shall revert to the Net Settlement Fund.
- **2.4** Cy Pres Distribution. The following procedures shall govern the distribution of proceeds, if any, from the Net Settlement Fund to the Cy Pres Recipients.
  - (a) Allocation of Cy Pres Distribution. Subject to Court approval, any cy pres distributions shall be allocated to the Cy Pres Recipients according to the following percentages: Center for Democracy and Technology (10% of cy pres distribution), Electronic Frontier Foundation (10%), MacArthur Foundation

- (10%), Joan Ganz Cooney Center (10%), Berkman Center for Internet and Society (Harvard Law School) (6%), Information Law Institute (NYU Law School) (6%), Berkeley Center for Law and Technology (Berkeley Law School) (6%), Center for Internet and Society (Stanford Law School) (6%). High Tech Law Institute (Santa Clara University School of Law) (6%), Campaign for Commercial-Free Childhood (6%), Consumers Federation of America (6%), Consumer Privacy Rights Fund (6%), ConnectSafely.org (6%), and WiredSafety.org (6%).
- (b) Timing of Cy Pres Distribution. Any proceeds from the Net Settlement Fund that will be distributed to the Cy Pres Recipients shall be distributed by the Settlement Administrator to the Cy Pres Recipients between thirty (30) and forty-five (45) calendar days after the deadline for Class Members to cash the settlement checks pursuant to Section 2.3(d). Alternatively, in the event that the entire Net Settlement Fund is to be distributed to the Cy Pres Recipients under the terms of this agreement or as ordered by the Court, the Settlement Administrator shall distribute such proceeds to the Cy Pres Recipients between thirty (30) and forty-five (45) calendar days after the Final Settlement Date.
- 2.5 Class Counsel's Fees and Costs. Plaintiffs may file a motion with the Court seeking a portion of the Settlement Fund as payment of any reasonable attorneys' fees, plus reimbursement of actual costs and expenses, including experts or consultants, incurred in connection with prosecuting the Action.
  - (a) Class Counsel shall file any such motion for Class Counsel's Fees and Costs, along with any papers supporting the motion, with the Court on or before twenty-three (23) days after entry of the Preliminary Approval Order. Class Counsel's motion for payment of Class Counsel's Fees and Costs shall be available on the Settlement Website once the Settlement Website becomes active. Additionally, the total amount of attorneys' fees, costs, and expenses sought by Class Counsel shall be disclosed in the Long-Form Notice.
  - (b) The Settlement Administrator will distribute from the Settlement Fund any Class Counsel's Fees and Costs awarded by the Court within fourteen (14) days after the Final Settlement Date.
  - (c) The Arns Law Firm shall have sole responsibility to distribute any payment of Class Counsel's Fees and Costs to Jonathan Jaffe Law and any other attorney or law firm that may claim they are owed fees, costs, or expenses under this Settlement.
- 2.6 Incentive Award to Plaintiffs. Plaintiffs agree not to petition the Court for more than \$12,500 (each) for an Incentive Award. Facebook further agrees that it will not take a position on the amount of any incentive award requested unless asked by the Court to express views thereon. The Settlement Administrator will pay the Incentive Awards approved by the Court to Plaintiffs (Susan Mainzer, James H. Duval, and W.T., a minor, by and through Russell Tait) from the Settlement Fund within fourteen (14) days after the Final Settlement Date.

- 2.7 Relationship of Attorneys' Fees, Costs, and Expenses and Incentive Award(s) to Class Relief. It is not a condition of this Settlement that any particular amount of attorneys' fees, costs, or expenses or incentive awards be approved by the Court, or that such fees, costs, expenses, or awards be approved at all. Any order or proceeding relating to the amount of any award of attorneys' fees, costs, or expenses or incentive awards, or any appeal from any order relating thereto, or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Settlement, or affect or delay the finality of the Final Order and Judgment.
- **2.8** Releases. The Parties agree that the releases stated in Sections 5.2 and 5.3 are material parts of this Settlement and are hereby incorporated into this Section 2 as if fully stated herein.

#### 3. CLASS SETTLEMENT PROCEDURES

- **3.1** Cooperation to Obtain Court Approval. The Parties will jointly take all reasonable steps necessary to secure the Court's approval of this Settlement.
- 3.2 Preliminary Approval of Class Settlement and Provisional Class Certification. As set forth below, the Parties shall take all reasonable steps to secure the Court's entry of a Preliminary Approval Order in substantially similar form to Exhibit 1.
  - (a) As soon as practicable after the Settlement's execution date, but in any event no later than ten (10) days after the execution date, the Parties shall jointly move the Court for an order to:
    - (i) preliminarily approve this Settlement on the ground it "appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval[,]" *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1079 (N.D. Cal. 2007);
    - approve the form, manner, and content of the Long Form Notice, Email Notice, Publication Notice, Claim Form, and Opt-Out Form as described in Section 3.3 below and attached hereto as Exhibits 2-6, respectively;
    - (iii) find that Facebook has complied with 28 U.S.C. § 1715(b);
    - (iv) set the date and time of the Fairness Hearing, with the hearing being set no earlier than one hundred and ninety-five (195) calendar days after entry of the Preliminary Approval of Class Settlement and Provisional Class Certification Order; and
    - (v) stay all proceedings in the Action until the Court renders a final decision on approval of the Settlement.
  - (b) Concurrently with the joint motion for preliminary approval of the Settlement, Plaintiffs shall move for an order to:

- (i) provisionally certify the Class and Minor Subclass under Federal Rule of Civil Procedure 23(b)(3) for settlement purposes only;
- (ii) appoint Plaintiffs as class representatives for settlement purposes only; and
- (iii) appoint the Arns Law Firm and Jonathan Jaffe Law as Class Counsel for settlement purposes only.
- 3.3 Notice. Subject to the Court approving the Preliminary Approval Order, the Parties agree that the Class shall be provided with notice of the proposed Settlement by the following methods.
  - (a) Settlement Website. Starting no later than thirty (30) calendar days after entry of the Preliminary Approval Order, the Settlement Administrator will set up a website and post the Long Form Notice, Claim Form, and Opt-Out Form. The Settlement Website will also allow for electronic submission through the website of the Claim Form and Opt-Out Form. The website will be active until thirty-one (31) calendar days after the Final Settlement Date. However, the Settlement Administrator may disable online submission of the Claim Form and Opt-Out Form the day after the Objection, Opt-Out, and Claim Deadline, Facebook retains sole and exclusive discretion to select the name of the URL (Internet address), to which Plaintiffs shall not object absent manifest good cause.
  - (b) Short Form Notice by Email. Starting no later than thirty (30) calendar days after entry of the Preliminary Approval Order, Facebook or its designee will begin the transmission of the Email Notice provided for in this Settlement.
    - (i) Facebook or its designee will transmit the Notice as follows:
      - (1) Transmit the Email Notice by email to each Class Member (including Minor Subclass Members) for whom Facebook has a valid email address, including persons who previously indicated that they do not wish to receive any communications from Facebook. At Facebook's sole discretion, all or part of such email distribution may be effected through a third-party vendor or the Settlement Administrator.
    - (ii) For the purposes of this notice, Facebook will use reasonable efforts to ascertain which Facebook users whose names or profile pictures appeared in a Sponsored Story are located within the United States.
    - (iii) Facebook or its designee will have up to and including ninety (90) calendar days after entry of the Preliminary Approval Order to complete transmission of the Email Notice. Facebook or its designee may carry out the transmission of the Email Notice over this period of ninety (90) calendar days to accommodate technical limitations,

- including, for instance, if the Email Notice is transmitted by email, to avoid the risk that the Email Notice would be blocked by Internet Service Providers.
- (iv) The Email Notice will be substantially similar to the form attached as Exhibit 3, and will provide the URL (Internet address) of the Settlement Website containing the Long Form Notice and a U.S. postal address and an email address to contact the Settlement Administrator.
- **Publication Notice.** Between thirty (30) and ninety (90) calendar days after entry of the Preliminary Approval Order, the Settlement Administrator will cause the Publication Notice to be published (i) three times in an insertion in the national Monday-Thursday edition of the *USA Today* newspaper, and (ii) once by transmission through PR Newswire's US1 distribution service. The Publication Notice will be substantially similar to the form attached as Exhibit 4, and will provide the URL (Internet address) of the Settlement Website containing the Long Form Notice and a U.S. postal address and an email address to contact the Settlement Administrator.
- (d) As stated previously, the costs associated with providing all forms of notice referenced in this Section 3.3 shall be paid out of the Settlement Fund.
- 3.4 CAFA Notice. After the Settlement Agreement is filed with the Court, Facebook shall serve upon the relevant government officials notice of the proposed Settlement in accordance with 28 U.S.C. § 1715. Shortly after providing CAFA notice, and prior to the preliminary approval hearing, Facebook will submit a proof of service of such notice with the Court.
- 3.5 Inquiries from Class Members. The Settlement Administrator will establish an email account and P.O. Box to which Class Members (including Minor Class Members) may submit questions regarding the Settlement. The Settlement Administrator will monitor the email account and P.O. Box and respond promptly to inquiries received from Class Members.
- 3.6 **Proof of Notice.** No later than ten (10) calendar days after the Objection, Opt-Out, and Claim Deadline, Facebook must serve a declaration on Class Counsel confirming that the Settlement Administrator and/or Facebook (or a third-party vendor retained by either) provided the Class with notice of the proposed Settlement in accordance with Section 3.3.
- 3.7 Objections. Any Class Member (including any Minor Subclass Member) who has not submitted a timely written exclusion request pursuant to Section 3.8 below and who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed Settlement, or to Class Counsel's Fees and Costs or Incentive Awards, must follow the following procedure:
  - (a) Content of Objections. Written objections must be verified by a declaration under the penalty of perjury or a sworn affidavit and must include: (a) the name of the Action and case number, "Fraley v. Facebook, Inc., Case No. CV-11-01726 RS"; (b) the full name, address, telephone number, and email address associated with the Facebook account of the person objecting; and (c) an

explanation detailing the specific reasons for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection(s). Objectors must provide the email address associated with their Facebook account to Class Counsel and Facebook's Counsel so that they can verify whether the objector is a Class or Minor Subclass Member.

- (b) Manner of Service of Objections. Service of an objection may be done in one of two ways. It shall be the objector's responsibility to ensure receipt of any objection by the Court or the Settlement Administrator.
  - (i) Service on Settlement Administrator. Objecting Class Members may deliver written objections to the Settlement Administrator by postal mail or electronic mail.<sup>1</sup>
  - (ii) ECF Filing. Alternatively, if the objector is represented by counsel, the objection may be filed with the Court and served on Facebook and Plaintiffs through the Court's electronic case filing ("ECF") system located at https://ecf.cand.uscourts.gov/cand/index.html. An objection filed with the Court via ECF may redact the objecting individual's telephone number or email address, so long as the unredacted version is served on Class and Facebook Counsel.
- Objection, Opt-Out, and Claim Deadline. The delivery and file date of an objection is deemed to be: (a) if mailed to the Settlement Administrator, the date the objection is deposited in the U.S. Mail or equivalent foreign system, with postage paid by the objector, as evidenced by the postmark, (b) if emailed to the Settlement Administrator, the date reflected on the transmission record, or (c) if filed with the Court electronically and served on the Parties via the Court's ECF system, the date reflected on the objection's "notice of electronic filing." For the purposes of email and ECF transmission, transmission must be complete by 11:59 p.m. (Pacific) on the Objection, Opt-Out, and Claim Deadline.
- (d) Attendance at Fairness Hearing. Any Class Member (including any Minor Subclass Member) who files and serves a written objection, as described in this Section 3.7, has the option to appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, to object to the

<sup>&</sup>lt;sup>1</sup> Every Friday starting the date on which Email Notice begins to be provided under Section 3.3(b), the Settlement Administrator will email to Facebook's Counsel and Class Counsel any objections it received during the prior week. After the Objection, Opt-Out, and Claim Deadline, the Settlement Administrator will compile all objections it received, with an index, which Plaintiffs will file with the Court prior to the filing deadline for Plaintiffs' brief in support of the Final Order and Judgment. Plaintiffs shall redact Class Members' telephone numbers and email addresses when filing the objections.

fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed Settlement, or to the award of attorneys' fees or costs. However, Class Members or their attorneys intending to make an appearance at the Fairness Hearing must also deliver, pursuant to the procedures set forth in Section 3.7(b), a Notice of Intention to Appear no later than the Objection, Opt-Out, and Claim Deadline. As an alternative to a Notice of Intention to Appear, Class Members may state in their objections that they intend to appear and speak at the Fairness Hearing. Only Class Members who file and serve timely objections and give notice to the Court, Class Counsel, and Facebook's counsel that they intend to speak at the Fairness Hearing may do so, unless the Court orders otherwise. If a Class Member makes an objection through an attorney, the Class Member will be responsible for his or her personal attorney's fees and costs.

- 3.8 Exclusion Requests. Class Members (including Minor Subclass Members) may elect not to be part of the Class and not to be bound by this Settlement Agreement.
  - Manner of Making Exclusion Request. To make an exclusion request, Class Members must timely submit a complete Opt-Out Form. If sent by mail, the Opt-Out Form must be postmarked no later than the Objection. Opt-Out, and Claim Deadline, with postage paid by the person requesting exclusion. If submitted electronically, the Opt-Out Form must be submitted by 11:59 p.m. (Pacific), on or before the Objection, Opt-Out, and Claim Deadline. The exclusion request must be made on the Opt-Out Form. So-called "mass" or "class" opt-outs purporting to be made on behalf of multiple persons or classes of persons shall not be allowed. Any Class Member who does not transmit a valid and timely Opt-Out Form shall be bound by all subsequent proceedings, orders, and judgments. Only Class Members who transmit valid and timely Opt-Out Forms will be deemed to have opted out of the Class, unless the Court orders otherwise.
  - (b) Exclusion List. The Settlement Administrator shall serve on Facebook's Counsel and Class Counsel a list of Class Members who have timely and validly excluded themselves from the Class no later than ten (10) calendar days after the Objection, Opt-Out, and Claim Deadline.
  - Class Members timely and validly request exclusion, then Facebook may, in its sole discretion, at any time on or before ten (10) calendar days after the Objection, Opt-Out, and Claim Deadline, notify Class Counsel in writing that it has elected to terminate this Settlement Agreement. If this Settlement Agreement is terminated, it will be deemed null and void *ab initio*. In that event: (i) the Provisional Class Certification Order and all of its provisions will be vacated by its own terms; (ii) the Action will revert to the status that existed before the Settlement Agreement's execution date; and (iii) no term or draft of this Settlement Agreement, or any part or aspect of the Parties' settlement discussions, negotiations, or documentation (including any declarations and briefs filed in support of the motion for preliminary or final approval) will have

any effect or be admissible into evidence, for any purpose, in this Action or any other proceeding. The Parties expressly acknowledge that in the event this termination clause is invoked, then Section 6.1 of this Settlement applies, and therefore they expressly incorporate Section 6.1's terms by this reference as if set forth fully herein.

- 3.9 Final Order and Judgment. Before the Fairness Hearing, and assuming no exercise of the Termination Clause in Section 3.8(c) of this Agreement, Plaintiffs must apply for Court approval of a proposed Final Order Approving Class Action Settlement and Judgment, substantially similar to the form attached hereto as Exhibit 7. Subject to the Court's approval, the Final Order Approving Class Action Settlement and Judgment shall, among other things:
  - (a) finally approve the Agreement and Settlement;
  - (b) finally certify the Class for settlement purposes only, pursuant to Federal Rule of Civil Procedure 23(b)(3):
  - (c) find that the notice and the notice dissemination methodology complied with the Settlement Agreement, Federal Rule of Civil Procedure 23, and the Due Process Clause of the United States Constitution;
  - (d) issue orders related to the relief provided for in the Settlement Agreement, including injunctive relief, payment of Authorized Claimants and/or cy pres distribution, payment of Incentive Awards, and payment of Class Counsel's Fees and Costs;
  - (e) incorporate the releases set forth in Section 5 of this Settlement Agreement;
  - (f) dismiss the Action with prejudice; and
  - (g) retain jurisdiction over the Action and the Parties relating to the administration, consummation, and/or enforcement of the Agreement and/or the Final Order and Final Judgment, and for any other necessary purpose.

With its application, Class Counsel must file with the Court a complete list of all Class Members who have validly and timely excluded themselves from the Class. Facebook will be entitled either to join in Plaintiffs' motion as a co-movant or to file a brief in support of Plaintiffs' motion, at Facebook's option. In either event, Facebook shall be permitted, but not required, to file its own brief or statement in support of the Final Order and Judgment up to and including seven (7) calendar days prior to the Fairness Hearing.

#### 4. CLAIMS ADMINISTRATION.

4.1 Claim Form. To be entitled to receive class relief, as described in Section 2.2 and Section 2.3 above, a Class Member must timely and accurately complete and submit to the Settlement Administrator a Claim Form. The Claim Form shall be substantially similar to the form attached to this Agreement as Exhibit 5.

- (a) To be valid, on the Claim Form the Class Member must attest under the penalty of perjury: (a) the Class Member understands that a story about some action he or she took on Facebook (such as liking a page, checking in at a location, or sharing a link), along with his or her name and/or profile picture, may have been displayed in a Sponsored Story shown to his or her Facebook Friends who were authorized by the Class Member to see that action; (b) the Class Member was not aware that Facebook could be paid a fee for displaying actions such as these, along with the Class Member's name and/or profile picture, to his or her Facebook Friends; (c) the Class Member believes that, if his or her name and/or profile picture was displayed in a Sponsored Story, he or she was injured by that display; (d) the Class Member is submitting only one claim form regardless of how many Facebook accounts the Class Member has; and (e) the Class Member understands that he or she is releasing all claims against Facebook, and all other Released Parties, as set forth in Section 5. The Class Member must also provide the email address and User ID or username associated with his or her Facebook account, and the name associated with his or her Facebook account, whether or not such name is a pseudonym. Facebook's records must also reflect that the Class Member appeared in a Sponsored Story on or before the date of entry of the Preliminary Approval Order.
- (b) The Claim Form must be submitted no later than the Objection, Opt-Out and Claim Deadline. If sent by mail the Claim Form must be postmarked by the Objection, Opt-Out and Claim Deadline. If submitted electronically through the Settlement Website, it must be submitted by 11:59 p.m. (Pacific) on the Objection, Opt-Out and Claim Deadline.
- 4.2 Claims Review Process. The Settlement Administrator shall review all submitted Claim Forms within a reasonable time to determine each Claimant's eligibility for class relief. To be considered an "Authorized Claimant," a Claimant must submit a valid and timely Claim Form consistent with Section 4.1 and Facebook's records must reflect that the Claimant appeared in a Sponsored Story on or before the date of entry of the Preliminary Approval Order. Starting forty-five (45) calendar days after entry of the Preliminary Approval Order, the Settlement Administrator shall provide weekly reports to Facebook's Counsel and Class Counsel concerning the Claim Forms received during the prior week. Claim Forms that do not meet the submission requirements shall be rejected. Prior to rejection of a Claim Form, the Settlement Administrator shall communicate with the Claimant in an effort to remedy curable deficiencies in the Claim Form submitted. Thereafter, the Settlement Administrator shall notify, in a timely fashion, all Claimants whose Claim Forms the Settlement Administrator proposes to reject in whole or in part, setting forth the reasons therefore. If the Claim Form at issue was submitted by mail, the Class Member shall be notified by mail to the original address used. If the Claim Form at issue was submitted electronically, the Class Member shall be notified by email to the original email address identified in the submission. Should a Claimant dispute the Settlement Administrator's determination whether he or she is an Authorized Claimant, the matter shall be submitted to Class Counsel and Facebook's Counsel for resolution, and if no resolution is reached, the determination of the Settlement Administrator will be final.

#### 5. DISMISSAL OF ACTION AND RELEASES

- 5.1 Judgment and Enforcement. The Parties agree that should the Court grant final approval of the proposed Settlement and enter the Final Judgment and Order, such Final Judgment and Order shall include a provision for the retention of the Court's jurisdiction over the Parties to enforce the terms of this Settlement Agreement.
- 5.2 Class Members' Release. Upon the entry of the Final Order and Judgment, Plaintiffs and all Class Members, including all Minor Subclass Members (and their parents or legal guardians on all Minor Subclass Members' behalf), who do not validly and timely request to be excluded from the proposed Settlement, and each of their respective successors, assigns, legatees, heirs, and personal representatives (collectively the "Releasing Parties") shall be deemed to have fully, finally, and forever released, relinquished, and discharged against Facebook and all other persons and entities, including but not limited to persons and entities that have purchased Sponsored Stories from Facebook, and each of their direct or indirect parents, wholly or majority-owned subsidiaries, affiliated and related entities, predecessors, successors and assigns, partners, privities, and any of their present and former directors, officers, employees, shareholders, agents, representatives, attorneys, accountants, insurers, and all persons acting by, through, under, or in concert with them, or any of them (collectively the "Released Parties"), all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown claims, in law or equity, fixed or contingent, which the Releasing Parties have or may have against the Released Parties arising out of or relating to any of the acts, omissions, or other conduct that was or could have been alleged in the Action, including but not limited to any and all acts, omissions, or other conduct related to the display of any Class Member's name, nickname, pseudonym, profile picture, photograph, likeness, or identity in a Sponsored Story ("Released Claims").

In addition, the Releasing Parties expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Parties fully understand that the facts on which this Settlement Agreement is executed may be different from the facts now believed by the Releasing Parties and their Counsel to be true, and they expressly accept and assume the risk of this possible difference in facts and agree that this Settlement Agreement remains effective despite any difference in facts. Further, the Releasing Parties agree that this waiver is an essential and material term of this release and the Settlement that underlies it and that without such waiver the Settlement would not have been accepted.

5.3 Plaintiffs' General Release. Upon entry of the Final Order and Judgment, Plaintiffs Susan Mainzer, James H. Duval, and W.T., a minor, by and through Russell Tait as Guardian ad Litem, in their individual capacities only, and each of their successors, assigns, legatees, heirs, and

personal representatives release and forever discharge Facebook and its direct or indirect parents, wholly or majority-owned subsidiaries, affiliated and related entities, predecessors, successors and assigns, partners, privities, and any of its present and former directors, officers, employees, shareholders, agents, representatives, attorneys, accountants, insurers, and all persons acting by, through, under, or in concert with it, from all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent.

In addition, Plaintiffs Susan Mainzer, James H. Duval, and W.T., a minor, by and through Russell Tait as Guardian ad Litem, in their individual capacities only, and each of their successors, assigns, legatees, heirs, and personal representatives, expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs fully understand that the facts on which this Settlement Agreement is executed may be different from the facts now believed by Plaintiffs and their Counsel to be true, and they expressly accept and assume the risk of this possible difference in facts and agree that this Settlement Agreement remains effective despite any difference in facts. Further, Plaintiffs agree that this waiver is an essential and material term of this release and the Settlement that underlies it and that without such waiver the Settlement would not have been accepted.

#### 6. TERMINATION OF SETTLEMENT

Action Status if Settlement Not Approved. This Settlement Agreement is being entered into for settlement purposes only. If the Court conditions its approval of either the Preliminary Approval Order or the Final Order and Judgment on any modifications of this Settlement Agreement that are not acceptable to all Parties, or if the Court does not approve the Settlement or enter the Final Order and Judgment, or if the Final Settlement Date cannot occur for any reason, then this Settlement Agreement will be deemed null and void ab initio. In that event: (a) the Preliminary Approval Order, the Final Order and Judgment (if applicable), and all of its or their provisions will be vacated by its or their own terms, including, but not limited to, vacating any and all rulings regarding class certification for settlement purposes, including conditional certification of the Class, conditional appointment of Plaintiffs as class representatives, and conditional appointment of Plaintiffs' Counsel as Class Counsel; (b) the Action will revert to the status that existed before the Settlement Agreement's execution date; and (c)(i) no term or draft of this Settlement Agreement, (ii) nor any part of the Parties' settlement discussions, negotiations, or documentation (including any declaration or brief filed in support of the motion for preliminary approval or motion for final approval), (iii) nor any rulings regarding class certification for settlement purposes (including the Preliminary Approval Order and, if applicable, the Final Order and Judgment), will have any effect or be admissible into evidence for any purpose in the Action or any other proceeding. If the Court does not approve the Settlement or enter the Final Order and Judgment for any reason, or if the Final Settlement Date cannot occur for any reason, Facebook shall retain all its rights, for example, to object to the maintenance of the Action as a class action, to move for summary judgment, and to assert defenses at trial, and nothing in this Settlement Agreement or other papers or proceedings related to the Settlement shall be used as evidence or argument by any Party concerning whether the Action may properly be maintained as a class action, or for any other purpose.

ordered by the Court, in the event the Settlement is terminated for any reason, then within ten (10) business days after the Parties have provided the Court with notice that they are invoking this Section 6.2, the Escrow Agent shall return the Settlement Fund (including accrued interest), less expenses and any costs which have either been disbursed or incurred, including Taxes and Tax Expenses, to Facebook pursuant to written instructions from Facebook's Counsel. At the request of Facebook's Counsel, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, to Facebook.

#### 7. ADDITIONAL PROVISIONS

- 7.1 Facebook's Denial of Wrongdoing. Facebook denies that it committed, or attempted to commit, any violations of law with respect to its users or otherwise. Facebook also denies that Plaintiffs and the Class have suffered any injury or damages as a result of conduct alleged in the Action. Facebook maintains that it has meritorious defenses to all the claims alleged in the Action. Nonetheless, Facebook believes that further litigation could be protracted, burdensome, expensive, and distracting. Facebook has also determined that further litigation would divert resources and attention from other activities important to its business interests. Thus, Facebook has concluded that it is desirable and beneficial to settle the Action on the terms and conditions set forth in this Settlement.
- 7.2 No Tax Liability. Under no circumstances will Facebook or Facebook's Counsel have any liability for taxes or tax expenses under the Settlement. Plaintiffs, Plaintiffs' Counsel, Class Members, and the recipients of cy pres funds are responsible for any taxes on their respective recoveries or awards. Nothing in this Settlement Agreement, or statements made during the negotiation of its terms, shall constitute tax advice by Facebook or Facebook's Counsel.
- 7.3 Change of Time Periods. All time periods and dates described in this Settlement Agreement are subject to the Court's approval. These time periods and dates may be changed by the Court or by the Parties' written agreement without notice to the Class or Minor Subclass. The Parties reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any provisions of this Agreement.
- 7.4 Real Parties in Interest. In executing this Settlement Agreement, the Parties warrant and represent that they, including Plaintiffs in their representative capacity on behalf of the Class and Minor Subclass, are the only persons having any interest in the claims asserted in this Action. Neither these claims, nor any part of these claims, have been assigned, granted, or transferred in any way to any other person, firm, or entity.

- 7.5 Voluntary Agreement. The Parties executed this Settlement Agreement voluntarily and without duress or undue influence.
- 7.6 Binding on Successors, etc. This Settlement Agreement binds and benefits the Parties' respective successors, assigns, legatees, heirs, and personal representatives.
- 7.7 Parties Represented by Counsel. The Parties acknowledge that: (a) they have been represented by independent counsel of their own choosing during the negotiation of this Settlement and the preparation of this Settlement Agreement; (b) they have read this Settlement Agreement and are fully aware of its contents; and (c) their respective counsel fully explained to them the Settlement Agreement and its legal effect.
- **7.8 Authorization.** Each Party warrants and represents that there are no liens or claims of lien or assignments, in law or equity, against any of the claims or causes of action released by this Settlement Agreement and, further, that each Party is fully entitled and duly authorized to give this complete and final release and discharge.
- 7.9 Entire Agreement. This Settlement and attached exhibits contain the entire agreement between the Parties and constitute the complete, final, and exclusive embodiment of their agreement with respect to the Action. This Settlement is executed without reliance on any promise, representation, or warranty by any Party or any Party's representative other than those expressly set forth in this Settlement and any such prior promises, representations, or warranties relating to this Action are null and void.
- 7.10 Construction and Interpretation. Neither Party nor any of the Parties' respective attorneys will be deemed the drafter of this Settlement Agreement for purposes of interpreting any provision in this Settlement Agreement in any judicial or other proceeding that may arise between them. This Settlement Agreement has been, and must be construed to have been, drafted by all the Parties to it, so that any rule that construes ambiguities against the drafter will have no force or effect.
- 7.11 Headings and Formatting of Definitions. The various headings used in this Settlement Agreement are solely for the Parties' convenience and may not be used to interpret this Settlement Agreement. Similarly, bolding and italicizing of definitional words and phrases is solely for the Parties' convenience and may not be used to interpret this Settlement Agreement. The headings and the formatting of the text in the definitions do not define, limit, extend, or describe the Parties' intent or the scope of this Settlement Agreement.
- **7.12 Exhibits.** The exhibits to this Settlement Agreement are integral parts of the Settlement Agreement and the Settlement and are incorporated into this Settlement Agreement as though fully set forth in the Settlement Agreement.
- 7.13 Modifications and Amendments. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing signed by the Parties or their counsel.
- 7.14 Governing Law. This Settlement Agreement is governed by California law and must be interpreted under California law without regard to conflict-of-laws principles.

- 7.15 Further Assurances. The Parties must execute and deliver any additional papers, documents, and other assurances, and must do any other acts reasonably necessary, to perform their obligations under this Settlement Agreement and to carry out this Settlement Agreement's expressed intent.
- 7.16 Agreement Constitutes a Complete Defense. To the extent permitted by law, this Settlement Agreement may be pled as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceedings that may be instituted, prosecuted, or attempted in breach of or contrary to this Settlement Agreement.
- 7.17 Execution Date. The execution date shall be the last date when all signatories have signed the Agreement.
- **7.18 Counterparts.** This Settlement Agreement may be executed in counterparts, each of which constitutes an original, but all of which together constitute one and the same instrument. Several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies, facsimiles, and PDFs of executed copies of this Settlement Agreement may be treated as originals.
- **7.19 Recitals.** The Recitals are incorporated by this reference and are part of the Settlement Agreement.
- **7.20** Severability. If any provision of this Settlement is declared by the Court to be invalid, void, or unenforceable, the remaining provisions of this Settlement will continue in full force and effect, unless the provision declared to be invalid, void, or unenforceable is material, at which point the Parties shall attempt to renegotiate the Settlement or, if that proves unavailing, either Party may terminate the Settlement Agreement, and such termination shall be deemed to cause no prejudice to any Party.
- 7.21 Inadmissibility. This Settlement Agreement and any evidence of proceedings or discussions related to this Settlement Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever in any Court or tribunal in any state, territory, or jurisdiction. Further, neither this Settlement Agreement, nor the Settlement contemplated by it, nor any proceedings taken under it, will be construed or offered or received into evidence as an admission, concession, or presumption that class certification is appropriate, except to the extent necessary to consummate this Settlement Agreement and the binding effect of the Final Order and Judgment.
- 7.22 No Waiver of Attorney-Client Privilege. Nothing in this Agreement, the negotiations, and the mediation relating thereto is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including without limitation the attorney-client privilege or work product immunity, by any Party.

[Continued on the next page]

7.23 No Conflict Intended. Any inconsistency between this Settlement Agreement and the attached exhibits will be resolved in favor of this Settlement Agreement.

**7.24** List of Exhibits: The following exhibits are attached to this Settlement Agreement:

Exhibit 1: [Proposed] Preliminary Approval of Class Settlement and Provisional

Class Certification Order

Exhibit 2: Long Form Notice

Exhibit 3: Email Notice

Exhibit 4: Publication Notice

Exhibit 5: Claim Form

Exhibit 6: Opt-Out Form

Exhibit 7: [Proposed] Final Order Approving Class Action Settlement and

Judgment

Exhibit 8: Sponsored Story Examples

The Parties have agreed to the terms of this Settlement Agreement and have signed below.

Dated: 10/3/12

PLAINTIFF SUSAN MAINZER

Susan Mainzer,

Individually and in her Representative Capacity

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Dated: 0/4/12

PLAINTIFF JAMES H. DUVAL

James II, Duval,

Individually and in his Representative Capacity

Dated: 10/3/12	PLAINTIFF W.T.
Dated: 10 3 12	W.T., Individually and in his Representative Capacity  PLANTIFF W.T., A MINOR, BY AND THROUGH RUSSELL TAIT AS GUARDIAN AU LITEM  Russell Tait, on behalf of W.T., Individually and in his Representative
	Canada

Dated:	10-	05-	12
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DEFENDANT FACEBOOK, INC.

By: Michael G. Rhodes

Title: Partner, LOOLEY LLP

On behalf of Facebook, Inc.

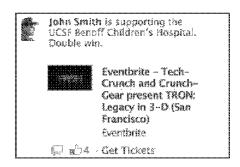
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### EXHIBIT 8

SPONSORED STORY EXAMPLES

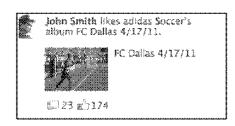
#### EXHIBIT 8 - SPONSORED STORY EXAMPLES

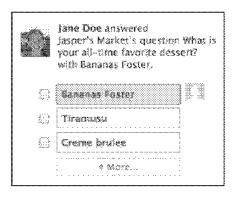




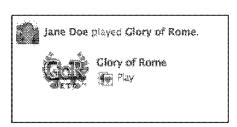




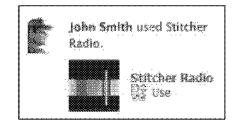












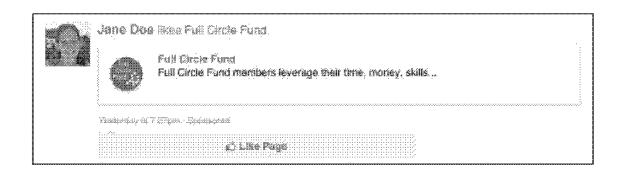






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#88 George W. Sush Presidential Center

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Wall Photo:

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5 6 7 8 9	JONATHAN M. JAFFE (# 267012, jmj@jaffe JONATHAN JAFFE LAW 3055 Hillegass Avenue Berkeley, CA 94705 Tel: (510) 725-4293 Fax: (510) 868-3393 Attorneys for Plaintiffs	e-law.com)
10 11 2 13	UNITED STATES DI NORTHERN DISTRICT SAN FRANCISC	T OF CALIFORNIA
114   115   116   117   118   119	ANGEL FRALEY; PAUL WANG; SUSAN MAINZER; JAMES H. DUVAL, a minor, by and through JAMES DUVAL, as Guardian ad Litem; and W. T., a minor, by and through RUSSELL TAIT, as Guardian ad Litem; individually and on behalf of all others similarly situated,  Plaintiffs,  v.  FACEBOOK, INC., a corporation; and DOES 1-100,  Defendants.	Case No. CV 11-01726 RS  PLAINTIFFS' MEMORANDUM IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT  Date: June 28, 2013 Time: 10:00 a.m. Courtroom: 3 Judge: Hon. Richard Seeborg
27 28	PLAINTIFFS' MEMORANDUM IN SUPPORT O	OF MOTION FOR FINAL APPROVAL OF

Case No. CV 11-01726 RS

CLASS ACTION SETTLEMENT

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# NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

#### TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE THAT on June 28, 2013, at 10:00 a.m., or as soon thereafter as counsel may be heard, Plaintiffs and proposed Class representatives Susan Mainzer, James H. Duval, and W.T. ("Plaintiffs") shall bring on for hearing before the Honorable Richard Seeborg, United States District Judge, in the United States District Courthouse, Northern District of California, San Francisco Division, Courtroom 3, 450 Golden Gate Avenue, San Francisco, CA, 94102, their Motion for Final Approval of Class Action Settlement. The Motion seeks an Order: (1) Granting Final Approval of the proposed Settlement with Defendant Facebook, Inc.; (2) certifying the Settlement Class (as defined below) because the Settlement Class satisfies the requirements of Rules 23(a), (b), and (c) of the Federal Rules of Civil Procedure; (3) appointing Plaintiffs as Class Representative and their counsel as Class Counsel; (4) Entering the Stipulated Injunction as to the changes to Defendant's website; and (5) dismissing with prejudice all claims by the Settlement Class that were asserted in this action.

This Motion is based on this Notice of Motion and the attached Memorandum of Law; the concurrently filed Declarations of Robert S. Arns, Kevin M. Osborne, Steven R. Weinmann, Jonathan M. Jaffe and Jennifer M. Keough; the previously filed Joint Motion for Preliminary Approval of Class Action Settlement and supporting declarations and documents; the previously filed Motion for Class Certification, Appointment of Class Counsel and Appointment of Class Representatives Pursuant to Joint Motion for Preliminary Approval and supporting declarations and documents; Plaintiffs' original Motion for Class Certification and supporting declarations and documents; the previously filed Motion for Attorneys' Fee and Costs and supporting declarations and documents; the concurrently filed Response To Objections To Settlement And Fee Motion; as well as the pleadings, Orders, transcripts and other papers on file in this action; and any further evidence and arguments as may be presented at the hearing of this matter.

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#### STATEMENT OF ISSUES

- Whether the Court should grant final approval of the proposed Settlement with Defendant Facebook, Inc., finding that the proposed Settlement is fair, reasonable, and in the best interests of the proposed Settlement Class.
- Whether the Court should certify the Settlement Class (as defined below) because the Settlement Class satisfies the requirements of Rules 23(a), (b), and (c) of the Federal Rules of Civil Procedure;
- Whether the Court should appoint Plaintiffs as Class Representative and their counsel as Class Counsel;
- Whether the Court should enter the Stipulated Injunction as to the changes to Defendant's website; and
- Whether the Court should dismiss with prejudice all claims by the Settlement Class that were asserted in this action.

#### MEMORANDUM

#### I. INTRODUCTION

Plaintiffs Susan Mainzer, James H. Duval and W.T. bring this Motion for Final Approval of Class Action Settlement. Plaintiffs' claim, and the settlement, is about giving Facebook users notice and control, and about Facebook getting informed consent from users appearing in ads. The proposed settlement accomplishes this. The Settlement brings significant injunctive relief to more than 150 million Facebook users in the United States so that users will finally know when they are appearing in advertisements, can give their informed consent to appear in those advertisements, and can discontinue such appearances if they so wish.

In addition to injunctive relief, every Class member who so wished and filed a claim will receive a cash payment that fully compensates them for the actual harm suffered. The Claims process has resulted in over 614,000 claims being made by Class members. Thus, over \$6.1 million out of the \$20 million settlement fund will be distributed, \$10 for each validly

<sup>&</sup>lt;sup>1</sup> Declaration of Jennifer M. Keough Regarding Settlement Administration, ¶14. Note all subsequent references to declarations in support of the present motion will be stated as "[last name of declarant] Decl."

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27 28 filed claim. Now that the claims period has closed, it is feasible to determine the final numbers for funding to the class. We are pleased that the Garden City Group expenditures are less than expected; it is anticipated that they will be about \$900,000, which is \$1.5 million less than expected. There are thus more than anticipated funds available to go to the class.

After deducting the requested attorneys' fees of up to \$7.5 million, \$280,000 in costs of litigation, and \$900,000 for claims administration, and the \$37,500 in requested service awards from the \$20 million gross settlement fund, the net settlement fund will now have \$11.2 million for the class and cy pres. If the monies distributed to each class member were increased from \$10 to \$15, then \$9.2 million would go to the class. This \$15 payment to the class would leave approximately \$2 million for cy pres. Based on these figures, Plaintiffs believe that an increased payment of \$15, rather than \$10, can and should now be made to the claiming Class Members if the Court believes that would be beneficial to the Class. Pursuant to the Amended Settlement Agreement ("A.S.A."), Plaintiffs therefore request that the Court increase the amounts going to each Class Member to \$15, and direct the balance of the \$20 million fund after attorneys' fees and costs, incentive awards, and settlement administration and notice costs, to the cy pres recipients the Parties have designated. These have been and are engaged in activities that will benefit the entire Class as well as the public at large, as they will advocate for issues such as the right of protection of the Class members' right of privacy on the internet. The cy pres recipients also include entities that are dedicated to the protection of the rights and welfare of minor children as they are affected by social media in an online context.

As previously described in Plaintiffs' Memorandum in Support of the Joint Motion for Preliminary Approval of Class Action Settlement ("Prelim Approval Memorandum"), this action arose because Facebook instituted a novel advertising service – which Facebook refused to call "advertising" (see footnote 5, *infra*) – that misappropriated the names and likenesses of Facebook users, sought no consent to do so, gave users no notice they were being used in the ads, and provided no way to prevent the misappropriation. The proposed injunctive relief will

<sup>&</sup>lt;sup>2</sup> Plaintiffs attached the A.S.A. as Exhibit 1 to the Declaration of Robert S. Arns in Support of Joint Motion for Preliminary Approval ("Arns P.A. Decl."). However, because of frequent discussion, it will be cited throughout this document as "A.S.A."

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provide significant benefits to the Class Members as well as future Facebook members. It seeks user consent to be in Sponsored Stories; it provides real notice and control mechanisms for all Class members and special notice and control mechanisms tailored exclusively for minors and their parents; and it makes available important information necessary for users to make informed decisions about being in Sponsored Stories. A.S.A § 2.1. The settlement also provides for Plaintiffs' counsel the opportunity to review Facebook's website regarding advertising and ensure that Sponsored Stories are clearly identified as ads, with the right to move the Court to call for an independent audit (for which Facebook will pay) if necessary. A.S.A. § 2.1.

With regard to minors, the notice and controls are particularly significant. In conjunction with additional information and links on the website encouraging minors and their parents to establish verified online relationships, Facebook will make available an "opt-out" function for the parents of minors, providing an easily accessible tool from which parents, through their own Facebook account, can prevent the names and likeness of their minor child from appearing in Sponsored Stories. A.S.A. §§ 2.1(c)(ii), 2.1(c)(iii). Facebook will also add a control in minor users' profiles that enables the minor user to indicate that his or her parents are not Facebook members. A.S.A § 2.1(c)(iii). Where a minor has indicated that his or her parents are not Facebook members, he or she will be ineligible to appear in any Sponsored Stories until the minor reaches the age of 18, changes his or her setting to indicate his or her parent is on Facebook, or establishes a confirmed parental relationship. A.S.A § 2.1(c)(iii). Facebook users under 18 years of age will be encouraged – rather than dissuaded – from doing the right thing and not lying about their age: they will be asked to represent that they have received parental consent to appear in Sponsored Stories.

Plaintiffs in the Prelim Approval Memorandum offered three alternative methods for assigning a dollar value to the injunctive relief, namely the features of informed consent and control created by the relief. The first was a valuation based on the financial concept of "real options." This model contended the tools created by the injunctive relief gives users control of their endorsements, which have value ranging from \$57.4 million to \$145.1 million. An alternative method utilized the previously established fair market value of the Class members'

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endorsements. Under this model, users' newly created right to control their endorsements was valued at \$74 million over the next 17 months. Lastly, Plaintiffs contend that other services for tracking use of one's personal data established a value of a minimum of \$1 for each of the Class members, or \$150 million.<sup>3</sup>

In their Prelim Approval Memorandum, Plaintiffs provided a detailed explanation of how the amount of actual damages suffered by the Class members from appearing in Sponsored Stories was calculated. See Plaintiffs' Motion for Preliminary Approval (ECF No. 280), at 19-25. In summary, the past "actual damages" to Class members can be estimated with a reasonable amount of scientific certainty by utilizing the actual valuation of Class members' appearances in the ads. The actual valuation is the additional value paid by advertisers for Sponsored Stories over what they would pay for similar ads without friend-endorsements. Plaintiffs' experts performed the necessary groundwork for calculating such actual damages on the motion for class certification. See section IV(F), infra. Plaintiffs (and Facebook in its separately filed brief) also set out in more detail the risks of continued litigation, including the likelihood of success and risks if Plaintiffs were to continue to litigate and seek the statutory penalties available to them under California Civil Code section 3344. Among other defenses, Facebook in its Motion to Dismiss raised issues of (a) lack of injury and thus standing under Article III of the Constitution and also (b) under the Unfair Competition Law (Business & Professions Code § 17200 et seq.) (c) an exemption for "newsworthy" items under Cal. Civil Code § 3344(d), and (d) preemption under the Communications Decency Act, 47 U.S.C. § 230 ("CDA"). While Plaintiffs prevailed against these defenses on the Motion to Dismiss, they were nonetheless available to Facebook had the case gone to trial or appeal without Settlement approval.

The reaction of the Class to the Settlement has been overwhelmingly positive; over 630,000 persons have made claims. Further, there have been only 104 objections (83 short e-mails, 16 letters and 11 briefs). See ECF No. 335. Of these, the principal objections are 1) the

<sup>&</sup>lt;sup>3</sup> Plaintiffs' Response to Objections Brief at pages 25-30 explains why even the sole objection containing any attempt at analysis of the economic valuation of injunctive relief, the Kazman/Frank objection, is riddled with inaccuracies and unfounded assumptions of fact.

relief does not include a default opt-out or mandatory parental approval for minors; 2) minors cannot consent to the settlement; 3) the monetary amount offered to the Class is inadequate in light of the potential statutory damages; 4) the injunction has no value because it simply forces Facebook to follow the law; 5) there are additional remedies available under the laws of other States; 6) the release is too broad, and 7) that counsel's fee request and the incentive awards are too high compared to the relief and /or the result of collusion with Facebook. Plaintiffs will respond to each assertion in the accompanying Plaintiffs' Response To Objections To Settlement And Fee Motion. Here Plaintiffs note, however, none of the objections have merit.

The Court should approve the proposed Settlement.

#### II. TERMS OF THE PROPOSED SETTLEMENT

The terms of the Settlement are as follows:

#### A. The Proposed Settlement Class

Plaintiffs request that, pursuant to the terms of the Settlement, the Court certify the following proposed Settlement Class:

- (a) Class: All persons in the United States who have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, at any time on or before the date of entry of the Preliminary Approval Order.
- (b) Minor Subclass: All persons in the Class who additionally have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, while under eighteen (18) years of age, or under any other applicable age of majority, at any time on or before the date of entry of the Preliminary Approval Order.

A.S.A §§1.6, 1.17.

#### B. Injunctive Relief

The Parties have agreed to a stipulated injunction that will provide the relief described below addressing and clarifying the issues of consent, notice and control of the use of the Class members' names and likenesses. Previously, it was in Plaintiffs' view impossible even for a person who carefully pored over Facebook's SRRs and Help Pages to discern exactly what a "Sponsored Story" was, except that it was plain that Facebook distinguished them from "ads,"

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**CLASS ACTION SETTLEMENT** 

stating expressly that they are "different from ads." Ex. 34. In fact, Facebook took the legal position that Sponsored Stories are not advertisements at all. 5

## C. Payments to the Class / Claims Process

Class Members were able to submit a claim for payment from the Net Settlement Fund, which will be the amount of the Common Fund after attorneys' fees and costs, service awards, and settlement administration costs are deducted. (A.S.A. §4.1(a).) Class Members who submitted timely and valid Claims Forms ("Authorized Claimants," A.S.A.§1.1) will receive payments, either by check or through an Automated Clearing House transfer. The excess after the claims and costs are paid will be distributed to cy pres recipients proposed by the Parties and approved by the Court (the "Cy Pres Recipients," A.S.A. § 1.8), or the Court may issue an order, at its discretion, increasing each Authorized Claimant's share on a pro-rata basis. As noted above, Plaintiffs request that the Court exercise its discretion to thus increase the distributions to \$15 each, leaving approximately \$1.8 million still to go to cy pres.

## D. Changes to the SRRs and Information on Facebook's Website and Help Pages

The changes to the SRRs and Help Pages will seek permission for Facebook to place users' names and likeness in the advertisements, and finally identify Sponsored Stories as advertisements. As current users learn of these changes, they will implement the new controls, described below, to stop or limit their appearances in Sponsored Stories, should they so chose.

Within a reasonable time, not to exceed six months following the Final Settlement Date (provided the Settlement is approved and the Judgment is final, A.S.A. §1.13), Facebook will modify Section 10.1 of the SRRs in part to read as follows to clearly seek permission to use names and likenesses:

You give us permission to use your name, profile picture, content, and information in connection with commercial, sponsored, or related content (such

<sup>&</sup>lt;sup>4</sup> All references designated only with "Ex." and a number are citations to exhibits to the Declaration of Jonathan E. Davis filed in support of the Joint Motion for Preliminary Approval (ECF Nos. 283-285).

Facebook in response to Request For Admission, No. 6 [1.6], Set 1 Facebook denied "that Sponsored Stories are advertisements for members.") Ex. 22. Jim Squires of Facebook testified: "Yes, Sponsored Stories are not ads. I'm not sure what the distinction is to members, advertisers, or anybody else. Sponsored Stories are not advertisements period." Ex. 23, p. 33.

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as a brand you like) served or enhanced by us. This means, for example, that you permit a business or other entity to pay us to display your name and/or profile picture with your content or information. If you have selected a specific audience for your content or information, we will respect your choice when we use it.

If you are under the age of eighteen (18), or under any other applicable age of majority, you represent that at least one of your parents or legal guardians has also agreed to the terms of this section (and the use of your name, profile picture, content, and information) on your behalf.

A.S.A. § 2.1(a)(emphasis added).<sup>6</sup>

## E. Notice and Control: New Tool for Limiting Appearances in Sponsored Stories

The Settlement provides notice and controls through the addition of new tools or mechanisms for meaningfully limiting appearances in Sponsored Stories, something that does not currently exist. A.S.A. 2.1(b). First, Facebook will create a tool whereby users can easily see what actions they have taken that have caused them to be in Sponsored Stories, and what those Sponsored Stories are. Next, Facebook will add a new feature to the site that will allow users to control which actions and content they will allow to appear in Sponsored Stories. *Id.* Finally, these settings will allow users to prevent new appearances in ads from that advertiser, or from entire categories of interactions and content from appearing in Sponsored Stories. *Id.* 

#### F. New Information and Tool for Opting Out Minors

Under the terms of the injunctive relief, parents of minor users will be able to visit a public link on the Facebook website and utilize a tool which will enable the parent to prevent the name and likeness of their child from appearing in Sponsored Stories. A.S.A. § 2.1(c)(iii). Further, if the minor's parent is also a Facebook user, the minor and the parent can use Facebook to indicate that relationship, A.S.A. § 2.1(c)(ii). In fact, Facebook will encourage user to do so. *Id.* Under the terms of the A.S.A., when the parent and minor have confirmed a

<sup>&</sup>lt;sup>6</sup> See Weinmann Decl., ¶¶ 14 and 15 for a comparison of the old and proposed new SRRs.

<sup>&</sup>lt;sup>7</sup> Currently, this tool only allows parents to prevent the names and likenesses of their children from appearing alongside "Facebook Ads." Facebook Ads are completely distinct from Sponsored Stories, and are not a part of Plaintiffs' claims. The injunctive relief negotiated by the parties will extend this tool to enable parents to prevent the name and likeness of their children from appearing by Sponsored Stories. A.S.A. § 2.1(c)(iii). Ex. 36 is an exemplar of what this tool will potentially look like.

 parent-child relationship, the Facebook system will then allow the parent to utilize the opt-out tool through their own Facebook account, without obtaining access to their children's account. A.S.A. § 2.1(c)(ii)-(iii).

The Amended Settlement Agreement requires Facebook to add clear, easily understandable information about how advertising works on Facebook to the "parents" section of its Family Safety Center. It also provides that Facebook shall create and show advertising to users with a confirmed parental relationship with a minor, directing them to the Family Safety Center, and/or other parent-specific resources on Facebook. A.S.A. § 2.1(c)(iv). Further, Facebook will for a period of 90 days after settlement, work with Plaintiffs to identify other educational information that needs to be clarified. Class Counsel shall also have the right to request the Court to order a one-time injunctive relief compliance audit, for which Facebook will pay. A.S.A. § 2.1(e). In this way, not only does the injunctive relief help to ensure parents have the information needed to learn about how minor children may appear in Sponsored Stories, it also allows parents to opt their children out entirely from having their name and likeness appear in Sponsored Stories.

Finally, Facebook will add a control in minor users' profiles that enables each minor user to indicate that his or her parents are not Facebook users. If a minor indicates that his or her parents are not Facebook users, Facebook will make the minor ineligible to appear in Sponsored Stories until he or she reaches the age of 18, until the minor changes the setting to indicate his or her parents are on Facebook, or until a confirmed parental relationship with the minor user is established.

#### G. Plaintiffs' Litigation Costs and Fees

Subject to the Court's approval, Class Counsel submitted an application seeking their attorneys' fees and costs with respect to the Settlement of the claims of all Settlement Class Members out of the \$20 million common fund. A.S.A § 2.5. There is no "clear sailing" agreement. Class Counsel's request is for \$7.5 million.

#### H. Service Payments to Class Representatives

<sup>&</sup>lt;sup>8</sup> Ex. 30 is a draft "mock up" of what this tool will potentially look like.

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Subject to Court approval, Service Payments in a total amount not to exceed \$12,500 will be paid to each of the Class Representatives. A.S.A. § 2.6.

## I. Release By Settlement Class Members

The Settlement Class will release the "Released Parties" from the "Released Claims," all as defined in the Amended Settlement Agreement, including a waiver of unknown claims otherwise prohibited by California Civil Code § 1542. A.S.A. §§ 5.2, 5.3.

#### J. Notice

The Settlement Administrator published website and posted the Long Form Notice. A.S.A. § 3.3 (a). Notices were sent by email to each Class member (including Minor Subclass members) for whom Facebook had a valid email address, including persons who previously indicated that they do not wish to receive any communications from Facebook. A.S.A. §3.3(b). A summary notice was also published (i) three times in an insertion in the national Monday-Thursday edition of the *USA Today* newspaper, and (ii) once by transmission through PR Newswire's US1 distribution service. A.S.A., § 3.3(c).

#### III. STATEMENT OF FACTS AND PROCEDURAL HISTORY

#### A. Facts Concerning Defendant Facebook, Inc.

As of December 2011, Facebook had over 161 million monthly active users in the United States. Ex. 28, p. 44. On January 25, 2011, Facebook officially launched a new advertising service called "Sponsored Stories." Ex. 22, Resp. No. 1.3. Facebook created a legal fiction, refusing to call Sponsored Stories "Advertising" (see footnote 6) in order to obtain immunity from some Federal Statutes. Since that time, when a user takes a "social action," i.e. posts, "Likes," "Checks in," uses an application, or plays a game, and the content relates to an ad campaign in some predetermined way, the user's profile image and name may appear along with content created by Facebook as an endorsement in a Sponsored Story. It does not matter that the social action may have occurred in the past. A user's "Like" action taken months, or even years, earlier makes a user eligible to appear in Sponsored Stories. Plaintiffs contend that

<sup>&</sup>lt;sup>9</sup> As of August 31, 2012, 123,868,976 Facebook members had appeared in a Sponsored Story. Of that number, 19,761,991 are minors. *See* Decl. of Christopher Plambeck, filed by Defendant Facebook in support of the Motion for Preliminary Approval (ECF No. 261).

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Sponsored Stories are paid advertisements shown to some or all of the Facebook "Friends" of that user. Sponsored Stories typically appeared in the right-hand column, known as the ad column. More recently, Sponsored Stories have been displayed in the Newsfeed column where they are denoted as "Sponsored." They do not appear on pages seen by the user whose identities are appropriated into the ads. See Ex. 7; and Ex. 4. Advertisers pay to have users' actions turned into Sponsored Stories, using either a cost-per-click ("CPC") or cost per impression ("CPM") method. Thus, there is and was a direct connection between Sponsored Stories and revenue to Facebook.

The Sponsored Stories service is already enabled for all users when they sign up, and Plaintiffs contend that users are unable prevent their appearance in such ads, much less completely opt-out. Ex. 5, pp. 24-26; Ex. 6 p. 140:3-6; Ex. 23, pp. 302:20-303:02. The most common action that leads to an appearance in a Sponsored Story is clicking on a Facebook "Like" button anywhere on the Internet. Reasons for doing so include being able to thereby take advantage of some offer or see content on a page. At any given time, only a single user agreement was in effect between Facebook and all Class members in the United States. See Ex. 6, pp. 166:11-168:9; 169:3-1. That agreement applied uniformly to all Class members during the time period in which it was in effect. *Id.* The user agreement has been modified over time, but only one is in effect at a given time. *Id.* The terms of use effective during the Class Period thus far (generally referred to as the Statement of Rights and Responsibilities, or "SRR"). 12

Plaintiffs contend that none of the operative versions of the SRRs disclosed to users the

These other ads are called "Facebook Ads." "Facebook Ads" are not the same as Sponsored Stories. They are sold as distinct products, and have existed for years prior to the creation of Sponsored Stories. These ads, when they have social content, also incorporate a user's name or likeness. The SRRs have included language that spells out that a Facebook user's name or likeness may be used in a Facebook Ad with social content. See footnote 13, *infra*; see Plaintiffs Response to Objections Brief, filed concurrently herewith, at page 16. Since Facebook took the position that Sponsored Stories are not advertisements, the SRRs did not cover Sponsored Stories.

Facebook's Amended Resp. And Obj. To Plaintiffs' First Set Of Interrogatories, Response to Interrogatory No. 13. Ex. 10.

<sup>&</sup>lt;sup>12</sup> See Declaration of Steven R. Weinmann, Exs. 8 to 13 attaching all operative versions of the SRRs during the Class Period, and the proposed changes pursuant to the injunctive relief.

fact that they may appear in Sponsored Stories or sought their consent as to appearances in Sponsored Stories. <sup>13</sup> Plaintiffs further contend that a problem with the voluminous "Help Center" (hundreds of linked pages) and the Settings arose from Facebook's failures to notify users of the addition of Sponsored Stories, who upon visiting the "Help Center" were told "You can edit your ad privacy settings through the 'Account Settings' link at the top of any page within Facebook or by clicking here." Ex. 35. If a Facebook user clicked on that link, they were taken to a page where it appeared that they were given the ability to "opt-out" of appearing in all advertisements. Users who did this believed that they had successfully prevented their likeness from being used in all ads. However, users who had chosen this option were still eligible to appear in Sponsored Stories, even though they likely believed they were not appearing in any advertisements; the option has no bearing on Sponsored Stories. Facebook's "Help Center" in some areas states that Sponsored Stories are "different" than Facebook Ads, thus, Plaintiffs allege, leading to further confusion. Ex. 34. Facebook contended in this litigation that Sponsored Stories are not ads. See footnote 5, *supra*.

## **B.** Facts Concerning The Class Representatives

Prior to January 1, 2011, Susan Mainzer uploaded a Facebook Profile picture of herself that clearly bears her likeness, visible in Ex. 7. On March 22, 2010, Ms. Mainzer clicked on the Facebook "Like" button for UNICEF USA. Ex. 8, pp. 62:11-16, 72:4-17; 77:23-78:12. Ms. Mainzer's name and profile picture appeared in a UNICEF Sponsored Story on facebook.com and displayed to her Friends. Ex. 7. She was not paid for her appearance in that ad, or for her appearance in others since then. Ex. 9, Resp. to Int. Nos. 8, 11.

Prior to January 1, 2011, James H. Duval, a minor at the time, uploaded a Facebook

<sup>&</sup>lt;sup>13</sup> In contrast, as discussed in Plaintiffs' Opposition to C.M.D.s' Motion to Intervene (ECF No. 191) at page 15, and more fully in Plaintiffs' Response to Objections Brief (pages 11-12), the SRRs expressly discuss "Facebook Ads" with social content, and made it clear that a Facebook User could appear in them and thus was giving consent by using the site. This is one of the reasons why Plaintiffs did not bring claims as to Facebook ads with social content, and a reason why the claims in the *C.M.D. v. Facebook* case are not viable. See Weinmann Decl. Exs. 8-13 (attaching versions of SRRs discussing Facebook ads). Facebook took the position that Sponsored Stories are not advertisements, thus Plaintiff contended that they were not covered by the SRRs.

Profile picture of himself that clearly bore his likeness visible in Ex. 11. Mr. Duval appeared in Sponsored Stories shown to his Friends. Ex. 2. Three days after Facebook launched Sponsored Stories – eight weeks after he clicked on the "Like" button – Mr. Duval, unbeknownst to him, began appearing in Sponsored Stories shown to his friends about Coca-Cola. Ex. 34. At no point did Facebook seek or obtain consent from his parents to use his name or likeness as required by California law. He was not paid for his appearances in Sponsored Stories. Ex. 34.

Sometime prior to January 1, 2011, representative "W.T," a minor at the time, uploaded a Facebook Profile picture of himself that clearly bears his likeness in the form of a photograph. On Dec. 11, 2010, W.T. clicked on the Facebook "Like" button for Craftsman. Ex. 14. On or about March 20, 2011 W.T. (unbeknownst to him), began appearing in Sponsored Stories without parental consent. *See* Ex. 3. W.T. was not paid for his appearance in any of those Sponsored Stories. Ex. 15, Resp. to Int. Nos. 8, 11.

## C. Discovery

The discovery in this case has been extensive. There have been 21 depositions taken in this action, including 7 experts and over 4.263 pages of transcripts. Arns P.A. Decl, ¶ 29. These included key personnel of Facebook involved in the development of Sponsored Stories and persons most qualified to discuss the workings of Facebook's systems. *Id.* at ¶¶ 29-30. Plaintiffs' Counsel prepared and served 11 sets of Requests for Production of Documents with a total of 214 individual requests upon Defendant; 6 sets of Requests for Admission totaling 249 requests; and 25 Interrogatories. *Id.* at ¶¶ 34-36. The documents produced by Facebook included "natively produced" PowerPoint, Word, Excel and documents and e-mails totaling over 200,000 pages. This number does not count responses to third-party subpoenas served by Plaintiffs. Arns P.A. Decl, ¶ 34. Plaintiffs issues subpoenas to five third parties. *Id.* at ¶ 37.

Plaintiffs' Counsel received, analyzed and responded to 105 interrogatories from Facebook. Arns P.A. Decl. ¶ 40. Responding to these interrogatories involved extensive communication with the plaintiffs, verification of their answers, and service of the responses. The demanding task resulted in over 275 pages of initial and supplemental responses from named plaintiffs. Arns P.A. Decl, ¶ 40. Counsel received, analyzed and responded to 269

Requests for Production of Documents from Defendant; as well as 351 Requests for Admissions from Defendant, which were reviewed, analyzed and responded to. *Id.* at ¶¶ 41-42. The requests resulted in the production of over 7,000 pages of documents by Plaintiffs. Arns P.A. Decl ¶ 41.1, Plaintiffs and their guardians have dedicated at least 150 hours of time staying informed, responding to discovery requests and being deposed. Arns P.A. Decl. ¶ 28.

#### D. Settlement Negotiations

Plaintiffs and Defendant Facebook mediated the case at JAMS in San Francisco before the Hon. Edward A. Infante, the retired former Chief Magistrate Judge of the Northern District of California, on March 1, 2012. Plaintiffs' settlement conference statement was 231 pages long and provided a 28-page long executive summary. Arns P.A. Decl, ¶ 2. The case did not settle at that time, but the Parties achieved a better understanding of one another's position. Subsequently, lead counsel for both parties continued to negotiate, with the mediator being kept apprised at all times of the status. *Id.* at ¶ 4. Eventually a framework for settlement was developed between Facebook and counsel for Plaintiffs.

#### E. Procedural History

This action was filed in Santa Clara Superior Court on March 11, 2011. Plaintiffs amended to add a subclass of minors on March 18, 2011. The case was thereafter removed to federal court on April 8, 2011. Following an initial Motion to Dismiss after removal, Plaintiffs amended the Complaint; the operative Complaint is the Second Amended Complaint. Facebook filed a second Motion to Dismiss, which raised issues of lack of standing under Article III of the Constitution, and that the UCL claim fails, both based on the incorrect assertion that Plaintiffs had not alleged any injury, an exemption under the "newsworthy" exemption of Cal. Civil Code Section 3344(d), and preemption under the Communications Decency Act, 47 U.S.C. § 230 ("CDA"). The Motion to Dismiss was denied on December

<sup>&</sup>lt;sup>14</sup> Plaintiffs' responses to Facebook's arguments on the Motion to Dismiss are responded to as follows: lack of Article III standing, Mem. Opp. Dismiss (ECF No. 52) at page 5; Cal. Civil Code § 3344(d) "newsworthy" exemption, page 12; First Amendment, page 12; implied consent to use under the SRRs, pages 15-16; and C.D.A. preemption on the ground that Sponsored Stories are "republications," pages 20-26.

16, 2011, with only the claim for unjust enrichment being deemed untenable on the ground that it is not a separate cause of action. Many of these and other defenses will be available to Facebook if the case were to go to trial, or on appeal should the Settlement be rejected.

Plaintiffs filed their Motion for Class Certification on March 29, 2012, and their Reply on May 3, 2012. The Motion was fully briefed at the time the Parties' original Term Sheet was entered into on May 22, 2012. Plaintiffs filed a first motion for Preliminary Approval of Settlement on June 14, 2012. The Hon. Lucy H. Koh recused herself after the first Motion for Preliminary Approval and the case was transferred to the Hon. Richard Seeborg, the motion was heard on August 2, 2012, and denied without prejudice on August 17, 2012.

Following the hearing and Order on the First Motion for Preliminary Approval of the settlement, Plaintiffs and Defendants negotiated changes to the Settlement Agreement in an effort to address the Court's concerns. *Id.* at ¶ 4. This Court conditionally approved the Settlement, certified the Settlement Class and authorized notice to go out to the Class on December 3, 2012. Notice was duly sent to 146,617,076 e-mail addresses, and a notice was published on January 3, 16, and 28, 2013. Weinmann Decl., ¶ 19; Keough Decl., ¶ 4. A PR Newswire story was also generated on January 3, 2013, and a dedicated website was set up and has been live to answer questions since January 2, 2013. Keough Decl., ¶ 4. Through May 19, 2013, the Settlement Administrator, Garden City Group, received over 18,000 e-mails and 2,227,455 visits to the website. Keough Decl., ¶ 6,11. Class Counsel has received over 11,000 e-mails and over 4,700 phone calls from Class members, and have responded to them either on the telephone or through e-mails. Osborne Decl., ¶ 14. Only 6,946 persons excluded themselves from the settlement, less than 0.006 % of the Class. Keough Decl., ¶ 12.

#### IV. THE COURT SHOULD GRANT FINAL APPROVAL OF THE SETTLEMENT

## A. The Settlement Meets All Requirements For Final Approval

The Ninth Circuit has a "strong judicial policy that favors settlements, particularly where complex class action litigation is concerned." *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir. 1992). *See also Van Bronkhorst v. Safeco Corp.*, 529 F.2d 943, 950 (9th Cir. 1976) (noting "overriding public interest in settling and quieting litigation" that "is

particularly true in class action suits ... which frequently present serious problems of management and expense") (footnote omitted). The Court may also consider the absence of collusion in the settlement process. *Churchill Vill.*, *L.L.C. v. Gen. Elec.*, 361 F.3d 566, 576 (9th Cir. 2004).

The settlement is prima facie fair because it was negotiated at arm's length by experienced counsel after significant discovery, multiple mediation sessions and months of intensive settlement discussions. *See In re Heritage Bond Litig.*, No. 02-ML-1475, 2005 U.S. Dist. LEXIS 13627, at \*16-19 (C.D. Cal. June 10, 2005) (approving settlement and awarding one-third of common fund as fees). As described above, the settlement was reached only after significant discovery had been conducted. The Hon. Edward Infante (Ret.) oversaw the mediation and Plaintiffs were represented by Class Counsel with extensive class action experience. Arns P.A. Decl., ¶¶4, 29-39, and Exs.2, 9-13.

On a motion for Final Approval, the settlement must be found to be "fundamentally fair, adequate and reasonable" as is required under Federal Rule of Civil Procedure 23(e) and applicable Ninth Circuit authority. *See Churchill Vill.*, 361 F.3d at 576; *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 458 (9th Cir. 2000); *Officers for Justice v. Civil Service Commission*, 688 F.2d at 625.

Assessing a settlement proposal requires a district court to balance a number of factors: the strength of the plaintiffs' case; the risk, expense, complexity, and likely duration of further litigation; the risk of maintaining a class action status throughout the trial; the amount offered in settlement; the extent of discovery completed and the stage of the proceedings; the experience and views of counsel; ... and the reaction of the class members to the proposed settlement.

In re Mego Fin., 213 F.3d at 458 (citation omitted). The district court also must satisfy itself that the settlement is not the product of collusion among the negotiating parties. *Id.* A proposed settlement "is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." *Officers for Justice v. Civil Serv. Comm'n of S. F.*, 688 F.2d 615, 625 (9th Cir. 1982). The court must consider the settlement "as is" and cannot rewrite terms or conditions drafted by the parties. *Id.* at 630.

In Class Counsel's view, the settlement is of great value to the Class, as it provides

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relief to address all of the violations alleged in Plaintiffs' complaint, as well as issues which came to light during discovery. The settlement grants no preferential treatment to the class representatives or any segment of the class. Each class member is entitled to the same type of relief. The settlement accomplishes now — without the risk or prejudicial delay associated with further litigation, a trial, or appeals — much of what Plaintiffs sought in the lawsuit. See Alvarado v. Nederend, No. 1:08-cv-01099, 2011 U.S. Dist. LEXIS 2326 (E.D. Cal. Jan. 11, 2011) at \*16-17 (to evaluate the range of possible approval, courts primarily consider the value provided by the settlement against the claims' expected recovery if tried). Numerous factors weigh in favor of the fairness of the settlement.

## B. The Strength of Plaintiffs' Case

If this case continued to be litigated, the contested factual and legal issues of liability under the state right of publicity and unfair competition laws, along with contested class certification issues, would be extensive. Approval of a settlement is proper where "the settlement terms compare favorably to the uncertainties associated with continued litigation regarding the contested issues in this case [including where] the Settlement provides Class Members with a meaningful business resolution regarding contested issues." *Nat'l Rural Telecomms. Coop. v. DirectTV, Inc.*, 221 F.R.D. 523, 526 (C.D. Cal. 2004).

#### C. Risk, expense, complexity, and likely duration of further litigation

"In most situations, unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results." *Id.* (citations omitted). The proposed Settlement Agreement is not "clearly inadequate," given that, among other things, it provides substantial injunctive relief which will be in place for years and that specifically addresses all claims raised by Plaintiffs, and a Settlement Fund of \$20 million. Comparing the uncertainties of future litigation against the risks detailed below, settlement on the terms proposed is clearly warranted.

As to the risk of continued litigation, and as also set forth in Facebook's brief in support of the Joint Motion, Plaintiffs faced significant risks in pursuing these claims, including, *inter* 

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alia, numerous factors which made it apparent that litigation of these issues would continue to be hotly contested, perhaps for many years in the appellate courts. Further, the issues of class certification, implied consent, and minor consent (particularly in light of the transfer order from the Southern District of Illinois in *E.K.D. v. Facebook*, [now *C.M.D. v. Facebook*, No. 12-cv-01216-RS]) by Judge Patrick Murphy, applying the Facebook Statement of Rights and Responsibilities to minors) present challenges for Plaintiffs to ultimately prevail on in the end. *Id.* at ¶ 48.

The following arguments which Facebook has made and which it could make on summary judgment or at trial should the case continue represent risks of litigation:

- The defense of implied consent. The continued use of facebook.com by members, Facebook has argued, has led to increasing amounts of awareness by members of Sponsored Stories by virtue of the members having seen such ads, raising the possibility of a finding of implied consent.
- Facebook Members' use of pseudonyms as opposed to their actual (legal) names and the
  posting of images as "profile pictures" which are not the likeness of the individual Class
  members.
- The contention (rejected by the Judge Koh on the Motion to Dismiss, but available for summary judgment or appeal) that the claims are preempted under the Communications Decency Act, 47 U.S.C. § 230 ("CDA"), and that the "newsworthy" exemption of Cal. Civil Code § 3344(d) grants an exception to the consent requirement of subdivision (a), for use of a likeness "in connection with any news, public affairs, or sports broadcast or account, or any political campaign."
- Facebook has raised a defense under the Children's Online Privacy Protection Act, or COPPA, 15 U.S.C. § 6502, in other matters and could raise the defense in this case. Id. 15
- Class certification also posed a potentially difficult hurdle. In its opposition to the Motion for Class Certification, Facebook argued that California Civil Code § 3344 was not intended by the Legislature to be brought as a class action.

<sup>&</sup>lt;sup>15</sup> Co-counsel in the *C.M.D.* case lost on the issue of COPPA preemption as to minors between the ages of 13 and 17 in a demurrer in *David Cohen v. Facebook*, No. BC 444482, Superior Court of California, dated December 13, 2011. Weinmann Decl., Exs. 6, 7. That action was then dismissed without prejudice. *Id.*, Ex.7.

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Exs.5 and 6. While Plaintiffs deny that any of Facebook's contentions have any merit, these are still risks inherent in further litigation, particularly in cases such as this in which there are numerous issues of first impression.

PLAINTIFFS' MEMORANDUM IN SUPPORT OF MOTION FOR FINAL APPROVAL OF **CLASS ACTION SETTLEMENT** CASE No. CV 11-01726 RS

California Civil Code § 3344 also includes a prevailing party attorneys' fees provision. Facebook has pursued such claims in other cases. 16

The potentially enormous statutory penalties available, also presented a further potential defense for Facebook. If Plaintiffs were able to achieve a judgment for such an amount in litigation, it would create a due process issue for Facebook to appeal, as discussed below.

## D. Valuation of Statutory Damages for Purposes of Settlement

In evaluating the Amended Settlement, Plaintiffs considered the value of the statutory damages provided under Cal. Civil Code § 3344, which are \$750 per violation. Given the size of the Class at over 150 million, and assuming each of the 150 million Class Members were each in only one Sponsored Story, the damages would be in excess of \$112,500,000,000. There are, however, significant potential problems with proof as to Plaintiffs' entitlement to these damages and the viability of Facebook's other defenses, which justify a discount for settlement.

The Hon. Lucy Koh held on the Motion to Dismiss that Plaintiffs must prove actual damages first before being entitled to seek the statutory damages under Cal. Civil Code § 3344, and that plaintiffs do not have a vested interest in receiving the statutory penalties. Fraley v. Facebook, 830 F. Supp. 2d 785, 809-811, 812 (N. D. Cal. 2011). Proving such damages was yet another hurdle which Plaintiffs faced, and which bears directly on their ability to secure the statutory penalties under § 3344. Furthermore, as the Hon. Edward Infante (ret.) noted in his declaration in support of the Settlement, the potentially enormous statutory damages lead to a due process problem, which would be a great risk of continued litigation. Decl. of Edward Infante, Arns P.A. Decl Ex. 2 at ¶18; (ECF No. 286); see also BMW of N. America v. Gore, 517 U.S. 559, 575, 116 S.Ct. 1589 (1996) (holding that courts must consider the proportionality of punitive damages awards to the harm suffered).

E. The Total Amount Achieved by Plaintiffs In Settlement Supports a Finding That it is Fair and Reasonable.

<sup>16</sup> Facebook sought attorneys' fees of over \$700,000 in another Civil Code § 3344 action before this Court, and also sought fees in a similar dismissed State Court action. Weinmann Decl., The Amended Settlement Agreement merits final approval given that, among other

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things, it provides for a common Settlement Fund of \$20 million (less attorneys' fees, administrative fees, costs, and service awards), which will include at least \$11.2 million either distributed to the Class or to cy pres, and injunctive relief which squarely addresses the key issues in Plaintiffs' Complaint, which will be in place for two years. A.S.A. §2.1. The injunctive relief adds further value and can be assigned a dollar value in several ways, as detailed below. Under the "real option" method, that value is in the range of \$145.1 million to \$57.4 million, depending upon the cost associated with exercising the option. Alternatively, control of the "asset" of the friend-endorsements is approximately \$9.4 million per month (or approximately \$226 million for the two-year life of the injunction). Finally, Plaintiffs contend that Class members would value the new rights being worth at least \$1.

The common fund is worth \$20 million, and the injunctive relief is of substantial value to the Class and the public of a further \$57.4 million to \$145.1 million.

In assessing the consideration obtained by the class members in a class action settlement, "[i]t is the complete package taken as a whole, rather than the individual component parts, that must be examined for overall fairness." In this regard, it is well-settled law that a proposed settlement may be acceptable even though it amounts to only a fraction of the potential recovery that might be available to the class members at trial.

Nat7 Rural Telecomms. Coop., supra, 221 F.R.D. at 527 (citations omitted). Plaintiffs have taken into consideration the substantial risks of continued litigation in arriving at the monies that are being offered in settlement to the Class and the scope of the injunctive relief obtained.

## F. Calculation of Additional Revenue / Class Member's Damages for Misappropriation of Right of Publicity In Valuing Past Damages

In assessing the settlement value of the case, Plaintiffs took into consideration the actual damages suffered by the Class members when they were deprived the value of their endorsements in Sponsored Stories. Plaintiffs contend that the actual market value of their endorsements in a Sponsored Story is the difference between what advertisers were willing to pay Facebook for a friend-endorsed ad (e.g., a Sponsored Story) and a standard ad with no endorsement. This represents the premium that advertisers place on friend endorsements. Class members were deprived of this amount upon the use of their endorsements. 17

This value is measurable because friend-endorsed ads have a higher market value among advertisers than non-friend-endorsed ads. Arns P.A. Decl Ex. 7, ¶ 8a; Arns P.A. Decl Ex. 6, ¶11a; Arns P.A. Decl. Ex. 5, ¶¶ 7b,7c,7m. Facebook is able to obtain additional revenue from advertisers because of the Plaintiffs' appearance in the ads and the accompanying apparent endorsement by Plaintiffs; this is the commercial market value of the Member's endorsement. Arns P.A. Decl Ex. 7, ¶¶ 8b, 8o, 8p, 8q; Arns P.A. Decl Ex. 6, ¶11e. The deprivation of that value belonging to Class Members by Facebook (due to misappropriation and the denial of the right to negotiate for it) is the Class Members' injury. The additional revenue Facebook achieved through Sponsored Stories versus standard ads represents the amount Class Members would have been able to negotiate for had they been given the opportunity. Arns P.A. Decl Ex. 7, ¶ 8q. According to Plaintiffs' marketing expert Gary Frazier, the amount of such payment would be proportional to the relevance of that person's endorsement to the audience to which the ad is shown. Arns P.A. Decl Ex. 6, ¶ 11d.

One method Plaintiffs employ to calculate damages is to assign a value of one-half of the value of the revenue for the actual ad campaign to the Standard Ad. The basis for this is Facebook's many public statements that "Ads shown with the names of people's friends are twice as effective as those without." Thus, from these statements it can be inferred these ads are more valuable than standard ads. Arns P.A. Decl Ex. 5, ¶¶ 7m, n, o. As of August 31, 2012, a total of 123,868,976 users had appeared in Sponsored Stories, generating total revenue of \$233,792,612. See Declaration of Christopher Plambeck ISO Joint Motion for Final Approval (ECF No. 261). Assuming the incremental value of the user's endorsement is 50% more effective, as Facebook has stated, then actual damages calculated by this approach, taking half

<sup>&</sup>lt;sup>17</sup> The determination of damages is complex and Plaintiffs refer the Court to and incorporate by reference their Memorandum in support of the Joint Motion for Preliminary Approval (ECF No. 280) (particularly pages 17-23) and the supporting declarations of Gary Frazier, David Taber, Richard Drogin and Fernando Torres (RSA P.A. Decl. Exs. 5-8, ECF No. 287).

One example is Facebook's "Guide to the New Facebook Ads Manager," which claims "Ads shown with the names of people's friends are twice as effective as those without...." Weinmann Decl., Ex. 14. The empirical claims of the Nielsen Company, working in partnership with Facebook, support these assertions. Weinmann Decl., Ex. 15.

of the revenue from Sponsored Stories and dividing it among the Class members (and assuming one Sponsored Story per Class Member), actual damages were \$0.94 per class member.

Another method of calculating actual damages is to use the click-through rate ("CTR"), a ratio Facebook tracks and records. Arns P.A. Decl ¶ 20. The CTR is the ratio of the number of times an ad is clicked to the total number of times the ad is shown. Arns P.A. Decl Ex. 7, ¶ 8f. For example, a 0.2% CTR would mean the ad was clicked on twice in a thousand showings, or "impressions." Plaintiffs' expert David Taber, who has extensive experience in online advertising, confirms that CTR is the most commonly used and consistent metric employed by advertisers when valuing online ad campaigns. Arns P.A. Decl Ex. 5, ¶ 7q-t; Arns P.A. Decl Ex. 7, ¶ 8d-f; see also Arns P.A. Decl. Ex. 4, sub Ex. 2, pp. 40:20-42:5; 41:24-42:5.

Fernando Torres, Plaintiffs' expert in the economic valuation of rights to publicity, created a formula which can be used to calculate the value of the "friend endorsement" and hence the class members' damages. Arns P.A. Decl Ex. 7. Knowing that advertisers would seek out and pay more for an ad with a higher CTR, Mr. Torres compares the effectiveness of Sponsored Stories ads to that of standard ads. <sup>19</sup> *Id.* at ¶ 8i, 8r. Torres expresses the added effectiveness of Sponsored Stories ads as the "incremental revenue" Sponsored Stories generate. Applying this concept to the number of users who had appeared in Sponsored Stories up through August 2011, the "actual damages" calculated by this approach for a typical Class member is approximately \$1.45 per user. Torres Decl. Regarding the Value of Injunctive Relief, (ECF No. 282). Plaintiffs' expert statistician Dr. Richard Drogin found that Facebook maintains all data he would need to determine damages available to each class member on a class-wide, per-plaintiff, or per-ad campaign basis. Arns P.A. Decl Ex. 8, ¶ 5-16.

## G. This Case Presents Circumstances Appropriate for Cy Pres Distribution for Unclaimed Sums

As noted above, based on figures provided by Facebook, the average additional revenue that Facebook is calculated to have earned per class member was only approximately \$1.45.

<sup>&</sup>lt;sup>19</sup> "Facebook Ads" are another ad product that appears on Facebook's website, but in some instances do not contain a user's name and likeness, and are therefore a good stand-in for the hypothetical "Standard Ads." *Id.* at ¶ 8v.

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Thus, the amounts offered of \$10 to \$15 to the claiming Class members was not disproportionate to the damage suffered by the vast majority of class members. However, over 614,000 persons made claims, and thus \$6.1 to \$9.2 million will actually be distributed to class members.

Plaintiffs believe that since the claims rate to the claiming Class members, plus the amount requested for attorneys' fees and costs does note exhaust the Settlement Fund, a cy pres award of the remaining funds, which will be over \$2 million, to the suggested recipients will provide the next best relief to benefit the Class, rather than increasing the amounts to the claiming Class Members above \$15. The Court of Appeals for the Ninth Circuit, and other jurisdictions, have recognized that the use of cy pres to further the interest of a class is warranted in appropriate circumstances – even where that is the *only* relief. See Catala v. Resurgent Capital Services L.P., No. 08CV2401 2010 U.S. Dist. LEXIS 63501 (S.D. Cal. June 22, 2010) (cy pres only settlement approved where the amounts available to the Class would have been trivial when divided among the class members); Six (6) Mexican Workers v. Ariz. Citrus Growers, 904 F.2d 1301, 1305 (9th Cir. 1990) ("when a class action involves a large number of class members but only a small individual recovery, the cost of separately proving and distributing each class member's damages may so outweigh the potential recovery that the class action becomes infeasible ... cy pres distribution avoids these difficulties ... federal courts have frequently approved this remedy in the settlement of class actions where the proof of individual claims would be burdensome or distribution of damages costly.")

Circuit and District courts across the country have noted their approval of or adopted the "infeasibility" test (the use of *cy pres* awards where monetary damages are infeasible) and approved settlements which consisted of "*cy pres* only awards" in lieu of damages, or awards of *cy pres* where funds available would not result in meaningful individual awards even if large in the aggregate. *See In re Pharm. Indus. Average Wholesale Price Litig.*, 588 F.3d 24, 34 (1st Cir. 2009); *In re Holocaust Victim Assets Litig.*, 424 F.3d 132, 146 (2d Cir. 2005).

In Boyle v. Giral, 820 A.2d 561, 569 (D.C. 2003), an antitrust case concerning vitamin products, the District of Columbia Court of Appeals approved a cy pres only award to

 organizations promoting the health of District of Columbia residents where only \$1 would have been available for each Class member. The Court of Appeals noted:

Such distributions, including the **entire amount** of the consumer **settlement fund rather than just the residue**, are being used or advocated increasingly where direct distribution of settlement funds to individual class members is impractical; and where important consumer goals, such as disgorgement of ill-gotten gains from and deterrence of future over-pricing and manipulation of market allocation by the offending entities, can be achieved [...]. We are satisfied that the fund will benefit consumers.

Id. at 569 (emphasis added). See also In re Heartland Payment Sys., Inc., No. 09-2046 2012 U.S. Dist. LEXIS 37326 (S.D. Tex. March 20, 2012) (approval of a cy pres award of \$1 million in settlement where only 290 valid claims out of a class of 130 million persons who had suffered from a data security breach by backers as to their payment cards). Thus, cy pres awards have been approved where the benefit to the Class will result, after whatever distribution is practicable is made, even if distribution of the remainder was not technically impossible. Distribution of the remaining funds, after an increase of the distribution to claiming Class Members to \$15, is thus appropriate and a benefit to the rest of the Class.

This Court approved the distribution of cy pres to a privacy foundation as the primary relief in Lane v. Facebook, No. 08cv-3845 RS 2009 WL 2076916 (N.D. Cal. May 24, 2010), aff'd, 2012 US App. LEXIS 19767 (9th Cir. Sept. 20, 2012). Despite Lane being an all cy pres settlement, the benefit to the class was considered so beneficial to the class the Court awarded a multiplier of 2.0 to the fees for Plaintiffs' counsel. As noted, other courts have also endorsed the use of cy pres in lieu of damages awards, where it is impracticable to distribute monies to them. See In re Mexico Money Transfer Litig., 164 F. Supp. 2d 1002 (N.D. Ill. 2000) (\$4.6 million in cy pres). A cy pres distribution would be appropriate.

The Ninth Circuit in *Lane* noted that the fact that the claims of some class members might be more valuable than others did "not cast doubt on the district court's conclusion as to the fairness and adequacy of the overall settlement amount to the class *as a whole.*" Further, it noted that:

 a class-action *settlement* necessarily reflects the parties' pre-trial assessment as to the potential recovery of the entire class, with all of its class members' varying claims. So even if some of the class members in this case would have successful claims for \$2,500 in statutory damages under the VPPA, those individuals represent, to use the candid phrasing of Objectors, "only a fraction of the 3.6 million-person class." Their presence does not in itself render the settlement unfair or the \$9.5 million recovery among all class members too low.

Lane, at \*25-26 (emphasis in original) (citation omitted). Similarly here, the fact that only a percentage of the Class will receive between \$5 and 10 in cash does not render the amount in settlement – here more than \$12.5 million less administration fees and costs potentially distributed to the Class – too low, even in light of the \$750 statutory damages provision in Cal. Civil Code. \$ 3344. Most Class members' actual damages will be below a dollar. To the extent that certain Class members do not receive a cash payment, they are still receiving the benefit of the injunctive relief changes and the impact on the online industry that the lawsuit will bring. Further, persons who believe that they have viable claims for more can opt out and bring a separate suit, as the Ninth Circuit noted in Lane.

## H. The proposed cy pres recipients are appropriate under the Ninth Circuit's standards

Ninth Circuit case law has held, "[c]y pres distributions must account for the nature of the plaintiffs' lawsuit, the objectives of the underlying statutes, and the interests of the silent class members, including their geographic diversity," Nachshin v. A.O.L., LLC, 663 F.3d 1034, 1036 (9th Cir.2011) (citing See Six Mexican Workers v. Ariz. Citrus Growers, supra, 904 F.2d at 1307-8 (emphasis added)). The proposed recipients meet each of these requirements. The proposed cy pres grants here will be used to address issues of the commercialization of personal information online, and will go to organizations which are involved in educational outreach that teaches adults and children how to use social media technologies safely, or are involved in research of social media, with a focus on critical thinking around advertising and commercialization, particularly of the commercialization of children. They will be of use to all Facebook users and children and parents nationwide.

#### I. The Court Should Place A Value On The Injunctive Relief

class actions and attorneys' fees based thereon. See White v. Experian Information Solutions,

2011 U.S. Dist LEXIS 79044 (C.D. Cal. July 15, 2011) (where the primary relief was

Courts in several actions have recognized the value of injunctive relief in approving

injunctive relief to "retroactively update the credit files" of class members, the District Court used a 1.9 multiplier to award fees of \$5,671,778); McCoy v. Health Net, Inc., 569 F. Supp. 2d 5 6 7 8 9 10 11 12 13

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27 28 448 (D.N.J. 2008). In the case of In re Bluetooth Headset Products Liability Litigation, 654 F.3d 935 (9th Cir. 2011) the Court of Appeal indicated it will consider justifying attorney's fees based on injunctive relief if the District Court has assessed a value for it.20 While the Settlement can and Plaintiffs contend should be approved even if a value is difficult to be placed on the injunctive relief, the Court should assign a value to the injunctive relief obtained. Plaintiffs here have obtained relief beyond what would be attainable at trial in new protections for minors and changes on Facebook's website. 21 The notice and control components of the injunctive relief provide the users with the ability to see what Sponsored Stories they have appeared in, and to preclude further such appearances on an advertiser-by-advertiser or categorical basis, A.S.A. 2.1(b), none of which is currently possible. Furthermore, the relief provides new tools for opting minors out of Sponsored Stories altogether, and gives parents <sup>20</sup> The circumstances of *Bluetooth* were quite dissimilar to this case. The Court of Appeals noted in a footnote that the value of the injunctive relief "is not apparent to us from the face of the complaint, which seeks to recover significant monetary damages for alleged economic injury, nor from the progression of the settlement talks, the last of which occurred after defendants had voluntarily added new warnings to their websites and product manuals." Bluetooth, 654 F.3d at 945, n. 8. Here, Facebook has not yet instituted the changes provided for in the ASA Agreement, and those changes are far more significant than those in Bluetooth,

misappropriate their right of publicity. The social value of this should not be ignored.

including the tools to actually stop appearances in ads and an opt-out for minors.

<sup>21</sup> Courts have also acknowledged injunctive relief often generates substantial benefit to class

members and the public at large through publicity garnered by settlements. See Vizcaino v. Microsoft Corp., 142 F. Supp. 2d 1299, 1304 (W.D. Wash, 2001)("[a]s a result of this case and

the large amount of publicity surrounding it, many employers have been advised to carefully

ensure their workers are properly classified...); see also New England Carpenters Health Benefits Fund v. First Databank, Inc., 2009 U.S. Dist. LEXIS 68419 (D. Mass. Aug. 3,

2009)(future injunctive relief resulted in rolling back certain drug prices); In re Currency Fee Antitrust Litigation, 263 F.R.D. 110, 124 (S.D.N.Y. 2009) (court held that the injunctive relief

was among the factors that "weigh[ed] strongly in favor of the settlement."). In the present

settlement, other online advertisers are on notice that they cannot mislead users or

PLAINTIFFS' MEMORANDUM IN SUPPORT OF MOTION FOR FINAL APPROVAL OF **CLASS ACTION SETTLEMENT** CASE No. CV 11-01726 RS

controls to do the same. A.S.A. § 2.1(c)(iii). The relief also changes the language in Facebook's SRRs, removing all ambiguity about whether users' permit Facebook to use their names and profile pictures in Sponsored Stories. *See* A.S.A. § 2.1 (b).

For all of the reasons set forth more fully in Plaintiffs' Motion for Attorneys' Fees, and in the accompanying Response to Objections Brief, the Court should consider the value of the injunctive relief and approve Class Counsel's Fee Request.

## J. Methods of Valuation of the Injunctive Relief

Plaintiffs in their preliminary approval brief offered alternative methods for assigning a dollar value to the ability of the Class members to control the use of their endorsements in Sponsored Stories. These included the Real Option Valuation method, Fair Market Valuation and Minimum Valuation.

Real Option Valuation: Real option valuation is a financial tool used to determine the value of a person's right to undertake or not undertake a certain activity, as explained in detail by Plaintiffs' expert Dr. Phillip Allman in his declaration in support of the Motion for Preliminary Approval. The injunctive relief in this case grants the Class members the right to exercise or not exercise control over the use of their endorsements. Under the real option value analysis, this right is viewed as a right to sell a "call option" for the endorsement. The call option can be sold in the marketplace of social media outlets. A commonly known marketplace for the purchase and sale of endorsements on social networks may not be apparent. Allman Decl. in support of Preliminary Approval (ECF No. 281), ¶16; Torres Decl. in support of Preliminary Approval (ECF No. 282), ¶13. There is, however, substantial evidence that such a marketplace is blossoming and, in some cases, users can currently sell such endorsements. *Id*.

The analysis calculates the value of the injunctive relief by considering the "spot price" of the asset underlying the option (a single user's endorsement, determined to be \$1.55) and the "volatility" of the underlying asset's value (variability of the price of the asset, determined to be .54). Allman Decl. ¶ 16; ¶ 19. With these inputs, Dr. Allman calculates results in a range of possible values for the control of the endorsements. Specifically, the value ranges from \$1.17 per user to \$0.46 per, depending on the cost to the user of exercising the option and bringing

 their endorsements to market. Multiplying these figures by the number of Class members over the 24-month life of the injunction for the entire Class in the aggregate, gives a range of values of between \$145.1 million to \$57.4 million. *Id.*, ¶ 20.

<u>Fair Market Value Method:</u> Alternatively, the Court can consider the value of the injunctive relief as measured by the established fair market value of the Class members' endorsements. The fair market value method recognizes that the Class members' endorsements have a value established in the marketplace by what the advertisers would be willing to pay for Sponsored Stories "friend endorsements" over what they would pay for a Standard Ad. The injunctive relief gives the Class members control of their endorsements, thereby generating incentives for advertisers who want to use the endorsement to enhance the enticements offered to get users to "like" things or otherwise take actions that can lead to Sponsored Stories.

Mr. Torres further explained the value of Plaintiffs' injunctive relief. As discussed above, the value of the past "actual" damages for the Class members was calculated based on the added value of the endorsements for Sponsored Stories campaigns that were sold. The class members now by virtue of the injunctive relief changes have the opportunity, by using the new features to control the use of what is essentially a \$9.4 million/month advertising asset. Torres Decl., ¶¶12, 15. Based on this determination, the value of the injunctive relief is \$226 million at a minimum for the next 24 months alone. *Id.* at ¶15.

Minimum Valuation: Finally, the injunctive relief provides class members a reputation management tool for their Facebook account. Plaintiffs believe that as there is an established value for reputation management services, the new tools and information provided through the injunctive relief is worth at least \$1 on average to each Class member. Since there are over 150 million class members (the number of Facebook users increased from 123 million after Preliminary Approval), that places the value of the injunctive relief at least \$150 million.

## K. The Service Awards to the Class Representatives are Reasonable

Plaintiffs have requested and Facebook has agreed to pay service awards totaling \$37,500, subject to court approval, which includes \$12,500 for each of the Class Representatives. A.S.A. § 2.6. Class representatives "are eligible for reasonable incentive

payments," after consideration of relevant factors, including the actions the representative has taken to protect the interests of the class and the degree to which the class has benefited from those actions. *Staton v. Boeing Co.*, 327 F.3d 938, 977 (9th Cir. 2003). Plaintiffs have assisted in responding to voluminous documentary discovery about their personal lives, had their depositions taken at length, and monitored the progress of the action and mediation and should be rewarded for taking the initiative to file the action, and for their role in reaching a Settlement providing for valuable relief to the Settlement Class. Arns P.A. Decl., ¶ 28. Plaintiffs Mainzer, Duval and W.T. have expended an estimated 150 hours related to their duties in this matter. Arns P.A. Decl. ¶ 28.

In addition, Plaintiffs by litigating this case potentially exposed themselves to massive attorneys fees and costs under the fee shifting provision in Civil Code § 3344. Arns P.A. Decl., ¶64.<sup>22</sup> Furthermore, Facebook's lawyers attempted to use this to intimidate all Class Representatives during depositions, repeatedly asking each Class Representative if they were aware they could be liable for Facebook's fees and costs. Weinmann Decl., Exs. 1 (Maizner Tr. at 27:16-21) and Ex. 2 (W.T. Tr. at 173:16-19; 174:11-13). This was not an idle threat. As noted above in footnote 16, Facebook has sought fees in the hundreds of thousands of dollars in other actions under Civil Code § 3344. Indeed, the Ninth Circuit has approved incentive awards to class representatives that far exceed the modest award proposed by Plaintiffs, \$12,500 each. *Staton*, 327 F.3d at 976-77.

## L. The Response of the Class

"It is established that the absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of a proposed class settlement action are favorable to the class members." *Nat'l Rural*, 221 F.R.D. at 529 (citing cases); accord In re Lucent Techs., Inc., Sec. Litig., 307 F. Supp. 2d 633, 644 (D.N.J. 2004) ("The absence of objections from the overwhelming majority in response to the Notice to Class

An incentive award is particularly appropriate where class representatives have attracted significant media attention and notoriety as a result of the litigation. *See, e.g., Wilson v. Airborne, Inc.*, No. EDCV 07-770-VAP (OPx), 2008 U.S. Dist. LEXIS 110411, 2008 WL 3854963, \*13 (C.D. Cal. Aug. 13, 2008).

Members should be considered in approving the Settlement."); In re Sumitomo Copper Litig.,

189 F.R.D. 274, 281 (S.D.N.Y. 1999) ("the absence of substantial objections and relative
absence of opt-outs strongly favors approval") (citing cases). Here, the response from Class
members has been overwhelmingly positive. Out of the nearly 146,617,076 e-mails delivered to
Settlement Class Members (Weinmann Decl., ¶ 19), and also after publication Notice, only 104
objections to the settlement were filed. Further, only 6,946 Class members excluded
themselves. Id., ¶ 2. In addition, as noted above, 614,994 persons made claims, thereby

# M. The Experience and Views of Counsel

expressing their approval.

"Great weight' is accorded to the recommendation of counsel, who are most closely acquainted with the facts of the underlying litigation. This is because 'parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in the litigation.' Thus, 'the trial judge, absent fraud, collusion, or the like, should be hesitant to substitute its own judgment for that of counsel.'" *Nat'l Rural*, 221 F.R.D. at 528 (citations omitted). The basis for such reliance is that "[p]arties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pacific Enters. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Indeed, absent fraud, collusion, or the like, a district court should be hesitant to substitute its own judgment for that of counsel when evaluating a proposed settlement. *E.g.*, *McNary v. Am. Sav. and Loan Ass'n*, 76 F.R.D. 644, 649 (N.D. Tex. 1977) ("Courts have consistently refused to substitute their business judgment for that of counsel, absent evidence of fraud or overreaching").

Class Counsel in investigating this action thoroughly, has demonstrated a high degree of competence in the litigation of this case, and strongly believes that the Settlement is a fair, adequate, and reasonable resolution of the Settlement Class's disputes with Defendants and is preferable to continued litigation. Arms P.A. Decl, ¶¶ 56 69. There is no evidence of fraud or collusion in the settlement negotiations, which were conducted at arms' length, before Judge Infante, a respected retired Judge for the California Superior Court and experienced mediator

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with JAMS. Arms P.A. Decl, ¶4 and Ex. 2. Accordingly, Plaintiff respectfully requests that the proposed Settlement Agreement be finally approved.

# THE CLASS WAS GIVEN ADEQUATE NOTICE

Before finally approving a class settlement, "[t]he court must direct notice in a reasonable manner to all class members who would be bound by the proposal." Fed. R. Civ. P. 23(e). What constitutes reasonable notice depends on the circumstances of the case. See id. Courts have broad discretion in fashioning an appropriate notice program. In re Gypsum Antitrust Cases, 565 F.2d 1123, 1127 (9th Cir. 1977) (finding matters of notice are "left to the court's discretion to be dictated by the circumstances of each case.") (citation omitted). Generally, notice is acceptable if it "describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard." Churchill Vill., LLC v. Gen. Elec., 361 F.3d 566, 575 (9th Cir. 2004) (quotation omitted).

The notice plan provided Class members with individual notice by email. See A.S.A. § 3.3. This resulted in 146,617,076 emails being sent to Class Members. Weinmann Decl. ¶ 19. Facebook also caused a summary of the settlement terms to be published (i) three times in an insertion in the national Monday-Thursday edition of USA Today, and (ii) once by transmission through PR Newswire's US1 distribution service, A.S.A., § 3.3(c).

The form of notice proposed by the parties was found by this Court to comply with the requirements of Fed. R. Civ. P. 23(c)(2)(B). Class members had 60 days after notice went out to opt out or exclude themselves from the Class. A.S.A. §3.6. Notice of the proposed settlement was also provided to the appropriate federal official and the appropriate State officials of all 50 states, as required by the Class Action Fairness Act, 28 U.S.C. § 1715. A.S.A. § 3.4.

#### VI. THE PROPOSED SETTLEMENT CLASS SHOULD BE CERTIFIED FOR SETTLEMENT PURPOSES AND PLAINTIFFS' COUNSEL APPOINTED AS CLASS COUNSEL

The Court should determine that the proposed settlement class meets the requirements of Rule 23. See Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 619-20 (1997); MANUAL FOR COMPLEX LITIGATION (FOURTH) § 21.632 (2012). The prerequisites for certifying a class are (1) numerosity, (2) commonality, (3) typicality, and (4) adequacy of representation, each of which

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is satisfied here. See Fed. R. Civ. P. 23(a). Plaintiffs bear the burden of establishing that all four 1 requirements of Rule 23(a) are met, as well as one requirement of Rule 23(b). Zinser v. Accufix 2 Research Inst., Inc., 253 F.3d 1180, 1186, amended by 273 F.3d 1266 (9th Cir. 2001). Whether 3 or not to certify a class is within the broad discretion of the Court. Li v, A Perfect Franchise, 4 Inc., No. 5:10-CV-01189 2011 U.S. Dist. LEXIS 114821 (N.D. Cal. Oct. 5, 2011) at \*20-21. 5 Id. Plaintiffs seek certification of a Class under Fed. R. Civ. P. 23(b)(3), as questions of law 6

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A. Numerosity is Satisified

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"The prerequisite of numerosity is discharged if 'the class is so large that joinder of all

members is impracticable." Hanton v. Chrysler Corp., 150 F.3d 1011, 1019 (9th Cir. 1998)

and fact predominate over any individual issues

Facebook stated that as of August 31, 2012, approximately 123 million users who fit the Plaintiff Class definition had appeared in at least one Sponsored Stories ad. See Declaration of

Christopher Plambeck, ¶ 7. Of that number, 19.7 million fit the Subclass of Minors definition of minors, Id. This number far exceeds the numbers where the joinder of the members of the class action is impractical beyond any doubt. See Hanlon, 150 F.3d at 1019.

B. The Claims are Typical and There is Commonality Under Rule 23(a)

Rule 23(a)(3) requires that the claims of the representative plaintiff be typical of those

17 18 of the class. Commonality and typicality "tend to merge," such that factors that support a 19 finding of commonality also support a finding of typicality. Gen. Tel. Co. of the S.W. v. Falcon,

457 U.S. 147, 157 n.13 (1982). "The test of typicality is whether other members have the same or similar injury, whether the action is based on conduct which is not unique to the named

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relating to Facebook's use of user's names and likenesses in Sponsored Stories arise under California law as made applicable under the SRR (and thus under Cal. Civil Code § 3344). Also, typicality applies because Plaintiffs' claims arise from Facebook's creation of Sponsored

Stories and the showing of those ads without obtaining permission, all Plaintiffs have been

plaintiffs, and whether other class members have been injured by the same course of conduct."

Plaintiffs' claims are typical of the Class they seek to represent because all claims

Hanon v. Dataproducts Corp., 976 F.2d 497, 508 (9th Cir. 1992) (citation omitted).

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 injured in the same manner. Plaintiffs' claims are based on the same facts and legal theories as the Class and are, therefore, typical. *See Hanlon*. 150 F.3d at 1020 (typicality satisfied where plaintiffs' claims are "reasonably coextensive with those of absent class members"). For similar reasons, Plaintiffs' claims also meet the commonality requirement in that they raise "questions of law or fact common to the class," including whether Facebook's policies violated State law, and whether they caused injury to the Class. *See* Fed. R. Civ. P. 23(a)(2); *see Wal-Mart Stores, Inc. v. Dukes*, 131 S. Ct. 2541, 2551 (2011).

A subclass of minors represented by James H. Duval, and W.T, through his guardian ad litem Russell Tait, should also be certified. Cal. Civil Code § 3344 expressly states that liability attaches for failure to obtain consent "in the case of a minor, the prior consent of his parent or legal guardian." Facebook uniformly does not seek consent as to any minors. Each of the other requirements of proof – other than consent – are identical for the Subclass.

"In addition to meeting the conditions imposed by Rule 23(a), the parties seeking class certification must also show that the action is maintainable under Fed. R. Civ. P. 23(b)(1). (2), or (3)." Hanlon, 150 F.3d at 1022. The proposed class is maintainable under Rule 23(b)(3) as common questions predominate over any questions affecting only individual members and class resolution is superior to other available methods for a fair resolution of the controversy. Id. at 1022-23. Because Facebook is an Internet company and all of its dealings with its Members are all through its website, all of the Class Members are similarly situated and exposed to the same policies, practices and procedures. This applies to the SRRs, the Privacy Policy, as well as the means by which Sponsored Stories are generated. See Ex. 6, 166:11-170:4 (single version of the terms applies to all users at a given time). Each of the issues that are the subject of common proof or determination as a matter of law can be addressed (in this case through settlement) for all class members at once, justifying certification of these claims for settlement purposes. See, e.g., Wolin v. Jaguar Land Rover N. Am., 617 F.3d 1168, 1173 (9th Cir. 2010); Parkinson v. Hyundai Motor Am., Inc., 258 F.R.D. 580, 596-97 (C.D. Cal. 2008).

Class members' claims satisfy the predominance requirement, as the proposed Class and subclass are "sufficiently cohesive to warrant adjudication by representation," because of the

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legal and factual questions, "qualify each class member's case as a genuine controversy." *Thomas v. Buca*, 231 F.R.D. 397, 402 (C.D. Cal. 2005) (quoting *Amchem*, 521 U.S. at 623). A "central concern of the Rule 23(b)(3) predominance test is whether 'adjudication of common issues will help achieve judicial economy." *Vinole v. Countrywide Home Loans, Inc.*, 571 F.3d 935, 944 (9th Cir. 2009) (quoting *Zinser, supra*, 253 F.3d at 1189). Thus, courts must determine whether common issues constitute such a significant aspect of the action that "there is a clear justification for handling the dispute on a representative, rather than on an individual basis." Charles Alan Wright, et al., 7A Federal Practice and Procedure § 1778 (3d ed. 2005).

In this case, Plaintiffs have alleged not just a single common issue, but several. These questions of law and fact include, but are not limited to, the following:

- Whether Plaintiffs and the Class consented to the use of their names, photographs,
   likenesses, or identities in Sponsored Stories.
- Whether FACEBOOK gained a commercial benefit by using Plaintiff and the Class' names, photographs, likenesses in Sponsored Stories.
- Whether Class Members are entitled to damages as a result of FACEBOOK's conduct, and, if so, what is the measure of those damages.
- Whether Sponsored Stories are ads. Plaintiffs contended that they are, Facebook denied in this litigation that they are ads.<sup>23</sup>
- Whether Facebook's conduct violated Cal. Civil Code § 3344 and California's
   Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, et seq.).

Any one of these common questions is sufficient to establish commonality in this action. Together, they overwhelmingly satisfy Rule 23(a)(2).

# C. Adequacy of Representation.

The final requirement of Rule 23(a), adequacy of representation, is also satisfied. Rule 23(a)(4) requires that the "representative parties will fairly and adequately protect the interests of the class." *Hanlon, supra*, 150 F.3d at 1020. The adequacy of representation issue focuses on whether the plaintiff's attorney is qualified to conduct the proposed litigation and whether

<sup>&</sup>lt;sup>23</sup> See footnote 5, *supra*.

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the plaintiff's interests are antagonistic to the interests of the class. *Marr v. E. State Hosp.*, 2002 U.S. Dist. LEXIS 28460, \*15 (E.D. Wash. Apr. 29, 2002). Plaintiffs have hired experienced class counsel to prosecute the action. As set forth more fully below, The Arns Law Firm and its lawyers, Robert S. Arns, Jonathan E. Davis, Steven R. Weinmann, Kevin M. Osborne, and Robert C. Foss are experienced in class action cases. Arns P.A. Decl. ¶29-39. Jonathan M. Jaffe, the other Class Counsel, is uniquely qualified to address the issues raised in this case. *See* Arns P.A. Decl. ¶39.

Second, Plaintiffs' interests are co-extensive with those of the Class. Plaintiffs had Sponsored Stories ads created about them and were not asked for their consent nor were they paid for appearing in such ads, as were all other class members. Plaintiffs seek relief that is identical to the relief sought by members of the class. Plaintiffs do not have any conflicts with the other members of the Class. Rather, they have exactly the same incentives to prove their cases as do the other Class members, and their interests are thus perfectly aligned and Plaintiffs clearly are adequate representatives of the Class. Plaintiffs and their counsel have shown, through their prosecution of this action and negotiation of this proposed settlement, that they "will fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a)(4). The Proposed Settlement Class Meets the Requirements of Rule 23(b) (3).

## D. A Class Action is the Superior Means of Adjudication

Rule 23(b)(3) requires that a court determine whether "a class action is superior to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23 (b)(3). "A plaintiff can satisfy the superiority requirement when he or she can show that 'classwide litigation of common issues will reduce litigation costs and promote greater efficiency." Wolph v. Acer Am. Corp., 272 F.R.D. 477, 488 (N.D. Cal. 2011), (quoting Valentino v. Carter-Wallace, Inc., 97 F.3d 1227, 1234 (9th Cir. 1996)). "In order to make this determination, the Court should consider the following factors: 'the interest of members of the class in individually controlling the prosecution or defense of separate actions; the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; the desirability or undesirability of concentrating the litigation of the claims in the

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27 28 Fed. R. Civ. P. 23(b)(3)(A)-(D)." Wolph, 272 F.R.D. at 488; accord Leuthold v. Destination Am. Inc., 224 F.R.D. 462, 469 (N.D. Cal. 2004).

particular forum; the difficulties likely to be encountered in the management of a class action.'

A class action is also superior to any alternatives because "few potential class members could afford to undertake individual litigation against [Defendant] to recover relatively modest damages." Chamberlan v. Ford Motor Co., 223 F.R.D. 524, 527 (N.D. Cal. 2004); accord, Bateman v. Am. Multi-Cinema, Inc., 623 F.3d 708, 718 (9th Cir. 2010). Furthermore, to the extent that individuals would bring suit if class certification would be denied, judicial economy and efficiency, and the risk of inconsistent verdicts, all weigh in favor of class certification. The courts do not need millions of individual actions burdening their dockets. A key part of the relief sought in this case is injunctive relief in the form of an injunction requiring Facebook to make significant changes to its practices with regard to securing consent from both adults and minors. It is obviously crucial that Facebook be directed to make only one set of changes. Prosecution of Plaintiffs' claims on a classwide basis is the only viable means to resolve Plaintiffs' and other Class members' claims, and the Court should certify this action.

### E. Nationwide Certification And Application of California Law

A nationwide class is plainly appropriate in the circumstances. Because Facebook is an Internet company and all of its dealings with its Members are through its website, all of the Class Members are similarly situated and exposed to the same policies, practices and procedures. This applies to the SRR, Terms of Use, and Privacy Policy, as well as the means by which Sponsored Stories ads are generated. Ex. 2 (types of actions leading to SS ads); see Ex. 6 Muller Dep., 166:11-170:4 (single version of Terms applies to all users at a given time); Ex. 4 Hegeman Dep., 154:19-185:20 (the elements of a SS ad are the same).

California law is specifically made applicable to all claims against Facebook under the user agreement. Exs. 18, 20, 21, Section 15.1. Facebook's terms of use contain the following choice of law clause:

You will resolve any claim, cause of action or dispute ("claim") you have with us arising out of or relating to this Statement or Facebook exclusively in a state or federal court located in Santa Clara County. The laws of the State of

 California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions. You agree to submit to the personal jurisdiction of the courts located in Santa Clara County, California for the purpose of litigating all such claims.

Statement of Rights and Responsibilities, Section 15.1. Exs. 18, 20, 21 (emphasis added). Facebook has thus stated that California law applies across the board to disputes with its members / users.

The claims in this case are based upon violation of a pair of California laws, the Unfair Competition Law and the Consumer Legal Remedies Act. In Wash. Mutual Bank, FA v. Super. Court, 24 Cal. 4th 906, 921 (2001), the California Supreme Court established that courts must enforce a California choice of law as to a nationwide class so long as "the chosen state has a substantial relationship to the parties or their transactions." California has a substantial relationship to the parties through the residency here of both two of the three class representatives, and the presence of Facebook's headquarters, and one-eighth of the nation's population, many of whom are Facebook users.

Furthermore, California law is the appropriate law as the challenged actions originate out of Facebook's California headquarters. California has an interest in preventing unlawful, unfair, or fraudulent behavior from originating in California. *Diamond Multimedia Systems, Inc. v. Superior Court*, 19 Cal. 4th 1036 (1999) (out of state plaintiffs can sue for actions originating in California). Thus, the UCL can be used to support a nationwide class against Facebook –since Facebook is headquartered in California – and because the challenged practices were implemented at Facebook's California headquarters. "Where the defendant is a California corporation and some or all of the challenged conduct emanates from California," it is proper to apply California statutes to non-California members of a nationwide class. *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 243 (2001). Accordingly, nationwide certification is proper.

## F. Appointment of Class Counsel Under Rule 23(g)

In connection with any order certifying a class, Rule 23(g) requires that the Court formally appoint Class Counsel. Of the 9 attorneys practicing at the Arns Law Firm, 5 of

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whom, Robert Arns, Steven Weinmann, Jonathan Davis, Kevin Osborne and Robert Foss, work on class action cases as a significant amount of their practices. See Arns P.A. Decl, ¶ 29-39. 2 During this case, all 5 were also engaged in the litigation of a significant pending class action in 3 the Northern District of California against a major bank, also involving UCL claims. The Arns Law Firm concluded another nationwide class action case during the pendency of this lawsuit, 5 and has commenced and continued to litigate a third, complex action involving some 64 clients. 6 Arns P.A. Decl, ¶¶ 32-33. Robert Arns, Jonathan Davis, and Steven Weinmann all litigated an 7 action against The Home Depot and a related company for wage and hour claims, which 8 resulted in a multi-million dollar settlement. Id. ¶ 33. The firm is also presently part of a group 9 of lawyers litigating four separate class actions against skilled nursing facility chains. Id. 10 11 12

Jonathan M. Jaffe, of co-counsel Jonathan M. Jaffe Law, has extensive experience in the field of computer software systems design, data privacy and data security, which amply qualifies him to deal with the complex technical issues raised in this case. Arns P.A. Decl ¶39. He has also recently worked on several other class actions, dealing primarily with electronic discovery issues for these matters. *Id*.

## VII. CONCLUSION

For all the foregoing reasons, the Motion for Final Approval of the Settlement should be granted, the Settlement Class should be certified, the Court should appoint Plaintiffs as Class Representative and their counsel as Class Counsel; the Court should enter the Stipulated Injunction as to the changes to Defendant's website; Plaintiffs' pending motion for attorneys' fees and costs and the requested service awards for the Class Representatives should be granted; and the Court should also dismiss the action with prejudice.

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THE ARNS LAW FIRM

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By: /s/Robert S. Arns
Robert S. Arns

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JONATHAN JAFFE LAW

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By: /s/ Jonathan M. Jaffe
JONATHAN M. JAFFE

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Attorneys for Plaintiffs

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13	ANGEL FRALEY; PAUL WANG; SUSAN	Case No.	CV 11-01726 RS
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15	Litem; and W.T., a minor, by and through RUSSELL TAIT, as Guardian ad Litem; individually and on behalf of all others	IN SUPPOI	NDUM OF POINTS & AUTHORITIES RT OF PLAINTIFFS' MOTION FOR PROVAL OF CLASS ACTION
16	similarly situated,	SETTLEM	
17 18	Plaintiffs,	DATE: TIME:	June 28, 2013 10:00 a.m.
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### MEMORANDUM OF POINTS AND AUTHORITIES

## I. INTRODUCTION AND SUMMARY OF ARGUMENT

The settlement reached in the Amended Settlement Agreement and Release (the "Settlement," "Settlement Agreement," or "S.A.") —the product of over a year of hard-fought litigation—is fair, reasonable, and adequate and should be finally approved. The benefits Plaintiffs have delivered to the provisional settlement class (the "Class") are substantial. First, over 600,000 provisional settlement class members ("Class Members") submitted valid claims and will receive a cash payment of at least \$10 (or more at the Court's discretion). Second, the Settlement will channel millions of dollars to Internet watchdog and advocacy groups working to protect the online safety and privacy of Class Members, thereby advancing the interests underlying this case for years to come. Third, Facebook will implement the Settlement's wideranging injunctive provisions, which were unobtainable through continued litigation. These include: (1) robust new disclosures and greater transparency concerning Sponsored Stories; (2) innovative new tools for Class Members to control their appearances in Sponsored Stories; and (3) new educational materials targeted at parents of minor Facebook users, new tools that allow parents to opt their children out of Sponsored Stories entirely (whether the parents use Facebook or not), and a new set of rules that make certain minors ineligible to appear in Sponsored Stories altogether, without requiring any parental action at all. The Settlement is particularly fair, because it secures these important and far-reaching benefits for the Class (including, collectively, millions of dollars of direct cash payments to Class Members who never paid Facebook anything) despite the host of formidable obstacles that stood in the way of Class Members prevailing on any of their claims had litigation continued.

Plaintiffs are Facebook users ("Users") who allege that Facebook displayed their names and Facebook profile pictures in Sponsored Stories without valid consent, violating California's right of publicity statute, California Civil Code § 3344 ("§ 3344"), and California's Unfair Competition Law, Business and Professions Code § 17200 ("UCL"). More than a year of

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<sup>&</sup>lt;sup>1</sup> Capitalized terms in this Motion that are not defined herein have the same definition as used in the Amended Settlement Agreement and Release (Dkt. No. 235-1).

discovery, however, has confirmed numerous, critical defects in Plaintiffs' case. First and foremost, Plaintiffs were never able to show that they, or any Class Members, were harmed by their appearance in Sponsored Stories, as required under Article III of the U.S. Constitution, § 3344, and the UCL. At bottom, this is a case about Facebook Users purportedly being harmed when content they voluntarily shared with their chosen friends was shared again with the very same friends. This alone makes demonstrating any actual harm to anyone impossible. Moreover, Plaintiffs' theory of injury unjustifiably presumed that Users were injured simply because Facebook allegedly earned more money from Sponsored Stories than it would have earned from alternative advertisements. Setting aside this theory's significant conceptual fallacies (it conflates the alleged benefit to Facebook with supposed harm to Users). Facebook proved through expert and fact discovery that it frequently earned less money by running Sponsored Stories than it would have earned from other advertising content. In short, Plaintiffs would never have successfully proven that they were harmed by Sponsored Stories.

Equally fatal to Plaintiffs' claims is that they expressly agreed to the display of their names and likenesses in the manner challenged in the case. As a condition of using Facebook's free website, all Users agree to Facebook's terms of use, known as the Statement of Rights and Responsibilities (the "Terms"). Since before Sponsored Stories existed, the Terms have clearly stated that a User's "name and profile picture may be associated with commercial, sponsored, or related content (such as a brand [the User] like[s])," and under the Terms, Users have "give[n] [Facebook] permission to use [the User's] name and profile picture in connection with that content." This consent posed an insurmountable challenge for Plaintiffs and Class Members.

Facebook also adduced overwhelming evidence that Users consent to Sponsored Stories (through the recognized doctrine of implied consent under § 3344) by, for example, continuing to use the site and particular features despite knowing that their names and profile pictures could be displayed in connection with sponsored content. Through discovery, Facebook established the prevalence (if not the near-universality) of consent among Class Members, including the named Plaintiffs themselves, who continued to take actions on Facebook that could generate Sponsored Stories long after learning about Sponsored Stories and filing suit. One User even remarked that that "nothing is free, it's how they make money."

Apart from injury and consent, Plaintiffs and Class Members (minors and adults alike) faced an array of other considerable hurdles to their success. For example, substantial evidence shows that some Facebook Users use fake names or unrecognizable pseudonyms, and that many use profile pictures that do not bear their likeness. The First Amendment presents an additional barrier to liability, and, indeed, many Sponsored Stories—including those about politics, religion, and public affairs—are entitled to the highest possible degree of constitutional protection.

Facebook's display of her name and likeness in Sponsored Stories was "part of the deal," adding

Yet, despite these and other very substantial risks to Class Members' prospects for recovering anything at all, the Plaintiffs obtained a Settlement that delivers meaningful and immediate relief to the over 150 million Users in the Class. Notice of the Settlement was delivered to Class Members in plain, easily understood language, which informed them of the nature of the action, the claims and defenses asserted, and their right to opt out of the Settlement or object to it (and millions of Users went to the Settlement Website to review the Terms). Yet only a miniscule portion of Class Members withdrew from or objected to the deal, and the size of the group who did is dwarfed by those who filed claims for monetary relief.

Finally, as discussed extensively below, the tiny fraction of Class Members who objected to the Settlement presented no valid criticisms. Many Class Members objected not to the Settlement, but to the lawsuit itself, calling it "frivolous," "a waste of time and resources," and noting, for example, that "[b]y maintaining their accounts [Users] appear to consider facebook's practices worth the cost of free social networking." Many other objectors focused their attack, in whole or in part, on the attorneys' fees sought by Plaintiffs' Counsel. While Facebook submits that counsel obtained a very good result for a Class with highly problematic claims, Facebook agrees, as discussed in its previously-filed opposition to Plaintiffs' fee application, that the attorneys' fees counsel seeks are excessive. This, however, is no basis to deny final approval, and should be addressed instead in the Court's ruling on counsel's fee application.

As to those objectors who actually challenge the terms of the Settlement, most are complaining that the relief obtained is not precisely the relief that they would consider optimal if

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the case had been litigated to the end and won. But this is not the relevant standard, and this Court cannot second-guess the Parties' arm's-length agreement, particularly given that the Settlement is fair and reasonable under the circumstances. Other objectors see conflicts among the Class (adults and minors; claimants and non-claimants) where none exist. This Settlement provides all Class Members with substantial relief and provides direct monetary relief to all those who established that they have the strongest claims. It is thus fair to all Class Members, both in the relief it affords them today and the protections it gives them tomorrow.

Facebook respectfully submits that the Settlement unquestionably meets the standard for final approval, and squarely addresses every concern this Court raised regarding the earlier version of the Settlement. It is a non-collusive, fair, reasonable, and adequate resolution of the claims brought, and final approval should be granted.

#### II. OVERVIEW OF THE LITIGATION AND THE SETTLEMENT

#### A. Overview of Sponsored Stories and Plaintiffs' Allegations.

Facebook operates a free social networking website that allows people worldwide to share and connect with their friends, families, and communities. Like many free websites, Facebook funds its operations—which currently cost more than \$4.5 billion per year—primarily by allowing marketers to display advertisements and sponsored content on the site.

On January 25, 2011, Facebook launched a new social marketing product called "Sponsored Stories." Sponsored Stories contain User-generated content that has already appeared (or was eligible to appear) in the News Feeds<sup>2</sup> of the User's Facebook friends ("Friends") and in a number of other places on the site (called "stories").3 (See Declaration of James Squires ISO Joint Motion for Prelim. Approval of Rev. Settlement, Dkt. No. 260 ("Squires Decl.") ¶¶ 4-10.) With Sponsored Stories, individuals, businesses, and organizations can increase the visibility of these User social actions—for a small fee, a marketer can "sponsor" a story, meaning that

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<sup>&</sup>lt;sup>2</sup> The News Feed is a customized, constantly-updated stream of stories generated by actions taken by the User's Friends and the Facebook pages ("Pages") that the User has connected with (representing brands, organizations, politicians, games, etc.).

Notably, Plaintiffs do not challenge any of these other redisplays (such as on Plaintiffs' Timeline, in their Friends' News Feeds, on the Facebook Page for the Liked content, etc.) of the content they voluntarily shared on Facebook.

COOREY LLP A federson At Law San Francisco Facebook will redisplay the story, subject to the User's personal privacy settings, to the same audience the User chose for the original story.<sup>4</sup>

In March 2011, Plaintiffs filed a putative class action alleging that Sponsored Stories misappropriate their names and likenesses. (See, e.g., Sec. Amd. Class Action Compl., Dkt. No. 22 ("SAC") ¶¶ 109-10, 120-21.) Plaintiffs sought actual, punitive, and statutory damages, restitution, and injunctive relief. (Id. ¶ 136.)

# B. Case History Before Settlement.

The proposed Settlement of this long-running class action follows extensive motion practice and discovery by the Parties.

Motion Practice: The action was originally filed in Santa Clara Superior Court on March 11, 2011. (Notice of Removal of Action, Dkt. No. 1.) Plaintiffs amended the Complaint to add a subclass of minors on March 18, 2011, and Facebook removed the case to federal court on April 8, 2011. (*Id.*) Thereafter, following an initial motion to dismiss (Dkt. No. 16), Plaintiffs filed the SAC (Dkt. No. 22). Facebook then filed a second motion to dismiss (Dkt. No. 30), which Judge Koh granted in part and denied in part on December 16, 2011 (Dkt. No. 74). Plaintiffs filed a motion for class certification on March 29, 2012 (Dkt. No. 106), Facebook filed an opposition (Dkt. No. 141), and Plaintiffs filed a reply. The Parties agreed to settle in the final days leading up to the hearing on class certification, which was then scheduled for May 31, 2012. (Joint Status Report re Revised Settlement Term Sheet, Dkt. No. 171.)

**Discovery:** In the 15 months of litigation preceding settlement, the Parties engaged in extensive discovery, which included over 1,000 discovery requests, more than 200,000 pages of documents, and 21 depositions. (See Decl. of Matthew D. Brown ISO Jt. Mot. for Prelim. Appr. of Rev. Settlement, Dkt. No. 262 ("Brown Decl.") ¶ 2.) Between them, the Parties deposed seven experts, the three named Plaintiffs, former named Plaintiff Angel Fraley, three parents of the minor named Plaintiffs, and multiple Facebook employees. (Id.) At the time of the settlement,

<sup>&</sup>lt;sup>4</sup> An example of how a typical social action can appear in both the News Feed of a User's Friends and in a Sponsored Story displayed to those same Friends is provided in the accompanying Declaration of Jeffrey M. Gutkin in Support of Plaintiffs' Motion for Final Approval of Class Action Settlement ("Gutkin Decl.").

CORREY LLP ACHDENISM AT EAW SAN PRANCECO the Parties were fast approaching the close of factual discovery. (See Dkt. No. 51.)

Settlement Negotiations and the Original Settlement: On March 1, 2012, Plaintiffs and Facebook mediated the case at JAMS before the Hon. Edward A. Infante, retired Chief Magistrate Judge of the Northern District of California. (See Declaration of Michael G. Rhodes, Dkt. No. 238 ("Rhodes Decl.") ¶ 4.) Although the case did not settle at that time, the Parties subsequently engaged in ongoing, direct settlement discussions under the guidance of Judge Infante, while continuing to litigate. (Id.) The Parties ultimately executed a settlement term sheet, followed by a fully articulated settlement agreement (the "Original Settlement"). (Id. ¶ 5.) Plaintiffs filed a motion for preliminary approval of that settlement on June 14, 2012 (Dkt. No. 181), and Facebook filed a brief in support of the motion two weeks later (Dkt. No. 188).

On August 2, 2012, the Court held a hearing on Plaintiffs' preliminary approval motion. In an order dated August 17, 2012 (Dkt. No. 224) ("August Order"), the Court denied the motion without prejudice, identifying specific issues that would be better addressed before final approval proceedings. (August Order at 2.)

### C. The Revised Settlement.

In response to the Court's August Order, the Parties conducted further settlement negotiations that culminated in the Settlement Agreement. On October 5, 2012, the Parties filed a Joint Motion for Preliminary Approval of Revised Settlement, and appeared before the Court in support of the Joint Motion on November 15, 2012. (Dkt. No. 235.) On December 3, 2012, the Court granted the motion, finding that the Settlement appeared to be the product of serious, informed, non-collusive negotiations and fell within the range of possible approval as fair, reasonable, and adequate. (See Preliminary Approval of Class Settlement and Provisional Class Cert. Order, Dkt. No. 252 ("Preliminary Approval Order" or "Prelim. App. Order").)

The main terms of the Settlement are as follows:

Class Definition: The Class is defined as: "[A]II persons in the United States who have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, at any time on or before the date of entry of the Preliminary Approval Order." (S.A. § 1.6.)

Minor Subclass Definition: The Minor Subclass is defined as: "[A]Il persons in the Class who additionally have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, while under eighteen (18) years of age, or under any other applicable age of majority, at any time on or before the date of entry of the Preliminary Approval Order." (Id. § 1.17.)

Settlement Fund: The Settlement creates a \$20,000,000 "Settlement Fund." (*Id.* § 1.27.) The Settlement Fund will be used to pay the reasonable costs of delivering notice to the Class, costs incurred by the Settlement Administrator and Escrow Agent, taxes and tax expenses, attorneys' fees and costs approved by the Court for Class Counsel, and any incentive awards approved by the Court for the named Plaintiffs. (*Id.*) What remains from the \$20 million will be the "Net Settlement Fund," which, as detailed below, will be used to pay the claims of "Authorized Claimants" and, in all likelihood, a *cy pres* award. (*Id.* §§ 1.18, 2.3, 2.4.) In no circumstance will any portion of the Settlement Fund revert to Facebook. (*See id.* §§ 2.2-2.4.)

Payments to Class Members / Cy Pres Distributions: Class Members were able to submit a claim for payment from the Net Settlement Fund using an online form or a paper form. The claim deadline was May 2, 2013 (i.e., 150 days after entry of the Preliminary Approval Order). (S.A. § 4.1(b).) The forms required Class Members to attest that: (a) the Class Member understands that a story about some action he or she took on Facebook (such as Liking a Page, checking in at a location, or sharing a link), along with his or her name and/or profile picture, may have been displayed in a Sponsored Story shown to his or her Facebook Friends who were authorized by the Class Member to see that action: (b) the Class Member was not aware that Facebook could be paid a fee for redisplaying actions such as these, alongside the Class Member's name and/or profile picture, to his or her Facebook Friends; (c) the Class Member believes that, if his or her name and/or profile picture were displayed in a Sponsored Story, he or she was injured by that display; (d) the Class Member is submitting only one Claim Form regardless of how many Facebook accounts the Class Member has; and (e) the Class Member understands that he or she is releasing all claims against Facebook and other Released Parties, as

28 | LP described in § 5 of the Settlement. (S.A. § 4.1.) The Class Member also had to provide the email address, User ID or username, and name (or pseudonym) associated with his or her Facebook account (or for his or her minor child's Facebook account). (Id. § 4.1(a).) For a valid claim, Facebook's records had to show that the Class Member appeared in a Sponsored Story on or before the preliminary approval date (i.e., Dec. 3, 2012). (Id.)

Class Members who submitted timely, valid Claim Forms will receive payments, either by online money transfer or paper check. (*See generally id.* § 2.3). Because the Net Settlement Fund will not be exhausted by \$10 payments to Authorized Claimants, the Court may distribute the remaining proceeds to the *Cy Pres* Recipients, or, in its discretion, order the Settlement Administrator to (a) increase the payment to each Authorized Claimant, so that it would exceed \$10 (provided that doing so does not exceed the Net Settlement Fund) and (b) then distribute to the *Cy Pres* Recipients any remaining proceeds in the Net Settlement Fund. (*Id.* § 2.3.) As discussed further below, the Parties agree that it would also be appropriate for the Court to exercise its discretion to increase payments to Authorized Claimants to \$15.5

The Cy Pres Recipients are specified in the Settlement Agreement. (S.A. § 2.4.) The Parties selected these organizations after substantial negotiation based on the nature of this action and the organizations' focus on consumer protection, research, and education concerning online privacy and the safe use of social media technologies. Some of the organizations also have a particular emphasis on protecting the interests of minors. (See Brown Decl. ¶ 3, Ex. A.)

Attorneys' Fees and Costs: The Settlement allows Class Counsel to petition the Court for an award of attorneys' fees and costs from the Settlement Fund (id. § 2.5), which they have done, seeking \$7,500,000 in fees and \$282,566.49 in costs. (See Pls.' Mot. and Mem. of Law ISO Attorneys' Fees and Costs and Class Reps.' Service Awards, Dkt. No. 253 ("Fee Motion").) On June 7, 2013, Facebook filed a memorandum in opposition to the fee request, which identified various grounds for reducing the award of fees and costs to Class Counsel and advocated for a fee award of between approximately \$3 and \$3.5 million. (See Facebook's Opp. to Plaintiffs' Motion

<sup>&</sup>lt;sup>5</sup> As discussed below, final approval of the Settlement would be entirely appropriate if the Court does not exercise its discretion and leaves the payments to Authorized Claimants at \$10.

for Attorneys' Fees and Costs, Dkt. No. 344 ("Fee Opposition").)

Incentive Awards: The Settlement allows each Plaintiff to seek payment of an incentive award of *up to* \$12,500, subject to Court approval. (S.A. § 2.6.) Plaintiffs have moved for \$12,500 incentive awards for each Class representative. (*See* Fee Motion.)

Notice of Settlement: The Settlement provides for direct notice to Class Members by

Notice of Settlement: The Settlement provides for direct notice to Class Members by email, using email addresses Class Members provided for their Facebook accounts, and requires Facebook to publish a notice of Settlement and to distribute a press release in order to reach Users for whom Facebook no longer has an email address. The Settlement requires that the notices include the web address of the Settlement Website, at which Class Members were able to obtain detailed information about the lawsuit and the Settlement. As discussed below, Facebook and the Settlement Administrator have complied with these notice requirements.

Administrative Fees: The Settlement provides that the costs incurred by the Escrow Agent and Settlement Administrator, as well as the costs of delivering notice to the Class, shall be paid from the Settlement Fund. (S.A. § 2.2.) The Parties have engaged Garden City Group, Inc. ("GCG") as the Settlement Administrator and as Escrow Agent. (S.A. §§ 1.10, 1.26.) Through April 30, 2013, GCG's fees and expenses for administering the Settlement, including providing publication notice, setting up the Settlement Website, and processing Claim Forms total \$447,777.71. (Decl. of Jennifer M. Keough re Settlement Administration, Dkt. No. 341 ("Keough Decl.") ¶ 15.) GCG's estimate for the remaining expenses, including the costs of paying claims is \$487,000. (Id.) GCG's expenses related to its work as Escrow Agent are \$1,050.50. (Id.) GCG's total estimated costs for settlement administration and escrow work are therefore \$935,828.21.6 Notably, while Facebook's estimates of GCG's costs submitted in connection with the Motion for Preliminary Approval included substantial costs related to sending the Email Notice to Class Members, Facebook itself handled this task. (See Decl. of

<sup>&</sup>lt;sup>6</sup> One objector argues that the administrative costs were not disclosed. (See Inv. Obj. No. 92 (defined infra n.12).) But estimated administrative costs were disclosed in the preliminary approval briefing (see Dkt. No. 259 at 10), which was available on the Settlement Website. And GCG has now provided up-to-date estimates. It was not possible to provide more accurate estimates previously because none of the administrative functions had yet been performed.

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Peter Vulgaris ISO Pls.' Mot. for Final Approval of Class Action Settlement ("Vulgaris Decl.") ¶5.) By internalizing this cost, Facebook prevented approximately \$240,000 in expenses from being deducted from the Net Settlement Fund. (See Gutkin Decl. ¶ 16.)

Changes to Facebook's Disclosures and Additional User Controls ("Injunctive **Relief'):** The Settlement provides for enhanced notice and several innovative tools that, together, provide Class Members (and minor Class Members' parents) significant transparency and control regarding how their (or their children's) social actions may be used in connection with commercial or sponsored content.<sup>7</sup> First, Facebook has agreed to (i) enhance the notice and consent provision in Facebook's Terms with explicit language to which the Parties have agreed, and (ii) work with Plaintiffs' Counsel to identify and clarify any other information on Facebook that, in Plaintiffs' view, does not accurately or sufficiently explain how Facebook advertising works. (S.A. §§ 2.1(a), (d).) Second, Facebook has agreed to engineer a new tool enabling Class Members to view, on a going-forward basis, the subset of their interactions and other content on Facebook that have been displayed in Sponsored Stories (if any). This new functionality will provide a level of transparency that does not exist on the site today and is unprecedented on the Internet. Third, Facebook will create a granular control that will allow Class Members, upon viewing content that has been displayed in a Sponsored Story, to prevent additional displays of those Sponsored Stories, if they so desire. (See S.A. § 2.1(b); Brown Decl. Ex. LL.)

Minor-Specific Injunctive Relief: In addition, the Settlement contains benefits comprehensively addressing the claims of the Minor Subclass. First, Facebook will revise the

Facebook previously filed working "mockups" with its papers in support of preliminary approval, illustrating how key pieces of this injunctive relief are likely to be implemented based on the then-current functionality on the website. (Brown Decl. Exs. LL - OO.)

The detailed descriptions of the proposed injunctive relief herein, and the mock-ups provided by Facebook, belie Objector Frank's assertion that the "relief is vague and undeveloped in its particulars." (See Obj. No. 11 at 9 (defined infra n.11).) Further, the case Mr. Frank cites in support, True v. American Honda Motor Co., 749 F. Supp. 2d 1052, 1077 (C.D. Cal. 2010), is incompletely quoted and inapposite. First, Mr. Frank omits the second half of the sentence he quotes, wherein the court concludes the injunctive relief has value. See True, 749 F. Supp. 2d at 1077 ("Although it is difficult for the Court to discern the value of the yet-to-be produced DVD at this time, the Court agrees with Plaintiffs that the DVD will likely be of some value to class members") (emphasis added, italics in original). Further, in contrast to *True*, Facebook has provided substantial detail about the new tools, including graphic mock-ups.

Terms to require minor Class Members to affirm that they have obtained parental consent to
Facebook's use of their names and likenesses in connection with commercial, sponsored, or
related content on Facebook, including Sponsored Stories. (S.A. § 2.1(c)(i).) Second, Facebook
has agreed to create a new online tool that will allow parents of minor Class Members to prevent
their children from appearing in Sponsored Stories, which will be available to parents whether or
not they are Facebook Users. (S.A. § 2.1(c)(iii); see Brown Decl. Ex. MM.) Third, Facebook has
agreed to enhance its existing Family Safety Center with information about social advertising on
Facebook, including how parents may opt their children out of appearing in Sponsored Stories,
and a link to the tool that enables parents to do so. (S.A. § 2.1(c)(iv).)

Facebook has also agreed to begin encouraging new Users, upon or soon after joining Facebook, to designate Facebook Users who are their family members (if any), including their parents and children. (See S.A. § 2.1(c)(ii); Brown Decl. Ex. MM.) Further, for both existing and new Users, where both a parent and a minor child confirm their relationship on Facebook, the parent will be able to utilize the above-described minors' opt-out tool directly from his or her Facebook account. (S.A. § 2.1(c)(iii); Brown Decl. Ex. OO.) To apprise parents of this option, Facebook will target informational advertising to verified parents, directing them to the Family Safety Center and/or other parent-specific resources on Facebook. (S.A. § 2.1(c)(iv).)

Finally, Facebook will also add a control in minor Class Members' timelines that enables them to indicate that they do not have a parent on Facebook. (S.A. § 2.1(c)(iii); Brown Decl. Ex. MM.) Where a minor User indicates that his or her parents are not Facebook Users, Facebook will make the minor ineligible to appear in Sponsored Stories until he or she reaches the age of 18, until the minor changes his or her settings to indicate that he or she has a parent on Facebook, or until a confirmed parental relationship with the minor User is established. (S.A. § 2.1(c)(iii).)

Opt-outs / Objections: The Settlement Agreement allowed Class Members to opt out or object to the Settlement within 150 days of the entry of the Court's December 3, 2012 Preliminary Approval Order, i.e., by May 2, 2013. (S.A. §§ 1.19, 3.7(c), 3.8.)

#### D. The Provision of Notice to the Proposed Class.

As part of the Preliminary Approval Order, the Court ordered the Parties to provide notice

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to the Class as required under § 3.3 of the Settlement. (Dkt. No. 252 at 4.)

Settlement Website (S.A. § 3.3(a)): On January 2, 2013, the Settlement Administrator made available an official Settlement Website at www.fraleyfacebooksettlement.com. (Keough Decl. ¶ 6.) The Settlement Website included a copy of the Long Form Notice included as Exhibit 2 to the Settlement Agreement (Dkt. No. 235-3). (Keough Decl. ¶ 6, Ex. C.) It also included a form for submitting claims, substantially similar to the Claim Form attached as Exhibit 5 to the Settlement Agreement (Dkt. No. 235-6), a form to opt-out of the Settlement, substantially similar to the Opt-Out Form attached as Exhibit 6 to the Settlement Agreement (Dkt. No. 235-7), instructions on how to object to the Settlement, court filings submitted by the Parties in support of preliminary approval, and Class Counsel's Fee Motion. (Keough Decl. § 6, Exs. D, E.)

Short Form Notice by Email (S.A. § 3.3(b): On January 2, 2013, Facebook began transmitting the Email Notice to each Class Member for whom Facebook had a valid email address. (Vulgaris Decl. ¶ 5, Ex. A; see also S.A. § 3.3(b).) The notice provided the Internet address of the Settlement Website. (Vulgaris Decl. Ex. A.) From January 2, 2013 through February 28, 2013, Facebook sent the Email Notice to 146,617,076 Class Members for whom Facebook had valid email addresses. (Vulgaris Decl. § 5.)8

Publication Notice (S.A. § 3.3(c): On three separate dates—Thursday, January 3, 2013, Wednesday, January 16, 2013, and Monday, January 28, 2013—the Settlement Administrator caused notice of the Settlement, substantially in the form of the Publication Notice attached as Exhibit 4 to the Settlement Agreement (Dkt. No. 235-5), to be published as a quarter-page ad in the national edition of USA Today. (Keough Decl. ¶ 4; see also S.A. § 3.3(c).) These notices also provided the web address of the Settlement Website. (Id. ¶ 5.) Additionally, on January 3, 2013 the Settlement Administrator caused notice of the Settlement, substantially in the form of the Publication Notice, to be transmitted over the PR Newswire. (Keough Decl. ¶ 4.)

The notices and transmission over the PR Newswire resulted in extensive press coverage. For instance, news outlets such as the Chicago Tribune, the L.A. Times, Reuters.com, the San

Emails to 11.3 % of Class Members could not be delivered because of bounce-backs. (Vulgaris Decl ¶ 6.) Many of these likely result from, for example, Users changing their email addresses without updating their email addresses on Facebook.

approval of the Settlement. (See Gutkin Decl. ¶¶ 2-6, Exs. A-E.)

# E. Claims, Objections, and Exclusion Requests.

The notices informed Class Members that the deadline to make a claim, submit a request for exclusion, or object to the Settlement was May 2, 2013, and that Class Members could visit the Settlement Website for additional information, including information regarding how to take these actions. (Keough Decl. ¶ 5; see also S.A. §§ 3.3(b) & (c).) 6,825 Class Members have filed timely, valid requests to be excluded from the Settlement. (Decl. of Jennifer M. Keough Regarding Exclusions, Dkt. No. 348 ("Keough Exclusion Decl.") ¶ 3.) In addition, 614,994 Class Members have made valid and timely claims for payment. (Keough Decl. ¶ 14.)

Jose Mercury News, and CNET News, to name a few, all distributed stories regarding preliminary

The Settlement Website also informed Class Members that in order to object to the Settlement, the attorneys' fees and costs sought by Class Counsel, or the Incentive Awards to the named Plaintiffs, Class Members had to deliver a written Objection to the Settlement Administrator by mail or email, or, if represented by counsel, file their Objection with the Court. (Keough Decl. ¶ 8; see also Prelim. App. Order § 6.) Pursuant to the Preliminary Approval Order, the Settlement Website informed Class Members that valid Objections must be verified by a declaration under the penalty of perjury or a sworn affidavit, and include (a) the name of the Action and case number, "Fraley v. Facebook, Inc., Case No. CV-11-01726 RS"; (b) the full name, address, telephone number, and email address associated with the Facebook account of the person objecting; and (e) an explanation detailing the specific reasons for each Objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the Objection(s). (Keough Decl. ¶ 8; Prelim App. Order § 6.)<sup>10</sup> As of the May 2, 2013 deadline, 17 Objections that complied with the

<sup>&</sup>lt;sup>9</sup> One Objection asserts that any class should be "opt in" rather than "opt out." (See Inv. Obj. No. 75 (defined *infra* n.12).) This is inconsistent with Rule 23, which specifically permits class actions involving exclusions. See Rule 23(c)(2)(B). Such "opt-in" classes have been repeatedly rejected as inconsistent with the purposes of Rule 23. See Ackal v. Centennial Beauregard Cellular, LLC, 700 F.3d 212, 216-17 (5th Cir. 2012).

<sup>&</sup>lt;sup>10</sup> The Settlement Administrator prepared a chart that lists all Objections, both valid and invalid, received by the Settlement Administrator or filed with the Court (Keough Decl. ¶ 13), which

CORRY LLP Acedensia At Caw San Prancisco requirement of the Settlement and Preliminary Approval Order had been received by the Court and/or the Settlement Administrator.<sup>11</sup> (Keough Decl. ¶ 13.) In addition, Class Members submitted 87 Objections that did not conform to the requirements of the Settlement and Preliminary Approval Order.<sup>12</sup> (Id. ¶ 13.)

Notably, many valid and invalid Objections asserted that the objecting Class Member had not been injured by Sponsored Stories, had consented to his or her appearance in sponsored content, and did not believe the lawsuit warranted any relief being given to Facebook Users. (See, e.g., Obj. No. 3; Inv. Obj. Nos. 28, 31, 34, 35, 36, 38, 39, 45.)

## F. Monetary Relief to Claimants and Cy Pres Recipients.

Based on the number of claims submitted to the Settlement Administrator, each of the 614,994 Authorized Claimants is eligible to receive direct monetary relief. Furthermore, even after attorneys' fees and costs and any incentive awards to the named Plaintiffs, the Net Settlement Fund will not be exhausted by the initial monetary relief (\$10) to Authorized Claimants. As discussed below, final approval of the Settlement is warranted regardless of whether (or how) the Court exercises its discretion to increase the direct payments. However, the Parties agree that it would be consistent with the intent of the Settlement and the interests of the Class for the Court to exercise its discretion to order the Settlement Administrator to (i) increase the pro rata payment to each Authorized Claimant to \$15 and (ii) distribute the remaining funds to the Court-approved *Cy Pres* Recipients. (*See* S.A. § 2.3(b).) Such an increase would be an

Plaintiffs filed with the Court along with a copy of each Objection (see Dkt. No. 335). The chart assigns an identification number to each Objection.

References herein to "Obj. No." are to the Objections numbered 1- 17, that can be found in Dkt. Nos. 335-1 through 335-4. Although these Objections are occasionally referenced as "valid," Facebook specifically disclaims that the substance of these objections provide grounds to deny final approval.

<sup>&</sup>lt;sup>12</sup> References herein to "Inv. Obj. No." signify that the Objection did not comply with Paragraph 6(a) of the Preliminary Approval Order, as determined by the Settlement Administrator. (See Keough Decl. ¶ 13.) These invalid Objections are numbered 18 to 104, and can be found in Dkt. Nos. 335-5 through 335-8. Although these Objections are not valid under the Preliminary Approval Order and therefore do not require the Court's attention (see Ko v. Natura Pet Prods., Inc., No. C-09-02619 SBA, 2012 WL 3945541, at \*6 (N.D. Cal. Sept. 10, 2012)), Facebook has nevertheless addressed the issues they raise in this Memorandum.

filed and the lower-than-expected estimated administrative costs.

# III. LEGAL STANDARD FOR GRANTING FINAL APPROVAL OF SETTLEMENT.

acceptable settlements. Vasquez v. Coast Valley Roofing, Inc., 670 F. Supp. 2d 1114, 1124-25 (E.D. Cal. 2009) (quoting Manual for Complex Litigation § 30.41 (3d ed. 1995)). Second, notice of the settlement and its terms are provided to Class Members, who are then given a period of time to submit claims, opt-out of the settlement, or object to the settlement. Id. Third, the court conducts a "Fairness Hearing," at which all interested parties are afforded an opportunity to be heard. Id. This case is now at the final step of the process.

Two questions are presented at fairness hearings. First, the court must address whether

hearing to determine whether to preliminarily approve the settlement as within the range of

appropriate exercise of the Court's discretion in light of the number of valid Claim Forms actually

Approval of a class action settlement involves a three-step process. First, the court holds a

Two questions are presented at fairness hearings. First, the court must address whether the settlement is fair, reasonable, and adequate. Fed. R. Civ. P. 23(e)(2). Second, the court must address whether the notice to the class was appropriate. *See Estrella v. Freedom Fin. Network LLC*, No. CV 09-03156-SI, 2012 WL 4645012, at \*2 (N.D. Cal. Oct. 1, 2012).

Regarding the first question, several factors bear on whether a settlement is fair, reasonable, and adequate: (1) "the strength of plaintiffs' case;" (2) "the risk, expense, complexity, and likely duration of further litigation;" (3) "the risk of maintaining class action status throughout the trial;" (4) "the amount offered in settlement;" (5) "the extent of discovery completed, and the stage of the proceedings;" (6) "the experience and views of counsel;" (7) "the presence of a governmental participant;" and (8) "the reaction of the class members to the proposed settlement." *Officers for Justice v. Civil Serv. Comm'n*, 688 F.2d 615, 625 (9th Cir. 1982); *accord Lane v. Facebook, Inc.*, 696 F.3d 811, 819 (9th Cir. 2012), *reh'g en banc denied*, 709 F.3d 791 (9th Cir. 2013). This list is not exclusive and different factors may be entitled to different weight in different contexts. *Officers for Justice*, 688 F.2d at 625. Furthermore, "[t]o survive appellate review, the district court must show it has explored comprehensively all factors,

<sup>&</sup>lt;sup>13</sup> One objector suggested that Facebook should pay for him to attend the Fairness Hearing or provide remote access to the hearing. (Inv. Obj. No. 41.) Nothing in either the Settlement or case law obligates Facebook to pay for such costs. (S.A. § 3.7.)

F.3d 858, 864 (9th Cir. 2012) (internal quotations and citation omitted).

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Courts favor voluntary conciliation between civil parties and settlement is the preferred means of resolving complex class actions. Officers for Justice, 688 F.2d at 625. Although the proponents carry the burden of establishing that the settlement is fair, Riker v. Gibbons, No. 08cv-00115-LRH-VPC, 2010 WL 4366012, at \*2 (D. Nev. Oct. 28, 2010), a presumption of fairness arises where the court finds that "the settlement agreement was reached in arm's length negotiations after relevant discovery." In re Immune Response Secs. Litig., 497 F. Supp. 2d 1166,

and must give a reasoned response to all non-frivolous objections." Dennis v. Kellogg Co., 697

As to the second question, "[t]he court must direct notice in a reasonable manner to all class members who would be bound by the proposal." Fed. R. Civ. P. 23(e)(1). Notice must be given "to all members who can be identified through reasonable effort" and describe "(i) the nature of the action;" (ii) "the definition of the class certified;" (iii) "the class claims, issues, or defenses;" (iv) "that a class member may enter an appearance through an attorney if the member so desires;" (v) "that the court will exclude from the class any member who requests exclusion;" (vi) "the time and manner for requesting exclusion;" and (vii) "the binding effect of a class judgment on members under Rule 23(c)(3)." Fed. R. Civ. P. 23(c)(2)(B). Generally, notice of a settlement is acceptable if it "describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard." Churchill Vill., L.L.C. v. Gen. Elec., 361 F.3d 566, 575 (9th Cir. 2004) (internal quotations and citation omitted).

#### IV. THE COURT SHOULD GRANT FINAL APPROVAL OF THE SETTLEMENT.

The Settlement at issue is fair, reasonable, and adequate, particularly given that Plaintiffs' claims suffered from serious deficiencies, and they were likely to recover nothing if litigation went forward. Class Members' reactions to the Settlement's terms further support approval. Additionally, notice to Class Members was sufficient and fully satisfied due process.

### À. The Class Relief Is Fair, Reasonable, and Adequate.

#### 1. The Settlement is presumptively fair.

A settlement is presumptively fair when it is the product of fully informed, arm's-length,

non-collusive negotiations. Linney v. Cellular Alaska P'ship, Nos. C-96-3008, C-97-0203, C-97-0425, C-97-0457, 1997 WL 450064, at \*5 (N.D. Cal. July 18, 1997), aff'd, 151 F.3d 1234 (9th Cir. 1998); see Rodriguez v. W. Publ'g Corp., 563 F.3d 948, 965 (9th Cir. 2009) ("This circuit has long deferred to the private consensual decision of the parties."); Hanlon v. Chrysler Corp., 150 F.3d 1011, 1027 (9th Cir. 1998) (approval order "reflected the proper deference to the private consensual decision of the parties"); Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc., 221 F.R.D. 523, 528 (C.D. Cal. 2004) ("A settlement following sufficient discovery and genuine arms-length negotiation is presumed fair."). This presumption applies to the Settlement here, which was negotiated at arm's-length with the help of an experienced mediator, after months of intense, adversarial litigation. (See Decl. of Hon. Edward Infante ISO Pls.' Mot. for Prelim. Approval of the Proposed Class Settlement, Dkt. No. 178 ("Infante Decl.") ¶ 24.)

The Settlement reflects counsel's fully informed views on the strengths and weaknesses of Class Members' claims. Given the significant motion practice, including a full briefing of class certification issues, as well as the extensive discovery that had taken place in this litigation, the Parties—represented by counsel with ample experience—were well apprised of the strengths and weaknesses of their respective cases when they reached a compromise. (Rhodes Decl. ¶ 3.)

The active participation of Judge Infante (ret.), a neutral mediator with extensive experience presiding over and mediating complex litigation, further supports a finding of fairness. See In re Indep. Energy Holdings PLC Sec. Litig., No. 00 Civ. 6689, 2003 WL 22244676, at \*4 (S.D.N.Y. Sept. 29, 2003) ("[T]he fact that the Settlement was reached after exhaustive arm's-length negotiations, with the assistance of a private mediator experienced in complex litigation, is further proof that it is fair and reasonable."); Satchell v. Fed. Express Corp., Nos. C03-2659 SI, C03-2878 SI, 2007 WL 1114010, at \*4 (N.D. Cal. Apr. 13, 2007) ("assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive"). Judge Infante noted that "[t]here is no indication of collusion in the case and, on the contrary, a short review of the Parties' discovery correspondence reveals the intensity of the adversarial process." (Infante Decl. ¶ 24.) He concluded, "it is my opinion that the process leading to the proposed settlement bears all the hallmarks of procedural fairness." (Id.)

In view of these facts, the Court should presume that the Settlement is fair.

Plaintiffs had low odds of obtaining a substantial recovery.

Plaintiffs' chances of prevailing on their claims were slim. The Objections submitted in

response to the Settlement make it clear that many Class Members agree. Many Objections are

not actually objections to the Settlement per se, but to the lawsuit itself, calling it "frivolous," "a

waste of time and resources," and noting, for example, that "[b]y maintaining their accounts

[Users] appear to consider facebook's practices worth the cost of free social networking." (See

Inv. Obj. Nos. 28, 34; see also Obj. No. 2 (noting Class Members "never had any realistic

expectation of being paid for their services"); Obj. No. 3 (stating "Facebook has never made any

representations to me that the items I post on my 'page' could not, or would not, be used in any

Plaintiffs' poor prospects for recovery weigh heavily in favor of approving the Settlement.

Injury. Plaintiffs could not prove that they were injured by Facebook's conduct, a

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form of advertising."); Obj. No. 9 (offering her portion of the Settlement to Class Counsel "in

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return for their assistance in understanding just exactly how my rights were violated").)

See In re Pac. Enters. Sec. Litig., 47 F.3d 373, 378 (9th Cir. 1995) (settlement is fair, reasonable, and adequate where plaintiffs' "odds of winning [are] extremely small" and strong defenses "may

have adversely terminated the litigation before trial"); Myers v. MedQuist, Inc., No. 05-cv-4608, 2009 WL 900787, at \*1 (D.N.J. Mar. 31, 2009) ("this settlement represents a good value to the

class for what has proved to be a very weak case"); see also W. Va. v. Chas. Pfizer & Co., 314 F.

Supp. 710, 743-44 (S.D.N.Y. 1970) (plaintiff's confidence in claims "is often misplaced"), abrogated on other grounds by Eisen v. Carlisle & Jacquelin, 479 F.2d 1005 (2d Cir. 1973).

Several of the obstacles Plaintiffs would have faced in litigation are explained below.

required element for claims under § 3344 and the UCL, and a prerequisite for Article III standing. They therefore stood little chance of recovering any substantial relief for the Class.

Downing v. Abercrombie & Fitch, 265 F.3d 994, 1001 (9th Cir. 2001) (§ 3344); Animal Legal

Def. Fund v. Mendes, 160 Cal. App. 4th 136, 145 (2008) (UCL); Lujan v. Defenders of Wildlife,

504 U.S. 555, 560-61 (1992) (Article III). As an initial matter, Plaintiffs faced the daunting task of trying to prove that they and every Class Member were injured when content they voluntarily

FACEBOOK'S MPA ISO PLS.' MOT. FOR FINAL APPROVAL OF SETTLEMENT CASE No. CV 11-01726 RS

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1 shared with their Facebook Friends was redisplayed to those very same Friends. Discovery 2 3 4 5 6 7 8

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27 28 confirmed that no Plaintiff could point to any instance in which a Sponsored Story diminished the value of their name or likeness, or in any way deprived them of an opportunity they otherwise would have had. (Brown Decl. ¶ 54.) Instead, Plaintiffs hoped to establish injury by showing how much, if at all, Facebook benefitted from allegedly misappropriating Users' names and likenesses. (See Facebook Opp. to Pls.' Mot. to Certify a Class, Dkt. No. 141 ("Class Cert. Opp.") at 18.) But Plaintiffs' reliance on this legally dubious theory of injury—which assumes that Class Members were injured by harmless conduct solely because Facebook allegedly benefited from that conduct—was, on its own, sufficient to doom Plaintiffs' case.

Plaintiffs' theory of injury also contradicted the facts. While they contended that a few internal testing documents suggested Sponsored Stories outperformed other advertisements (Brown Decl. Ex. KK, ¶ 8(n)-(o), (y)), Facebook's analysis of Sponsored Stories that were actually displayed revealed that they often generate less revenue for Facebook than alternative ads. (Declaration of Randolph Bucklin, Dkt. No. 148 ("Bucklin Decl.") ¶¶ 9, 81-92.) Plaintiffs' own expert even conceded, under oath, that some Users' "endorsements" would either generate no additional revenue (when compared with other ads), or would cause Facebook to lose revenue. In other words, under Plaintiffs' already-faulty theory of injury, such Users would have no injury and thus no claim. (Brown Decl. Ex. W at 134-35; Class Cert. Opp. at 19-20.)<sup>14</sup>

Express Consent. Under § 3344, Plaintiffs had the burden of proving that every Class Member did not consent to Facebook's alleged use of their names and likenesses. See, e.g., Downing, 265 F.3d at 1001; Stewart v. Rolling Stone LLC, 181 Cal. App. 4th 664, 680 (2010). Express agreements between Facebook and putative Class Members, however, preclude such a showing. As early as 2007, three years before the launch of Sponsored Stories, Facebook's

<sup>&</sup>lt;sup>14</sup> In its class certification opposition, Facebook argued that uninjured Users could not be identified without individualized inquiry across the millions of Class Members, precluding class certification. (Class Cert. Opp. at 17-22.) The Settlement avoids these individualized issues by affording injunctive relief to all Class Members and direct monetary relief to those Class Members who can attest under oath that they believe they were injured (without needing to prove that they were, in fact, injured).

Terms—to which all Users agree when they sign up and use the site 15—authorized Facebook to 2 "use" Users' "photos [and] profiles (including your name, image, and likeness)" for "any purpose, commercial, advertising, or otherwise . . . " (Yang Muller Decl. Ex. C at 4 FB\_FRA\_00275.) By 2009, the Terms authorized Facebook to "use your name, likeness and image for any purpose, including commercial or advertising . . . ." (Id., Ex. E at FB\_FRA\_00329.) When Sponsored Stories launched, the Terms stated: "You can use your 7 privacy settings to limit how your name and profile picture may be associated with commercial, 8 sponsored, or related content (such as a brand you like) served or enhanced by us. You give us permission to use your name and profile picture in connection with that content, subject to the 10 limits you place." (*Id.* ¶¶ 21-22.)

This unambiguous, express consent is fatal to Plaintiffs' claims. Using Facebook has always has been contingent on a User's willingness to abide by, and be subject to. Facebook's Terms. See Sambreel Holdings LLC v. Facebook, Inc., No. 12-cv-0668, --- F. Supp. 2d ---, 2012 WL 5995240, at \*3 (S.D. Cal. Nov. 29, 2012) ("As an overarching premise, the Court is persuaded that Facebook has a right to control its own product, and to establish the terms with which its users, application developers, and advertisers must comply in order to utilize this product."). Because these Terms explicitly authorized Sponsored Stories, all Class Members, therefore, consented to their appearance in Sponsored Stories.

Implied Consent. Under California law, which the Parties agree governs here, consent can also be "implied from [a plaintiff's] conduct and the circumstances of the case." Jones v. Corbis Corp., 815 F. Supp. 2d 1108, 1113-14 (C.D. Cal. 2011) (plaintiff consented by posing for "red carpet" photos, knowing they could be used to solicit sales), aff'd, 489 F. App'x 155 (9th Cir. 2012); see Newton v. Thomason, 22 F.3d 1455, 1461 (9th Cir. 1994) (plaintiff consented by expressing "excitement" and "flatter[v]" over use of his name); Greenstein v. Greif Co., No. B200962, 2009 WL 117368, at \*9-10 (Cal. Ct. App. Jan. 20, 2009) (plaintiff consented because he knew he was "being recorded as part of the reality television program" and "did not object").

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<sup>&</sup>lt;sup>15</sup> Yang Muller Decl. ISO Facebook's Opp. to Pls.' Mot. for Class Cert., Dkt. No. 147 ("Yang Muller Decl.") ¶ 2, 13.

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Here, Class Members knew, based on their use of and familiarity with Facebook, that their actions on the site could be shown to their Facebook Friends in commercial contexts. The record is replete with evidence demonstrating as much and, indeed, sharing content with Friends is the reason Users take these actions in the first place. Since November 2007, Facebook has displayed User Like statements, along with User names and/or profile pictures, in trillions of Social Ads. 16 (Squires Decl. § 13.) Thus, millions of Users have seen their Friends' social actions (and names and/or profile pictures) paired with ads. Further, between January and August 2011 alone, U.S. Facebook Users saw over 115 billion Sponsored Stories featuring their Friends. (Declaration of Christopher Plambeck ISO Joint Motion for Prelim. Approval of Rev. Settlement, Dkt. No. 261, ("Plambeck Decl.") ¶ 6.) Users continue to see millions more Sponsored Stories each day. These facts show that Class Members were clearly aware that certain actions on the site-including Liking content and checking in—could lead to their appearance in Sponsored Stories. (See generally Tucker Decl. ISO Facebook's Opp. to Pls' Mot. For Class Cert., Dkt. No. 144 ("Tucker Decl.") ¶ 8.)

Despite this knowledge, however, Class Members continued to take actions that could lead to their appearance in Sponsored Stories. Even well after Sponsored Stories launched, Users continued to click the Like button for Facebook Pages 50 million times each day. (Tucker Decl. ¶ 91.) Many times, Users Liked Pages by clicking the Like button inside a Sponsored Story—as of April 2012, some 300,000 unique U.S. Facebook Users did this each day. (Plambeck Decl. ¶ 15; Tucker Decl. ¶ 48.) To claim that these Users did not understand that their actions could be featured in a Sponsored Story is not credible. Indeed, after the launch of Sponsored Stories, a sampling of Users showed that they did not change their behavior after learning about Sponsored Stories, as roughly equal numbers of Users increased, decreased, and did not change their Page-Liking rates. (Bucklin Decl. ¶¶ 99-103.)

Moreover, millions of Class Members knew they could control their appearance in Sponsored Stories through their privacy settings, but chose not to do so. As of April 2012,

<sup>&</sup>lt;sup>16</sup> Social Ads pair advertisements with stories about actions (such as Like statements) that Users have taken with respect to the advertised brand, organization, or company.

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approximately 5 million Users adjusted their privacy controls to make a Page Like visible to "Only Me," and Users "Unliked" Pages more than 1.3 million times in the second half of 2011. (Plambeck Decl. ¶ 13, 14.) Either of these actions prevents the associated content from appearing in a Sponsored Story. (Squires Decl. ¶ 12, 22-23.) Users who knew of these options but decided not to use them consented to Sponsored Stories.<sup>17</sup>

In fact, the named Plaintiffs (as well as former named Plaintiff Angel Fraley) continued to Like Pages on Facebook even after filing this lawsuit and learning that such actions could lead to Sponsored Stories. (Brown Decl. ¶ 44.) James Duval testified unequivocally that he has "continued to click on the Like button knowing that [he] may . . . trigger a sponsored story in which [his] name or profile picture would be displayed to [his] friends." (Id. ¶ 45.) Duval has even Liked content in order to "spark" Sponsored Stories. (Id. ¶ 46.) Similarly, after learning about this lawsuit, one User remarked: "I think using your info is part of the deal - nothing is free, it's how they make money." (Id., Ex. O) (italics added).

These facts establish that millions of Class Members impliedly consented to Sponsored Stories as a matter of law, precluding Plaintiffs from proving the absence of consent on a classwide basis. See Jones, 815 F. Supp. 2d at 1113; Newton, 22 F.3d at 1461.

COPPA Preemption. Regarding the Minor Subclass, Plaintiffs claimed that Facebook was required to obtain parental consent from minor Class Members' parents and failed to do so. This ignores the Children's Online Privacy Protection Act ("COPPA"), which preempts state laws that require websites to obtain parental consent to "collect" or "use" information from users 13 and older. Indeed, as explained below, under the law of express preemption and conflict preemption, states cannot require websites to obtain parental consent for teenagers. 18

Users have learned about Sponsored Stories in a variety of other ways, including from Facebook's online Help Center (Plambeck Decl. ¶ 10 (over 130,000 Users visited pages related to Sponsored Stories between October 2011 and March 2012), its site-wide User-education campaign (see Squires Decl. ¶ 25), and news articles (Brown Decl. Exs. X-EE).

<sup>&</sup>lt;sup>18</sup> Preemption comes in three forms: "(1) express preemption, where Congress explicitly defines the extent to which its enactments preempt state law; (2) field preemption, where state law attempts to regulate conduct in a field that Congress intended the federal law exclusively to occupy; and (3) conflict preemption, where it is impossible to comply with both state and federal requirements, or where state law stands as an obstacle to the accomplishment and execution of the full purpose and objectives of Congress." Gordon v. Virtumundo, Inc., 575 F.3d 1040, 1060 (9th

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Express Preemption. COPPA requires an "operator of a website or online service" to obtain parental consent before it "collects" or "use[s]" the "personal information" of a "child," but only where the child is "under the age of 13." 15 U.S.C. §§ 6501(1), 6502(a), 6502(b)(1)(A)(ii) (emphasis added); 16 C.F.R. § 312.5(a)(1). Because COPPA expressly preempts state requirements that are "inconsistent with" this "treatment," 15 U.S.C. § 6502(d), it bars any efforts by Plaintiffs or Class Members to use state law to impose a parental consent requirement for minors over the age of 13.<sup>20</sup>

As initially proposed, COPPA would have required parental consent for the collection or use of personal information from minors older than 13. (See Brown Decl. Ex. Q (S. 2326, 105th Cong. §§ 2(1), 3(a)(2)(A)(ii)-(iii)).)<sup>21</sup> But, facing substantial criticism that a parental consent requirement for teenagers would infringe First Amendment rights,<sup>22</sup> lawmakers rejected that proposal, stripping the bill of its provisions requiring parental consent for teenagers, see 144 Cong. Rec. 12785, 12787 (1998) (statement of Sen. Bryan) (explaining that these revisions "were

Cir. 2009).

<sup>&</sup>lt;sup>19</sup> Under COPPA, "personal information" means "individually identifiable information about an individual collected online," including "a first and last name," and any information collected and combined with such an identifier. 15 U.S.C. § 6501(8).

<sup>&</sup>lt;sup>20</sup> Facebook has briefed COPPA preemption extensively in the related *C.M.D.* case, where plaintiffs there made identical arguments. For a comprehensive discussion, see Facebook's Motion to Dismiss, Case No. 12-cv-01216, Dkt. No. 109 at 19-21, and Facebook's Reply ISO Motion to Dismiss, *id.*, Dkt. No. 120 at 11-14.

<sup>&</sup>lt;sup>21</sup> See Brown Decl. Ex. R, 144 Cong. Rec. S12787 (daily ed. Oct. 21, 1998) (statement of Sen. Bryan)). Compare S. 2326, 105th Cong. §§ 2(1) and 3(a)(2)(A)(ii)-(iii), with 15 U.S.C. §§ 6501(1), 6502(a), and (b)(1)(A)(ii). See generally Brown Decl. Ex. S, Testimony of the FTC before Subcomm. on Consumer Prot., Prod. Safety, & Ins., July 15, 2010, at 14-15 ("In the course of drafting COPPA, Congress looked closely at whether adolescents should be covered by the law, ultimately deciding to define a 'child' as an individual under age 13.") (citations omitted).

<sup>&</sup>lt;sup>22</sup> See Brown Decl. Ex. T, COPPA: Hr'g on S. 2326 Before the Comme'ns Subcomm. of the S. Comm. on Comme'ns, Sci. & Transp., 105th Cong. 46 (1998) (testimony of A. Sackler, Time Warner) ("[COPPA] should apply only to children under 13 years of age. . . . Models of parental consent or parental notification would chill teenagers' interest in commercial websites enormously, and should not be included in this legislation." (altered)); id. at 30 (testimony of D. Mulligan, Ctr. for Democ. & Tech.) ("As applied to teenagers [the bill] . . . ha[s] the potential to chill protected First Amendment activities and undermine rather than enhance teenagers['] privacy"); id. at 56 (testimony of Am. Library Ass'n) (COPPA "should not apply to minors over the age of 12" because "[t]eenagers have independent rights to free speech and privacy that would be severely compromised if parental notice were required each time they engaged in a transaction with a commercial website").

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CORRY LLP Acedensia At Caw San Prancisco worked out carefully with the participation of the marketing and online industries, the Federal Trade Commission, privacy groups, and First Amendment organizations"). The revised bill also contained an express preemption clause, fortifying COPPA against "inconsistent" state laws. 15 U.S.C. §6502(d); see 144 Cong. Rec. 12789. Thus, Congress adopted a clear policy that teenagers' Internet activities should not be subject to parental consent requirements, even under the auspices of state law. See 144 Cong. Rec. 12789.

Accordingly, COPPA bars states from requiring an online operator, like Facebook, to obtain parental consent in order to collect or use personal information from minor users 13 and older: "No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section." See 15 U.S.C. § 6502(d) (italics added). Under the plain meaning of this provision, a state law is "inconsistent with" COPPA if it imposes different standards of liability on COPPA-regulated activities, for example, by imposing liability where COPPA does not. See Gordon, 575 F.3d at 1061-63 (plaintiffs' claims expressly preempted because "[i]t would be logically incongruous to conclude that Congress endeavored to erect a uniform standard but simultaneously left states . . . free to . . . create more burdensome regulation"). Because Facebook forbids children under age 13 from using its site, any parental consent requirement under state law for a website operator's "use" of teenagers' personal information would target the very group of minors whom Congress determined should not be subject to a parental consent requirement. Applying state law in this manner would be flatly "inconsistent with the treatment" of teenagers' Internet use prescribed by COPPA, and is, therefore, preempted. See 15 U.S.C. § 6502(d).

Applying COPPA's preemption clause, a California court dismissed a class action against Facebook premised on the same parental consent requirement urged by Plaintiffs in this case. In *David Cohen v. Facebook, Inc.*, No. BC 444482 (L.A. Super. Ct.), plaintiffs sued under § 3344 and the California Constitution based on Facebook's alleged failure to obtain parental consent for displaying minors' names and likenesses in alleged advertisements. (Brown Decl. Ex. U (*David Cohen FMCAC*) ¶ 39-48.) In September 2011, Judge Weintraub sustained Facebook's

CORREY LLP A FEDERACK AT LAW SAN FRANCISCO demurrer, ruling that "Plaintiffs' claims based on state law for Facebook's alleged failure to obtain the parental consent of Users aged 13 to 17 to the commercial use of their name and likeness is preempted by [COPPA]." (Brown Decl. Ex. V.)

Conflict Preemption. A parental consent requirement would likewise fail under a conflict preemption analysis, under which a state law must yield where it "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." AT&T Mobility LLC v. Concepcion, 131 S. Ct. 1740, 1753 (2011) (internal quotations and citation omitted). One of COPPA's significant objectives was preserving the First Amendment rights of teenage Internet users by exempting them from COPPA's parental consent requirement. A state law purporting to require teenage users to obtain parental consent conflicts with this objective, and would fail under the established law of conflict preemption. See Geier v. Am. Honda Motor Co., 529 U.S. 861, 881-82 (2000) (preempting state law imposing liability for conduct that was lawful under federal law); Franklin Nat'l Bank v. New York, 347 U.S. 373, 377-79 (1954) (same).

Arizona v. United States, 132 S. Ct. 2492 (2012), confirms this analysis. There, the Court addressed the conflict between an Arizona law, which sought to impose criminal penalties on undocumented workers, and a federal law, which imposed such penalties only on *employers*, but was silent as to the status of the undocumented workers themselves. See id. at 2503-04. Applying "ordinary principles of preemption," the Court ruled that federal law preempted the Arizona law, emphasizing that Congress had considered and rejected proposals, akin to Arizona's, to impose criminal penalties on undocumented employees. See id. at 2505. By embracing a more extreme proposal that Congress had considered and rejected, the Court ruled, Arizona's approach "would interfere with the careful balance struck by Congress" and stood as an "obstacle to the regulatory system Congress chose." See id.

The same analysis applies here. In enacting COPPA, Congress carefully considered a parental consent requirement for the collection and use of personal information of minors age 13 and older. (Brown Decl. Ex. Q (S. 2326, 105th Cong. § 3(a)(2)(A)(ii)-(iii)).) As in *Arizona*, Congress rejected that proposal, making a considered judgment that parental consent should be required only for minors under age 13. Requiring parental consent here "would interfere with the

See Arizona, 132 S. Ct. at 2505.

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careful balance struck by Congress," thereby impeding "the regulatory system Congress chose."

CORREY LLP Appointed At East San Francisco In view of COPPA's broad preemptive effect—as dictated by established principles of both express and conflict preemption—no state law can require parental consent to collect and use information from teenage Internet users. Therefore, the Minor Subclass cannot prevail on claims premised on a lack of parental consent and, accordingly, Facebook's consent arguments described above apply equally to minors.

Parental Consent. Even if Facebook were required to obtain parental consent for its minor Users, Plaintiffs still could not prove an absence of consent for the Minor Subclass on a classwide basis. For example, named Plaintiff W.T. not only had his father's permission to register for Facebook, but did so while sitting at a computer with his father, with whom he reviewed—and agreed to—Facebook's Terms. (Brown Decl. ¶¶ 47-48.) W.T.'s father could not even recall whether it was he or his son who actually clicked "Sign Up," which signals agreement to Facebook's Terms. (Id. ¶ 48 (Mr. Tait testified, "... I think he was the one who was doing the typing, but I was sitting right with him." (italics added)).) Mr. Tait also registered for his own Facebook account to monitor W.T.'s activity on the site. (Id. ¶ 49.) These facts establish that Mr. Tait gave express and implied consent, as a matter of law, to his son's use of Facebook according to its Terms, including the language permitting his son's appearance in Sponsored Stories.

Facebook also adduced compelling evidence that millions of other parents impliedly consent to Sponsored Stories. For example, as of December 27, 2011, over six million teenage Users—almost one in three members of the Minor Subclass—were Facebook Friends with at least one of their parents. (Plambeck Decl. ¶ 7, 11.) In addition, millions of parents supervise their children's Facebook use, some have access to their children's passwords, and most helped their children create their accounts.<sup>23</sup> Many parents who know that their children are using Facebook

Brown Decl. Ex. FF at 3 (study found that 72% of parents monitor their teens' social networking accounts); Brown Decl. Ex. GG (recent study found that 92% of parents surveyed were Facebook Friends with their children and 72% have access to their children's passwords); Brown Decl. Ex. HH at 11 (recent study found that 64% of parents who knew when their child created his or her Facebook account had helped the child create the account).)

would have actual (or constructive) notice of the Terms governing that use, including the term permitting Facebook to use a minor's name and profile picture in commercial or sponsored content. Moreover, many of these parents—through their own use of Facebook or otherwise—were undoubtedly aware that their minor children either had appeared or could appear in Sponsored Stories, yet took no measures to prevent that from happening (by altering privacy settings, closing their accounts, etc.). These parents impliedly consented to the conduct challenged in this case.

Thus, even if COPPA could be set aside, which it cannot, millions of minors could not carry their burden to show a lack of parental consent.

Proof of Use of Name or Likeness. Many Class Members' claims would also fail because their name on Facebook is neither their actual name nor a pseudonym widely known to the public as identified with the Class Member, as required under § 3344. Abdul-Jabbar v. Gen. Motors Corp., 85 F.3d 407, 416 (9th Cir. 1996) (whether plaintiff's birth name, Lew Alcindor, "equals' Kareem Abdul-Jabbar . . . is a question for the jury"). Facebook established that this practice is widespread; indeed, two of the five original named Plaintiffs used fictitious Facebook names, and one had scores of Facebook Friends using fanciful names like "DanceHer IsLove," "Endearment LadyDear," and "Nu KlezmerArmy." (Brown Decl. Ex. P.)

Even more Class Members would be precluded from recovery given the prevalence of Facebook Users whose profile pictures do not contain their likeness. Specifically, such profile pictures do not contain photographs from which "one who views the photograph with the naked eye can reasonably determine that the person depicted in the photograph is the same person who is complaining of its unauthorized use." Cal. Civ. Code § 3344(b)(1); see Newcombe v. Adolf Coors Co., 157 F.3d 686, 692 (9th Cir. 1998). Facebook does not require Users to upload a profile picture at all, much less a picture that bears their likeness. (Squires Decl. ¶ 2-3.) Each of the named Plaintiffs admitted that many of their Facebook Friends would not recognize profile pictures they have used as depicting them. (Brown Decl. ¶ 50-52.) Indeed, one of the named Plaintiffs used profile pictures depicting, at various times, the Oakland skyline and a cartoon of a kimono-clad ninja. (Id. ¶ 51.) Facebook also showed that many of Angel Fraley's Friends used

profile pictures that Fraley herself did not recognize. (Id. ¶ 52.)

Public Interest Exception of § 3344(d). Many (if not all) claims would additionally fail because § 3344 exempts from liability the use of a person's name or photograph "in connection with any news, public affairs, or sports broadcast or account, or any political campaign . . . ." Cal. Civ. Code § 3344(d); Baugh v. CBS, Inc., 828 F. Supp. 745, 753 (N.D. Cal. 1993) ("the fact that [the challenged use] generates advertising revenue does not prevent [a defendant] from claiming" immunity under § 3344(d)). Millions of Sponsored Stories relate to one of these protected subjects, including Stories run by CNN (e.g., "John Smith: Here's a link to a great analysis of the gun control debate"), Michele Bachmann (e.g., "Jane Doe likes Michele Bachman"), Ron Paul, the Democratic Party, and the Catholic Advocate. (Squires Decl. ¶¶ 11, 20; Tucker Decl. ¶¶ 65-67); see Gionfriddo v. Major League Baseball, 94 Cal. App. 4th 400, 415 (2001) (depiction of baseball players in materials promoting baseball excepted under § 3344(d)). Plaintiffs admitted as much at the class certification stage, where they "concede[d] that 'political' ads may be excepted from the Class." (Class Cert. Reply at 13.)

First Amendment. The First Amendment also protects Facebook's display of Sponsored Stories, and many Sponsored Stories—including those about religion, politics, and public affairs—receive the highest degree of Constitutional protection. See Miller v. California, 413 U.S. 15, 34-35 (1973) (First Amendment facilitates "unfettered interchange of ideas for the bringing about of political and social changes desired by the people") (internal quotations and citations omitted). The First Amendment protects commercially-oriented Sponsored Stories, many of which result from User Likes or shares that facilitate self-expression. See Lowe v. S.E.C., 472 U.S. 181, 210 n.58 (1985) ("[W]e have squarely held that the expression of opinion about a commercial product such as a loudspeaker is protected by the First Amendment.") (citation omitted). This is true for minors as well. (See Tucker Decl. ¶ 53 (minors often cite "self-expression" as a reason for using the Facebook Like button); see Brown v. Entm't Merchs. Ass'n, 131 S. Ct. 2729, 2735 (2011) (recognizing minors' First Amendment rights)). Here, because the expressive modes of sharing that can lead to a Sponsored Story are "inextricably intertwined" with any "commercial aspects," Facebook's redisplay of these stories are treated as

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"fully protected expression." Riley v. Nat'l Fed'n of the Blind of N.C., 487 U.S. 781, 796 (1988); accord Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180, 1185 (9th Cir. 2001).

Communications Decency Act ("CDA") § 230. Because Plaintiffs' claims arise exclusively from Facebook's republication of content generated by Users—namely, Users' Likes and other actions they decided to share on Facebook-Sponsored Stories are immune from liability under § 230 of the CDA. See Carafano v. Metrosplash.com, Inc., 339 F.3d 1119, 1123 (9th Cir. 2003) (applying § 230 to affirm dismissal of right-of-publicity claim, citing § 230's grant of "broad immunity [to websites that] publish[] content provided primarily by third parties"). Although Plaintiffs alleged that Facebook itself created the content in Sponsored Stories (SAC ¶¶ 57-59), discovery has disproved this claim. Facebook does not contribute to the substance of the Users' social actions on Facebook, but instead offers neutral tools, such as the Like button, through which Users may share their support for and affiliation with companies, organizations, causes, and more. See, e.g., Carafano, 339 F.3d at 1125 (defendant immune where the information about which plaintiff complained was "transmitted unaltered to profile viewers"); Goddard v. Google, Inc., 640 F. Supp. 2d 1193, 1196 (N.D. Cal. 2009) ("[A] website operator does not become liable as an 'information content provider' . . . when it merely provides third parties with neutral tools to create web content . . . "). Further, the fact that Facebook was paid to display Sponsored Stories does not preclude CDA immunity. See Levitt v. Yelp! Inc., Nos. C-10-1321, C-10-2351, 2011 WL 5079526, at \*6 (N.D. Cal. Oct. 26, 2011) ("traditional editorial functions" immunized by § 230 "include subjective judgments informed by political and financial considerations"); see also Barnes v. Yahoo!, Inc., 570 F.3d 1096, 1105 (9th Cir. 2009) (§ 230 "shields from liability all publication decisions, whether to edit, to remove, or to post, with respect to *content generated entirely by third parties.*") (italics added).

UCL Claim. Plaintiffs' UCL claims were also untenable. Although Plaintiffs originally alleged that the Terms misled Users regarding their ability to opt out of Sponsored Stories (see SAC ¶ 32-33), Plaintiffs conceded that they did not detrimentally rely on these Terms as required to establish "fraud" under the UCL. See, e.g., Mazza v. Am. Honda Motor Co., 666 F.3d 581, 591 (9th Cir. 2012) (UCL "requires named class plaintiffs to demonstrate reliance").

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26 27 28 To the contrary, the named Plaintiffs expressly disclaimed having read (or could not recall reading) the Terms that allegedly misled them. (See Brown Decl. ¶ 53.) Plaintiffs also could not prevail under the UCL's "unlawful" prong because, as discussed above, they cannot prove that Sponsored Stories violate § 3344 or any other law. Nor do Plaintiffs have a claim under the UCL's "unfair" prong because Facebook Users—including some of the named Plaintiffs—Like companies and causes specifically to share that content, and their affinity for it, with Friends, and they necessarily benefited when their Likes were rebroadcast to the same audience, including in Sponsored Stories. See, e.g., S. Bay Chevrolet v. GMAC, 72 Cal. App. 4th 861, 886-87 (1999) ("unfair" claim entails "examination of [the conduct's] impact on its alleged victim, balanced against the reasons, justifications and motives of the alleged wrongdoer") (internal quotations and citations omitted). Several Plaintiffs even admitted that when they Liked certain content, they wanted that Like to be shared as widely as possible. (Brown Decl. ¶ 55.)

The serious risk that one or more of these substantial defenses would have precluded many or all of Plaintiffs' and Class Members' claims provides ample justification for Plaintiffs' counsel's informed, considered decision to settle. The Parties' agreement—calling for Facebook to pay \$20 million and make substantial changes that give Class Members control over, and information regarding. Sponsored Stories, even though not required by law-represents an eminently fair remedy for the perceived wrongs that Plaintiffs sought to redress in this action.

#### 3. Absent a settlement, it may be years before the Class recovers, if at all.

The Parties' calculated decision to avoid the expense and delay of further litigation also supports final approval under the second Officers for Justice factor—"the risk, expense, complexity, and likely duration of further litigation." Prior to reaching judgment, the Parties would have had to litigate through the vigorously contested class certification stage, <sup>24</sup> summary

<sup>&</sup>lt;sup>24</sup> Because class certification would have been hotly contested and Plaintiffs would face a tough hurdle to prevail, the third Officers for Justice factor ("the risk of maintaining class action status throughout the trial") is met. See Wal-Mart Stores, Inc. v. Dukes, 131 S. Ct. 2541, 2551 (2011) ("A party seeking class certification . . . must be prepared to prove that there are in fact sufficiently numerous parties, common questions of law or fact, etc.").

judgment (where Facebook's Terms were likely to be dispositive), and trial. Further, appellate proceedings were highly likely given the many novel and complex issues the case raised, many of which were issues of first impression. In short, absent a settlement, even if the Class could obtain a recovery, which is doubtful, it would likely be years before any relief would be actually realized. *See Perez v. Asurion Corp.*, 501 F. Supp. 2d 1360 (S.D. Fla. 2007) ("With the uncertainties inherent in pursuing trial and appeal of this case, combined with the delays and complexities presented by the nature of the case, the benefits of a settlement are clear."); *Officers for Justice*, 688 F.2d at 629 (approving settlement where "many years may be consumed by trial(s) and appeal(s) before the dust finally settles"); *Riker*, 2010 WL 4366012, at \*4 ("[U]nless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results.") (citation omitted).

# 4. The relief in the Settlement is fair, reasonable, and adequate.

As the Ninth Circuit recently reaffirmed in *Lane*, the district court "must evaluate the fairness of a settlement as a whole, rather than assessing its individual components." *Lane*, 696 F.3d at 818-19. The Settlement's \$20 million monetary payment and broad injunctive relief provisions are more than fair and reasonable.

# a. The monetary relief component is appropriate in light of the weakness of the claims and the risks of continued litigation.

The total amount of the Settlement Fund, as well as the direct monetary relief to Authorized Claimants, further supports a finding that the Settlement is fair, reasonable, and adequate. Facebook's \$20 million payment to the Settlement Fund is more than sufficient consideration for the release of Class Members' claims under either measure of damages Plaintiffs sought under § 3344, namely: (1) Facebook's profits "attributable to" the alleged misappropriation, which would have allowed only a modest recovery; and (2) statutory damages, which would have been unrecoverable on a classwide basis, and may not have been recoverable for more than a handful of Class Members. See § 3344(a).

<sup>&</sup>lt;sup>25</sup> Some objectors assert that Facebook's profits will be over \$1 billion during the relevant time frame. (See, e.g., Obj. No. 14 at 2.) But these Objections do not establish that this profit was related to Sponsored Stories, and they concede that this forecast is related to all mobile ad revenue, which cannot serve as a rational alternative basis for damages in this litigation.

As to Facebook's profits from Sponsored Stories, even using Plaintiffs' flawed estimates of those figures, the Settlement provides more monetary relief than was otherwise recoverable. When the Parties negotiated the Revised Settlement in August 2012, Facebook had earned approximately \$233 million in revenues from Sponsored Stories delivered in the U.S. since January 2011, when Sponsored Stories launched. (Plambeck Decl. ¶ 9.) As disclosed in Facebook's public filings, operating the site in 2011 cost upwards of \$2 billion per year, and Facebook's profit margins were approximately 50%. (Brown Decl. Ex. JJ at 10-11.) Plaintiffs estimated the incremental value of Users' "endorsements" as either: (1) 50% of the revenue earned from Sponsored Stories, purportedly based on internal Facebook documents; or (2) 75% of the revenue from Sponsored Stories, based on a comparison of the "effectiveness" of Sponsored Stories to that of other advertisements (measured by click rates). Even using those estimates—which Facebook does not endorse or accept—Facebook's profits attributable to the alleged misappropriation would be \$73.1 million, <sup>26</sup> or approximately \$0.60 per Class Member on average (Facebook's records indicate that approximately 123 million Users in the U.S. appeared in Sponsored Stories during that time period).

Importantly, this \$73 million figure represents *Plaintiffs' view* of the profit attributable to the alleged misappropriation. If litigation continued, Facebook would demonstrate that User harm must be measured by quantifying actual injury to Users, as distinct from any benefit to Facebook, which would result in a finding of zero damages. Facebook would also show that Plaintiffs' methodologies are irredeemably flawed and that the \$73 million figure is *grossly* overstated, because, as confirmed by Facebook's expert, Sponsored Stories frequently generated no incremental profits compared to alternative advertisements. (Bucklin Decl. ¶¶ 9, 81-92.)

However, even using Plaintiffs' estimates, a settlement for \$7.3 million—10% of Facebook's potential liability—would be fair and reasonable given the serious risks and costs of ongoing litigation. See Officers for Justice, 688 F.2d at 628 (finding settlement for fraction of potential liability fair, reasonable, and adequate given risks and delay plaintiff faced in further

<sup>&</sup>lt;sup>26</sup> Calculated as: (\$233,792,612 in revenues) \* (50% profit margin) \* (62.5%, i.e., the average of Plaintiffs' estimate of the percentage of Facebook's revenues attributable to misappropriation).

COOREY LLP A redessore at Caw San Prancisco litigation). The \$20 million Settlement equals 27% of Facebook's alleged liability, without even accounting for deductions for litigation risk.

As to Plaintiffs' second proposed measure of damages, the Settlement's \$20 million net payment also accounts for the possibility—although exceedingly remote—that Plaintiffs might have recovered statutory damages. Several factors would have precluded a statutory damages award in this case, particularly on a classwide basis. First, the Court expressly cautioned Plaintiffs that, "at summary judgment or at trial, [they] may not simply demand \$750 in statutory damages in reliance on a bare allegation that their commercial endorsement has provable value, but rather *must prove actual damages* like any other plaintiff whose name has commercial value." (MTD Order at 29 (italics added, internal citations and quotations omitted).)<sup>27</sup> This requirement would have barred the vast majority of Class Members from recovering.

Further, even if certain Class Members could theoretically prove "actual damages," they could not aggregate those damages because of due process concerns. See Parker v. Time Warner Entm't Co., 331 F.3d 13, 25 (2d Cir. 2003) ("aggregation in a class action of large numbers of statutory damages claims potentially distorts the purpose of both statutory damages and class actions" such that "the due process clause might be invoked" so as to "reduce the aggregate damage award") (citing State Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408, 416 (2003)). Plaintiffs thus had extraordinarily remote (if not non-existent) prospects for recovering statutory damages on a classwide basis. See White v. Experian Info. Solutions, Inc., 803 F. Supp. 2d 1086, 1097-98 (C.D. Cal. 2011) ("Settling Plaintiffs, however, certainly were entitled to consider the risk that any large, cumulative statutory damages award obtained at trial ultimately might have been reduced by the trial or appellate courts."), overruled on other grounds by Radcliffe v. Experian Info. Solutions, Inc., --- F.3d ----, 2013 WL 1831760 (9th Cir. May 2, 2013).

Similarly, due process concerns would likely preclude Class Members from recovering

<sup>&</sup>lt;sup>27</sup> Several objectors assume that Class Members are entitled to \$750 in statutory damages by simply making a claim. (*See* Obj. No. 10 at 6; Inv. Obj. Nos. 99 at 3, 102 at 4.) On this erroneous basis, they assert that the proposed Class relief is insufficient. But as Judge Koh's decision makes clear, Class Members would have faced a considerable evidentiary burden to qualify for statutory damages. Thus, statutory damages do not provide a useful comparison for whether the individual relief provided by the Settlement is fair, reasonable, and adequate.

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damages at trial equivalent to the monetary relief in the Settlement. Although certain Class Members have objected that \$10 per Authorized Claimant (subject to discretionary increase by the Court) is insufficient (see, e.g., Obj. No. 1), such an award would be, according to Plaintiffs' methodology, 17 times Facebook's average profit per Class Member attributable to the alleged misappropriation from January 2011 to August 2012 (about \$0.60). The Supreme Court has explained that, in the rare instances in which punitive damages are available, the ratio of actual damages to punitive damages should not exceed single digits. So, here, a recovery that is 17 times higher than what a Class Member might recover in actual litigation is more than reasonable. See BMW of N. Am., Inc. v. Gore, 517 U.S. 559, 580 (1996); State Farm, 538 U.S. at 425 (noting "in practice, few awards exceeding a single-digit ratio between punitive and compensatory damages, to a significant degree, will satisfy due process") (citing BMW, 517 U.S. at 581).

Additionally, as a practical matter, Authorized Claimants will receive a windfall. They voluntarily signed up to use a free social-networking site and had some content they shared with their Friends shared again with those very same Friends. They paid Facebook no money at all and suffered no actual economic damages, much less injury. Yet they are being paid an amount that far exceeds any profit Facebook allegedly earned by using their names and likenesses.

As the Ninth Circuit made clear in *Lane*, settlements need not include monetary relief simply because statutory damages might theoretically be available if plaintiffs were to recover at trial. In *Lane*, an objector challenged a settlement with Facebook, claiming it afforded too little relief given that many class members sought statutory damages. The Ninth Circuit explained that courts need not compare proposed settlement relief to potential damages, statutory or otherwise:

Not only would such a requirement be onerous, it would often be impossible—statutory or liquidated damages aside, the amount of damages a given plaintiff (or class of plaintiffs) has suffered is a question of fact that must be proved at trial. Even as to statutory damages, questions of fact pertaining to which class members have claims under the various causes of action would affect the amount of recovery at trial, thus making any prediction about that recovery speculative and contingent.

Lane, 696 F.3d at 823. Similarly, here it would be unduly speculative, if not impossible, for the Court to wade into potential statutory damages recoveries for Class Members.

Discounting Plaintiffs' maximum recovery to \$20 million is thus entirely appropriate and well within the range of acceptable, and previously approved, settlements. See, e.g., Parker v. Time Warner Entm't Co., 631 F. Supp. 2d 242, 261-62 (E.D.N.Y. 2009) ("[T]here is no reason, at least in theory, why a satisfactory settlement could not amount to a hundredth or even a thousandth part of a single percent of the potential recovery.") (internal quotations and citation omitted); Fisher Bros. v. Cambridge-Lee Indus., Inc., 630 F. Supp. 482, 489-90 (E.D. Pa. 1985) (approving settlement that awarded class less than 1% of maximum recovery). Indeed, "[i]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery will not per se render the settlement inadequate or unfair. This is particularly true . . . where monetary relief is but one form of the relief requested by the plaintiffs." Officers for Justice, 688 F.2d at 628 (citations omitted); see also In re Gen. Instr. Sec. Litig., 209 F. Supp. 2d 423, 431 (E.D. Pa. 2001) (settlement for "relatively small percentage of the most optimistic estimate does not, in itself, weigh against the settlement: rather, the percentage should be considered in light of the strength of the claims") (internal quotations and citation omitted).

Finally, the Settlement's claims process, and the criteria for making claims, which limits recovery to Class Members who can attest they meet the requirements for recovery under § 3344, is also entirely fair and reasonable. Because recovery under § 3344 requires lack of consent and injury, it is entirely appropriate to limit monetary recovery to Users who attest that: (1) they were not aware their social actions could lead to their appearance in Sponsored Stories (addressing implied consent); and (2) they believe they were harmed (addressing injury). See In re Mego Fin. Corp. Secs. Litig., 213 F.3d 454, 461 (9th Cir. 2000) (affirming settlement approval, even though "it [left] a large portion of the class without a recovery"). Indeed, a settlement need not provide financial compensation to every class member, as "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." In re TD Ameritrade Account Holder Litig., Nos. 07-cv-2852 & 07-cv-4903, 2011 WL 4079226, at \*9 (N.D. Cal. Sept. 13, 2011) (dismissing objector argument that settlement that provided no monetary benefits to certain class members should be rejected on that basis) (italics added).

Nor was the claims process in any way designed to deter Class Member participation, as

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CORREY LLP Actornove At Law San Francisco some objectors claim. (See, e.g., Inv. Obj. No. 102 at 2.)<sup>28</sup> Rather, the Settlement's claims process was necessary to protect Class Members from potentially fraudulent claims. In fact, one individual filed over 157,000 separate Claim Forms in this action. (Keough Decl. ¶ 14.)

# b. The injunctive relief provides substantial value to the Class.

Because the proposed injunctive relief accomplishes many of Plaintiffs' goals in filing this action, it further supports final approval of the Settlement. See Officers for Justice, 688 F.2d at 628 (approving settlement that "incorporates a variety of [injunctive] provisions to accommodate" concerns raised in the lawsuit); In re Ferrero Litig., No. 11-CV-00205, 2012 WL 2802051, at \*4 (S.D. Cal. July 9, 2012) (approving injunctive relief that required defendant to "address the fundamental claim raised in Plaintiffs' complaint"); Myers, 2009 WL 900787, at \*16 (approving injunctive relief that "clarif[ied] the very . . . practices that led to this dispute").

## (1) Enhanced notice and new controls for Class Members.

Although Facebook denies liability, it has agreed to address each of the core concerns Plaintiffs raised in this litigation head-on. Pursuant to the Settlement, Facebook has agreed to: (i) enhance the notice and consent provision in its Terms with explicit language to which the Parties have agreed; and (ii) work with Plaintiffs' Counsel to identify and clarify any other information on Facebook that, in Plaintiffs' view, does not accurately or sufficiently explain Facebook advertising. (S.A. § 2.1(a), (d).) These changes remedy the alleged defects in Facebook disclosures claimed by Plaintiffs. (See SAC ¶ 32-41, 122-23.)

Facebook has also agreed to implement an innovative new tool that will permit Users to view, on a going-forward basis, which of their actions on Facebook are being redisplayed in

Objector Jo Batman contends the claims process was deficient because it provided only a "P.O. Box and an email address" for Class Members to submit Claim Forms or Objections, which precluded submission by "private carriers, like Federal Express and UPS, [which] will deliver only to a physical street address . . . ." (See Obj. No. 14 at 4.) She offers no authority in support of this argument, which is partly based on faulty facts, as FedEx offers delivery to P.O. boxes through its "SmartPost" service. See http://www.fedex.com/us/smart-post (last visited June 7, 2013) ("FedEx SmartPost reaches every U.S. address, including P.O. boxes."). Even then, the day of the postmark—not the day of receipt—controlled the timeliness of Objections and claims (see Preliminary Approval Order 6(d)), meaning expedited shipping would not have benefitted Class Members. Of course, all Class Members could submit claims and Objections virtually instantaneously over the Internet via the Settlement Website (for claims) and via email (for Objections). Because every Class Member has accessed Facebook online, every single Class Member was presumably capable of submitting a claim or Objection online.

CORREY LLP A CEDENSY: AT EAST SAN FRANCISCO Sponsored Stories (if any). (S.A. § 2.1(b).) This tool redresses one of Plaintiffs' key and often-repeated concerns—that they did not know which of their actions on the site were republished in Sponsored Stories. Facebook will also create a granular control that will allow Users, upon viewing content that has been included in a Sponsored Story, to prevent additional Sponsored Stories based on that content. (*Id.*)<sup>29</sup> Although since the launch of Sponsored Stories the site has provided mechanisms for Users to prevent or limit their appearance in Sponsored Stories (as well as instructions regarding how to use those mechanisms), this relief resolves another of Plaintiffs' core criticisms—that taking the necessary actions was too difficult or complicated.

Further, for a period of two years following final approval, Plaintiffs' Counsel may move the Court for an order requiring a third-party audit to confirm Facebook's compliance with the agreed-to injunctive relief. (S.A. § 2.1(e).) If the Court decides a third-party audit is appropriate, Facebook has agreed to pay for it.

Facebook believes that these changes surpass controls and tools offered by every other company in the social media industry. (See Tucker Decl. ¶ 58; Infante Decl. ¶ 22-23.) Given the reluctance of courts to micro-manage the business of defendants (especially considering the highly-competitive and rapidly changing nature of the Internet), Plaintiffs could not have obtained these robust changes through adversarial litigation. (Cf. Infante Decl. ¶ 15.)

### (2) Additional Settlement benefits for the Minor Subclass.

In addition to the significant classwide benefits, the Settlement specifically addresses the Minor Subclass's claims by expanding parental oversight and control over Sponsored Stories featuring minor children. This includes Facebook's commitment to: (1) revise its Terms to require minor Users to affirm that they have obtained parental consent to Facebook's use of their

One objector erroneously asserts that this tool will only permit Users to remove existing Sponsored Stories. (Inv. Obj. No. 99 at 2.) This misunderstands Sponsored Stories, which are displayed contemporaneously, not for lengthy periods such that they must be "removed." Further, the objector is incorrect that Users will not be able to prevent future Sponsored Stories via the new tool. For example, using the new tool a User will be able to see that he has appeared in a Sponsored Story for XYZ Company after he Liked it on Facebook. He will also be able to use the new granular control to prevent that Like from appearing in future Sponsored Stories. These new controls, of course, are additive of the various options that Users have long had to prevent their appearance in sponsored content. (See supra p. 21-22; see also Squires Decl. ¶¶ 21-23.)

1 names and likenesses in connection with commercial, sponsored, or related content on Facebook 2 3 4 5 6 7 8 9 10 11 12 13 14

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(S.A. § 2.1(c)(i)); (2) create a new tool that allows parents (whether or not they are Facebook Users) to prevent the names and likenesses of their minor children from appearing in any Sponsored Stories, which will be accessible directly through the Facebook accounts of parent-Users who have a confirmed parental relationship with a minor User<sup>30</sup> (id. § 2.1(c)(iii)); and (3) educate Users about these new parental controls, which includes adding information to Facebook's existing Family Safety Center about social advertising on Facebook and about the new Sponsored Stories opt-out tool for parents (id. § 2.1(c)(iv)). Facebook has also committed to take additional steps to encourage new Users, upon or soon after joining Facebook, to identify their family members on Facebook, including their parents and children. (Id. § 2.1(c)(ii).) Further, for Users with a confirmed parental relationship with a minor User, Facebook has agreed to create and show advertising directing them to the Family Safety Center, and/or other parentspecific resources on Facebook. (Id. § 2.1(c)(iv).)

Finally, Facebook has agreed to add a setting in minor Users' profiles that enables them to indicate that they do not have a parent on Facebook. Where minor Users indicate this, Facebook has agreed to make such minors ineligible to appear in Sponsored Stories until they reach the age of 18, until they change their profile to indicate that they have a parent on Facebook, or until a confirmed parental relationship with the minor User is established.<sup>31</sup> (*Id.* § 2.1(c)(iii).)

This injunctive relief directly addresses the claims of the Minor Subclass, which focused on the absence of a way for parents to prevent minors from appearing in Sponsored Stories. (SAC ¶ 41; see also Ntc. of Transfer of Related Action, Ex. B, Dkt. No. 98-2.) It represents a substantial concession by Facebook and provides a significant value to the Minor Subclass.

<sup>&</sup>lt;sup>30</sup> This is a substantial and valuable component of the injunctive relief because, as of the end of 2011, over six million minor Facebook Users were Friends with at least one other User that they had indicated was a parent. (Plambeck Decl. ¶¶ 7, 11.)

These efforts will supplement Facebook's already-extensive programs to protect minors, including an online Family Safety Center with detailed information about safe Internet use and frequent consultations with a Safety Advisory Board comprised of independent experts in cyberstalking, cyber-bullying, and other online risks affecting minors. (Brown Decl. Ex. II.)

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# (3) The injunctive relief provides additional consideration for release of Class Members' claims for past damages.

It is well established that changes to a defendant's challenged business practices or disclosures may constitute valuable and adequate consideration for releasing monetary damages claims. For example, in *In re Motor Fuel Temperature Sales Practices Litigation*, No. 07-md-1840, 2012 WL 1415508 (D. Kan. Apr. 24, 2012), the court approved a Rule 23(b)(3) settlement for injunctive relief only, awarding "no money to class members," even though they had sought both actual and statutory damages. See id. at \*4, \*7, \*15. Weighing "the real uncertainty whether plaintiffs [could] prove liability on their claims," the court explained that "it [was] fair, reasonable and adequate for class members . . . to trade uncertain claims for money damages for certain relief proposed under the amended settlement agreement." *Id.* at \*13. Notably, the court overruled objector arguments that the injunction-only settlement was unfair because it did "not account for" their statutory damages claims. See id. at \*8.

Numerous other courts have similarly recognized that injunctive relief can constitute consideration for a release of damages claims. *See, e.g., Myers*, 2009 WL 900787, at \*9, \*16 (approving Rule 23(b)(3) settlement awarding a \$1.5 million *cy pres* fund and injunctive relief that "clarif[ied] the very line counting and compensation practices that led to this dispute" even though plaintiffs initially sought \$45 million in damages, or "approximately \$1,600 per member"); *First State Orthopaedics v. Concentra, Inc.*, 534 F. Supp. 2d 500, 507 (E.D. Pa. 2007) (approving Rule 23(b)(3) settlement where sole consideration was "commit[ment] to change the disclosure and business practices challenged in this action"); *Nat'l Rural Telecomms. Coop.*, 221 F.R.D. at 526-27 (approving Rule 23(b)(3) settlement that provided "a meaningful business resolution regarding contested issues" but "d[id] not provide for monetary damages").

Thus, the Settlement's injunctive relief provisions can, and do, serve as a meaningful part of the consideration for Plaintiffs' and Class Members' release of claims for past damages (see, e.g., SAC ¶¶ 32-37, 122-23; Class Cert. Reply at 4), and will provide direct and substantial

<sup>&</sup>lt;sup>32</sup> Counsel for the *C.M.D.* plaintiffs argue that the injunctive relief has "no relevance to whether the settlement provides adequate compensation for Facebook's past wrongs." (Inv. Obj. No. 101 at 10.) For the reasons discussed in this section, that argument lacks merit.

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LP rtaw compensation to these Class Members, since the vast majority of the Class continues to use and benefit from the website today. (See Plambeck Decl. ¶ 8.) As in In re Motor Fuel, 2012 WL 1415508, at \*13, Class Members trade their uncertain claims for damages for the relief proposed in the Settlement—i.e., the opportunity to continue using Facebook with the benefit of improved notice and innovative tools to facilitate decision-making around Sponsored Stories.

## c. The *cy pres* distribution is a valuable benefit to the Class.

Based on the number of claims made, there will be a substantial amount left in the Net Settlement Fund after distribution of the \$10 payments to Authorized Claimants and deduction of attorneys' fees and costs, and administrative costs. Indeed, even if 100% of the award Plaintiffs seek in attorneys' fees and costs were granted (which Facebook does not believe would be appropriate (*see* Fee Opposition)), after payment of \$6,149,940 to 614,994 Authorized Claimants, \$940,000 to GCG in administrative costs, \$7,500,000 in attorneys' fees and costs, and \$37,500 in incentive awards to the three named Plaintiffs, \$5,372,560 would remain in the Net Settlement Fund. Additionally, if the Court were to exercise its discretion and increase payments to Authorized Claimants to \$15, which the Parties agree would be appropriate, <sup>33</sup> there would still be \$2,297,590 left in the Net Settlement Fund after payment of costs, 100% of the requested attorneys' fees, and the incentive awards. This proposed *cy pres* distribution is plainly appropriate, since *cy pres* is a well-accepted method for distributing unclaimed settlement funds. *See Nachshin v. AOL, LLC*, 663 F.3d 1034, 1036 (9th Cir. 2011).<sup>34</sup>

Cy pres distribution will also benefit absent Class Members who have not made claims, providing broader benefits to the Class as a whole. This issue was recently addressed in *In re Easysaver Rewards Litigation*, — F. Supp. 2d —, No. 09-cv2094, 2013 WL 435032, at \*9 (S.D. Cal. Feb. 4, 2013). There, an objector argued that if it is feasible to make further payments to class members, a *cy pres* distribution is improper. *Id*. The court rejected this argument, noting

<sup>&</sup>lt;sup>33</sup> Such an increase would be an appropriate exercise of the Court's discretion in light of the number of valid Claim Forms actually filed and the lower-than-expected administrative costs associated with administering the Settlement.

<sup>&</sup>lt;sup>34</sup> This authority belies certain Objections that *cy pres* distributions are improper in any context. (*See, e.g.*, Obj. No. 11 at 17; Inv. Obj. No. 100 at 8-9.)

1 that additional class member payments would come at the expense of absent class members, who 2 would benefit from the cy pres recipients' creation of Internet privacy programs. Id. The First 3 Circuit has also approved this concept in a settlement involving medical marketing, noting that 4 "[b]ecause the consumer fund was established for the benefit of all consumer purchasers of 5 Lupron, not just the 11,000 who filed claims [and received cash payments], the court 6 appropriately determined that the 'next best' relief would be a cy pres distribution which would 7 8 9 10 11 12

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benefit the potentially large number of absent class members." In re Lupron Mktg. & Sales Practices Litig., 677 F.3d 21, 34 (1st Cir. 2012); see also California v. Levi Strauss & Co., 41 Cal. 3d 460, 476 (1986) ("[C]laimant fund sharing [of residual funds after the payment of claims] provides no benefits to silent class members"). Thus, even if the Court does not increase payments to Authorized Claimants, the cy pres distribution would be appropriate.

The proposed Cy Pres Recipients also meet the standards for final approval. As the Ninth Circuit recently reaffirmed, cy pres distributions are appropriate where there is "a driving nexus between the plaintiff class and the cy pres beneficiaries." Dennis, 697 F.3d at 865 (internal quotations and citation omitted). "[S]ettling parties [need not] select a cy pres recipient that the court or class members would find ideal. On the contrary, such an intrusion into the private parties' negotiations would be improper and disruptive to the settlement process." Lane, 696 F.3d at 821. The recipients proposed here focus on consumer protection, research, education regarding

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online privacy, the safe use of social media, and the protection of minors—the very issues

Plaintiffs raised in their Complaint. 35 (See, e.g., SAC ¶ 32-37, 122-23.) For example, among the

proposed Cy Pres Recipients, the Electronic Frontier Foundation "works to protect consumer

privacy on social networks" and helps "users better understand how to strengthen online privacy

and to opt out of sharing information." (Brown Decl. Ex. A.) And the Consumers Federation of

<sup>&</sup>lt;sup>35</sup> A detailed description of the mission of each proposed recipient is attached as Exhibit A to the Brown Declaration. Several of these organizations submitted declarations explaining how their respective missions and projects relate to the concerns raised in this litigation, and how their receipt of a *cy pres* award would facilitate their work in these areas. (*See Dkt. Nos.* 193 (Center for Democracy and Technology), 194 (Campaign for a Commercial-Free Childhood), 195 (Electronic Frontier Foundation), 196 (Center for Internet and Society), 197 (Consumer Privacy Rights Fund), 199 (Consumers Federation of America).)

CORREY ELP Apprendent At Cast San Prancisco America "conducts research and educational outreach concerning behavioral targeting of online advertising." (*Id.*) The stated goals and purposes of these organizations demonstrate a direct nexus to the Class, as well as the claims Plaintiffs raised.<sup>36</sup> (*See id.*)

# 5. Very few Class Members objected to or opted out of the Settlement.

The extremely low number of Objections and opt-outs from the Settlement strongly favors final approval. Out of over 150 million Class Members, there were only 17 valid and timely Objections made on behalf of 29 Class Members. In addition, 87 statements purporting to be Objections were filed on behalf of 95 Class Members, which lacked some or all of the information required by the Preliminary Approval Order and Settlement. But even counting these invalid Objections, only 0.000082% of the Class expressed any opposition to the Settlement.

Substantively, the Objections reveal that many objectors take issue with the lawsuit itself, not Facebook's alleged conduct. 41 objectors—over one third of all Objections—actually stated that they believe that Facebook's conduct was not a violation of their rights, and/or that the lawsuit is without merit. For instance, two Objections note that "Facebook has never made any representations to me that the items I post on my 'page' could not, or would not, be used in any form of advertising" (see Obj. No. 3); and "class members have had no monetary damages because they never had any realistic expectation of being paid for their services" (see Obj. No. 2). Another objector states: "I believe it to be a waste of time and resources. This is a frivolous lawsuit and needs to be dropped. If you don't like the way Facebook is run, don't use Facebook." (Inv. Obj. No. 28.)<sup>37</sup> And another states that "[b]y maintaining their accounts [Plaintiffs] appear to consider facebook's practices worth the cost of free social networking." (Inv. Obj. No. 34.)

Indeed, Objector Frank's assertion that the "nexus between the goals of the lawsuit and the missions of the cy pres recipients is attenuated to near absentia" is objectively false. (See Obj. No. 11 at 19.) Moreover, not only is the dissenting opinion he cites denying rehearing en banc in Lane not controlling, it is distinguishable, as the dissenters' primary concern with the approved cy pres relief was that one cy pres recipient was a charity that had no history or track record because it was established by the settlement process itself. See Lane v. Facebook, Inc., 709 F.3d 791, 793 (9th Cir. 2013) (dissenting).

<sup>&</sup>lt;sup>37</sup> Many Objections claim the lawsuit is a "frivolous" case that clogs the court system. Approving the Settlement will, of course, alleviate pressure the case has placed on the legal system. Further, such Objections do not establish a basis to deny final approval. *See In re TD Ameritrade*, 2011 WL 4079226, at \*11-13 (overruling objections that lawsuit was "frivolous" and "driven by 'greedy lawyers'").

expressed opposition to the lawsuit itself, strongly supports a finding that the Settlement is fair, reasonable, and adequate. See Nat'l Rural Telecomms., 221 F.R.D. at 529 ("[T]he absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of a proposed class settlement action are favorable to the class members."); Boyd v. Bechtel Corp., 485 F. Supp. 610, 624 (N.D. Cal. 1979) (finding that objections from 16 percent of the class was not persuasive evidence that the settlement was inadequate); Rodriguez, 563 F.3d at 967 (settlement approval favored where only 54 out of 376,301 class members filed objections).

The fact that so few Class Members have objected, and that over one-third of those who have

Similarly, only 6,825 Class Members exercised their right to opt out of the Settlement. (Keough Exclusion Decl. ¶ 3.) Against an estimated class size of 150,908,256 (Vulgaris Decl. ¶ 3), this means only 0.0045% of the Class Members did not wish to participate in the Settlement. Further, as suggested by the Objections discussed above, these figures may well include Class Members who are opting out because they do not believe they have been injured. Regardless, that so few Class Members have opted out supports a conclusion that the Settlement is fair, reasonable, and adequate. *Mego*, 213 F.3d at 459 (only one of 5,400 (0.018%) class members opted out and only "a handful of objectors" came forward, weighing in favor of approving the Settlement).

### 6. The remaining factors favor final approval.

Final approval is also warranted given the stage of the proceedings, the informed views of counsel about the strengths and weaknesses of their respective clients' positions, and the absence of any governmental participant. As discussed above, *supra* § II(B), the Parties litigated vigorously for over a year and conducted extensive discovery, far exceeding the requirement that, for final approval, the parties have sufficient information to make an informed decision. *See Linney v. Cellular Alaska P'ship*, 151 F.3d 1234, 1239-40 (9th Cir. 1998). Even "investigation and informal discovery and research" can support such a finding, *see Lane*, 696 F.3d at 820, which is certainly established by the comprehensive discovery conducted here. Because the Settlement was fully informed, the recommendation of the Parties' counsel "is entitled to a great deal of weight." *Immune Response*, 497 F. Supp. 2d at 1174. Finally, neither the United States

CORREY LLP A (EDENION AT LAW SAN FRANCISCO Attorney General nor any state attorney general has filed an Objection to the Settlement, even though they received notice of the Settlement pursuant to the Class Action Fairness Act, 28 U.S.C. §1715(b). (See Decl. of Jennifer Keough re Ntc. Given Pursuant to the Class Action Fairness Act, Dkt. No. 247.)

## B. Notice Provided to Class Members Was Sufficient and Satisfied Due Process.

Federal law vests the Court with broad discretion in fashioning an appropriate notice program. *Battle v. Liberty Nat'l Life Ins. Co.*, 770 F. Supp. 1499, 1521 (N.D. Ala. 1991). Under Rule 23, notice must be provided in "plain, easily understood language," and must inform potential class members of the nature of the action, the definition of the class, the claims, issues, or defenses asserted, the binding effect of a class judgment on class members, and of class members' rights to opt out or to enter an appearance through separate counsel. Fed. R. Civ. P. 23(c)(2)(B). What constitutes adequate notice will depend on the circumstances of each case. *Id.* (court must direct "notice that is practicable under the circumstances"). The notice plan here fully satisfies Rule 23's requirements.

# 1. The content of the notice provided to Class Members is sufficient.

The 10-page Long Form Notice provided substantial information about the case and the Settlement. It identified the Parties, and described the claims in the case, the Settlement terms, and the Settlement Class definition. (Keough Decl. ¶ 9, Ex. C.) Importantly, the Long Form Notice explained the binding effect of a class judgment, so as to allow Class Members to make an informed choice to accept or reject the Settlement. (*Id.*) Additionally, it described the particulars of the Class relief and other benefits to the Class. (*Id.*) It also disclosed the amount of Plaintiffs' request for attorneys' fees and costs. (*Id.*) Further, the Long Form Notice contained detailed instructions for requesting exclusion from, objecting to, or participating in the Settlement, as well as the schedule for the hearings on final approval and attorneys' fees and costs. (*Id.*) In sum, the

One objector argues that the Long Form Notice failed to define a maximum percentage for the payment of legal fees and instead only stated that attorneys' fees will come from the \$20 million fund. (See Obj. No. 14 at 2.) This is a mischaracterization of the Long Form Notice, which clearly states that "Class Counsel are requesting up to \$7.5 million for their attorneys' fees and up to \$282,566.49 to cover their costs." (Keough Decl. Ex. C at 7.)

notice fully complied with Rule 23(c)(2)(B)<sup>39</sup> and "generally describe[d] the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard." *Mendoza v. Tucson Sch. Dist. No. 1*, 623 F.2d 1338, 1352 (9th Cir. 1980), overruled on other grounds by Evans v. Jeff D., 475 U.S. 717, 725 n.10 (1986).

# 2. The means of supplying notice to Class Members is sufficient.

Pursuant to the Settlement Agreement and the Preliminary Approval Order, Facebook sent Email Notice to 146,617,076 Class Members for whom Facebook had a valid email address. (Vulgaris Decl. ¶ 5.) For Class Members for whom Facebook did not have accurate contact information (e.g., former Users who closed their Facebook accounts), Facebook arranged for the Publication Notice to appear three times in *USA Today* and to be disseminated over the PR Newswire Service, which encompasses several thousand news organizations and publications across the U.S. (Keough Decl. ¶ 4.) Both the Email Notice and Publication Notice directed Class Members to the Long Form Notice on the Settlement Website. (*Id.* ¶ 9.) Under the circumstances, the notice plan reached the largest possible number of Class Members, which was all or nearly all. *See* Fed. R. Civ. P. 23(c).

COM." (See Keough Decl. Ex. C) (emphasis and capitalization in original).

One objector claims the notice was inadequate because the Settlement Website "contains a list of at least 120 court documents," which "may be discoverable to some but surely not all potential class members." (See Obj. No. 14 at 3.) But the notice process should not be criticized for transparency. Courts routinely approve notice procedures that, like here, include settlement websites containing abundant information about the settlement. See, e.g., In re Netflix Privacy Litig., No. 11-cv-0379, 2013 WL 1120801, at \*9 (N.D. Cal. Mar. 18, 2013) (approving notice plan that included "a settlement website containing pertinent and detailed information regarding the settlement."); Lymburner v. U.S. Fin. Funding, Inc., No. 08-cv-0325, 2012 U.S. Dist. LEXIS 14752, at \*5 (N.D. Cal. Feb 7, 2012) (approving notice that included "website that contained links to court filings"). The objector's additional argument that "[t]he Proposed Settlement section of the Long Form Notice" provides no "instruction to readers that they should refer to the website to access settlement documents" ignores the fact that the last line of every page of the Long Form Notice states: "QUESTIONS? VISIT WWW.FRALEYFACEBOOKSETTLEMENT.

<sup>&</sup>lt;sup>40</sup> One objector argued that the Email Notice should have provided a hyperlink allowing Class Members to file an Objection by email without having to review the procedures in the Long Form Notice on the Settlement Website. (See Inv. Obj. No. 83.) Given that this Objection was filed via the Settlement Website, the objector himself demonstrates that the lack of a hyperlink does not pose a barrier to submission of Objections. Further, the Email Notice is intended to provide a concise summary that will alert Class Members to the primary issues, not to provide every relevant Settlement detail. See Chavez v. Netflix, Inc., 162 Cal. App. 4th 43, 58 (2008) (noting a succinct description that alerts class members to their claim and directs them to more detailed information may be preferable to a long detailed notice that some recipients may ignore).

CORREY LLP A (HORNOY: AT EAW SAN FRANCISCO Numerous other courts have approved similar tiered notice plans. See, e.g., Browning v. Yahoo! Inc., No. C04-01463 HRL, 2006 WL 3826714, at \*8 (N.D. Cal. Dec. 27, 2006) (where allegations arise from use of a website, the class is "familiar and comfortable with email and the Internet," such that email notice may be most appropriate): Browning v. Yahoo! Inc., No. C04-01463, 2007 WL 4105971, at \*7 (N.D. Cal. Nov. 16, 2007) (parties "use[d] . . . email to provide brief notice and to direct interested class members to the website," which posted long form notice); see also, e.g., In re Compact Disc Minimum Advertised Price Antitrust Litig., 216 F.R.D. 197, 203 (D. Me. 2003) (short-form notice directed class to Internet and mailing addresses for further information). As stated by the California Court of Appeal (under a standard that is identical or nearly identical to the federal standard): "Using a summary notice that direct[s] the class member wanting more information to a Web site containing a more detailed notice, and providing hyperlinks to that Web site, [is] a perfectly acceptable manner of giving notice . . . ." Chavez, 162 Cal. App. 4th at 58.

Furthermore, the Publication Notice easily satisfies Rule 23(a)(1) for the purposes of providing notice to Class Members for whom Facebook does not possess a valid email address. See Smith v. Dominion Bridge Corp., No. 96-7580, 2007 WL 1101272, at \*13 (E.D. Pa. Apr. 11, 2007) (approving settlement where 3,848 individual notices were mailed to "reasonably identifiable" class members, with a summary notice "published in the national publication, PR News Wire"); In re Tableware Antitrust Litig., 484 F. Supp. 2d 1078, 1080-81 (N.D. Cal. 2007) (approving publication of short-form notice in USA Today). Moreover, countless Class Members likely learned of the Settlement—if they had not known of it already—through the extensive press coverage this case has received. News outlets across the country, as well as online news sources, published stories regarding preliminary approval of the Settlement. (See Gutkin Decl. ¶ 2-6, Exs. A-E.) News coverage continued throughout the notice period, with several news organizations writing stories about the Settlement's terms. As just one example (there are many others), CNN.com ran a story on January 28, 2013 regarding the Settlement, which included a hyperlink to the Settlement Website. (See id. ¶ 7, Ex. F.) This coverage supplemented the extensive notice campaign, which alone fully satisfied Rule 23's notice requirement.

- C. None of the Objectors Provides Any Reason for the Court to Conclude that the Settlement Is Not Fair, Reasonable, and Adequate. 41
  - 1. The monetary relief provided to individual Class Members is fair, reasonable, and adequate and far exceeds any sum Class Members are likely to recover at trial.

Some objectors assert that the monetary payment to each Class Member is insufficient and should be increased. (*See, e.g.*, Inv. Obj. No. 42 (asserting that \$10 cannot compensate for the alleged harm).) These Objections are without merit.

First, many of these Objections incorrectly assume that no payment would be made to Class Members, and on that basis object that the proposed relief is insufficient. (See, e.g., Obj. No. 6 (stating that the Class size and number of likely claims, "will make the payout of \$10 dollars to each class member not happen."); Obj. Nos. 10 at 7, 17 at 2; Inv. Obj. No. 102 at 4.) In fact, as described above, supra § II(F), each Class Member who submitted a valid claim will receive (at least) the full proposed payment of \$10 dollars.

Second, Objections claiming that even \$10 is an insufficient remedy should be rejected. 42 (See, e.g., Inv. Obj. No. 52 (asserting each claimant should receive \$100).) As discussed supra pp. 18-19, given the absence of any actionable (or even real) injury here, the \$10 award is beyond full compensation given the challenges Plaintiffs and the Class would face in continued litigation. Indeed, as many objectors note, it is entirely unclear that Class Members could have proven damages. (See Obj. No. 2 ("class members have had no monetary damages because they never had any realistic expectation of being paid for their services").) Further, as discussed supra p. 34, under Plaintiffs' damages models, \$10 payments would be 17 times Facebook's average profit per Class Member attributable to the alleged misappropriation from January 2011 to August 2012

<sup>&</sup>lt;sup>41</sup> For the Court's convenience, Facebook addresses the generally applicable Objections first, then those applicable to the minor subclass, followed by Objections regarding notice.

one invalid Objection mistakenly assumes that the Settlement relates to Facebook's use of copyrighted photos, and on that basis argues the \$10 recovery is insufficient. (See Inv. Obj. No. 62.) Because the Settlement is unrelated to any copyright claims and addresses § 3344 exclusively, this Objection provides no basis to deny final approval. Another objector requests \$10,503,650 from Facebook, which he alleges used his company's "intellectual property" worth "\$250,000.00 if subject to FBI regulations . . . ." (See Obj. No. 8.) But the objector, who is free to opt out and pursue individual claims, fails to explain how § 3344 protects his company's intellectual property, and offers no basis to deny final approval.

(about \$0.60).

Theodore Frank and Sam Kazman (collectively the "Frank objectors") argue that the Settlement can only be fair if Plaintiffs had less than a 1% chance of success, since "Plaintiffs alleged tens of billions of dollars of statutory damages, but are settling for less than 0.1% of that." (Obj. No. 11 at 1.) Initially, Plaintiffs had virtually no chance of obtaining the full amount of statutory damages on a classwide basis. *See supra* pp. 33-34. But the Court should also disregard the Frank objectors' call for a formulaic approach to settlement review, which the Ninth Circuit has rejected. *See Rodriguez*, 563 F.3d at 965 (rejecting objectors' argument that "the court should have specifically weighed the merits of the class's case against the settlement amount and quantified the expected value of fully litigating the matter" and stating, "[w]e put a good deal of stock in the product of an arms-length, non-collusive, negotiated resolution."); *Lane*, 696 F.3d at 823 (a district court "need not include in its approval order a specific finding of fact as to the potential recovery for each of the plaintiffs' causes of action. Not only would such a requirement be onerous, it would often be impossible. . . ."). Further, the percentage of recovery in the Settlement is around 27% of Plaintiffs' estimated damages of \$73 million. *See supra* p. 33.

Other objectors assert that the Settlement will not sufficiently deter Facebook from future bad acts. (See Obj. No. 4 (the Settlement "will not prevent Facebook from continuing to push the boundaries of legal use of my user data in new and inventive ways.")) Settlements focus on resolving the particular case at issue, not deterring future, hypothetical, undefined conduct. Further, these objectors ignore the fact that \$20 million is far in excess of anything they were likely to recover at trial. See In re Merrill Lynch & Co., Inc. Research Sec. Litig., No. 02 MDL 1484(JFK), 2007 WL 4526593, at \*11 (S.D.N.Y. Dec. 20, 2007) (rejecting objection that settlement amount would not deter future conduct, which ignored risks of proceeding with litigation). Therefore, even if a deterrent effect were properly considered at final approval, a certain \$20 million payment has a greater deterrent effect than a recovery of nothing at trial.

Finally, Objections that the Class relief is inadequate are contradicted by the extremely low number of Objections (104 valid & invalid Objections on behalf of 124 Class Members, or 0.000082% of the Class, of which over one-third object that the lawsuit is meritless) and

exclusions (6,8256, or 0.0045% of the Class). See City of Detroit v. Grinnell Corp., 495 F.2d 448, 462 (2d Cir. 1974) ("Any claim by appellants that the settlement offer is grossly and unreasonably inadequate is belied by the fact that, from all appearances, the vast preponderance of the class members willingly approved the offer."), abrogated on other grounds by Goldberger v. Integrated Res., Inc., 209 F.3d 43 (2d Cir. 2000). The trivial percentage of Class Members who objected to or excluded themselves from the Settlement stands in stark contrast to the more than \$600,000 Class Members who chose to participate in the Settlement by making claims.

## 2. The proposed Cy Pres Recipients are appropriate and do not prevent final approval.

Certain objectors argue for alternative *Cy Pres* Recipients or assert that the proposed recipients would not adequately protect their interests. (*See, e.g.*, Obj. No. 4 and Inv. Obj. Nos. 51, 92.) For instance, objector Jason Brodsky objects that ConnectSafely.org will not legitimately protect his legal rights because it is funded, in part, by donations from Facebook (a fact that Facebook disclosed from the outset). (Obj. No. 4; *see* Brown Decl., Ex. A.) This objection has no merit. First, Connectsafely.org is a nonprofit organization dedicated to educating parents and teens about civil and safe Internet use—the same issues that were raised in this lawsuit. (*See* Brown Decl. Ex. A.) Mr. Brodsky, who asserts that his own rights were violated by Facebook, not those of his child, is not the population ConnectSafely.org endeavors to educate about safe Internet use. Furthermore, there is no reason to believe (and Mr. Brodsky provides none) that Facebook has any undue influence over this independent organization.

Similarly, objectors Boisvert and Frank insist that Santa Clara Law School should not receive any *cy pres* funds because one of the Class Counsel, Kevin Osborne, is an alumnus, and because Judge Koh, who previously presided over the case, is a member of Santa Clara's High Tech Advisory Board. (*See* Obj. Nos. 11 at 18; 15.) But there is no evidence that Mr. Osborne has any special connection to the school, other than being an alumnus, and Santa Clara will receive only 6% of the *cy pres* funds. *See In re Easysaver Rewards*, 2013 WL 435032, at \*7 (rejecting objection to *cy pres* award to law school where there were no allegations that counsel had any significant relationship with the institution other than being alumni and the privacy issues

CORREY LLP A fedenson At Law San Prancisco underlying the lawsuit were rationally connected to the school). Mr. Frank insinuates that the Parties selected Santa Clara in an attempt to "judge-shop" due to Judge Koh's connection to the school. (Obj. No. 11 at 18.) In reality, the Parties selected Santa Clara's High Tech Law Institute because it is one of the nation's leading centers devoted to high tech law, including advertising and privacy law (*see* Brown Decl., Ex. A.), and its absence would be arbitrary and counterproductive.

Similarly, certain objectors insist that Class Members should have some say in selecting the *Cy Pres* Recipients. (*See, e.g.*, Inv. Obj. Nos. 51, 92.) Mr. Thomas Moore, for example, asserts that the Court should add the Electronic Privacy Information Center ("EPIC") as a *Cy Pres* Recipient. (*See* Inv. Obj. No. 51.) But Class Members are not entitled to a selection of their "ideal" *cy pres* recipient in order for a settlement to warrant final approval. *See Lane*, 696 F.3d at 821.<sup>43</sup> Requiring a Class-directed selection of *cy pres* recipients would interfere with the private negotiated aspect of settlements, and would improperly disrupt the settlement process. *Id.* Moreover, Mr. Moore's suggestion that EPIC will "hold Facebook's feet to the fire" improperly assumes that *cy pres* relief is intended to punish the defendant (against whom no liability has been established here) rather than to address the concerns raised by the Complaint. *See Nachshin*, 663 F.3d at 1039 (noting that distribution of *cy pres* relief must be guided by the objectives of the underlying statute and the interests of the silent class members).

### 3. The proposed attorneys' fees do not prevent final approval.

Many objectors assert that the size of the attorneys' fees and costs sought by Plaintiffs' Counsel is impermissibly high compared to the Class recovery. (See, e.g., Obj. No. 6.) In many instances, these Objections are based on the faulty assumption that Class Members would not actually receive any monetary award. (See, e.g., id.) Putting that aside, Facebook has addressed Plaintiffs' Counsel's requested fees and costs in its Fee Opposition, in which Facebook argued that their request should be substantially reduced.<sup>44</sup> Notably, the Settlement is not contingent

<sup>&</sup>lt;sup>43</sup> One objector proposed that Class Members should select the *Cy Pres* Recipients if no monetary award was provided to them. (*See* Inv. Obj. No. 41.) Because all Class Members who filed valid claims will receive cash payments, this Objection does not weigh against final approval.

<sup>&</sup>lt;sup>44</sup> One objector contends that "the parties should have negotiated an award of fees under § 3344"

upon an award of attorneys' fees in any particular amount (or any award at all) (S.A. § 2.7), a factor that supports approval of the Settlement. *Cf. In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 947 (9th Cir. 2011). Moreover, because fees will be paid out of the Settlement Fund (and there is no reverter clause), any reduction in the requested fees will inure to the benefit of the Class through distribution to *Cy Pres* Recipients, or, at the Court's discretion, to claimants *pro rata*. (S.A. § 2.3(b).) Regardless, the fact that fees will be paid out of the Settlement Fund does not make the Settlement unfair or unreasonable. *See Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) ("[A] litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole."); *Six (6) Mexican Workers v. Arizona Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990) (affirming portion of final approval providing recovery of attorneys' fees from a common fund).

## 4. The proposed incentive awards sought by the named Plaintiffs do not warrant denial of final approval.

Other Objections insist that the incentive awards sought by the named Plaintiffs create an impermissible conflict of interest between the named Plaintiffs and absent Class Members. (See, e.g., Obj. No. 11 at 24-26; Inv. Obj. No. 101 at 8.) A settlement agreement that includes incentive awards, however, is common and unobjectionable by itself. See Vincent v. Reser, No. C 11-03572 RRB, 2013 U.S. Dist. LEXIS 22341, at \*15 (N.D. Cal. Feb. 19, 2013) ("Incentive awards are fairly typical in class action cases.") (internal citation omitted); see also, e.g., Mego, 213 F.3d at 463 (approving incentive awards).

The Objections point to a recent decision from the Ninth Circuit, Radcliffe v. Experian Information Solutions Inc., --- F.3d ---, 2013 WL 1831760, at \*5 (9th Cir. May 2, 2013). This

because, in that case, "this court's review would have focused on the reasonableness of the fee request under the lodestar calculation method." (See Obj. No. 12, ¶ 7.) As Facebook argued in its Fee Opposition, the Court must use the lodestar method to calculate fees under California law. (See Fee Opposition at 4-7.) Furthermore, there is no reason why the Parties should have negotiated for fees to be awarded under § 3344. That section has a prevailing party fee-shifting provision, and neither party (Facebook nor Plaintiffs) "prevails" by virtue of this Settlement.

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case is inapposite to the facts here. In *Radcliffe*, the court took issue with a settlement agreement that explicitly conditioned incentive awards on the class representatives' support for the settlement. The court held that this "conditional incentive award" removed a check on the settlement's fairness and created an impermissible conflict between the plaintiffs who supported the settlement and the rest of the class. *Id.* The discussion the objectors cite, regarding the disparity between the proposed incentive award and the recovery by class members, is dictum, and does not signal that all incentive awards create a conflict, which would be a sharp departure from precedent. Importantly, the incentive awards here are not conditioned on the named Plaintiffs' support for the Settlement, which expressly states that its terms are not conditioned on any award to the named Plaintiffs. (S.A. § 2.7.) Thus, even if the Court denies incentive awards, the Class still recovers the full relief afforded under the Settlement, and the named Plaintiffs agreed to the Settlement knowing that their personal awards could be reduced or eliminated.<sup>45</sup>

Further, these objectors overlook other critical differences between the Class representatives here and those in *Radcliffe*. First, unlike the Fair Credit Reporting Act at issue in *Radcliffe*, § 3344 contains a fee-shifting provision, providing that the prevailing party in any action can recover fees and costs. <sup>46</sup> *Compare* Cal. Civil Code § 3344(a), *with* 15 U.S.C. §§ 1681n, 1681o. Thus, unlike the plaintiffs in *Radcliffe*, the Class representatives here shouldered the significant risk that if they were unsuccessful in their claims, they would have to pay Facebook's attorneys' fees. This risk is not merely hypothetical—Facebook has sought prevailing-party fees and costs in other cases brought under § 3344, successfully recovering its

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<sup>&</sup>lt;sup>45</sup> Although *former* named Plaintiff Angel Fraley filed an Objection in this case, her primary complaint is her belief that she deserves "half or twice as much" as the other named Plaintiffs because of her previous service in the case. (*See* Obj. No. 13.) Ms. Fraley voluntarily withdrew as a named Plaintiff in March 2012, before Plaintiffs even sought class certification. Thus, she relinquished any benefits that may inure to the named Plaintiffs who remained in the case. She had no involvement with the settlement process and is in a materially different position than the objecting plaintiffs in *Radcliffe*, who were involved with the litigation through settlement.

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<sup>&</sup>lt;sup>46</sup> Objector Frank (Obj. No. 11) also relies on language from another Fair Credit Reporting Act case, *Murray v. GMAC Mortgage Co.*, 434 F.3d 948 (7th Cir. 2006), which, like *Radcliffe*, is distinguishable given § 3344's fee-shifting provision. In *Murray*, the Seventh Circuit vacated the district court's denial of class certification, and commented on a potential settlement the parties reached after class certification briefing, which the "district judge refused to read." *Id.* at 951. The commentary was dictum, and the appellate court rejected the district judge's ruling that plaintiff Murray was an inadequate class representative, vacating the denials of class certification.

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costs from the plaintiffs in one such case. (See Order re Pl.'s Mot. to Tax Costs, David Cohen v. Facebook, Inc., No. BC 444482 (L.A. Super. Ct. May 31, 2012); see also Mot. for Attorneys' Fees & Costs (Dkt. No. 81) at 2, Robyn Cohen v. Facebook, No. 10-5282-RS (N.D. Cal. Nov. 10, 2011).) The Class representatives thus took on significant, personal financial risk in bringing this action, which distinguishes their involvement here from the named plaintiffs in Radcliffe.

# 5. The Settlement relief is not inadequate due to the existence of other state publicity laws.

Objector Bowman asserts generally that the Settlement relief is inadequate because it fails to account for the more favorable right of publicity laws of Tennessee. (Obj. No. 7 at 10-11.) As an initial matter, Mr. Bowman's recent correspondence with the Parties makes clear that his Objection is primarily motivated by a desire to appropriate a portion of the Net Settlement Fund for his personal gain through a side deal with the Parties. Mr. Bowman has offered to withdraw his Objection if the Parties allocate \$50,000 of the Net Settlement Fund to an elementary school and a middle school in Mr. Bowman's hometown. (See Gutkin Decl., Ex. L; see also Decl. of Robert S. Arns ISO Mot. Final Appr. of Class Action Settlement, Dkt. No. 337, 2 3-11 (recounting telephone call in which Mr. Bowman proposed "dismiss[ing] or withdraw[ing] [his] objection in return for monetary compensation").) See, e.g., Shames v. Hertz Corp., No. 07-CV-2174-MMA, 2012 U.S. Dist. LEXIS 148148, at \*10-13 (S.D. Cal. Oct. 15, 2012) (characterizing "Objectors' counsel's attempt to extract \$30,000[] from class counsel in exchange for Objector not filing objections" as "bold and improper"); Manual for Complex Litigation § 21.643 (4th ed. 2004) (explaining that some objections "are made for improper purposes, and benefit only the objectors and their attorneys (e.g., by seeking additional compensation to withdraw even illfounded objections)" and that such objections may merit sanctions).

Even if his Objection were based on proper motives, it should be rejected. Initially, the premise of the Objection—that Tennessee law would provide greater relief than the Settlement—is incorrect. He insists that under Tennessee's Personal Rights Protection Act of 1984 ("PRPA"), Class Members could recover the \$1 billion in profits that Facebook allegedly earned in 2011 (from all sources), because the statute provides for disgorgement of illegally earned profits. Yet

Mr. Bowman makes no attempt to demonstrate what portion of Facebook's total profits stem from Sponsored Stories featuring U.S. (or Tennessee) Users or what, if any, incremental profit Facebook made from Sponsored Stories compared to alternative ads. Mr. Bowman also insists that under Tennessee law, the Class could have recovered treble damages. (Obj. No. 7 at 13.) But the PRPA only provides for such damages when a defendant "knowingly uses or infringes the rights of a member of the armed forces...." See Tenn. Code § 47-25-1106(d)(2) (italics added). Mr. Bowman does not claim that he is or was a member of the armed forces, nor has he put forward any evidence about what portion of the Class are members of the armed forces.

Next, several circuits have recognized that in the settlement context, courts largely need not consider whether variations in state law could render the class unmanageable or defeat certification, since the settlement eliminates the burden of establishing liability under disparate state laws, or instructing the jury on such laws. See, e.g., Sullivan v. DB Invs., Inc., 667 F.3d 273, 303-04 (3d Cir. 2011) (the "key" difference between settlement and litigation classes eliminates concerns regarding manageability or certification in a settlement-only context); In re Warfarin Sodium Antitrust Litig., 391 F.3d 516, 529 (3d Cir. 2004) (variations in state law are largely "irrelevant to certification of a settlement class"); In re Mexico Money Transfer Litig., 267 F.3d 743, 747 (7th Cir. 2001) ("no one need draw fine lines among state-law theories of relief" when considering approval of settlement-only class action). In fact, considering how the risk, expense, complexity, and duration of further litigation impacts the adequacy of a proposed settlement, differences among state laws actually favors approval of a settlement. See Ko, 2012 WL 3945541, at \*4 (granting final approval of a nationwide settlement under the UCL and noting that, absent settlement, plaintiffs could have faced problems litigating further due to manageability concerns and choice-of-law questions under other state laws).

Even if variations in state law were relevant to settlement approval, that inquiry would be moot here, as Facebook's Terms require that California law applies to all claims. As both the Plaintiffs and Mr. Bowman concede, the Terms explicitly require that California law govern "any claim that might arise" between Facebook and its Users, "without regard to conflict of law provisions." Both California and Tennessee recognize and favor the enforceability of such

choice-of-law provisions. See Nedlloyd Lines B.V. v. Super. Ct., 3 Cal. 4th 459, 464-65 (1992) (California courts have a strong policy favoring enforcement of choice-of-law provisions); Harris v. McCutchen, 214 Cal. App. 4th 1399 (2013); Goodwin Bros. Leasing, Inc. v. H&B Inc., 597 S.W. 2d 303, 306 (Tenn. 1980) (Tennessee courts will ordinarily recognize choice-of-law provisions); Beach Cmty. Bank v. Labry, No. 11-cv-1583, 2012 WL 2196174, at \*3 (Tenn. Ct. App. Jun. 15, 2012) ("As a rule, Tennessee courts will honor a contractual choice of law provision.") (citation omitted).

Further, contrary to Mr. Bowman's assertions that the choice-of-law provision must fail because there has not been a "meeting of the minds," Facebook's Terms have been found enforceable even in the face of a User's challenge. See Facebook, Inc. v. Power Ventures, Inc., No. 08-cv-5780, 2010 WL 3291750, at \*7, n.20 (N.D. Cal. July 20, 2010) (plaintiff "acceded to the Terms of Use and became bound by them" by accessing and using the Facebook website); Fteja v. Facebook, Inc., 841 F. Supp. 2d 829, 839-40 (S.D.N.Y. 2012) (finding Terms enforceable against plaintiff, noting he was prompted to examine the Terms, and whether or not he read them was irrelevant); E.K.D. ex rel. Dawes v. Facebook, Inc., 885 F. Supp. 2d 894, 900 (S.D. Ill. 2012) (forum-selection clause in Terms was enforceable "even if the contract was never negotiated and in effect was dictated by one party to the other party"). Moreover, other online operators' terms are routinely enforced. See TradeComet.com LLC v. Google, Inc., 693 F. Supp. 2d 370, 376 (S.D.N.Y. 2010) (enforcing choice-of-law provision in Google's terms of use and applying California law); Segal v. Amazon.com, Inc., 763 F. Supp. 2d 1367, 1369 (S.D. Fla. 2011); Meier v. Midwest Recreational Clearinghouse, LLC, No. 10-cv-1026, 2010 WL 2738921, at \*3 (E.D. Cal. July 12, 2010); Beard v. PayPal, Inc., No. 09-cv-1339, 2010 WL 654390, at \*2-3 (D. Or. Feb. 19, 2010); Brodsky v. Match.com LLC, No. 09-cv-5328, 2009 WL 3490277, at \*1 (S.D.N.Y. Oct. 28, 2009); Feldman v. Google, Inc., 513 F. Supp. 2d 229, 237 (E.D. Pa. 2007); Person v. Google Inc., 456 F. Supp. 2d 488, 496–97 (S.D.N.Y. 2006); Novak v. Overture Servs., Inc., 309 F. Supp. 2d 446, 451 (E.D.N.Y. 2004). Thus, California law applies to all claims.

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### 6. The Rules Enabling Act and principles of federalism do not prevent final approval.

Mr. Bowman also objects that the Settlement abridges state laws and thus violates the Rules Enabling Act and principles of federalism. (Obj. No. 7 at 14.) In fact, however, the very case Mr. Bowman cites for this proposition, *Sullivan*, 667 F.3d 273, explicitly holds that "a court does not abridge, enlarge, or modify any substantive right by approving a voluntarily-entered class settlement agreement," nor "violate principles of federalism" because a court approving a settlement "merely recognizes the parties' voluntary compromise of their rights," and does not engage in any "substantive adjudication of the underlying causes of action." *Id.* at 312-13 (citation and quotation omitted); *see also In re Prudential Ins. Co. of Am. Sales Practice Litig. Agent Actions*, 148 F.3d 283, 324 (3d Cir. 1998). Further, his general assertion that the mere certification of nationwide class actions violates federalism is belied by the number of such classes which have been successfully certified in California district courts alone. 47

# 7. The proposed release is not overly broad under Ninth Circuit precedent.

Certain objectors, including Mr. Bowman and the Bronson, Shane, and Schachter objectors, insist that the Settlement's release provision is overly broad because it may include claims not alleged in the underlying operative Complaint, thereby preventing Settlement approval. (See Obj. Nos. 7 at 16; 10 at 18; Inv. Obj. Nos. 100 at 13; 101 at 11.) But the Ninth Circuit has explicitly and repeatedly held that a settlement may release claims not specifically alleged in the operative complaint, as long as the claims are based on the same underlying factual predicates. See Class Plaintiffs v. City of Seattle, 955 F.2d 1268, 1287-88 (9th Cir. 1992) ("a federal court may release not only those claims alleged in the complaint, but also a claim based

<sup>&</sup>lt;sup>47</sup> See, e.g., Cox v. Clarus Mktg. Grp., LLC, --- F.R.D. ---, No. 11-cv-2711, 2013 U.S. Dist. LEXIS 60941, at \*27-32 (S.D. Cal. Apr. 29, 2013) (certifying nationwide settlement class under California's UCL, among others); Weeks v. Kellogg Co., No. 09-cv-8102, 2011 U.S. Dist. LEXIS 155472, at \*4 (C.D. Cal. Nov. 23, 2011) (certifying nationwide settlement class under UCL and CLRA); Collado v. Toyota Motor Sales, U.S.A., Inc., No. 10-cv-3113, 2011 U.S. Dist. LEXIS 133572, at \*23 (C.D. Cal. Oct. 17, 2011) (same); In re Wells Fargo Loan Processor Overtime Pay Litig., No. 07-cv-1841, 2011 U.S. Dist. LEXIS 84541, at \*36 (N.D. Cal. Aug. 2, 2011) (certifying nationwide settlement class under UCL).

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though the claim was not presented and might not have been presentable in the class action") (internal quotation and emphasis omitted); Hesse v. Sprint Corp., 598 F.3d 581, 590 (9th Cir. 2010) ("A settlement agreement may preclude a party from bringing a related claim in the future 'even though the claim was not presented and might not have been presentable in the class action," [if] 'based on the identical factual predicate as that underlying the claims in the settled class action." (quoting Williams v. Boeing Co., 517 F.3d 1120, 1133 (9th Cir. 2008))); see also Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 749 (9th Cir. 2006) (affirming release of claims alleging different legal theory where same facts and injury giving rise to claims were settled in earlier class action). Thus, a release is not impermissibly broad simply because it may apply beyond the claims specifically alleged in the complaint.

on the identical factual predicate as that underlying the claims in the settled class action even

Here, the Settlement's release provisions are tailored to Plaintiffs' allegations and are appropriately limited to any claim that "was or could have been alleged in th[is] Action." (S.A. § 5.2; see also id. § 1.29, Ex. 8.) This language is similar, if not identical, to release language commonly approved in class action settlements. See, e.g., Reyn's Pasta, 442 F.3d at 748 (refusing to hear claims based on release in prior settlement in In re Visa Check/Mastermonev Antitrust Litig., 297 F. Supp. 2d 503 (E.D.N.Y. 2003) that had released all claims "which have been asserted or could have been asserted in this litigation," id. at 512); Cox, 2013 U.S. Dist. LEXIS 60941, at \*9-10 (approving settlement where class members "agree to release all claims against Defendants that are based on facts, omissions or other conduct that have been or could have been alleged in this action"); Kent v. Hewlett-Packard Co., No. C 09-05341 JF, 2011 U.S. Dist. LEXIS 106831, at \*13-14 (N.D. Cal. Sept. 20, 2011) (releasing "any and all claims, demands, rights, damages, obligations, suits, debts, liens, and causes of action of every nature and description whatsoever ... that were brought or that could have been brought against the Released Parties . . . that relate in any way to . . . the facts, conduct, omissions, transactions, occurrences, or matters that were alleged or could have been alleged in any of the complaints filed in the Action."); In re Cal. Micro Devices Corp. Sec. Litig., No. C 94-2817 VRW, 2001 U.S. Dist. LEXIS 7994, at \*6-7 (N.D. Cal. June 4, 2001) (releasing "[a]ny and all claims, demands,

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rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown . . . in connection with the facts, transactions, events, occurrences, acts, failures to act or omissions which were or could have been alleged in the Class Actions, including, but not limited to, the claims alleged in the Class Actions . . ." and "[a]ny existing or future claim, accrued or not yet accrued . . ."); Lubliner v. Maxtor Corp., No. C-89-1807 WHO, 1990 U.S. Dist. LEXIS 3930, at \*5 (N.D. Cal. Feb. 14, 1990) (releasing "any and all manner of actions . . . foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued, suspected or unsuspected, fixed or contingent, and whether or not controlled or hidden, based upon, related to, from or connected with any matters raised or referred to in the pleadings in this action or during discovery in this litigation . . . ").

Moreover, the Second Circuit authority the Shane objectors cite is not only irrelevant given the applicable Ninth Circuit authority discussed above, it is also inapposite: it dealt with releases where there was no unifying underlying factual predicate, and where the majority of class members were entitled to no recovery but only a small portion of the class actually recovered. Similarly, the authorities Mr. Bowman cites are each distinguishable, as they address statutory settlements that require an opt-in class or releases that are wholly unlimited. See Tijero v. Aaron Bros., Inc., No. 10-cv-1089, 2013 WL 60464, at \*7-8 (N.D. Cal. Jan. 2, 2013) (rejecting release of FLSA claims, which statutorily requires that class members opt in, regardless of whether they received notice); Kakani v. Oracle Corp., No. 06-cv-6493, 2007 WL 1793774, at \*7 (N.D. Cal. June 19, 2007) (same); Bond v. Ferguson Enters., Inc., No. 09-ev-1662, 2011 WL 284962, at \*7 (E.D. Cal. Jan. 25, 2011) (rejecting release of all claims of "any kind or nature" up to the date of the agreement).

#### 8. The injunctive relief contributes substantial value to the Settlement.

Some objectors insist that the injunctive relief is overvalued, "as all Defendant has agreed to do is follow the law." (Inv. Obj. No. 92; see also Obj. No. 11 at 9, Inv. Obj. No. 101 at 6-7.) But, as discussed supra § IV(A)(4)(b), the significant changes Facebook will implement under the Settlement's injunctive relief provisions go well beyond what other social networking sites provide, and the objectors do not—and cannot—show how these changes are "required by the

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law." Setting aside the many statutory and constitutional defenses set out above, all the law requires is consent, which, as described above, can be (and has been) established through acceptance of Facebook's Terms (express consent) and through continued use of and other activity on the site (implied consent). Facebook is free to structure its Terms as it deems necessary, and to condition the use of its service on acceptance of those Terms. *See Sambreel*, 2012 WL 5995240, at \*3 ("As an overarching premise, the Court is persuaded that Facebook has a right to control its own product, and to establish the terms with which its users, application developers, and advertisers must comply in order to utilize this product."). The injunctive relief thus provides substantial benefits to Class Members and cannot plausibly be characterized as Facebook merely agreeing to comply with the law.

Furthermore, these arguments improperly presuppose Facebook's liability (i.e., that any changes are, in fact, required by the law) and that Plaintiffs would have been able to achieve such relief in this litigation. As explained by the Ninth Circuit in *Officers for Justice*, a court cannot analyze a settlement as if liability has been established, but rather must consider the uncertainty that a given plaintiff will be able to establish liability in the first place. 688 F.2d at 628. The Shane objectors' own authority confirms this proposition. While the court in *Acosta v. Trans Union, LLC*, 243 F.R.D. 377 (C.D. Cal. 2007), found that certain injunctive relief provisions were of "no value" because they were required by law, the court found value in other parts of the injunctive relief, such as improved dispute resolution processes and changes in reporting practices, which were not required by law. *See id.* at 395-96 (citation omitted).

Some objectors insist that because Facebook has agreed to enact the injunctive relief provisions for at least two years following the Final Settlement Date, the relief has no value. (See, e.g., Obj. No. 10 at 14; Inv. Obj. No. 100 at 9.) These Objections are at odds with the many settlements that provide injunctive relief for only a specified period of time. See Cohorst v. BRE Props., Inc., No. 10-cv-2666, 2011 WL 7061923, at \*7 (S.D. Cal. Nov. 14, 2011) (rejecting objection that settlement was inadequate because the injunctive provision would last only one year); Gomez v. H & R Gunland Ranches, No. 10-cv-1163, 2011 WL 5884224, at \*3 (E.D. Cal. Nov. 23, 2011) (granting final approval of settlement providing injunctive relief for three years);

CORREY LLP A federson At Law San Francisco Lonardo v. Travelers Indem. Co., 706 F. Supp. 2d 766, 776 (N.D. Ohio 2010) (same). Moreover, these Objections assume that two years after the Final Settlement Date, Facebook will immediately rescind the changes enacted under the Settlement. As the Settlement notes, the changes will stay in place for "at least" two years. (S.A. § 2.1.) Further, these Objections overlook the rapid evolution that is inherent in social media websites. A legal promise to provide specified tools over an extended period of time may detrimentally limit Facebook's provision of services and fail to account for technological advances in ways that are unforeseeable today. For example, Facebook could be prevented from providing superior methods of explaining Facebook's functioning or from providing opt-outs for certain Facebook features in two years.

Additionally, some objectors insist the Parties must prove the specific monetary value of the injunctive relief. (See, e.g., Obj. No. 6 (insisting Facebook must establish the value of any injunctive relief by creating a "secondary market" for the use of Sponsored Stories); Inv. Obj. No. 99 at 3-5.) As discussed supra § IV(A)(4)(b), the proposed injunctive relief provides considerable value to the Class, providing changes that directly address concerns raised in the underlying lawsuit. The Court is not required to assign a particular monetary valuation to these changes in order to grant final approval of the Settlement. See Lane, 696 F.3d at 823 (rejecting objection that court must find a specific monetary value for each plaintiff's claim to finally approve a settlement); see also Officers for Justice, 688 F.2d at 628 (affirming final approval without assigning a particular monetary value to the injunctive relief); In re Ferrero, 2012 WL 2802051, at \*4 (same): Myers, 2009 WL 900787, at \*16 (same).

### 9. The proposed relief is reasonable and adequate, notwithstanding alternative relief "wish lists."

Several objectors raise other proposed forms of relief and procedures for distributing that relief. These suggestions are simply wish lists, and do not establish that the Settlement fails to meet the standard for final approval. Settlements need not (and usually cannot) provide relief that every Class Member considers optimal. Rather, approval is warranted if the settlement is fair,

FACEBOOK'S MPA ISO PLS.' MOT, FOR FINAL APPROVAL OF SETTLEMENT CASE NO. CV 11-01726 RS

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reasonable, and adequate. 48 See Hanlon, 150 F.3d at 1027 ("Settlement is the offspring of compromise; the question we address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion.").

#### Opting in and opting out of Sponsored Stories. a.

Several objectors insist that the proposed injunctive relief is inadequate because it does not require Users to affirmatively "opt in" to having their social actions displayed in Sponsored Stories. (See Obj. No. 14 at 4; Inv. Obj. Nos. 98 at 24-26.) Other objectors claim the relief is inadequate because it does not allow Users to "opt out" of Sponsored Stories globally through a single settings change. (See Obj. Nos. 13 at 2, 17 at 2-3; Inv. Obj. No. 102 at 5.) But the Settlement is more than fair without these features, and will provide significant changes that directly address the heart of Plaintiffs' claims. In assessing the fairness of a settlement, the operative question is whether, "[v]iewing the terms of the settlement as a whole . . . the Court finds that the settlement confers real and significant benefits on the class members . . . [i]n light of all attendant risks of litigation." Myers, 2009 WL 900787, at \*17 (quotation omitted). In view of the total consideration Facebook has offered in the Settlement-including each piece of injunctive relief and the \$20 million Settlement Fund—the Settlement undoubtedly represents "a good value for a relatively weak case." *Id.* (internal quotation and citation omitted).

The desire of some parties for an "opt-in" consent model is irrelevant to this analysis. Lane, 696 F.3d at 826 (in approving settlement, district court properly disregarded objections amounting to bare "disagree[ment] with the class representatives' decision. . . ."). Moreover, even putting aside Facebook's numerous, complete defenses to liability, there would be no reason that Facebook would have to allow Users to "opt in" to Sponsored Stories to establish Users'

Objector Orenduff claims he was denied an opportunity to select his own counsel and participate in negotiating the Settlement terms, which denied him due process. (See Inv. Ob). No. 27.) Due process does not require that an absent Class Member have the right to negotiate settlement terms prior to preliminary approval under Rule 23(b)(3). Instead, a settlement class member's rights are protected by adequate notice, the right to be heard and participate in the fairness hearing, and an opportunity to opt out. See Phillips Petroleum Co. v. Shutts, 472 U.S. 797, 812 (1985). All of these protections are present here, and absent Class Members have been afforded full due process. Id. Class Members who disagreed with the Settlement had the opportunity to exclude themselves from the Class and thus preserve their claims.

consent. As discussed above, Facebook has obtained consent from every User based on the explicit language in the Terms, to which every User agrees by signing up and using the Facebook website. Users thus "opt in" and consent by agreeing to the Terms.

In addition, an opt-in model would be redundant. First, Users' decisions to take social actions on Facebook, such as Liking content, are entirely voluntary, and their very purpose is to share Users' affinities and opinions with their Friends. Thus, every time they take a social action, Users effectively opt in to having that action shown to their Friends. It would be illogical to require Users to opt in again to share the same content with the same people in a Sponsored Story. Second, Users can always opt out of Sponsored Stories in a variety of ways, such as by changing their privacy settings to display their actions on Facebook to "Only Me," by declining to take actions that may be redisplayed in a Sponsored Story, or by "unliking" content they previously Liked. (See Squires Decl. ¶¶ 12, 22-23.) And, of course, the Settlement provides new, additional features, as discussed supra § IV(A)(4)(b), which will provide enhanced clarity and add to the considerable control Users already have over their appearance in Sponsored Stories.

The Schachter objectors' claim—that Users cannot opt out of appearing in Sponsored Stories until their rights have been violated through a post-Settlement first appearance—reveals their misunderstanding of how Facebook works. (See Obj. No. 10 at 17-18.) As an initial matter, all Facebook Users are free to deactivate or delete their account at any time, for any reason, particularly if they object to how the site operates. No one is obligated to use Facebook's free service, and when Users delete their accounts, their past social actions become automatically ineligible to appear in Sponsored Stories. Additionally, all Users can preemptively disqualify their past social actions from appearing in Sponsored Stories from the Activity Log (e.g., by unliking content, deleting a previous check-in, etc.). (See Squires Decl. ¶ 12.) Users can also avoid taking social actions that they do not want to share with their Friends. In addition to all of this, the Settlement provides Users with new tools to see which, if any, of their social actions

<sup>&</sup>lt;sup>49</sup> One objector incorrectly assumes he allegedly appeared in Sponsored Stories because Facebook forced him to "Like" an item in Facebook Messages. (*See* Inv. Obj. No. 33.) He thus suggests additional injunctive relief, including an opt-in model. The objector's understanding of how Facebook works is inaccurate, as Facebook does not "force" users to "Like" any content.

appear in Sponsored Stories and prevent unwanted further appearances.

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### b. Other requests for alternative relief. 50

Objector Jason Brodsky argues that a clear legal ruling on Class Members' rights would be of greater benefit than the proposed monetary or injunctive relief, asserting that the Settlement will not "affirm that social networks may not use my name and likeness for advertising purposes or affirm that such a use is permissible." (Obj. No. 4.) This Objection is meritless, as the Settlement in no way precludes Mr. Brodsky from obtaining such a ruling. Like all Class Members, Mr. Brodsky may exclude himself from the Settlement and pursue an individual action against Facebook. (S.A. § 3.8.) Further, as just discussed, Mr. Brodsky can discontinue using the free website, delete his account, change his privacy settings, or avoid social actions that may trigger a Sponsored Story. Thus, his Objection does not undermine the Settlement.<sup>51</sup>

Objector Akram Tabet insists that the Class definition is improperly limited to Users in the United States. (See Inv. Obj. No. 73.) But Plaintiffs are the masters of their Complaint and they had no obligation to include foreign residents in the Class definition. See Caterpillar Inc. v. Williams, 482 U.S. 386, 392 (1987) (plaintiffs are the master of their complaint); Muniz v. Pilot Travel Centers LLC, No. CIV 2-07-0325 FCD, 2007 WL 1302504, at \*4 (N.D. Cal. May 1, 2007) (noting plaintiff may "narrow the scope of the putative class").

Objector Thomas Cox insists, without factual or legal support, that the Court should have created subclasses differentiating between Class Members who joined before the launch of Sponsored Stories and those who joined after. (See Inv. Obj. No. 92.) He also insists that the

Some Objections are wholly unrelated to the Settlement or this litigation, and thus do not provide any basis for finding the Settlement is not fair, reasonable, and adequate. (See, e.g., Inv. Obj. No. 73 at 4 (claiming he was wronged by his former employer and that "the whole settlement is based on illegal hacking, and hence an act of unethics"); Inv. Obj. No. 50 (asserting harassment and defamation from other Facebook Users unrelated to Sponsored Stories); Inv. Obj. No. 91 (asserting she was threatened by her former employer and a labor union).)

Objector Brodsky also claims that the fact that Facebook admits no wrongdoing undermines the propriety of final approval. (Obj. No. 4.) This Objection should be rejected because settlements are not premised on establishing or admitting liability. See Officers for Justice, 688 F.2d at 625 (courts need not "reach any ultimate conclusions on the contested issues of fact and law which underlie the merits of the dispute, for it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements").

Court should have appointed separate counsel for these subclasses. (Id.) Mr. Cox does not, however, explain in any way how these subclasses conflict with each other such that separate counsel might be necessary. See Fleury v. Richemont N. Am., Inc., No. C-05-4525 EMC, 2008 WL 4680033, at \*5 (N.D. Cal. Oct. 21, 2008) (rejecting objection that settlement was inadequate due to lack of separate counsel for subclasses, noting there was no conflict between the classes even where recovery differed); see also Torrisi v. Tuscon Elec. Power Co., 8 F.3d 1370, 1373, 1378 (9th Cir. 1993) (finding subclasses that received different recoveries were not entitled to separate counsel where the majority of the class approved of the settlement). Here, all Class Members are entitled to the same relief regardless of the date they joined Facebook. Because there is no conflict of interest between theoretical members of Mr. Cox's proposed subclasses, no need for separate counsel exists, and thus Mr. Cox provides no basis to deny final approval.

Other Objections simply describe wishes for different or additional relief, but do not explain how the relief in the Settlement is not fair, reasonable, and adequate. (See, e.g., Inv. Obj. No. 64 (requesting a summary of every use of Class Member information and a permanent injunction against Facebook's use of images or names without express written consent).) The question at final approval is not whether different or additional relief is hypothetically possible, and these Objections provide no basis to deny final approval. See Hanlon, 150 F.3d at 1027.

#### 10. The attestations on the Claim Form are appropriate.

The Frank objectors seek to preclude the Class from receiving the benefits provided by the Settlement, arguing that Plaintiffs are inadequate Class representatives under Rule 26(a)(4) because there are two allegedly "arbitrary stipulations required on the claim form." (Obj. No. 11 at 21-26.) Specifically, the Frank objectors contend that persons who cannot make the Claim Form's attestations will receive "nothing of value in consideration for a release of their claims," and that the attestations demonstrate the "named representatives are disregarding" such Class Members or "favoring non-class charities." (Id. at 23 (citations omitted).) They are wrong.

First, the attestations on the Claim Form directly relate to the relative strengths and merits of similarly situated claims, because Class Members who cannot attest that they did not consent and that they were injured by appearing in a Sponsored Story have far weaker claims than those

who can. See In re Oracle Sec. Litig., No. C-90-0931-VRW, 1994 WL 502054, at \*1 (N.D. Cal. June 18, 1994) ("A plan of allocation that reimburses class members based on the extent of their injuries is generally reasonable. . . . It is also reasonable to allocate more of the settlement to class members with stronger claims."); (see also Obj. No. 11 at 24 ("The only viable justification" for the attestations on the claim form "would be an explanation that the claims of these class members were legally weaker. . . .").) As noted supra pp. 19-22, if a person consents to appearing in a Sponsored Story, such consent is fatal to a claim under § 3344. Because consent can be "implied from [a plaintiff's] conduct," Jones, 815 F. Supp. 2d at 1113-14, Users who took actions on Facebook (such as Liking a Page), knowing that Facebook could be paid for displaying such actions to their Facebook Friends, impliedly consented to such paid display. Id.

Likewise, Class Members who were unwilling to attest that they were injured by appearing in Sponsored Stories have far weaker claims. For this reason, the Frank objectors' citation of *True*, 749 F. Supp. 2d 1052, for the proposition that "a class member's subjective belief that he was injured or not [does not] have anything to do with whether an objective statutory injury occurred" is inapposite. (*See* Obj. No. 11 at 24.) The *True* court found that there was no legal basis for making cash payments to only those persons who lodged qualifying prelawsuit complaints. 749 F. Supp. 2d at 1067. Here, in contrast, differential treatment of Class Members is appropriate since "the settlement terms are rationally based on legitimate considerations," namely, whether Class Members believe they were injured, which, in turn, affects their theoretical ability to recover. *Id.* (citation omitted).

Second, Class Members who cannot make the attestations on the Claim Form *do receive* consideration for the release of their claims through the combination of injunctive relief and *cy pres*. The injunctive relief is appropriate consideration, as Class Members will benefit from new disclosures and information concerning Sponsored Stories and new tools that allow Users greater control over their (and their minor children's) appearances in Sponsored Stories.<sup>52</sup> See, e.g., In re

<sup>&</sup>lt;sup>52</sup> The Frank objectors' argument that the injunctive relief is valueless since "even opt-outs and non-class-members are entitled to the 'injunctive relief'" should also be rejected. (Obj. No. 11 at 9.) In *Vought v. Bank of America, N.A.*, No. 10-CV-2052, 2012 U.S. Dist. LEXIS 143595 (C.D. Ill. Oct. 4, 2012), the defendant had (a) provided the injunctive relief to class members as well as non-class members and opt-outs because doing so was easier than trying to distinguish between

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Motor Fuel, 2012 WL 1415508, at \*4, \*7, \*13, \*15 ("it [was] fair, reasonable and adequate for class members . . . to trade uncertain claims for money damages for certain relief proposed under the amended settlement agreement."); Mvers, 2009 WL 900787, at \*16, \*9 (approving Rule 23(b)(3) settlement awarding cv pres and injunctive relief where plaintiffs initially sought \$1,600 per class member); First State Orthopaedic, 534 F. Supp. 2d at 507 (approving settlement where sole consideration was "commit[ment] to change the disclosure and business practices challenged in this action"). Moreover, the injunctive relief is not merely prospective, but has retrospective aspects, as it also applies to social actions taken before the Settlement to the extent such actions appear in Sponsored Stories after the Effective Date. (Cf. Obj. No. 11 at 9 (Frank objectors argue that "the prospective injunctive relief can only benefit those who do business with Facebook in the future.") (emphasis omitted).) Additionally, the injunctive relief is coupled with monitoring by Plaintiffs' counsel (and potential Court monitoring), which will ensure that the Class will receive these benefits. Finally, the cy pres funding of advocacy and watchdog groups benefits Class Members who cannot make the attestations on the Claim Form. There is a direct nexus between such groups and the interests Plaintiffs raised in this litigation, and funding the Cy Pres Recipients will raise public awareness of issues raised in this action. See Easysaver Rewards, 2013 WL 435032, at \*9 (holding that "the cy pres remedy bears a direct and substantial nexus to the interests of absent class members" and that it will thus benefit all users); Lane, 696 F.3d at 821 (distribution of funds to cy pres recipients with a nexus to the lawsuit "will benefit absent class members"); Lupron Mktg., 677 F.3d at 34 ("cy pres distribution . . . would benefit the potentially large number of absent class members").

Third, even where some Class Members (or even a majority) do not receive a cash payment, this does not impede approval because settlements need not provide monetary relief to

these groups; and (b) had *already* implemented the injunctive relief prior to final approval. The court thus held that the defendant would have provided the injunctive relief "regardless of the settlement (or for that matter, the suit)." Id. at \*51-52. Here, by contrast, it would be impossible to restrict the changes to Class Members and non-opt-outs only given the nature of Facebook's service. Further, Facebook has not yet made changes that the Settlement would require, and nothing indicates it would do so absent this Settlement. See In re AT&T Mobility Wireless Data Servs, Sales Tax Litig., 789 F. Supp. 2d 935, 960 (N.D. Ill. 2011) (injunctive relief in settlement is valuable if defendant would not have made the required changes absent the settlement).

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all class members. In *Mego*, 213 F.3d 454, the Ninth Circuit addressed an objector's argument that a settlement did not merit approval "because it [left] a large portion of the class without a recovery." It disagreed that the structure was problematic, holding that "[i]t is within the discretion of the district court to determine the method of calculating damages." *Id.* at 461. Many other cases have reached similar results.<sup>53</sup>

The Frank objectors' attempt to overcome this body of authority fails. Unlike in Ferrington v. McAfee, Inc., No. 10-cv-1455, 2012 WL 1156399 (N.D. Cal. Apr. 6, 2012), silent Class Members here receive cy pres and injunctive relief, whereas in Ferrington, "absent class members of the subclass" were "essentially releasing their clams against McAfee and Arpu for no consideration." Id. at \*13. Similarly, Dewey v. Volkswagen AG, 681 F.3d 170 (3d Cir. 2012), does not undermine the propriety of the Settlement. In Dewey, "one group of class members (the 'reimbursement group') received the right to reimbursement for certain qualifying damages . . . [and] [t]he remaining class members (the 'residual group') were required to wait until the reimbursement group made its claims." Id. at 173. The Third Circuit rejected the settlement because the line between the reimbursement group and the residual group was based on claims rates, not on criteria pertaining to the strength of individual claims, id. at 187, and the representative plaintiffs "could not adequately represent the entire class" because they "were [all] in the reimbursement group" id. at 189. Here, in contrast to Dewey, no persons with legally

See, e.g., SEC v. Certain Unknown Purchasers, 817 F.2d 1018, 1020-21 (2d Cir. 1987) (affirming approval of settlement that only provided compensation class members with out-of-pocket losses); In re TD Ameritrade, 2011 WL 4079226, at \*9 ("The fundamental flaw" in an argument that a settlement must compensate every member of a class "is that it ignores that the Settlement is a compromise, which balances the possible recovery against the risks inherent in litigating further. The possibility that the Settlement does not provide for a payout to every conceivable... [class member] does not establish that the Settlement is unfair or unreasonable.") (emphasis in original); Schulte v. Fifth Third Bank, 805 F. Supp. 2d 560, 594 (N.D. Ill. 2011) ("The option to file (or to not file) a claim gives customers who were aware of and assented to Defendant's re-sequencing policies the ability to opt out of receiving a payment that they feel they do not deserve."); Lonardo, 706 F. Supp. 2d at 784 (approving settlement that required class members to affirm in a claim form "that they would have purchased a lower-priced policy had it been offered to them"); Shames v. Hertz Corp., No. 07-CV-2174-MMA(WMC), 2012 WL 5392159, at \*9 (S.D. Cal. Nov. 5, 2013) ("[T]here is nothing inherently objectionable with a claims-submission process, as class action settlements often include this process, and courts routinely approve claims made settlements.").

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identical claims to Plaintiffs are placed in a category that would afford them less relief under the Settlement.54

Finally, the Frank objectors' position is undermined by "two practical considerations" recognized by the Ninth Circuit. See Mego, 213 F.3d at 463. First, persons who cannot make the attestations on the Claim Form "were free to opt-out of the class" and pursue their own claims separately.<sup>55</sup> Id.; accord Lane, 696 F.3d at 825 (emphasizing that ability to opt out of settlement provides protection to class members who disagree with a settlement); Cobell v. Salazar, 679 F.3d 909, 920 (D.C. Cir. 2012) ("The existence of the opt-out alternative effectively negates any inference that those who did not exercise that option considered the settlement unfair."). Second, as recognized in Mego, if the Court failed to approve the Settlement, "it is possible that no one will recover anything from [Facebook]. The present Settlement at least allows damages for some members of the class where damages might otherwise be unobtainable for any member of the class." Mego, 213 F.3d at 463 (rejecting objection on Rule 23(a)(4) grounds). 56

<sup>&</sup>lt;sup>54</sup> For similar reasons the Frank objectors' citation of *In re Literary Works in Elec. Databases* Copyright Litig., 654 F.3d 242 (2d Cir. 2011), does not undermine the Settlement. Contrary to the claims of the Frank objectors, in Literary Works, the Second Circuit stated that "[w]e . . . disagree with objectors to the extent that they cite" the inferior recovery of the class members with weaker claims "as determinative evidence of inadequate representation." Id. at 253. Rather, the Second Circuit found that class certification was inappropriate since (1) there was no record before the court as to whether the amount paid to class members with weaker claims "appropriately reflects that weakness," and (2) because a settlement provision reduced payouts to class members with weaker claims, but not those with stronger claims, in the event the total value of all claims made surpassed \$18 million. Id. There is substantial evidence in the record that Class Members who are not able to make the necessary attestations related to injury and lack of consent have weaker claims as a matter of law, and the Settlement does not improperly increase the recovery of Authorized Claimants at the expense of other Class Members. Id.; see also In re Pet Food Prods. Liab. Litig., 629 F.3d 333, 346 (3d Cir. 2010) (rejecting argument for subclasses and noting that "varied relief among class members with differing claims in class settlements is not unusual"); see also In re Holocaust Victim Assets Litig., 413 F.3d 183, 186 (2d Cir. 2005) (per curiam) (district court did not exceed its discretion in allocating the bulk of class action settlement funds to one claimant group because "allocation of a settlement of this magnitude and comprising such different types of claims must be based, at least in part, on the comparative strengths and weaknesses of the asserted legal claims").

That this Settlement allows Class Members to opt out is just one of the ways it is distinguishable from the settlement at issue in Ortiz v. Fibreboard Corp., 527 U.S. 815, 857 (1999).

<sup>&</sup>lt;sup>56</sup> The Frank objectors also reference the Objection filed by counsel for the *C.M.D.* plaintiffs and suggest that the Court conduct an "auction" to "allow competing bids from qualified firms about what they believe the litigation is actually worth, and how much of that they will pass along to the class . . . ." (Obj. No. 11 at 27.) This is nonsensical. In the pre-15 USC § 78U-4(a)(3)(B) securities cases the Frank objectors cite, the competitive bidding processes utilized occurred at

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### D. None of the Minors-Related Objections Undermine the Fairness, Reasonableness, or Adequacy of the Settlement.

Several Objections raise issues specific to Facebook's minor Users, including issues related to parental consent, the adequacy of the injunctive relief for minor Users and their parents, the applicability of California Family Code § 6701, whether other states laws purportedly more protective of minors bar approval, and whether the Minor Subclass requires separate counsel.

### 1. The objectors' parental consent arguments do not undermine the Settlement.

Counsel for the *C.M.D.* plaintiffs (acting as counsel for the Shane objectors), the Center for Public Interest Law and Children's Advocacy Institute ("CPIL/CAI") (as counsel for objector Depot), and objector Schachter claim that the Settlement would permit Facebook to use a minor's likeness without parental consent, purportedly in violation of several states' laws. (Obj. No. 10 at 9-10; Inv. Obj. No. 98 at 16-17; Inv. Obj. No. 101 at 5.) This boils down to a claim that "the proposed settlement agreement does not ensure parental consent [to Sponsored Stories] will be obtained before a minor agrees to Facebook's Terms of Use." (Obj. No. 10 at 12.) This argument fails for four basic reasons.<sup>57</sup>

First, and most fundamentally, because the issue before the Court is final approval of a settlement, the Court should not—and, under established Ninth Circuit law, must not—"reach any ultimate conclusions on the contested issues of fact and law which underlie the merits of the dispute, for it is the very uncertainty of the outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." Officers for Justice, 688 F.2d at 625 ("[n]either the trial court nor this court is to" decide merits); see also Class Plaintiffs, 955 F.2d at 1291 (same); accord, e.g., Carson v. Am. Brands, Inc., 450 U.S. 79, 88 n.14 (1981) ("Courts

the start of the litigations, unrelated to settlement. Here, extensive discovery has occurred and litigation has progressed through class certification briefing and has involved extensive settlement discussions. Attorneys who have not been party to the litigation thus far would likely misunderstand or underestimate the obstacles to recovery that continued litigation would present, and their bids would reflect such naiveté. *See Klein v. O'Neal, Inc.*, 705 F. Supp. 2d 632, 649 (N.D. Tex. 2010) ("[W]hether another team of negotiators might have accomplished a better settlement is a matter equally comprised of conjecture and irrelevance." (citation omitted)).

Not all objectors agree that a paternalistic approach to regulating teenagers' Internet use is a good thing. (See Obj. No. 11 at 20 ("[I]t is far from obvious that curtailing the internet freedom of minors and shielding them from commercial speech is an unambiguous social good.").)

judge the fairness of a proposed compromise by weighing the plaintiff's likelihood of success on the merits against the amount and form of the relief offered in the settlement. They do not decide the merits of the case or resolve unsettled legal questions." (italics added; citation omitted)). Indeed, "[t]he object of settlement is to avoid, not confront, the determination of contested issues: therefore, the approval process should not be converted into an abbreviated trial on the merits." Ashley v. Reg'l Transp. Dist., 05-cv-01567, 2008 U.S. Dist. LEXIS 13069, at \*11-12 (D. Colo. Feb. 11, 2008). In asking the Court to decide contested issues of parental consent now—during settlement—the objectors betray a basic misunderstanding of both the relevant legal standards and the Court's role.

Second, to the extent the objectors claim that the Settlement perpetuates a purported illegality (i.e., Facebook's practice of not requiring parental consent for minor Users), that claim also fails. A settlement may be rejected as perpetuating illegality only if such illegality has been clearly established by judicial precedent. See, e.g., Isby v. Bayh, 75 F.3d 1191, 1197 (7th Cir. 1996) ("[W]e are mindful that the court must not decide unsettled legal questions . . . . [I]n determining whether to reject a settlement as initiating or authorizing a clearly illegal or unconstitutional practice, prior judicial decisions must have found that practice to be illegal or unconstitutional as a general rule." (italics added; citations and internal quotation marks omitted)); Robertson v. Nat'l Basketball Ass'n, 556 F.2d 682, 686 (2d Cir. 1977) ("[A] court in approving a settlement should not in effect try the case by deciding unsettled legal questions."). Indeed, as discussed further below, the relevant judicial precedent on this issue confirms that COPPA preempts state laws that purport to impose parental consent requirements for Facebook's use of a minor's name and likeness. David Cohen v. Facebook, Inc., No. BC 444482 (L.A. Super. Ct.). Thus, the Settlement cannot be rejected on this basis.

Third, even were the Court to reach the merits of the objectors' parental consent arguments (which it must not do), those arguments fail on the merits. Indeed, those arguments ignore (or misinterpret) COPPA, discussed *supra* pp. 22-26, which precludes claims premised on

<sup>&</sup>lt;sup>58</sup> The next-closest case on the issue, *E.K.D.*, 885 F. Supp. 2d at 900, which enforced the Terms against minor plaintiffs, over their objections, also supports Facebook.

Facebook's alleged failure to obtain parental consent for teenage Users.

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effort to distinguish Facebook's authorities that confirm COPPA's preemptive reach. Most strikingly, they largely ignore *David Cohen v. Facebook, Inc.*, No. BC 444482 (L.A. Super. Ct.), which held that COPPA preempted claims virtually identical to those here, which were premised on Facebook's alleged failure to obtain parental consent for the commercial use of minors' names and likenesses. Only CPIL/CAI attempts to address *David Cohen*, arguing it is distinguishable because "plaintiffs never moved for class certification and no class had been certified." (Inv. Obj. No. 98 at 15 n.8.) However, CPIL/CAI does not explain how the procedural posture in *Fraley* could somehow shield the purported parental consent requirement from preemption (it could not).

Although the objectors attempt to dispute Facebook's reading of COPPA, they make little

The objectors also uniformly fail to address the Supreme Court's decision in *Arizona v. United States*, 132 S. Ct. 2492 (2012), which found preemption in circumstances highly analogous to those here, as detailed *supra* pp. 25-26. *Arizona* is irreconcilable with the objectors' premise that, because COPPA excludes teenagers from its purview, it does not prevent states from requiring teenagers to obtain parental consent for Internet use.

The blind eye the Shane Objectors turn to David Cohen is particularly telling, given that their

counsel lost that case on the basis of COPPA preemption, as also discussed above.<sup>59</sup>

Unwilling to (and unable to) contend with these authorities, the objectors cite a handful of irrelevant cases. For example, the Schachter objectors cite *Sprietsma v. Mercury Marine*, 537 U.S. 51 (2002), which found that a federal statutory and regulatory regime governing boating safety did not preempt state common law claims premised on a manufacturer's failure to equip its motors with propeller guards. The Court declined to find express preemption because the relevant preemption provision expressly preserved "liability at common law or under State law,"

<sup>&</sup>lt;sup>59</sup> See generally Brown Decl. ¶ 23 (identifying the lawyers and firms that were counsel in both actions, including: Squitieri and Fearon, LLP (Lee Squitieri, Gary T. Stevens, Jr.); Stuart Law Firm (Antony Stewart); Wexler Wallace LLP (Edward A. Wallace); and John C. Torjesen & Associates, PC (John Torjesen)). The Court should reject these attorneys' efforts to obtain a different result simply by switching venues.

CPIL/CAI also attempts to explain why the *David Cohen* plaintiffs voluntarily dismissed their case following dismissal on COPPA grounds. (*See id.*) This is equally irrelevant, since the dismissal occurred after the unfavorable (and fatal) ruling on COPPA preemption.

the precise type of claim asserted. *Id.* at 63. The Court also rejected the defendant's conflict preemption theory, which posited that states could not require boats to employ propeller guards because the Coast Guard had decided not to mandate them. *Id.* at 66. The regulations not only expressly contemplated state legislation as to "matters not covered by the federal regulations," but both the Coast Guard and Solicitor General had taken the position that the plaintiff's claims were not preempted. *Id.* at 66-67, 68. In sum, the Court saw no "authoritative' message of a federal policy against" the use of propeller guards. *Id.* at 67. Here, by contrast, COPPA's express preemption provision contains no savings clause, no federal regulation contemplates state legislation as to "matters not covered" by the federal law, and COPPA's legislative history sends a clear and "authoritative message against" laws subjecting teenage Internet users to intrusive parental consent requirements. *See supra* pp. 23-24.

Nor does Williamson v. Mazda Motor of America, Inc., 131 S. Ct. 1131 (2011), support the objectors' claims. In Williamson, the relevant federal regulations allowed car manufacturers to install either lap-and-shoulder belts or simple lap belts in new vehicles. Id. at 1137. Plaintiffs brought state-law claims premised on a duty to install lap belts, and the defendant argued that the claims were preempted. Id. The Court disagreed. Although regulators had concluded in 1989 that lap-and-shoulder belts would improve safety, they declined to require them for reasons of cost (which regulators acknowledged were declining). Id. at 1137-39. The regulatory history contained no evidence that regulators declined to require lap belts in an effort to provide manufacturers with options; and they expressed no intent for the regulation to set a ceiling, rather than a floor, for safety requirements. Id. at 1139. Additionally, as in Sprietsma, the preemption provision contained a savings clause, and the Solicitor General took the position that there was no preemption. Id. In these circumstances, the Court saw no conflict, ruling that providing manufacturers a choice was not a "substantial" objective of the federal regulations. Id. at 1140.

The Court's earlier decision in *Geier*, 529 U.S. 861, which *Williamson* distinguished at length, bears a far stronger resemblance to this case. *Geier* involved a clash between a 1984 federal regulation allowing carmakers a choice among passive restraint systems (e.g., airbags and automatic seatbelts) and a state-law tort claim premised on an alleged failure to install airbags.

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Id. at 876. According to the regulatory history, regulators had considered mandating airbags in 1984, but had "deliberately" opted for "a mix of several different passive restraint systems," which they achieved by "allowing manufacturers to choose among different passive restraint mechanisms." Id. at 878. This "mix of devices," in turn, was intended to "develop data on comparative effectiveness," "allow the industry time to overcome" safety and cost issues with airbags, and "facilitate the development of alternative, cheaper, and safer passive restraint systems." Id. at 879. Given this history, and the Solicitor General's view that the regulations foreclosed states from requiring airbags, the Court held that the state claim (premised on a duty to install airbags) was preempted because it "would stand as an 'obstacle' to the accomplishment of" regulators' objectives (of allowing carmakers a choice). *Id.* at 886.

In the context of COPPA, Geier is plainly more analogous than Williamson. Similar to the regulations in Geier, COPPA's legislative history reveals that a significant objective of COPPA was to protect children's online privacy while preserving the First Amendment rights of teenagers. This concern was so strong that Congress stripped the provisions applicable to teenagers from the original COPPA bill, crediting expert and industry testimony that parental consent requirements should not apply to teenagers. See supra § IV(A)(2); pp. 24-25. By contrast, the COPPA analysis implicates none of the factors that barred preemption in Williamson—namely, a savings clause and evidence that Congress intended the regulations to operate as a floor, not a ceiling.

To avoid this result, the objectors distort COPPA's legislative history, claiming that only "witnesses at a congressional hearing" expressed First Amendment concerns about applying parental consent requirements to teenagers. Not so. As discussed above, lawmakers themselves removed the teenage parental consent requirement from the original bill in direct response to criticism that the requirement would infringe teenagers' First Amendment rights. See supra pp. 24-25. As the Supreme Court confirmed in Arizona, this type of legislative history is directly relevant to determining the preemptive reach of a statute. See Arizona, 132 S. Ct. at 2504; cf. Williamson, 131 S. Ct. at 1136 ("significant objectives" appropriately gleaned from regulatory history, including evidence that particular requirements (mandatory airbags) were rejected in light

of concrete concerns (safety and consumer backlash)). COPPA's legislative history demonstrates clear Congressional intent to exempt teenagers from parental consent requirements, thereby preempting state law to the contrary.

The Schachter objectors' statement that, under Facebook's interpretation of COPPA, "any state law regulating any conduct on the internet by anyone of any age would be in jeopardy," is also clearly hyperbole. (Obj. No. 10 at 14.) COPPA only prevents states from imposing a parental consent requirement on teenagers who use the Internet for permissible purposes. It does not prevent states from otherwise regulating the conduct of websites serving their residents, or from forbidding certain Internet activities altogether (e.g., gambling, child pornography, etc.). For these reasons, the objectors' parental consent arguments would fail on the merits.

Fourth and finally, even if the Court reached the merits of the objectors' parental consent arguments (it should not), and even if the objectors could overcome COPPA (they cannot), Plaintiffs could not have proven an absence of parental consent on a classwide basis. As discussed above, the record on class certification demonstrated that express parental consent was given for at least one of the two minor named Plaintiffs. See supra p. 26. Additionally, the doctrine of implied consent—well recognized under California law—would have made it impossible for the majority of the Minor Subclass to prove a lack of consent. See Jones, 815 F. Supp. 2d at 1113-14. Thus, the absence of parental consent could not be established even among the small sample of minor named Plaintiffs, and could never be established on a classwide basis. The objectors' parental consent arguments do nothing to undermine the Settlement's fairness.

### 2. The injunctive relief is reasonable and adequate as to the Minor Subclass.

Several objectors attack the injunctive relief provisions applicable to minors. Some complain that the Settlement should require new minor members to identify their parents on Facebook and should require Facebook to seek affirmative consent from parents in all cases. (Inv. Obj. No. 98 at 23-24; Obj. No. 10 at 9-12; Inv. Obj. No. 101 at 11.) CPIL/CAI claims that Facebook should apply the COPPA parental consent regime (applicable to children 12 and under) to the teenagers who use Facebook. (Obj. No. 98 at 25 n.10.) None of the Objections has merit.

As an initial matter, Facebook has no obligation to require parental consent for teenager's use of its site, and, as discussed, any state law imposing such an obligation would run afoul of COPPA. See supra pp. 22-26, 70-74. But, more importantly, that is not the relevant question before the Court on final approval. The objectors are merely arguing that they would have preferred different or additional injunctive relief, and that is not a proper basis to challenge the fairness or adequacy of the actual Settlement reached. See Hanlon, 150 F.3d at 1027 ("Settlement is the offspring of compromise; the question we address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion."); In re Netflix Privacy Litig., 2013 WL 1120801, at \*12 ("these Objections merely suggest a different or arguably better settlement award rather than sufficiently calling into question the fairness or adequacy of the Agreement").

The Settlement requires tangible and meaningful changes to Facebook's practices regarding minors, and the use of their voluntary social actions in connection with Sponsored Stories. Among other measures, Facebook will: (i) create new tools allowing parents of minor Facebook Users to prevent their children from appearing in Sponsored Stories (whether or not those Parents use Facebook); (ii) make minors ineligible to appear in Sponsored Stories if they indicate that their parents are not Facebook Users; (ii) encourage new Users to designate the Facebook Users who are their family members; and (iv) provide additional information to parents about social advertising on Facebook, including how parents can opt their children out of Sponsored Stories. See supra pp. 10-11 and § IV(A)(4)(b)(2). This relief is highly beneficial to the minor Class Members and addresses the claims in this lawsuit. Whether or not a particular objector considers these to be the best possible changes not relevant.

CPIL/CAI additionally takes issue with revised Terms that will require minor children to represent that they have obtained parental consent to Facebook's use of their names and likenesses in commercial content. (Inv. Obj. No. 98 at 16-17.) These objectors appear to presume that this change to Facebook's Terms is of no value because minor's representations will be dishonest. Yet the objectors have no evidence to support this unjustified assumption. Considered in conjunction with all the other changes to the site that ensure parents have multiple

avenues of recourse if they do not consent to their children's social actions appearing in connection with Sponsored Stories, this change to the Terms simply provides an additional layer of assurance of parental consent (even though none is required). Additionally, if Facebook's minor Users are as dishonest as the objectors claim, a more onerous requirement, such as one that prevents the use of the site without proof of parental consent, would only incentivize minors to bypass the restrictions by signing up for Facebook as adults. This, in turn, would undermine other protections for minors that are built into the site (e.g., screening minors from alcohol-related advertisements). This would not benefit the class.

The injunctive relief the Parties agreed to is substantial and designed to directly address the concerns raised by this action. Nothing more is required.

#### 3. The California Family Code has no bearing on the Settlement.

CPIL/CAI and counsel for the *C.M.D.* plaintiffs (on behalf of the Depot objector and the Shane objectors, respectively) also object that the California Family Code renders the Revised Settlement inadequate as to the Minor Subclass. CPIL/CAI claims that the Settlement sanctions a violation of California Family Code § 6701(a) and (c) by (1) "purport[ing] to delegate to Facebook the extremely broad power to take information posted by a child, re-package it, and transmit it in any form and to any recipients, and for any commercial purpose," and (2) "tak[ing] control of the minor's personal property, their photographs, in order to do what it is doing with it." (Inv. Obj. No. 98 at 12, 13-14.) The Shane objectors echo this argument, contending further that the Settlement is inadequate because it fails to account for these provisions—which allegedly invalidate minors' consent under the Terms—giving the Minor Subclass stronger claims against Facebook than the adult Class. (*See* Inv. Obj. No. 101 at 4-5.) These arguments represent a fundamental misunderstanding of California law and of the allegations at issue in the case. Family Code § 6701(a) and (c) are not applicable to the *Fraley* litigation or the Settlement.

Under California law, "[e]xcept as provided in Section 6701, a minor may make a contract in the same manner as an adult, subject to the power of disaffirmance . . . ." Cal. Fam. Code § 6700. Under § 6701, minors are forbidden from entering only a narrow range of contracts, including those that "[g]ive a delegation of power," § 6701(a), or relate to "personal property not

in the immediate possession or control of the minor," § 6701(c). Courts have never applied these sections of § 6701 in circumstances remotely similar to those at issue here. As confirmed by nearly 100 years of case law, § 6701(a) "declare[s] the rule that an infant [can]not execute contracts through an agent." *Hakes Inv. Co. v. Lyons*, 166 Cal. 557, 560 (1913); *see*, *e.g.*, *Blankenship v. Hearst Corp.*, 519 F.2d 418, 425 (9th Cir. 1975) (minor cannot enter partnership because he cannot delegate power under California law); *Schumm v. Berg*, 37 Cal. 2d 174, 182 (1951) (contract by minor's purported agent void). Neither Facebook's current Terms nor the revisions contemplated by the Settlement purport to delegate to Facebook a power of agency (i.e., the power to enter contracts on the minor's behalf). Section 6701(a) is thus inapposite.

CPIL/CAI appears to concede that § 6701(a) only forbids delegation to an agent, but argues that an agency relationship exists because Facebook purportedly has authority "to take, use and promote (represent) a user's information . . . ." (Inv. Obj. No. 98 at 12-13.) This argument ignores the hallmark of agency, in which the purported agent "normally binds not himself but his principal by the contracts he makes." Black's Law Dictionary 72 (9th ed. 2009). Agency also carries with it a "fiduciary relationship" between the agent and principal, and requires that the "agent shall act on the principal's behalf and subject to the principal's control." Restatement (Third) of Agency § 1.01 (2006). Here, the Terms do not authorize Facebook to enter contracts on Users' behalf, do not purport to make Facebook a fiduciary, and do not subject Facebook to Users' "control." Thus, the Terms plainly do not appoint Facebook as its Users' agent.

Section 6701(c) is equally irrelevant, since it only prevents minors from assigning a future interest, such as designating a beneficiary under an annuity contract, see Sisco v. Cosgrove, Michelizzi, Schwabacher, Ward & Bianchi, 51 Cal. App. 4th 1302, 1307 (1996), or directing a minor's employer to pay his wages to a third party, see Morgan v. Morgan, 220 Cal. App. 2d 665, 675 (1963). Seeking to force a square peg into a round hole, CPIL/CAI claims that the Settlement violates § 6701(c) because "Facebook must take control" and "Users clearly give up possession or control when they upload images or information to Facebook . . . ." (Inv. Obj. No. 98 at 13-14 & n.6.) But this argument ignores how Facebook actually works—at all times, Facebook Users have "immediate possession or control" over the profile pictures they upload to Facebook, which

CORREY ILP A (HIBENBYH AT LAW SAN FRANCISCO they may change or remove at will (in addition to the option of deleting their account). Cal. Fam. Code § 6701(c). Family Code § 6701(c) does not void contracts under which minors transfer property in their immediate control to another. Thus, CPIL/CAI's claim that "Facebook takes possession" when Users upload their information—which effectively concedes that Users had possession and control in the first place—confirms that § 6701(c) does not apply.

The objectors' strained construction is also untenable because it conflicts with other Family Code provisions. In particular, Family Code §§ 6750 and 6751 expressly contemplate contracts "pursuant to which a minor . . . agrees to . . . license . . . use of a person's likeness," specifying that certain such contracts may *not* be disaffirmed if approved by a court. Cal. Fam. Code §§ 6750(a)(1), 6751. This provision would be nonsensical if § 6701 operated as an absolute prohibition on minors entering contracts to license use of their names or likenesses. 61, 62

Given all this, it is unsurprising that these very arguments were rejected by the Southern District of Illinois in the related *C.M.D.* case when it transferred that action to this Court, based on the forum-selection clause in Facebook's Terms. In opposing Facebook's motion to transfer venue, the *C.M.D.* plaintiffs (who share counsel with the Shane objectors) argued that the Terms are void under § 6701(a) and (c), contending that "minors are statutorily forbidden from entering

<sup>&</sup>lt;sup>60</sup> This is one of numerous inaccuracies in CPIL/CAI's brief, demonstrating a fundamental misunderstanding of the facts. For example, CPIL/CAI appears to suggest, incorrectly, that Sponsored Stories may be shared with a different, broader audience than the User has authorized. (See, e.g., Inv. Obj. No. 98 at 8-9.)

The Public Citizens Law Group argues in conclusory fashion that the Settlement is invalid because it "purports to validate contracts that every other state would consider voidable." (Obj. No. 10 at 12.) That unsubstantiated theory, of course, ignores the valid choice-of-law provision in the Terms, which makes the laws of other states irrelevant to both the litigation and the Settlement. Additionally, this theory has already been rejected by a court in the Southern District of Illinois. See E.K.D., 885 F. Supp. 2d at 900 ("Plaintiffs have used and continue to use facebook.com. The Court concludes that Plaintiffs cannot disaffirm the forum-selection clause in Facebook's TOS, although Plaintiffs were minors when they entered the agreement containing the clause."). Indeed, because all minors in the Class have used Facebook (and millions continue to use Facebook), they cannot avoid the Terms by seeking to disaffirm it. See id.; cf. Morrow v. Norwegian Cruise Line Ltd., 262 F. Supp. 2d 474, 476 (M.D. Pa. 2002) (refusing to allow minor plaintiff to disaffirm contract because she had already received the benefit of the bargain).

<sup>&</sup>lt;sup>62</sup> Although CPIL/CAI claims that sections 6750 and 6751 demonstrate the type of protections that should apply when minors "contract away the use of their likeness," they concede that these provisions do not apply. (Inv. Obj. No. 98 at 14 (admitting that sections 6750 and 6751 "may not fully pertain to contracts… outside of the traditional entertainment field").)

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into a contract that purports to 'give a delegation of power' or that relates to 'any personal property not in the immediate possession or control of the minor." (Pls.' Resp. to Mot. to Transfer, Dkt. No. 78 in *C.M.D.*, at 3-4) (citation omitted.) Judge Murphy rejected this argument and enforced the contract that the *C.M.D.* plaintiffs claimed was void by transferring the action over their objections. *E.K.D.*, 885 F. Supp. 2d at 900-03. The Shane objectors and their counsel simply hope that making the same arguments in a different forum will produce a different result.

Nor does the ruling in *I.B. ex rel. Fife v. Facebook, Inc.*, 905 F. Supp. 2d 989 (N.D. Cal. 2012), alter this result. The court in *Fife* refused to dismiss the plaintiffs' claims seeking to void minors' online purchases of Facebook "Credits," which were made using their parents' credit cards, allegedly without permission. *Id.* The court ruled that the plaintiffs had alleged a "plausible" claim that the relevant transactions were void under § 6701(c) because the "minor Plaintiffs did not have immediate possession or control of their parents' credit or bank accounts" when they entered the transactions. *Id.* Although Facebook believes *Fife's* discussion of § 6701(c) misapplies California law, the dispute is beside the point for present purposes, as *Fife* is plainly distinguishable. Unlike in *Fife*, Users here have no plausible claim that, at the time they consented to the use of their names and likenesses, some *other person* actually had exclusive possession or control of those things. 63

## 4. Other states' laws do not render the Settlement inadequate as to minors.

CPIL/CAI also suggests that the Settlement will undermine the rights of minors under state laws that are purportedly more protective than those of California. (Inv. Obj. No. 98 at 16-17.) This argument fails for several reasons. First, as discussed *supra* § IV(C)(5), differences in state law are irrelevant because the Terms mandate application of California law to all claims made by Facebook Users. As noted above, California law prescribes a strong policy favoring the enforcement of choice-of law provisions. *See Nedlloyd Lines*, 3 Cal. 4th at 464-65.

Further, the *Fife* decision *expressly* distinguishes the *C.M.D.* case, noting that unlike the minors in *Fife*, the *C.M.D.* plaintiffs, like millions of Class Members here, alleged that they had "continued to use the Facebook site," which—the *Fife* court noted—Judge Murphy relied on in holding that "the minors could not disaffirm the forum selection clause of the Terms of Service." *Fife*, 905 F. Supp. 2d 989.

CORREY LLP A CEDENSYN AT LAW SAN FRANCISCO Second, the laws of other states do not materially differ from California law. CPIL/CAI claims that laws in Louisiana. North Dakota, and Idaho forbid a minor from contracting altogether. (Inv. Obj. No. 98 at 16-17.) Contrary to CPIL/CAI's claims, however, there is no material difference between these states' laws and California laws governing minors' capacity to contract. For example, Louisiana law allows rescission by minors, *Roberts v. American Bank & Trust Co.*, 835 F. Supp. 2d 183 (E.D. La. 2011), but requires that minors restore whatever benefit they received under the contract. *See* La. C.C. Arts. 1919, 1921. In Idaho and North Dakota, minors' contracts are not void, but may be disaffirmed in limited circumstances. *See* Idaho Code § 32-103; N.D. Cent. Code §§ 14-10-10 to -11. These purportedly more restrictive state laws thus accord minors virtually the same protection as they receive under California law.

Finally, CPIL/CAI also cites a handful of state statutes purportedly forbidding minors from contracting, including three statutes forbidding minors from giving "a delegation of power," or contracting with respect to "property not in [the minor's] possession or control," similar to California Civil Code §6701(a) and (c). As discussed with respect to § 6701, however, such provisions operate only to prevent minors from appointing an agent or contracting with respect to a future interest. Neither prevents a minor from using a website subject to its terms of service. These arguments do not undermine the fairness and reasonableness of the Settlement.

#### 5. Separate counsel was not required for the Minor Subclass.

The Shane objectors contend that the Settlement underscores a conflict between members of the Class and Minor Subclass, in terms of both the relief afforded and the releases obtained. (Inv. Obj. No. 101.) In particular, the Shane objectors argue that, because minors purportedly cannot consent to the Terms and adults can, "the claims of the minor sub-class are substantially stronger than the claims of the class as a whole . . . ." (Id. at 4.) On this basis, the Shane objectors contend that (1) the Settlement is unreasonable because "the settlement fails to account for the strength of those claims," and (2) it is structurally defective because the Minor Subclass was not represented by separate counsel. (Id.) Neither argument withstands scrutiny.

As an initial matter, Facebook does not concede the Shane objectors' premise that the Settlement provides identical benefits to adult and minor class members. Minors benefit from the

CORREY LLP A FROMNEY: AT LAW SAN FRANCISCO injunctive relief applicable to the entire Class, but the Settlement also includes substantial minor-specific relief, including new educational materials targeted at parents of minor Facebook users, new tools that allow parents to opt their children out of Sponsored Stories entirely (whether the parents use Facebook or not), and a new set of rules that make certain minors ineligible to appear in Sponsored Stories altogether, without requiring any parental action at all. *See supra* pp. 10-11. Additionally, several of the organizations designated to receive the *cy pres* donations have a particular focus on protecting the interests of minors. (*See* Brown Decl., Ex. A.)

In addition, that the Minor Subclass receives the same *monetary* relief as the Class as a whole does not render the Settlement unreasonable. First, as discussed above, because of COPPA, the Minor Subclass would have been required to prove that minors themselves did not consent to the use of their names and likenesses in Sponsored Stories. Also as discussed above, nothing in the California Family Code invalidates the minors' consent, through the Terms, to the use of their names and likenesses in Sponsored Stories. Indeed, the *C.M.D.* decision confirms that the Terms are enforceable as to minors. *E.K.D.*, 885 F. Supp. 2d at 900. Moreover, the record provides substantial evidence that both minors and their parents consented to Sponsored Stories through their conduct, as was the case when W.T. signed up for Facebook and reviewed the Terms with his father. Thus, it is clear that consent would have presented an equally formidable obstacle to recovery by the Minor Subclass.

Second, the Minor Subclass would not have been entitled to separate counsel under Rule 23. "The adequacy inquiry under Rule 23(a)(4) serves to uncover conflicts of interest between named parties and the class they seek to represent." Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 625 (1997) (italics added) (citation omitted). Here, two of the three named Plaintiffs are members of the Minor Subclass, which refutes any notion that the interests of the Minor Subclass were subordinated to those of the Class. See, e.g., Literary Works, 654 F.3d at 250 (assessing conflicts based on divergence of interests of "the named plaintiffs" from class members with different claims). This is especially true given that the Class and Minor Subclass pursued the same claims, allegedly suffered violations of the same laws, and allegedly suffered the same injury to the same extent. Cf. Ortiz, 527 U.S. at 857 (requiring separate subclasses and counsel

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CORREY LLP Accessore at Law San Francisco where some had been injured by asbestos, and others had only potential future injuries). In reality, the Shane objectors' claims reflect their counsel's desire to represent the Minor Subclass in the separate *C.M.D.* litigation—in which plaintiffs already lost their bid to invalidate minors' assent to the Terms—not a legitimate concern about this Settlement's adequacy.<sup>64</sup>

### E. Objectors do not identify any legitimate deficiencies in the notice.

### 1. The notice did not need to identify the precise size of the Class.

Several objectors have asserted that the notice was insufficient because it did not "inform class members of the size of the class." (See, e.g., Obj. No. 12, ¶ 3; Obj. No. 15.) But Rule 23(c)(2) does not require this information and Facebook is unaware of any case that has read Rule 23(e)(2) to require information regarding class size. Notice is sufficient if it "generally describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and come forward and be heard." Mendoza, 623 F.2d at 1352. The Notices here provide clear information about the total Settlement Fund and the plan for allocating payments, including several different hypotheticals regarding the potential disbursement. See Rodriguez, 563 F.3d at 962 (finding a settlement notice adequate when it described "the aggregate amount of the settlement fund and the plan for allocation"). The notices also directed potential Class Members to the Settlement Website, which included, among other documents, Facebook's submissions in support of preliminary approval, stating that as of August 31, 2012, Facebook's records indicated that approximately 123.9 million Users had appeared in Sponsored Stories. (See Facebook's MPA ISO Jt. Mot. Prelim. Appr. Rev. Settlement, Dkt. No. 259, at 18 n.9, 49 n.32; Plambeck Decl. ¶ 7.) Thus, Class Members were notified of the likely size of the Class based on thencurrent information.<sup>65</sup>

<sup>&</sup>lt;sup>64</sup> The recovery of the Minor Subclass is also not at "the mercy of the claims rate" of the Class. (Inv. Obj. No. 101 at 4.) All Class Members, including Minor Subclass members, will receive at least the full cash award contemplated by the Settlement.

<sup>&</sup>lt;sup>65</sup> Also, contrary to some objections (*see, e.g.*, Obj. No. 11 at 5 n.5), costs of notice are properly considered a benefit to the Class. *See Staton v. Boeing*, 327 F.3d 938, 974 (9th Cir. 2003).

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Bizarrely, it appears the Frank objectors are of two completely opposite minds regarding predictions as to whether Class Members will receive a cash payment. They state both that foldds are that the number of claims will overwhelm the settlement fund and leave class members with no compensation," and that it is a "more likely event that payment of \$10 to all authorized claimants would not exhaust the net fund . . . . " (Obj. No. 11 at 17, 24.)

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#### 2. The notice is not inadequate for failing to provide the number of claimants or an approximate value of damages, which were unknown and disputed, respectively, at the time the notice was issued.

Another objector argues that "[u]ntil Class Representatives ascertain an approximate value of damages or number of claimants, Class Representatives cannot claim to adequately protect the interests of the class." (See, e.g., Obj. No. 15; see also Obj. No. 11 at 1 (Frank objectors assert that because Class Members do not know whether they will receive a cash payment, they cannot determine whether to make a claim<sup>66</sup>).) But notice need not inform Class Members about the estimated value of damages available. See Lane, 696 F.3d at 826 ("Rule 23(e) . . . does not require an estimate of the potential value of [the plaintiff class's] claims."); Thompson v. Metro. Life Ins. Co., 216 F.R.D. 55, 67 (S.D.N.Y. 2003) ("Neither Rule 23 nor due process, however, requires that the notice report the estimated value of damages."); see also Chavez, 162 Cal. App. 4th at 56 ("[Objector] Ellis's claim that the notices were deficient for failing to provide a dollar estimate of the overall value of the settlement in relation to the damages sought by plaintiffs is also without merit. Ellis cites no authority requiring that such notice be given."). Moreover, it is impossible for the notice to identify the number of claimants because notice is the mechanism by which potential claimants were apprised of the Settlement.

#### V. CONCLUSION

For the foregoing reasons, Facebook requests that the Court grant final approval of the Settlement.

## Case3:11-cv-01726-RS Document351 Filed06/14/13 Page100 of 100 1 Dated: June 14, 2013 **COOLEY LLP** 2 /s/ Michael G. Rhodes 3 Michael G. Rhodes (116127) 4 **COOLEY LLP** MICHAEL G. RHODES (116127) 5 mrhodes@cooley.com 6 MATTHEW D. BROWN (196972) brownmd@cooley.com 7 JEFFREY M. GUTKIN (216083) jgutkin@cooley.com 8 101 California Street, 5th Floor 9 San Francisco, CA 94111-5800 Telephone: (415) 693-2000 10 Facsimile: (415) 693-2222 11 Attorneys for Defendant Facebook, Inc. 12 1322634/SF 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27

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FACEBOOK'S MPA ISO PLS.' MOT. FOR FINAL APPROVAL OF SETTLEMENT CASE NO. CV 11-01726 RS For the Northern District of California

## IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION

ANGEL FRALEY, et al.

No. C 11-1726 RS

FINAL APPROVAL OF

SETTLEMENT AGREEMENT

ORDER GRANTING MOTION FOR

Plaintiffs,

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FACEBOOK, INC.,

Defendant.

#### I. INTRODUCTION

The proposed settlement class in this action consists of some 150 million members of defendant Facebook, Inc.'s eponymous social network website, whose names and/or likenesses allegedly were misappropriated to promote products and services through Facebook's so-called "Sponsored Stories" program. The parties now seek final approval of a settlement that will result in small cash payments to the relatively low percentage of class members who filed claims, and cy pres payments of several millions of dollars to certain organizations involved in internet privacy issues. The settlement also requires Facebook to make changes to the Statement of Rights and Responsibilities ("SRRs") it contends governs use of its site, and to implement additional mechanisms giving users greater information about, and control over, how their names and likenesses are employed in connection with Sponsored Stories.

For the Northern District of California

The original settlement agreement proposed by the parties did not win preliminary approval. The parties responded with a new proposal, earning such approval and triggering notice to potential class members. A number of objectors contend that the updated settlement proposal should not receive final approval for a variety of reasons. Among the objections most vigorously advanced is an argument that the settlement does not appropriately handle issues related to minors.

The record leaves no doubt that this settlement was the product of arms-length negotiations and compromise. Although the monetary relief to each class member is relatively small and the percentage of class members who submitted claims is limited, the settlement as a whole provides fair, reasonable, and adequate relief to the class, in light of all the circumstances, including the low probability that a substantially better result would be obtained through continued litigation. The injunctive relief, while not incorporating all features that some of the objectors might prefer, has significant value and provides benefits that likely could not be obtained outside the context of a negotiated settlement, even if plaintiffs were to prevail on the merits.

If "Sponsored Stories" had undisputedly violated the law and represented the gross invasion of class members' rights as characterized by the complaint, then the adequacy of the settlement would, of course, be viewed through a very different lens. Plaintiffs' allegations and theories, however, remain largely untested, having only survived a motion to dismiss. Substantial barriers to recovery remained, not the least of which would be the requirement to demonstrate that the complained-of conduct caused cognizable harm. Placing those and other factors discussed below in the balance, the proposed settlement warrants final approval.

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#### II. STANDARD OF REVIEW

A district court's approval of a class-action settlement must be accompanied by a finding that the settlement is "fair, reasonable, and adequate." Fed.R.Civ.P. 23(e). The fairness of a settlement must be evaluated as a whole, rather than by assessing its individual components. Hanlon v. Chrysler Corp., 150 F.3d 1011, 1026 (9th Cir. 1998). Crucially, the question whether a settlement is fundamentally fair within the meaning of Rule 23(e) is not the same as asking the reviewing court if perfection has been achieved. See id. at 1027. Although Rule 23 imposes strict

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procedural requirements on the approval of a class settlement, a district court's only role in reviewing the substance of that settlement is to ensure that it is "fair, adequate, and free from collusion." See id.

A number of factors guide in making that determination, including:

the strength of the plaintiffs' case; the risk, expense, complexity, and likely duration of further litigation; the risk of maintaining class action status throughout the trial; the amount offered in settlement; the extent of discovery completed and the stage of the proceedings; the experience and views of counsel; the presence of a governmental participant; and the reaction of the class members to the proposed settlement.

Id. at 1026 (hereinafter the "Hanlon factors"). Additionally, when (as here) the settlement takes place before formal class certification, settlement approval requires a "higher standard of fairness." See id. More exacting review of class settlements reached before formal class certification ensures that class representatives and their counsel do not secure a disproportionate benefit "at the expense of the unnamed plaintiffs who class counsel had a duty to represent." See id. at 1027; see also In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prods. Liab. Litig., 55 F.3d 768, 787 (3rd Cir. 1995) (explaining that "[w]ith less information about the class" at the early stage before formal class certification, the court "cannot as effectively monitor for collusion, individual settlements, buy-offs (where some individuals use the class action device to benefit themselves at the expense of absentees), and other abuses").

#### III. DISCUSSION1

#### A. Fairness and Adequacy

This settlement was achieved through negotiations mediated by a renowned retired federal magistrate judge following months of active, adversarial, litigation. The viability of the pleading had been tested through motion practice, and class certification issues were fully briefed. The parties had engaged in substantial discovery. There is no basis to conclude that the negotiations were

The factual and procedural background of this litigation has been set forth in prior orders and will not be repeated here.

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anything other than a good faith, arms-length attempt by experienced and informed counsel to resolve this matter through compromise. As such the settlement is entitled to a degree of deference as the private consensual decision of the parties. See Hanlon, 150 F.3d at 1027.

#### 1. Odds of recovery

In bringing this action, plaintiffs understandably characterized the facts in the light most favorable to them. Under that characterization, Sponsored Stories represents a shocking overreach by Facebook, in which it, without its users' consent, features users' names and likenesses in commercial advertising, and makes significant profits by doing so. Facebook, however, has a different description of its program. Users knowingly choose to indicate that they "like" certain entities or activities on Facebook. Even if users have never read Facebook's SSRs, they know that their "likes" typically will appear on the "newsfeeds" of their Facebook friends, subject to whatever limitations they have imposed through using privacy settings. Sponsored Stories, in Facebook's view, does nothing more than take information users have already voluntarily disclosed to their "friends," and sometimes redisplays it to the same persons, in a column that also contains more traditional paid advertising. While Facebook indisputably earns money from the Sponsored Stories program, it contends that its return is actually less than from available alternative types of advertising.

Regardless of the degree of benefit to Facebook, however, plaintiffs faced a substantial burden in showing they were injured by the Sponsored Stories. While plaintiffs pleaded a sufficient basis for injury to support constitutional standing, it is far from clear that they could ever have shown they were actually harmed in any meaningful way. Indeed, in seeking class certification and in attempting to quantify the value of the settlement's injunctive relief, plaintiffs have repeatedly relied primarily on their argument that Facebook benefited, rather than that class members were harmed.

Plaintiffs also faced a substantial hurdle in proving a lack of consent, either express or implied. While those issues could not be adjudicated in Facebook's favor at the pleading stage, there was a significant risk that at some later juncture, plaintiffs would be found to have consented,

or that class certification would prove unwarranted in light of consent issues. As to the complaint's assertion (echoed by some of the objectors) that Facebook should have acquired *parental* consent for members of the minor subclass, the Children's Online Privacy Act ("COPPA") stands as a potential preemption hurdle. *See* 15 U.S.C. §§ 6501 *et seq.* 

Plaintiffs faced other significant barriers to class certification and/or to eventual recovery as well, including the fact that many Facebook users often post "profile photos" that are not their own image, while some do not use their own name (although Facebook discourages the latter practice). Additionally, as is always the case, even assuming plaintiffs might ultimately prevail on the merits, it likely would only be after a protracted and very expensive journey.

#### 2. The monetary relief

The original settlement agreement presented for preliminary approval called for no monetary distribution to the class. The order rejecting that proffered settlement highlighted the absence of a cash component for class members as a concern and directed the parties to provide further analysis and information in the event any revised agreement contemplated a similar approach. The order did not state or imply that a cash payout to the class would be an absolute prerequisite to finding a settlement fair, reasonable, and adequate.

The challenge, given the size of the class, is that even a modest per-class member payment could easily require a total settlement fund in the billions of dollars. As articulated in the prior order, this raises the spectre of whether some class actions are simply too big to settle, notwithstanding the strong policy favoring settlements. The solution the parties devised in this case was to propose a fixed settlement fund of \$20 million, to be distributed to class members if the number of claims actually made did not cause the per-person payment amount to be so low as to make such distribution impracticable, in which case all of the funds would instead be distributed to *cy pres* recipients. The parties were effectively betting on a low rate of claims being filed to permit a cash distribution directly to individual class members

Indeed, so few persons have filed claims that the parties now propose paying \$15 per claimant, which will still leave sufficient funds remaining for attorney fees, costs, expenses, and a

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distribution to the cy pres recipients. As a means of providing recompense to any genuinely injured parties, this approach certainly would not be ideal. The relatively low amount offered undoubtedly discouraged class members from filing claims. In a sense, adding a direct payment component to the settlement, did very little to buttress its overall fairness.<sup>2</sup>

That said, the monetary component of the settlement on balance is fair, reasonable, and adequate. As suggested above, there is slim indicia class members suffered any pecuniary harm as the result of appearing in Sponsored Stories, even assuming consent or other defenses did not bar recovery in the first instance. Additionally, even if the monetary benefit to Facebook were held to be an appropriate measure of potential recovery, the record suggests that under plaintiffs' best case scenario, they would be able to show Facebook's profits attributable to the alleged misappropriation were in the range of \$73 million, or approximately \$.60 per class member. Given those numbers, a \$20 million settlement, and payments of \$15 each to those class members who filed claims, is a reasonable compromise.3

The only factor pulling in an opposite direction is the theoretical availability of statutory damages of \$750 per violation of California Civil Code \$3344. Were plaintiffs' chances of overcoming all the hurdles of litigation through final judgment significantly higher, the possibility of a statutory damage award might require a different result. Another important consideration, however, is that the adequacy of this settlement should not be evaluated against some theoretically available judgment, but against what plaintiffs could reasonably expect to recover. Given the class

<sup>20</sup> 21 Far more significant was the effective increase in the total amount going to the class (either

directly or constructively through cy pres) that results from the elimination of the "clear sailing" attorney fee provision, and the reduction in the amount of fees even being requested. The fee award will be addressed in a separate order.

The implications of raising the payout to \$15 per claim have been carefully considered, as has the potential of raising it even further. Although the notice to class members sufficiently preserved the possibility that payments would exceed \$10, the payments cannot be raised to a level that would be unfair to those class members who declined to submit claims for what they believed almost certainly would be \$10 or less. The increase to \$15 represents an appropriate balance between the interest in distributing as much of the cash directly to class members as possible and the need to avoid creating such unfairness.

For the Northern District of California

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size, it is not plausible that class members could recover the full amount of the statutory penalties in any event, as such a judgment would pose due process concerns and threaten Facebook's existence. Under all of these circumstances, the fact that monetary relief is going to only a small percentage of class members and in a very modest per-claimant sum does not undermine the fairness, reasonableness, and adequacy of the settlement as a whole.

#### 3. The injunctive relief

Plaintiffs have provided expert analysis that attempts to quantify the value of the injunctive provisions of the settlement in monetary terms. While assigning a dollar value to that relief might be relevant to the attorney fees application, there is no need to calculate such a figure when evaluating the over-all fairness, reasonableness, and adequacy of the settlement.<sup>5</sup> The question is not whether a dollar value can be associated with the injunctive relief, but whether that relief benefits the class and at least ameliorates some of the alleged concerns raised by the complaint.

The parties have shown that the injunctive provisions provide at least some meaningful benefits to the class members. Facebook has agreed both to provide greater disclosure and transparency as to when and how member's names and profile pictures are re-published, and to give them additional control over those events. Additional injunctive provisions have been tailored to address the minor-subclass and the parental consent and control concerns related thereto.<sup>6</sup>

From the perspective of those seeking maximum privacy and other rights for Facebook members, the injunctive relief provisions leave much to be desired. To be sure, any concern of

<sup>&</sup>lt;sup>4</sup> Paying every class member \$750 each would require over \$112 billion.

<sup>&</sup>lt;sup>5</sup> Plaintiffs' contention that a dollar value should be assigned to the injunctive relief for purposes of justifying a percentage-based fee award will be addressed in the ruling on the fee application.

Objectors led by John Schachter seek leave to file a supplemental brief regarding media reports that Facebook is unilaterally eliminating the Sponsored Stories program. (Dkt. 354). While leave to file the supplemental brief is granted, the news reports to which objectors point do not show that the injunctive relief will be rendered "meaningless," even to the extent the assertions in those articles could be assumed true.

misappropriation, or lack of consent, or commercial exploitation, could be eliminated entirely with provisions that ended Sponsored Stories, or set up an "opt-in" rather than a "opt-out" system, or even provided for members to be paid for use of their names and likenesses. The objectors advocating for greater restrictions to be imposed, however, give insufficient recognition to three points. First, in evaluating a settlement, the question is not whether it is perfect, or even whether a better result could be envisioned. As explained in Hanlon,

Of course it is possible, as many of the objectors' affidavits imply, that the settlement could have been better. But this possibility does not mean the settlement presented was not fair, reasonable or adequate. Settlement is the offspring of compromise; the question we address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion.

#### 150 F.3d at 1027.

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Second, some of the objectors appear to take it as a given that Facebook violated the law and/or that any settlement representing less than a complete vindication of all of plaintiffs' positions cannot be fair, reasonable, and adequate. As noted above, the strength of that view remains untested, and Facebook has offered defenses, which although similarly nascent, stand as potentially significant impediments to recovery. Additionally, the implication underlying many of the arguments is that any imposition on the privacy interests of Facebook members is per se wrongful. As Facebook points out, however, it is a platform for sharing information, which members join voluntarily. Members are not charged any fees for Facebook's services, which cost the company hundreds of millions of dollars to provide. While it does not follow that Facebook has carte blanche to exploit material belonging to, or regarding, its members in any fashion whatsoever, neither is it foreclosed from adopting SRRs that are not as "pro-member" or "pro-privacy" as some might like.

Finally, as the parties correctly observe, the proffered settlement provides some benefits to the plaintiff class that would be difficult, if not impossible, ever to obtain through a contested judgment, even if plaintiffs were eventually to prevail on the merits. While a court might have some discretion to craft specific injunctive provisions, the settlement process has resulted in Facebook

agreeing to implement various tools and procedures that address plaintiffs' concerns in a more nuanced manner than would likely emerge from any victory at trial.

Accordingly, while plaintiffs' efforts to assign a multi-million dollar value to the injunctive relief is less than persuasive, those provisions of the settlement plainly provide actual benefits to the class. Going forward, operation of the Sponsored Stories program will be more transparent, and Facebook users will have a greater ability to see how and when their activities result in generation of Sponsored Stories, and to limit recurrences. The minor subclass, and parents of minors, will have further opt-out options. The injunctive relief, while not as robust as some would prefer, contributes to the conclusion that the settlement as a whole is fair, reasonable, and adequate.

#### 4. Cy pres payments

With the cash payouts increased to \$15 and plaintiffs' fee award substantially reduced as explained in the accompanying order, there will remain several million dollars to be distributed out of the settlement fund. As previously noted, it is well-settled that a class action settlement providing for distribution of monetary relief in the form of *cy pres* payments may be appropriate where "the proof of individual claims would be burdensome or distribution of damages costly." *Nachshin v. AOL, LLC*, 663 F.3d 1034, 1038 (9th Cir. 2011) (quoting *Six Mexican Workers v. Ariz. Citrus Growers*, 904 F.2d 1301, 1305 (9th Cir. 1990)). In this instance, implementing a *cy pres* component is realistic in light of the implications of the class size discussed above. While it has proven feasible to distribute a portion of the settlement fund by way of \$15 payments to those class members who submitted claims, capping Facebook's obligation facilitated settlement, and the entire payout would have gone to *cy pres* recipients had the number of filed claims precluded direct distribution.

Indeed, it is evident that absent availability of a *cy pres* component, it simply might not have been feasible to settle this action, a result which plainly would conflict with the strong policy favoring settlements. Additionally, *cy pres* is a well-accepted method for distributing unclaimed settlement funds in any event. *See Nachshin*, 663 F.3d at 1036. Thus, while the circumstances are somewhat unusual, *cy pres* distribution is an acceptable approach to providing relief to the class in this action.

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The cy pres recipients selected by the parties also satisfy the requirement that there be "a driving nexus between the plaintiff class and the cypres beneficiaries." Id. at 1038; see also, Dennis v. Kellogg Co., 697 F.3d 858, 865 (9th Cir. 2012). The recipient organizations focus on consumer protection, research, education regarding online privacy, the safe use of social media, and the protection of minors—the very issues raised in plaintiffs' complaint. <sup>7</sup> To be sure, the somewhat amorphous nature of the harm plaintiffs allegedly suffered makes it more difficult to say that providing funds to these recipients is precisely aligned with the "purpose" of the lawsuit and the plaintiff class. See Nachshin, 663 F.3d at 1039. The nexus, however, is sufficiently direct—these are not merely "worthy" recipients with "noble goals," but organizations and institutions with demonstrated records of addressing issues closely related to the matters raised in the complaint.8

#### 5. The release

The release provided in the settlement agreement contains typically broad language to ensure that it applies to all appropriate persons (e.g. "affiliated and related entities, predecessors, successors and assigns . . . .") and to all appropriate claims, known and unknown. The release is expressly limited, however, to claims arising from "display of any Class Member's name, nickname.

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<sup>&</sup>lt;sup>7</sup> As provided by the settlement agreement and approved herein, the funds available for cy pres distributions will be allocated to the following entities in the percentages specified: Center for Democracy and Technology (10%), Electronic Frontier Foundation (10%), MacArthur Foundation (10%), Joan Ganz Cooney Center (10%), Berkman Center for Internet and Society (Harvard Law School) (6%), Information Law Institute (NYU Law School) (6%), Berkeley Center for Law and Technology (Berkeley Law School) (6%), Center for Internet and Society (Stanford Law School) (6%), High Tech Law Institute (Santa Clara University School of Law) (6%), Campaign for Commercial-Free Childhood (6%), Consumers Federation of America (6%), Consumer Privacy Rights Fund (6%), ConnectSafely.org (6%), and WiredSafety.org (6%).

<sup>23</sup> 24

<sup>&</sup>lt;sup>8</sup> Objector Brodsky complains that ConnectSafely.org is an inappropriate recipient because it receives other funding from Facebook, a fact disclosed by the parties. The mere receipt of some other funding from Facebook does not give rise to a reasonable doubt that the organization lacks sufficient independence to serve as a suitable recipient of cy pres funds. Objectors Boisvert and Frank complain that Santa Clara Law School should not receive any funds because one of plaintiff's attorneys is a graduate, and the judge previously presiding over this action has ties to the institution. These connections are too tenuous to disqualify the school as a cy pres recipient, particularly in light of the reassignment of this case.

For the Northern District of California

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pseudonym, profile picture, photograph, likeness, or identity in a Sponsored Story." As such, the release does not represent overreaching, or present a concern that class members are relinquishing more than would be warranted. 10

#### B. The Objections

Seventeen objections were submitted in conformance with the requirements of the preliminary approval order, made on behalf of 29 class members. An additional 87 statements purporting to be objections were filed on behalf of 95 class members. 11 Over a third of the "objections" actually assert opinions that Facebook's conduct was not improper and/or that the lawsuit is otherwise without merit or abusive. 12

Many objectors complain that the monetary relief to each class member is insufficient. Those objectors who predicted there would be no individual payments have proven incorrect, and the actual payments will be larger than originally anticipated. The adequacy of the \$15 payments has been addressed above. In particular, the argument that a substantially higher payout would be necessary in light of the theoretical availability of statutory damages fails to give sufficient weight

<sup>&</sup>lt;sup>9</sup> The named plaintiffs have agreed to a substantially broader release, which does not bear on the fairness of the agreement as to the unnamed class members.

This also answers the concern of some objectors that the injunctive relief does not go far enough to prevent Facebook from engaging in future conduct that raises similar concerns. The release is unlikely to bar claims in such instances.

<sup>&</sup>lt;sup>11</sup> In the absence of any prejudice to the parties, the motion of Janine R. Menhennet, as guardian ad litem for Michael M., to have her objection deemed validly submitted (Dkt. No. 353) is granted. The arguments raised in that objection are cumulative to those of other objectors, and will not be separately addressed.

<sup>12</sup> The administrator reports that 6,825 class members exercised their right to opt out of the settlement, a number that may at first blush appear somewhat large, but which as a percentage of the class is miniscule. Give the percentage of "objections" that faulted the suit rather than the settlement, it is likely a significant number of those opting-out may have held similar views. The right to opt-out, of course, also ensures that any class member who may have more tangible damages, or who wishes to pursue the statutory damages claim, may still seek a remedy.

to the reality that it would be virtually impossible for plaintiffs to be awarded, and to collect, the full amount of the statutory damages on a class-wide basis.

Objectors also complain about the size of the attorney fee award that plaintiffs are seeking. The revised settlement agreement eliminated the "clear sailing" provision, and Facebook has opposed the fee application, arguing for a substantially smaller award. The size of the actual award will be addressed by separate order, and will not disturb the conclusion that the settlement as a whole is fair, reasonable, and adequate. <sup>13</sup>

Among the most vigorously-pressed objections are those challenging whether the settlement can and does appropriately address issues relating to the minor subclass. Objectors complain that the settlement does not ensure valid parental consent to a minor's participation in Sponsored Stories before the minor agrees to the SRRs. As an initial matter, these objections would have the Court decide—in plaintiffs' favor—the *merits* of the dispute. The law is well-settled, however, that in evaluating a settlement the court is *not* to "reach any ultimate conclusions on the contested issues of fact and law which underlie the merits of the dispute, for it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." *Officers for Justice v. Civil Service Com'n of City and County of San Francisco*, 688 F.2d 615, 625. (9th Cir. 1982). Thus, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits." *Id*.

Furthermore, even to the extent some preliminary analysis of the merits may be appropriate, the objectors have not persuasively shown the settlement to be improper. As noted above, COPPA may well preempt claims based on any failure by Facebook to obtain parental consent for members of the minor class. COPPA requires an "operator of a website or online service" to obtain parental consent before it "collects" or "use[s]" the "personal information" of a "child," but only where the

Likewise, the individual incentive awards do not make the settlement unfair. Unlike the situation in *Radcliffe v. Experion Information Solutions*, 715 F.3d 1157 (9th Cir. 2013) the awards were not conditioned on support for the settlement. The named plaintiffs here also at least theoretically were at risk of an attorney fee award being entered against them if Facebook prevailed, under the fee-shifting provisions of Civil Code § 3344. Finally, the actual amount of the incentive awards are adjusted in a contemporaneously-issued order regarding fees, costs, and those awards.

child is "under the age of 13." 15 U.S.C. §§ 6501(1), 6502(a), 6502(b)(1)(A)(ii) (emphasis added); 16 C.F.R. § 312.5(a)(1). Because COPPA expressly preempts state requirements that are "inconsistent with" this "treatment," 15 U.S.C. § 6502(d), it could bar any efforts by plaintiffs to use state law to impose a parental consent requirement for minors over the age of 13. <sup>14</sup> The suggestion that the laws of other states might provide additional protection for minors fails both because objectors have neither demonstrated that the supposed differences in law are material, nor that choice-of-law principles would permit the application of such law in any event.

The remaining objections all generally fall into the category of suggestions as to how the settlement might be made *better*, particularly from the perspective of the plaintiff class. Once again, however, "the question we address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion." *Hanlon*, 150 F.3d at 1027. Even if every suggestion represents an actual potential "improvement," and even considering all the suggestions cumulatively, they do not support a conclusion that *this* settlement is the product of collusion, or otherwise fails to meet the minimum threshold of fairness and adequacy.

All other considerations applicable to settlement approval, including such issues as numerosity, typicality, adequacy of representation, notice, are not seriously in dispute. The findings made in conjunction with preliminary approval remain appropriate and are adopted here.

Objectors' reliance on provisions of the California Family Code is similarly unavailing. While Family Code § 6701(a) prevents minors from entering into enforceable "delegation[s] of power" and § 6701(c) limits their ability to contract away rights to "personal property, not in the immediate possession or control of the minor," neither subsection is implicated by the circumstances here.

While the Shane objectors argue that the minor subclass required separate counsel, that is premised on the untested view that the minors' claims are "substantially stronger" than those of adult class members.

#### IV. CONCLUSION

The objections to the settlement are overruled, and the motion for final approval is granted.

A separate order will issue on plaintiffs' motion for an award of attorney fees and for incentive awards to the named plaintiffs.

IT IS SO ORDERED.

Dated: 8/26/13

RICHARD SEEBORG UNITED STATES DISTRICT JUDGE

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8	UNITED STATES DISTRICT COURT														
9	NORTHERN DISTR	ICT OF CALIFORNIA													
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12	ANGEL FRALEY; PAUL WANG; SUSAN MAINZER; JAMES H. DUVAL, a minor, by	Case No. CV 11-01726 RS													
13	and through JAMES DUVAL, as Guardian ad Litem; and W.T., a minor, by and through	[ <del>PROPOSED</del> ] FINAL JUDGMENT													
14	RUSSELL TAIT, as Guardian ad Litem; individually and on behalf of all others														
15	similarly situated,														
16	Plaintiffs,														
17	v.														
18	FACEBOOK, INC., a corporation; and DOES 1-100,														
19	Defendants.														
20															
21	IT IS HEREBY ADJUDGED AND DE	CREED THAT:													
22	This Final Judgment incorporate	s by reference the defined terms in the Amended													
23	Settlement Agreement and Release entered in	nto between plaintiffs Susan Mainzer, James H.													
24	Duval, and W.T., a minor, by and through F	tussell Tait as Guardian ad Litem ("Plaintiffs"),													
25	individually and in their representative capacity	as plaintiffs on behalf of the Class, and defendant													
26	Facebook, Inc. (see docket number 235-1, file	ed Oct. 5, 2012) ("Settlement Agreement"). All													
27	capitalized terms used herein shall have the	same meanings as set forth in the Settlement													
28	Agreement unless set forth differently herein.														
ess.		[PROPOSED] FINAL JUDGMENT													

COOLEY LEP ATTORNEYS AT LA SAN FRANCISCO 2.

the action, including all Settlement Class Members as defined herein.For the reasons set forth in the August 26, 2013 Orde

3. For the reasons set forth in the August 26, 2013 Order Granting Motion for Final Approval of Settlement Agreement (see docket number 359) ("Final Approval Order"), this Court granted final approval of the settlement of this action on the terms set forth in the Settlement Agreement.

The Court has jurisdiction over the subject matter of this action and all parties to

- 4. The Court grants final certification, for purposes of settlement only, of a Class pursuant to Federal Rule of Civil Procedure 23(b)(3), defined as "all persons in the United States who have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, at any time on or before the date of entry of the Preliminary Approval Order." The Preliminary Approval Order was entered on December 3, 2012 (see docket number 252).
- 5. The Court grants final certification, for purposes of settlement only, of a Minor Subclass pursuant to Federal Rule of Civil Procedure 23(b)(3), defined as "all persons in the Class who additionally have or have had a Facebook account at any time and had their names, nicknames, pseudonyms, profile pictures, photographs, likenesses, or identities displayed in a Sponsored Story, while under eighteen (18) years of age, or under any other applicable age of majority, at any time on or before the date of entry of the Preliminary Approval Order."
- 6. Pursuant to Federal Rule of Civil Procedure 23(c)(3), all persons within the Class (including all persons within the Minor Subclass), as defined in paragraphs 4 and 5 above, and who have not excluded themselves by timely filing a valid request for exclusion, as discussed in paragraph 8 below, are "Settlement Class Members."
- 7. The notice delivered to Class members, including Minor Subclass members and Settlement Class Members, in accordance with section 3.3 of the Settlement Agreement and the Preliminary Approval Order—which included long-form notice, direct email notice, and publication notice—constituted the best notice practicable under the circumstances and constituted valid, due, and sufficient notice to Settlement Class Members of their rights and obligations, in compliance with due process and Federal Rule of Civil Procedure 23.

8.

they timely filed valid requests for exclusion is attached hereto as Exhibit A, and was previously filed in this action (see docket number 348-1). Persons who timely filed valid requests for exclusion are not bound by this Final Judgment.

The list of persons excluded from the group of Settlement Class Members because

- 9. Pursuant to Federal Rule of Civil Procedure 23(c)(3), all Settlement Class Members are bound by this Final Judgment, by the Final Approval Order, and by the terms of the Settlement Agreement.
- 10. The Court hereby dismisses this action in its entirety with prejudice. No fees or costs are awarded, except as expressly provided in the Order Granting in Part Motion for Attorney Fees, Costs, and Incentive Awards (see docket number 360) ("Fee Order"), or by other order of the Court.
- 11. The Releasing Parties, including Plaintiffs and all Settlement Class Members, are hereby: (a) deemed to have fully, finally, and forever released, relinquished, and discharged the Released Claims against the Released Parties, as set forth in section 5.2 of the Settlement Agreement, and (b) forever barred and permanently enjoined from asserting, instituting, or commencing, either directly or indirectly, any of the Released Claims against any of the Released Parties in any manner.
- 12. Plaintiffs Susan Mainzer, James H. Duval, and W.T., a minor, by and through Russell Tait as Guardian ad Litem, in their individual capacities only, and each of their successors, assigns, legatees, heirs, and personal representatives are hereby: (a) deemed to have released and forever discharged Facebook and its direct or indirect parents, wholly or majority-owned subsidiaries, affiliated and related entities, predecessors, successors and assigns, partners, privities, and any of its present and former directors, officers, employees, shareholders, agents, representatives, attorneys, accountants, insurers, and all persons acting by, through, under, or in concert with it, from all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, as set forth in section 5.3 of the Settlement Agreement, and (b)

forever barred and permanently enjoined from asserting, instituting, or commencing, either directly or indirectly, any of these released claims against any of these released parties in any manner.

- 13. Consistent with the provisions of the Settlement Agreement governing the timing for performance, the parties are directed to perform the Settlement Agreement, in accordance with its terms (including the provisions governing the injunctive relief described in section 2.1 and all other provisions governing Settlement Class Member relief) and consistent with all additional parameters set forth in the Final Approval Order, Fee Order, or other subsequent order of the Court.
- 14. Without affecting the finality of this Final Judgment in any way, the Court hereby retains continuing jurisdiction over the implementation, administration, and enforcement of this Final Judgment, the Settlement Agreement, and all matters ancillary thereto.
- 15. As set forth more fully in sections 6.1 and 6.2 of the Settlement Agreement, if the Final Settlement Date does not or cannot occur for any reason, then this Final Judgment shall be rendered null and void and shall be vacated, and this action will revert to its previous status in all respects as it existed before the parties executed the Settlement Agreement, and the parties shall be deemed to have retained, and not waived or forfeited, all rights and arguments that were available to them before they executed the Settlement Agreement.
- 16. The Court, finding that no reason exists for delay, hereby directs the Clerk to enter this Final Judgment forthwith.

2 IT IS SO ORDERED.

Dated: September 19, 2013

UNITED STATES DISTRICT JUDGE

#### UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

Jon Leibowitz, Chairman J. Thomas Rosch Edith Ramirez Julie Brill Maureen K. Ohlhausen	
)	
	DOCKET NO. C-4365
	J. Thomas Rosch Edith Ramirez Julie Brill

#### DECISION AND ORDER

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and the Respondent having been furnished thereafter with a copy of a draft Complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued, would charge the Respondent with violation of the Federal Trade Commission Act, 15 U.S.C. § 45 et seq.;

The Respondent and counsel for the Commission having thereafter executed an Agreement Containing Consent Order ("Consent Agreement"), an admission by the Respondent of all the jurisdictional facts set forth in the aforesaid draft Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by the Respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the Respondent has violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having carefully considered the comments filed by interested persons, now in further conformity with

the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and enters the following order:

- 1. Respondent Facebook, Inc. ("Facebook") is a Delaware corporation with its principal office or place of business at 1601 Willow Road, Menlo Park, California 94025.
- 2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

#### ORDER

#### DEFINITIONS

For purposes of this order, the following definitions shall apply:

- 1. Unless otherwise specified, "Respondent" shall mean Facebook, its successors and assigns. For purposes of Parts I, II, and III of this order, "Respondent" shall also mean Facebook acting directly, or through any corporation, subsidiary, division, website, or other device.
- 2. "Commerce" shall be defined as it is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- 3. "Clear(ly) and prominent(ly)" shall mean:
  - A. in textual communications (e.g., printed publications or words displayed on the screen of a computer or mobile device), the required disclosures are of a type, size, and location sufficiently noticeable for an ordinary consumer to read and comprehend them, in print that contrasts highly with the background on which they appear;
  - B. in communications disseminated orally or through audible means (e.g., radio or streaming audio), the required disclosures are delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend them;
  - C. in communications disseminated through video means (e.g., television or streaming video), the required disclosures are in writing in a form consistent with subpart (A) of this definition and shall appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and in the same language as the predominant language that is used in the communication; and
  - D. in all instances, the required disclosures: (1) are presented in an understandable language and syntax; and (2) include nothing contrary to, inconsistent with, or in

mitigation of any statement contained within the disclosure or within any document linked to or referenced therein.

- 4. "Covered information" shall mean information from or about an individual consumer including, but not limited to: (a) a first or last name; (b) a home or other physical address, including street name and name of city or town; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) a mobile or other telephone number; (e) photos and videos; (f) Internet Protocol ("IP") address, User ID or other persistent identifier; (g) physical location; or (h) any information combined with any of (a) through (g) above.
- 5. "Nonpublic user information" shall mean covered information that is restricted by one or more privacy setting(s).
- 6. "Privacy setting" shall include any control or setting provided by Respondent that allows a user to restrict which individuals or entities can access or view covered information.
- 7. "Representatives" shall mean Respondent's officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.
- 8. "Third party" shall mean any individual or entity that uses or receives covered information obtained by or on behalf of Respondent, other than: (1) a service provider of Respondent that (i) uses the covered information for and at the direction of Respondent and no other individual or entity and for no other purpose; and (ii) does not disclose the covered information, or any individually identifiable information derived from such covered information, except for, and at the direction of, Respondent, for the purpose of providing services requested by a user and for no other purpose; or (2) any entity that uses the covered information only as reasonably necessary: (i) to comply with applicable law, regulation, or legal process, (ii) to enforce Respondent's terms of use, or (iii) to detect, prevent, or mitigate fraud or security vulnerabilities.
- 9. "User" shall mean an identified individual from whom Respondent has obtained information for the purpose of providing access to Respondent's products and services.

I.

IT IS ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, shall not misrepresent in any manner, expressly or by implication, the extent to which it maintains the privacy or security of covered information, including, but not limited to:

A. its collection or disclosure of any covered information;

- B. the extent to which a consumer can control the privacy of any covered information maintained by Respondent and the steps a consumer must take to implement such controls;
- C. the extent to which Respondent makes or has made covered information accessible to third parties;
- D. the steps Respondent takes or has taken to verify the privacy or security protections that any third party provides;
- E. the extent to which Respondent makes or has made covered information accessible to any third party following deletion or termination of a user's account with Respondent or during such time as a user's account is deactivated or suspended; and
- F. the extent to which Respondent is a member of, adheres to, complies with, is certified by, is endorsed by, or otherwise participates in any privacy, security, or any other compliance program sponsored by the government or any third party, including, but not limited to, the U.S.-EU Safe Harbor Framework.

П.

IT IS FURTHER ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, prior to any sharing of a user's nonpublic user information by Respondent with any third party, which materially exceeds the restrictions imposed by a user's privacy setting(s), shall:

- A. clearly and prominently disclose to the user, separate and apart from any "privacy policy," "data use policy," "statement of rights and responsibilities" page, or other similar document: (1) the categories of nonpublic user information that will be disclosed to such third parties, (2) the identity or specific categories of such third parties, and (3) that such sharing exceeds the restrictions imposed by the privacy setting(s) in effect for the user; and
- B. obtain the user's affirmative express consent.

Nothing in Part II will (1) limit the applicability of Part I of this order; or (2) require Respondent to obtain affirmative express consent for sharing of a user's nonpublic user information initiated by another user authorized to access such information, provided that such sharing does not materially exceed the restrictions imposed by a user's privacy setting(s). Respondent may seek modification of this Part pursuant to 15 U.S.C. §45(b) and 16 C.F.R. 2.51(b) to address relevant developments that affect compliance with this Part, including, but not limited to, technological changes and changes in methods of obtaining affirmative express consent.

IT IS FURTHER ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, shall, no later than sixty (60) days after the date of service of this order, implement procedures reasonably designed to ensure that covered information cannot be accessed by any third party from servers under Respondent's control after a reasonable period of time, not to exceed thirty (30) days, from the time that the user has deleted such information or deleted or terminated his or her account, except as required by law or where necessary to protect the Facebook website or its users from fraud or illegal activity. Nothing in this paragraph shall be construed to require Respondent to restrict access to any copy of a user's covered information that has been posted to Respondent's websites or services by a user other than the user who deleted such information or deleted or terminated such account.

#### IV.

IT IS FURTHER ORDERED that Respondent shall, no later than the date of service of this order, establish and implement, and thereafter maintain, a comprehensive privacy program that is reasonably designed to (1) address privacy risks related to the development and management of new and existing products and services for consumers, and (2) protect the privacy and confidentiality of covered information. Such program, the content and implementation of which must be documented in writing, shall contain controls and procedures appropriate to Respondent's size and complexity, the nature and scope of Respondent's activities, and the sensitivity of the covered information, including:

- A. the designation of an employee or employees to coordinate and be responsible for the privacy program.
- B. the identification of reasonably foreseeable, material risks, both internal and external, that could result in Respondent's unauthorized collection, use, or disclosure of covered information and an assessment of the sufficiency of any safeguards in place to control these risks. At a minimum, this privacy risk assessment should include consideration of risks in each area of relevant operation, including, but not limited to: (1) employee training and management, including training on the requirements of this order, and (2) product design, development, and research.
- C. the design and implementation of reasonable controls and procedures to address the risks identified through the privacy risk assessment, and regular testing or monitoring of the effectiveness of those controls and procedures.
- D. the development and use of reasonable steps to select and retain service providers capable of appropriately protecting the privacy of covered information they receive from Respondent and requiring service providers, by contract, to

- implement and maintain appropriate privacy protections for such covered information.
- E. the evaluation and adjustment of Respondent's privacy program in light of the results of the testing and monitoring required by subpart C, any material changes to Respondent's operations or business arrangements, or any other circumstances that Respondent knows or has reason to know may have a material impact on the effectiveness of its privacy program.

V.

IT IS FURTHER ORDERED that, in connection with its compliance with Part IV of this order, Respondent shall obtain initial and biennial assessments and reports ("Assessments") from a qualified, objective, independent third-party professional, who uses procedures and standards generally accepted in the profession. A person qualified to prepare such Assessments shall have a minimum of three (3) years of experience in the field of privacy and data protection. All persons selected to conduct such Assessments and prepare such reports shall be approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, in his or her sole discretion. Any decision not to approve a person selected to conduct such Assessments shall be accompanied by a writing setting forth in detail the reasons for denying such approval. The reporting period for the Assessments shall cover: (1) the first one hundred and eighty (180) days after service of the order for the initial Assessment, and (2) each two (2) year period thereafter for twenty (20) years after service of the order for the biennial Assessments. Each Assessment shall:

- A. set forth the specific privacy controls that Respondent has implemented and maintained during the reporting period:
- explain how such privacy controls are appropriate to Respondent's size and complexity, the nature and scope of Respondent's activities, and the sensitivity of the covered information;
- C. explain how the privacy controls that have been implemented meet or exceed the protections required by Part IV of this order; and
- D. certify that the privacy controls are operating with sufficient effectiveness to provide reasonable assurance to protect the privacy of covered information and that the controls have so operated throughout the reporting period.

Each Assessment shall be prepared and completed within sixty (60) days after the end of the reporting period to which the Assessment applies. Respondent shall provide the initial Assessment to the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, within ten (10) days after the Assessment has been prepared. All subsequent biennial Assessments shall be retained by Respondent until the order is

terminated and provided to the Associate Director of Enforcement within ten (10) days of request.

#### VI.

IT IS FURTHER ORDERED that Respondent shall maintain and upon request make available to the Federal Trade Commission for inspection and copying, a print or electronic copy of:

- A. for a period of three (3) years from the date of preparation or dissemination, whichever is later, all widely disseminated statements by Respondent or its representatives that describe the extent to which Respondent maintains and protects the privacy, security, and confidentiality of any covered information, including, but not limited to, any statement related to a change in any website or service controlled by Respondent that relates to the privacy of such information, along with all materials relied upon in making such statements, and a copy of each materially different privacy setting made available to users;
- B. for a period of six (6) months from the date received, all consumer complaints directed at Respondent or forwarded to Respondent by a third party, that relate to the conduct prohibited by this order and any responses to such complaints;
- C. for a period of five (5) years from the date received, any documents, prepared by or on behalf of Respondent, that contradict, qualify, or call into question Respondent's compliance with this order;
- D. for a period of three (3) years from the date of preparation or dissemination, whichever is later, each materially different document relating to Respondent's attempt to obtain the consent of users referred to in Part II above, along with documents and information sufficient to show each user's consent; and documents sufficient to demonstrate, on an aggregate basis, the number of users for whom each such privacy setting was in effect at any time Respondent has attempted to obtain and/or been required to obtain such consent; and
- E. for a period of three (3) years after the date of preparation of each Assessment required under Part V of this order, all materials relied upon to prepare the Assessment, whether prepared by or on behalf of Respondent, including but not limited to all plans, reports, studies, reviews, audits, audit trails, policies, training materials, and assessments, for the compliance period covered by such Assessment.

#### VII.

IT IS FURTHER ORDERED that Respondent shall deliver a copy of this order to (1) all current and future principals, officers, directors, and managers; (2) all current and future employees, agents, and representatives having supervisory responsibilities relating to the subject matter of this order, and (3) any business entity resulting from any change in structure set forth in Part VIII. Respondent shall deliver this order to such current personnel within thirty (30) days after service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities. For any business entity resulting from any change in structure set forth in Part VIII, delivery shall be at least ten (10) days prior to the change in structure.

#### VIII.

IT IS FURTHER ORDERED that Respondent shall notify the Commission within fourteen (14) days of any change in Respondent that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in either corporate name or address. Unless otherwise directed by a representative of the Commission, all notices required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580, with the subject line *In the Matter of Facebook, Inc.*, FTC File No.[ ]. *Provided, however*, that in lieu of overnight courier, notices may be sent by first-class mail, but only if an electronic version of any such notice is contemporaneously sent to the Commission at Debrief@ftc.gov.

#### IX.

IT IS FURTHER ORDERED that Respondent, within ninety (90) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of their own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, Respondent shall submit additional true and accurate written reports.

#### Χ.

This order will terminate on July 27, 2032, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided*, *however*, that the filing of such a complaint will not affect the duration of:

- A. any Part of this order that terminates in fewer than twenty (20) years; and
- B. this order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that this order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission, Commissioner Rosch dissenting and Commissioner Ohlhausen not participating.

Donald S. Clark Secretary

SEAL

ISSUED: July 27, 2012

#### Ads & Frends

Everyose words to know what their fixends like. That's why we pay add and friends-san caso was to line applicate and service hadre laterested in, based on what your formed phase and like, there about become about

#### Here are the featur

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- We doe't sed your beforenben be advertises:
- \* Only confirmed focalis can see your actions blongs designed
- \* If a places is used, it is pase profile photo and exit from your photo alterns

#### Here's an example of a Facebook Ad:

#### Denver Sashi



The best sisti in Deliver. Terr over desire benefit sección for \$9.55. Fan our page for special offen.

#### Denver Sushi



The best such in Genrei. Yay over desity functi specials for £9.95, Fan our page for special offers.

🖒 Like - Tykur Goodenan likas Emu.

This setting only applies to additivative pair with news about social actions, Se, independent of this setting, you may still see social actions in other contexts, like in Spansored Stades or gained with messages from Facebook. You can learn more about how social acts, Sponsored Stories, and messages from Facebook work in the Hely Center.

Page my social actions with ads for COMAGAICAN

No one

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Cancel

# Basics Learn About Facebook

Manage Your Account

Explore Popular Features

Use Mobile

Something's Not Working

Report Abuse or Policy Violations

Ads and Business Solutions

Apps, Games and Credits

Safety Center

Community Forum

### **Basic Privacy Controls**

Basics » Manage Your Account » Privacy

English (US)

#### Expand All · Share

#### About Privacy Settings

Where are my privacy settings?

To get to your pheaty settings, click the account mentral the top right of any Facebook page and shouse Privacy Settings. This page contains a group of...

How does privacy work for things I share?

On your own profile (timeline) Your controls are right next to each thing you share. Use the socketor to choose who can see what you're sharing. T...

How do I control who can see what's on my profile (timeline)?

Here's an overview of wha can see what's on your profile (timeline) and fools you can use to control what you share. Overview/You choose who can see basic...

#### Manage Settings for How You Connect

How do I control who can find me on Facebook using the contact info I've provided?

We default, your privacy cettings place everyone to and you with search and triend flace: using the context into you have provided, such as your email ed...

Thow do I control who can add me as a friend?

By default, anyone on Facebook can send you a friend request. If you'd like to modify who can send you friend requests:

- Click the account menu at the top right of any Pacebook page and choose Privacy Settings
- 2. Next to the How You Connect heading, click Edit Settings
- Select your preference from the drop-down menu next to Who can send you friend requests?

Please note that people you've subscribed to will be able to send you a friend request,

Permalina - Scare

Was this answer helpful?

How do I control who can message me on Facebook?

You control who can see you on chat, who can message you on Facebook, and who can send

discovered in other ways in connection with your name. For example, if you selecte **Friends** of **Friends** for this setting, it only prevented your profile (timeline) from showing up in search results. It didn't prevent a link to your profile (timeline) from showing up in search connected to other posts, like posts you've tagged in. It also didn't prevent your profile (timeline) from being discovered through other search terms like employment, college, location, etc. Additionally, anyone who knew your unique timeline address (with either your User ID or Username), could find your profile (timeline).

Many people used this control to prevent unwanted friend requests or messages. To control who can send you a friend request or a Facebook message:

- Click the account menu at the top right of any Pacebook page and choose Privacy Settings
- 2. Next to the How You Connect heading, click Edit Settings
- 3. Select your preference from the dropdown menu next to Who can send you friend requests? or Who can send you Facebook messages?

Реглийой - Языч

Was this answer helpful?

Who can see my Wall?

Anyone who visits your profile can see that you have a Wall, but what they age when they

rlick your Wak lab depends on the privacy you've set for posts t...

#### Manage How Tags Work

How do I control who sees posts and photos that I'm tagged in on my profile (timeline)?

To choose who can see your togged pasts and photos ofter they appear on your profits (rimeline), use the Timeline Togging privacy setting. Citcl the surp....

How do I turn on the option to review posts and photos I'm tagged in before they appear on my profile (timeline)?

If you'd like to review pasts and photos you're tagged in helpire they go on your profile (timeline), turn on Throeno Review. Click the account mona ct...

How do I turn on the option to review tags that friends add to my posts before they appear?

If you'd like to review lags that friends add to things you share before livey get added, burn on Tag Review. Click the account menu at the top right of...

How can I turn off tag suggestions?

If you don't want Facebook to suggest that friends lag you when photos look like you, you can turn off this feature: Click the account menu at the top r...

\* What is Timeline Review?

Tensible Review is a privary option that lets you approve or reject posts that you've been tagged in before they go on your profile (timeline). When you tu...

\* What is Tag Review?

Tag Review is a privacy viction that fets you approve or reject tags that friends add to your posts. When you can it on, their anytime a lifetid wants to ad...

What's the difference between Timeline Review and Tag Review?
Timeline Review (etc.) you approve or reject posts that people tag you in before they go on your profile (timeline). Tag Review (acc.) you approve or reject to...

#### Other Settings

\* How does privacy work for apps and websites?

On Farebook, your name, proble picture, gender, username, user ID (account number) and networks are visible to everyone (leave why). Also, by default, ap.,.

\* I want to make all my of past posts visible to only friends.

B you're concerned about who can see your past posts, there's a privacy look to limit the working you're stored with more than your friends...

How do I block someone?

To block someone: Click the occount mean at the top light of any Facebook page and choose Palvacy Settings. Scroll to the Blocked Popole and Appa saction...

#### Related Topics

- · The facts: Busting common privacy myths
- Protecting your personal information
- . Choosing who you share with
- · Controlling profile privacy

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#### James A. Kohm Division of Enforcement Phone: (202) 326-2640 Email: jkohm@ftc.gov

## UNITED STATES OF AMERICA Federal Trade Commission

September 26, 2013

Via electronic mail

To whom it may concern:

Thank you for your letter raising concerns about the impact of Facebook's proposed changes to its privacy policies. Among other things, you note that these proposed changes "will give [Facebook] permission to use the name, profile picture, content, and other actions of teens (and all other users) for commercial purposes without compensation." You ask that the FTC "prevent Facebook from imposing unfair terms on teens and their parents that place them in a position of having to say they secured informed, affirmative consent from a parent or guardian." You therefore request that the FTC investigate whether Facebook's proposed changes violate the FTC settlement.

We appreciate the information and analysis you provided, and we will carefully consider your submission. The FTC systematically monitors compliance with all its consumer protection orders. Accordingly, we assign an attorney to each case to ensure compliance. The attorney reviews and analyzes the defendant's compliance reports and other information, and conducts further reviews and inquiry as appropriate. As with all orders, the Facebook order is undergoing just such a review.

Sincere

Thank you for bringing this matter to our attention.

James A. Kohm

Associate Director



# UNITED STATES OF AMERICA Federal Trade Commission

James A. Kohm Division of Enforcement Phone: (202) 326-2640 Email: jkohm@fte.gov

September 26, 2013

Via electronic mail

Marc Rotenberg, Executive Director Electronic Privacy Information Center (EPIC)

Jeff Chester, Executive Director Center for Digital Democracy

Edmund Mierzwinski Consumer Program Director U.S. PIRG Deborah Peel, Founder and Chair Patient Privacy Rights

John Simpson, Privacy Project Director Consumer Watchdog

LWC\_

Beth Givens, Director Privacy Rights Clearinghouse

Dear Sirs and Madams:

Thank you for your letter raising concerns about the impact of Facebook's proposed changes to its privacy policies. Among other things, you note that these proposed changes "will allow Facebook to routinely use the images and names of Facebook users for commercial advertising without consent." You therefore request that the FTC investigate whether Facebook's proposed changes violate the FTC settlement.

We appreciate the information and analysis you provided, and we will carefully consider your submission. The FTC systematically monitors compliance with all its consumer protection orders. Accordingly, we assign an attorney to each case to ensure compliance. The attorney reviews and analyzes the defendant's compliance reports and other information, and conducts further reviews and inquiry as appropriate. As with all orders, the Facebook order is undergoing just such a review.

Thank you for bringing this matter to our attention.

James A. Kohm
Associate Director

Email or Phase

facebook sign up

#### Data Use Policy

Date of Last Revision: December 11, 2012

Information we receive and how it is used

- Information we receive about you
- Public Información
- Usernames and User (Os
- How we use the information we receive.
- Deleting and deactivating your account

#### Sharing and finding you on Facebook

- Control each time you post
- . Control over your timeline
- \* Finding you on Facebook
- Access on phones and other devices
- Activity log
- · What your friends and others share about you
- Groups
- \* Pages

#### Other websites and applications

- About Facebook Platform
- · Controlling what information you share with applications
- . Controlling what is shared when the people you share with use applications
- Logging in to another site using Pacebook
- About social plugins
- About instant personalization
- Public search engines

#### How advertising and Sponsored Stories work

- Personalized ads
- Ads + social context
- Sponsored stories
- Facebook confent

Cookies, pixels and other similar technologies. Some other things you need to know

#### I. Information we receive and how it is used

#### Information we receive about you

We receive a number of different types of information about you, including;

#### Your information

Your information is the information that's required when you sign up for the site, as well as the information you choose to share.

- Registration information: When you sign up for Facebook, you are required to provide information such as your name, email address, birthday, and gender. In some cases, you may be able to register using other information, like your telephone number.
- Information you choose to share: Your information also includes the information you choose to share on Eacebook, such as when you post a status update, upload a photo, or comment on a friend's story.

It also includes the information you choose to share when you take an action, such as when you add a friend, like a Page or a website, add a place to your story, use our contact importers, or indicate you are in a relationship.

Your name, profile pictures, cover photos, gender, networks, username and User ID are treated just like information you choose to make public.

Four birthday allows us to do things like show you age-appropriate content and advertisements.

#### Information others share about you

We receive information about you from your friends and others, such as when they upload your contact information, post a photo of you, tag you in a photo or status update, or at a location, or add you to a group.

When people use Facebook, they may store and share information about you and others that they have, such as when they upload and manage their invites and contacts.

#### Other information we receive about you

We also receive other types of information about you:

- We receive data about you whenever you interact with Facebook, such as when you look at another person's timeline, send or receive a message, search for a friend or a Page, click on, view or otherwise interact with things, use a Facebook mobile app, or purchase Facebook Credit; or make other purchases through Facebook.
- w When you post things like photos or videos on Facebook, we may receive additional related data (or metadata), such as the time, date, and place you took the photo or video.
- We receive data from the computer, mobile phone or other device you use to access Facebook, including when multiple users log in from the same device. This may include your IP address and other information about things like your internet service, location, the type (including identifiers) of browser you use, or the pages you visit. For example, we may get your GPS or other location information so we can tell you if any of your friends are nearby.
- We receive data whenever you visit a game, application, or website that uses Facebook Platform or visit a site with a Facebook feature (such as a social plugin), sometimes through cookies.

- This may include the date and time you visit the site; the web address, or URL, you're on; technical information about the IP address, browser and the operating system you use; and, if you are logged in to Facebook, your User ID.
- Sometimes we get data from our affiliates or our advertising partners, customers and other third parties that helps us (or them) deliver ads, understand online activity, and generally make Facebook better. For example, an advertiser may tell us information about you (like how you responded to an ad on Facebook or on another site) in order to measure the effectiveness of and improve the quality of a ads.

We also put together data from the information we already have about you and your friends. For example, we may put together data about you to determine which friends we should show you in your News Feed or suggest you tag in the photos you post. We may put together your current city with GPS and other location information we have about you to, for example, tell you and your friends about people or events nearby, or offer deals to you that you might be interested in. We may also put together data about you to serve you add that might be more relevant to you.

When we get your GPS location, we put it together with other location information we have about you (like your current city). But we only keep it until it is no longer useful to provide you services, like keeping your last GPS coordinates to send you relevant notifications.

We only provide data to our advertising partners or customers after we have removed your name or any other personally identifying information from it, or have combined it with other people's data in a way that it is no longer associated with you.

#### Public information

When we use the phrase "public information" (which we sometimes refer to as "Everyone information"), we mean the information you choose to make public, as well as information that is always publicly available.

#### Information you choose to make public

Chaosing to make your information public is exactly what it sounds like: anyone, including people off of Fecebook, will be able to see it,

Choosing to make your information public also means that this information:

- can be associated with you (i.e., your name, profile pictures, cover photos, timeline, User ID, username, etc.) even off Facebook;
- can show up when someone does a search on Facebook or on a public search engine;
- . will be accessible to the Facebook-integrated games, applications, and websites you and your friends use; and
- will be accessible to anyone who uses our APIs such as our Graph API.

5. Sometimes you will not be able to select an audience when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

🛡 When others share information about you, they can also choose to make it public.

#### Information that is always publicly available

The types of information listed below are always publicly available, and are treated just like information you decided to make public.

- . Name: This helps your friends and family find you. If you are uncomfortable sharing your real name, you can always delete your account,
- Profile Pictures and Cover Photos: These help your friends and family recognize you. If you are uncomfortable making any of these photos public, you can always delete it. Unless you delete them, when you add a new profile picture or cover photo, the previous photo will remain public in your profile picture or cover photo album.
- Networks: This helps you see whom you will be sharing information with before you choose "Friends and Networks" as a custom audience. If you are uncomfortable making your network public, you can leave the network.
- Gender: This allows us to refer to you properly.
- Username and User ID: These allow you to give out a custom link to your timeline or Page, receive email at your Facebook email address, and help make Facebook Platform possible.

#### Usernames and User TDs

A Username (or Facebook URL) is a custom link to your timeline that you can give out to people or post on external websites. Usernames appear in the URL on your timeline. We also use your User ID to identify your Facebook account.

If someone has your Username or User ID, they can use if to access information about you through the facebook.com website. For example, if someone has your Username, they can type facebook.com/Username into their browser and see your public information as well as anything else you've let them see. Similarly, someone with your Username or User ID can access information about you through our APIs, such as our Graph API. Specifically, they can access your public information, along with your age range, language and country.

If you do not want your information to be accessible to Platform applications, you can turn off all Platform applications from your Privacy Settings. If you turn off Platform you will no longer be able to use any games or other applications until you turn Platform back on. For more information about the information that apps receive when you visit them, see Other websites and applications.

11 you want to see information available about you through our Graph API, just type https://graph.facebook.com/[User ID or Username]?metadata=1 into your browser.

🕏 Your Facebook email øddress includes your public username like so: username@facebook.com, Anyone in a message conversation can reply to it.

#### How we use the information we receive

We use the information we receive about you in connection with the services and features we provide to you and other users like your friends, our partners, the advertisers that purchase ads on the site, and the developers that build the games, applications, and websites you use. For example, in addition to helping people see and find things that you do and share, we may use the information we receive about you:

- as part of our efforts to keep Facebook products, services and integrations safe and secure;
- to protect Facebook's or others' rights or property;
- . to provide you with location features and services, like telling you and your friends when something is going on nearby;
- « To measure or understand the effectiveness of ads you and others see, including to deliver relevant ads to you;
- to make suggestions to you and other users on Facebook, such as: suggesting that your friend use our contact importer because you found friends using it, suggesting that another user add you as a friend because the user imported the same email address as you did, or suggesting that your friend rag you in a picture they have uploaded with you in it; and
- \* for internal operations, including troubleshooting, data analysis, testing, research and service improvement.

Granting us this permission not only allows us to provide Facebook as it exists today, but it also allows us to provide you with innovative features and services we develop in the future that use the information we receive about you in new ways.

While you are allowing us to use the information we receive about you, you always own all of your information. Your trust is important to us, which is why we don't share information we receive about you with others unless we have:

- \* received your permission;
- given you notice, such as by telling you about it in this policy; or
- \* removed your name or any other personally identifying information from it.

Of course, for information others share about you, they control how it is shared.

We store data for as long as it is necessary to provide products and services to you and others, including those described above. Typically, information associated with your account will be kept until your account is deleted. For certain categories of data, we may also tell you about specific data retention practices.

We are able to suggest that your friend tag you in a picture by scanning and comparing your friend's pictures to information we've put logether from the other photos you've been tagged in. This allows us to make these suggestions. You can control whether we suggest that another user tag you in a photo using the "How Tags work" settings. Learn more at: https://www.facebook.com/help/tag-suggestions

#### Deleting and deactivating your account

If you want to stop using your account, you can either deactivate or delete it.

#### Deactivate

Deactivating your account puts your account on hold. Other users will no longer see your timeline, but we do not delete any of your information. Deactivating an account is the same as you telling us not to delete any information because you might want to reactivate your account at some point in the future. You can deactivate your account at: https://www.facebook.com/settings?tab==security

Your friends will still see you listed in their list of friends while your account is deactivated.

#### Deletion

When you delete an account, it is permanently deleted from Facebook. It typically takes about one month to delete an account, but some information may remain in backup copies and logs for up to 90 days. You should only delete your account if you are sure you never want to reactivate it. You can delete your account at: https://www.facebook.com/help/contact.php?

Learn more at: https://www.lacebook.com/help/?fag=356107851084108

Certain information is needed to provide you with services, so we only delete this information after you delete your account. Some of the things you do on Facebook aren't stored in your account, like posting to a group or sending someone a message (where your friend may still have a message you sent, even after you delete your account). That information remains after you delete your account.

#### II. Sharing and finding you on Facebook

### Control each time you post

Whenever you past content (like a status update, photo or check-in), you can select a specific audience, or even customize your audience. To do this, simply click on the sharing icon and choose who can see it.

Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like, it means that anyone, including people off of Facebook, will be able to see or access it.

A Choose this icon if you want to share with your Facebook Friends.

Echanse this icon if you want to Customize your audience. You can also use this to hide your story from specific people,

If you tag someone, that person and their friends can see your story no metter what audience you selected. The same is true when you approve a tag someone else adds to your story.

Always think before you post. Just like anything else you post on the web or send in an email, information you share on Facebook can be copied or re-shared by anyone who can see it.

Although you choose with whom you share, there may be ways for others to determine information about you. For example, if you hide your birthday so no one can see it on your timeline, but friends post "happy birthday!" on your timeline, people may determine your birthday.

When you comment on or "like" someone else's story, or write on their timeline, that person gets to select the audience. For example, if a friend posts a Public story and you comment on it, your comment will be Public. Often, you can see the audience someone selected for their story before you post a comment; however, the person who posted the story may later change their audience.

. You can control who can see the Facebook Pages you've "liked" by visiting your timeline, clicking on the Likes box on your timeline, and then clicking "Exit."

Sometimes you will not see a sharing icon when you post something (tike when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

## Cantrol aver your timeline

Whenever you add things to your timeline you can select a specific audience, or even customize your audience. To do this, simply chek on the sharing fron and choose who can see it.

Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Pacebook, will be able to see or access it.

A Choose this icon if you want to share with your Facebook Friends.

🏶 Choose this icon if you want to Custornize your audience. You can also use this to hide the item on your timeline from specific people.

When you select an audience for your friend list, you are only controlling who can see the entire fist of your friends on your timeline. We call this a timeline visibility control. This is because your friend list is always evailable to the games, applications and websites you use, and your friendships may be visible elsewhere (such as on your friends' timelines or in searches). For example, if you select "Only Me" as the audience for your friend list, but your friend sets her friend list to "Public," anyone will be able to see your connection on your friend's timeline.

Similarly, if you choose to hide your gender, it only hides it on your timeline. This is because we, just like the applications you and your friends use, need to use your gender to refer to you properly on the site.

When someone tags you in a story (such as a photo, status update or check-in), you can choose whether you want that story to appear on your fineline. You can either approve each story individually or approve all stories by your friends. If you approve a story and later change your mind, you can remove it from your fineline.

When you hide things on your timeline, like posts or connections, it means those things will not appear on your timeline. But, remember, anyone in the audience of those posts or who can see a connection may still see it elsewhere, like on someone else's timeline or in search results. You can also delete or change the audience of content you post.

- 👺 People on Facebook may be able to see mutual friends, even if they cannot see your entire list of friends.
- Some things (like your name, profile pictures and cover photos) do not have sharing icons because they are always publicly available. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

#### Finding you on Facebook

To make it easier for your friends to find you, we allow anyone with your contact information (such as email address or telephone number) to find you through the Facebook search bar at the top of most pages, as well as other tools we provide, such as contact importers - even if you have not shared your contact information with them on Facebook.

You can choose who can look up your timeline using the email address or telephone number you added to your timeline through your privacy settings. But remember that people can still find you or a link to your timeline on Facebook through other people and the things they share about you or through other posts, like if you are tagged in a friend's photo or post something to a public page.

Your settings do not control whether people can find you or a link to your timeline when they search for content they have permission to see, like a photo or other story you've been tagged in.

#### Access on phones and other devices

Once you share information with your friends and others, they may be able to sync it with or access it via their mobile phones and other devices. For example, if you share a photo on Facebook, someone viewing that photo could save it using Facebook tools or by other methods offered by their device or browser. Similarly, if you share your contact information with someone or invite someone to an event, they may be able to use Facebook or third party applications or devices to sync that information. Or, if one of your friends has a Facebook application on one of their devices, your information (such as the things you post or photos you share) may be stored on or accessed by their device.

🕏 You should only share information with people you trust because they will be able to save it or re-share it with others, including when they sync the information to a device.

#### Activity log

Your activity log is a place where you can go to view most of your information on Facebook, including things you've hidden from your timeline. You can use this log to manage your content. For example, you can do things like delete stories, change the audience of your stories or stop an application from publishing to your timeline on your behalf.

When you filde something from your timeline, you are not defeting it. This means that the story may be visible elsewhere, like in your friends! News Feed. If you want to delete a story you posted, choose the delete option.

## What your friends and others share about you

#### Unks and Tags

Anyone can add a link to a story. Links are references to something on the Internet: anything from a website to a Page or timeline on Facebook. For example, if you are writing a story, you might include a link to a biog you are referencing or a link to the biogger's Facebook timeline. If someone clicks on a link to another person's timeline, they'll only see the things that they are allowed to see.

A tag is a special type of link to someone's timeline that suggests that the tagged person add your story to their timeline. In cases where the tagged person isn't included in the audience of the story, it will add them so they can see it. Anyone can tag you in anything. Once you are tagged, you and your friends will be able to see it (such as in News Feed or in search).

You can choose whether e story you've been tagged in appears on your timeline. You can either approve each story individuelly or approve all stories by your friends. If you approve a story and later change your mind, you can always remove it from your timeline.

If you do not want someone to tag you, we encourage you to reach out to them and give them that feedback. If that does not work, you can block them. This will prevent them from tagging you going forward.

If you are linked to or tagged in a private space (such as a message or a group) only the people who can see the private space can see the link or tag. Similarly, if you are linked to or tagged in a comment, only the people who can see the comment can see the link or tag.

#### Other information

As described in the what your friends and others share about you section of this policy, your friends and others may share information about you. They may share photos or other information about you and tag you in their posts. If you do not like a particular post, tell them or report the post.

#### Groups

Once you are in a Group, anyone in that Group can add you to a subgroup. When someone adds you to a Group, you will be listed as "invited" until you visit the Group. You can always leave a Group, which will prevent others from adding you to it again.

#### Pages

Facebook Pages are public pages. Companies use Pages to share information about their products. Celebrities use Pages to talk about their latest projects. And communities use pages to discuss topics of interest, everything from baseball to the opera.

Because Pages are public, information you share with a Page is public information. This means, for example, that if you post a comment on a Page, that comment may be used by the Page owner off Facebook, and anyone can see it.

When you "like" a Page, you create a connection to that Page. The connection is added to your timeline and your friends may see it in their News Feeds. You may be contacted by or receive updates from the Page, such as in your News Feed and your messages, You can remove the Pages you've "liked" through your timeline or on the Page.

Some Pages contain content that comes directly from the Page owner. Page owners can do this through online plugins, such as an iframe, and it works just like the games and other applications you use through Facebook. Because this content comes directly from the Page owner, that Page may be able to collect information about you, just like any website.

Page administrators may have access to insights data, which will tell them generally about the people that visit their Page (as opposed to information about specific people). They may also know when you've made a connection to their Page because you've liked their Page or posted a comment.

#### III. Other websites and applications

### About Facebook Platform

Facebook Platform (or simply Platform) refers to the way we help you share your information with the games, applications, and websites you and your friends use. Facebook Platform also lets you bring your friends with you, so you can connect with them off of Facebook. In these two ways, Facebook Platform helps you make your experiences on the web more personalized and

social.

Remember that these games, applications and websites are created and maintained by other businesses and developers who are not part of, or controlled by, Facebook, so you should always make sure to read their terms of service and privacy policies to understand how they treat your data.

## Controlling what information you share with applications

When you connect with a game, application or website - such as by going to a game, logging in to a website using your Facebook account, or adding an app to your timeline - we give the game, application, or website (sometimes referred to as just "Applications" or "Apps") your basic info (we sometimes call this your "public profile"), which includes your User ID and your public information. We also give them your friends' User IDs (also called your friend list) as part of your basic info.

Your friend list helps the application make your experience more social because it lets you find your friends on that application. Your User ID helps the application personalize your experience because it can connect your account on that application with your Facebook account, and it can access your basic info, which includes your public information and friend list. This includes the information you choose to make public, as well as information that is always publicly available. If the application needs additional information, such as your stories, photos or likes, it will have to ask you for specific permission.

The "Apps you use" setting lets you control the applications you use. You can see the permissions you have given these applications, the last time an application accessed your information, and the audience on Facebook for timeline stories and activity the application posts on your behalf. You can also remove applications you no longer want, or turn off all Platform applications. When you turn all Platform applications off, your User ID is no longer given to applications, even when your friends use those applications. But you will no longer be able to use any games, applications or websites through Facebook.

When you first visit an app, Facebook lets the app know your language, your country, and whether you are in an age group, for instance, under 18, between 18-20, or 21 and over, Age range lets apps provide you with age-appropriate content. If you install the app, it can access, store and update the information you've shered. Apps you've installed can update their records of your besit info, age range, language and country. If you haven't used an app in a while, it won't be able to continue to update the additional information you've given them permission to access, Learn more at: https://www.facebook.com/help/how-apps-work

Sametimes a game console, mobile phone, or other device might ask for permission to share specific information with the games and applications you use an that device. If you say okay, those applications will not be able to access any other information about you without asking specific permission from you or your friends.

Sites and apps that use Instant Personalization receive your User ID and friend list when you visit them.

You always can remove apps you've installed by using your app settings at: https://www.facebook.com/settings/frab=applications. But remember, apps may still be able to access your information when the people you share with use them. And, if you've removed an application and want them to delete the information you've aiready shared with them, you should contact the application and ask them to delete it. Visit the application's page on Facebook or their own website to learn more about the app. For example, Apps may have reasons (e.g. legal obligations) to retain some date that you share with them,

#### Controlling what is shared when the people you share with use applications

just like when you share information by small or elsewhere on the web, information you share on Facebook can be re-shared. This means that if you share something on Facebook, anyone who can see it can share it with others, including the games, applications, and websites they use.

Your friends and the other people you share information with often want to share your information with applications to make their experiences on those applications more personalized and social. For example, one of your friends might want to use a music application that allows them to see what their friends are listening to. To get the full benefit of that application, your friend would want to give the application her friend fist — which includes your User ID — so the application knows which of her friends is also using it. Your friend might also want to share the music you "like" on Facebook. If you have made that information public, then the application can access it just like anyone else. But if you've shared your likes with just your friends, the application could ask your friend for permission to share them.

You can control most of the information other people can share with applications they use from the "Ads, Apps and Websites" settings page. But these controls do not let you limit access to your public information and friend list.

If you want to completely block applications from getting your information when your friends and others use them, you will need to turn off all Platform applications. This means that you will no longer be able to use any third-party Facebook-integrated games, applications or websites.

ff an application asks permission from someone else to access your information, the application will be allowed to use that information only in connection with the person that gave the permission and no one else.

#### Logging in to another site using Facebook

Facebook Platform lets you tog into other applications and websites using your Facebook account. When you log in using Facebook, we give the site your User ID (just like when you connect with any other application), but we do not share your email address or password with that website through this process without your permission.

If you already have an account on that website, the site may also be able to connect that account with your Facebook account. Sometimes it does this using what is called an "email hash", which is similar to searching for someone on Facebook using an email address. Only the email addresses in this case are hashed so no email addresses are actually shared between Facebook and the website.

#### How it works

The website sends over a hashed version of your email address, and we match it with a database of email addresses that we have also hashed. If there is a match, then we tell the website the User ID associated with the email address. This way, when you log into the website using Facebook, the website can link your Facebook account to your account on that website.

#### About social plugins

Social plugins are buttons, boxes, and stories (such as the Like button) that other websites can use to present Facebook content to you and create more social and personal experiences for you. While you view these buttons, boxes, and stories on other sites, the content comes directly from Facebook.

Sometimes plugins act just tike applications. You can spot one of these plugins because it will ask you for permission to access your information or to publish information back to Facebook. For example, if you use a registration plugin on a website, the plugin will ask your permission to share your basic info with the website to make it easier for you to register for the website. Similarly, if you use an Add To Timeline plugin, the plugin will ask your permission to publish stories about your activities on that website to Facebook.

If you make something public using a plugin, such as posting a public commant on a newspaper's website, then that website can access your comment (along with your User ID) just like everyone else.

ff you post something using a social plugin and you do not see a sharing icon, you should assume that story is Public. For example, if you post a comment through a Facebook comment plugin on a site, your story is Public and everyone, including the website, can see your story.

🔻 Websites that use social plugins can sometimes tell that you have engaged with the social plugin. For example, they may know that you clicked on a Like button in a social plugin.

We receive data when you visit, a site with a social plugin. We keep this data for a maximum of 90 days. After that, we remove your name or any other personally identifying information from the data, or combine it with other people's data in a way that it is no longer associated with you, Learn more at: https://www.facebook.com/help/social-pluging

### About instant personalization

Instant personalization (sometimes also referred to as "Start now") is a way for Facebook to help partners (such as Bing and Rotten Tomatoes) on and off Facebook create a more personalized and social experience for logged in users than a social plugin can offer. When you visit a site or app using instant personalization, it will know some information about you and your friends the moment you arrive. This is because sites and apps using instant personalization can access your User ID, your friend list, and your public information.

The first time you visit a site or app using instant personalization, you will see a notification letting you know that the site or app has partnered with Facebook to provide a personalized experience.

The notification will give you the ability to disable or turn off instant personalization for that site or app. If you do that, that site or app is required to delete all of the information about you it received from Facebook as part of the instant personalization program. In addition, we will prevent that site from accessing your information in the future, even when your friends use that site.

If you decide that you do not want to experience instant personalization for all partner sites and apps, you can disable instant personalization from the "Ads, Apps and Websites" settings page.

If you turn off instant personalization, these partner third party sites and apps will not be able to access your public information, even when your friends visit those sites.

If you turn off an instant personalization site or app after you have been using it or visited it a few times (or after you have given it specific permission to access your data), it will not automatically delete information about you it received through Facebook. Like all other apps, the site is required by our policies to delete information about you if you ask it to.

#### How if works

To join the instant personalization program, a potential partner must enter listo an agreement with us designed to protect your privacy. For example, this agreement requires that the partner delete information about you if you turn off instant personalization when you first visit the site or app. It also prevents the partner from accessing any information about you until you or your friends visit its site.

Instant personalization partners sometimes use an amail hash process to see if any of their users are on Facebook and get those users' User IDs. This process is similar to searching for someone on Facebook using an email address, except in this case the email addresses are hashed so no actual email addresses are exchanged. The partner is also contractually required not to use your User ID for any purpose (other than associating it with your account) until you or your friends visit the site.

When you visit a site or app using instant personalization, we provide the site or app with your User ID and your friend list (as well as your age range, locale, and gender). The site or app can then connect your account with that partner with your friends' accounts to make the site or app instantly social. The site can also access public information associated with any of the User IDs it receives, which it can use to make them instantly personalized. For example, if the site is a music site, it can access your music interests to suggest songs you may like, and access your friends' music interests to let you know what they are listening to. Of course it can only access your or your friends' music interests if they are public. If the site or app wants any additional information, it will have to get your specific permission.

#### Public search engines

Your public search setting controls whether people who enter your name on a public search engine may see your public timeline (including in sponsored results). You can find your public search setting on the "Ads, Apps and Websites" settings page.

🖫 This setting does not apply to search engines that access your information as an application using Facebook Platform.

fryou turn your public search setting off and then search for yourself on a public search engine, you may still see a preview of your timeline. This is because some search engines cache information for a period of time. You can learn more about how to request a search engine to remove you from cached information at: https://www.facebook.com/help/2faq=18323

#### TV. How advertising and Sponsored Stories work

## Personalized ads

We do not share any of your information with advertisers (unless, of course, you give us permission). As described in this policy, we may share your information when we have removed from it anything that personally identifies you or combined it with other information so that it no longer personally identifies you.

We use the information we receive, including the information you provide at registration or add to your account or timeline, to deliver add and to make them more relevant to you. This includes all of the things you share and do on Facebook, such as the Pages you like or key words from your stories, and the things we infer from your use of Facebook. Learn more at: https://www.facebook.com/heliv/apage=226611954016283

When an advertiser creates an ad, they are given the opportunity to choose their audience by focation, demographics, likes, keywords, and any other information we receive or can tell about you and other users. For example, an advertiser can choose to target 18 to 35 year-old women who live in the United States and like basketball. An advertiser could also choose to target certain topics or keywords, like "music" or even people who like a particular song or artist, If you indicate that you are interested in topics, such as by liking a Page, including topics such as products, brands, religion, health status, or political views, you may see ads related to those topics as well. We require advertisers to comply with our Advertising Guidelines, including provisions relating to the use of sensitive data. Try this tool yourself to see one of the ways advertisers target ads and what information they see at: https://www.facebook.com/ads/create/

If the advertiser chooses to run the ad (also known as placing the order), we serve the ad to people who meet the criteria the advertiser selected, but we do not tell the advertiser who any of those people are, 56, for example, if a person views or otherwise interacts with the ad, the edvertiser might infer that the person is an 18-to-35-year-old woman who lives in the U.S. and likes basketball. But we would not tell the advertiser who that person is.

After the ad runs, we provide advertisers with reports on how their ads performed. For example we give advertisers reports telling them how many users saw or clicked on their ads. But these reports are anonymous. We do not tell advertisers who saw or clicked on their ads.

Advertisers or their partners sometimes place cookies on your computer (or use other similar system technologies) in order to serve add and to make their add more effective. Learn more about cookies, pixels and other system technologies.

Sometimes we allow advertisers to target a category of user, like a "moviegoer" or a "sci-fi fan." We do this by bundling characteristics that we believe are related to the category. For example, if a person "likes" the "Star Trek" Page and mentions "Star Wars" when they check into a movie theater, we may conclude that this person is likely to be a sci-fi fan. Advertisers of sci-fi movies, for example, could ask us to target "sci-fi fans" and we would target that group, which may include you. Or if you "like" Pages that are car-related and mention a particular car brand in a post, we might put you in the "potential car buyer" category and let a car brand target to that group, which would include you.

#### Ads + social context

Fecebook Ads are sometimes paired with social actions your friends have taken. For example, an ad for a sushi restaurant may be paired with a news story that one of your friends likes that restaurant's Facebook page.

This is the same type of news story that could show up in your News Feed, only we place it next to a paid advertisement to make that ad more relevant and interesting.

When you show up in one of these news stories, we will only pair it with ads shown to your friends. If you do not want to appear in stories paired with Facebook Ads, you can opt out using your "Edit social ads" setting.

- e Learn what happens when you click "Like" on an advertisement or an advertiser's Facebook Page at: https://www.facebook.com/hely/?faq=19399
- We may serve ads, including those with social context (or serve just social context), on other sites. These work just like the ads we serve on Facebook the advertisers do not receive any of your information. Only people that could see the Facebook action (like on your timeline) would see it paired in this way.
- Your "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.
- 🕏 Games, applications and websites can serve ads directly to you or help us serve ads to you or others if they have information like your User ID or email address.

#### Sponsored stories

Many of the things you do on Facebook (Rike "liking" a Page) are posted to your smalline and shared in News Feed. But there's a lot to read in News Feed. That's why we allow people to "sponsor" your stories to make sure your friends and subscribers see them. For example, if you RSVP to an event hosted by a local restaurant, that restaurant may want to make sure your friends see it so they can come too.

If they do sponsor a story, that story will appear in the same place ads usually do or in your News Feed under the heading "Sponsored" or something similar. Only people that could originally see the story can see the sponsored story, and no personal information about you (or your friends) is shared with the sponsor.

Your "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook context.

#### Facebook content

We like to tell you about some of the features and tools your friends and others use on Facebook, to help you have a better experience. For example, if your friend uses our friend finder tool to find more friends on Facebook, we may tell you about it to encourage you to use it as well. This of course means your friend may similarly see suggestions based on the things you do. But we will try to only show it to friends that could benefit from your experience.

Your "Show my social actions in Fedebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.

#### V. Cookies, pixels and other similar technologies

Cookies are small pieces of data that are stored on your computer, mobile phone or other device, Pixels are small blocks of code on webpages that do things like allow another server to measure viewing of a webpage and often are used in connection with cookies.

We use technologies like cookies, pixels, and local storage (like on your browser or device, which is similar to a cookie but holds more information) to provide and understand a range of products and services. Learn more at: https://www.facebook.com/help/cookies

We use these technologies to do things like:

- \* make Facebook easier or faster to use;
- enable features and store information about you (including on your device or in your browser cache) and your use of Facebook;
- deliver, understand and improve advertising:
- monitor and understand the use of our products and services; and
- \* to protect you, others and Facebook.

For example, we may use them to know you are logged in to Facebook, to help you use social plugins and share buttons, or to know when you are interacting with our advertising or Platform narrange.

We may ask advertisers or other partners to serve ads or services to computers, mobile phones or other devices, which may use a cookle, pixel or other similar technology placed by Facebook or the third party (aithough we would not share any other information that identifies you with an advertiser).

Most companies on the web use cookies (or other similar technological tools), including our advertising and Platform partners. For example, our Platform partners, advertisers or Page administrators may use cookies or similar technologies when you access their apps, ads, Pages or other content.

- Cookies and things like local storage help make Facebook work, like allowing pages to load faster because certain content is stored on your browser or by helping us authenticate you to deliver personalized content.
- To learn more about how advertisers generally use cookies and the choices advertisers provide, visit the Network Advertising Initiative at <a href="http://www.networkadvertising.org/managing/opt\_sut/asp">http://www.networkadvertising.org/managing/opt\_sut/asp</a>, the Digital Advertising Alliance at http://www.aboutads.info/, the Internet Advertising Bureau (US) at http://www.networkadvertising Bureau (EU) at http://www.net
- Refer to your browser or device's help material to learn what controls you can often use to remove or block cookies or other similar technologies or block or remove other data stored on your computer or device (such as by using the various settings in your browser). If you do this, it may affect your ability to use Facebook or other websites and apps.

## VI. Some other things you need to know

#### Safe harbor

Facebook complies with the U.S.-EU and U.S.-Swiss Safe Harbor frameworks as set forth by the Department of Commerce regarding the collection, use, and recention of data from the European Union. To view our certification, visit the U.S. Department of Commerce's Safe Harbor website at: https://safeharbor.export.gov/list.aspx. As part of our participation in the Safe Harbor program, we agree to resolve disputes you have with us in connection with our policies and practices through TRUSTe. If you would like to contact TRUSTe, visithttps://feedbackform.truste.com/watchdog/request

#### Contact us with questions or disputes

If you have questions or complaints regarding our Data Use Policy or practices, please contact us by mail at 1601 Willow Road, Menio Park, CA 94025 if you reside in the U.S. or Canada, or at Facebook freland Ltd., Handwer Reach, S-7 Handwer Quay, Dublin 2 Ireland if you live outside the U.S. or Canada. Anyone may also contact us through this fielp page: https://www.facebook.com/heip/contact\_us.php?id=179545232710000

#### Responding to legal requests and preventing harm

We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoena) if we have a good faith belief that the law requires us to do

so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good faith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you, including financial transaction data related to purchases made with Facebook Credits, may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or obligation, governmental investigation, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm. We also may retain information from accounts disabled for violations of our terms for at least a year to prevent repeat abuse or other violations of our terms.

#### Access requests

You can access and correct most of your personal data stored by Facebook by logging into your account and viewing your timeline and activity log. You can also download a copy of your personal data by visiting your "Account Settings", clicking on "Download a copy of your Facebook data" and then clicking on the link for your expanded archive. Learn more at: https://www.facebook.com/heip/?fac=226281544049399

#### Notifications and Other Messages

We may send you notifications and other messages using the contact information we have for you, like your email address. You can control most of the notifications you use, using controls we provide, such as a control included in the email you receive or in your "Notifications" settings.

#### Friend finder

We offer tools to help you upload your friends' contect information so that you and others can find friends on Facebook, and invite friends who do not use Facebook to join, and so we can offer you and others better experiences on Facebook through suggestions and other customized experiences. If you do not want us to store this information, visit this help page at: https://www.facebook.com/contact\_importer/remove\_uploads.php.

If you give us your password, we will delete it after you upload your friends' contact information.

#### Imitations

When you invite a friend to join Facebook, we send a message on your behalf using your name, and we may also include names and pictures of other people your friend might know on Facebook. We'll also send a few reminders to those you invite, but the invitation will also give your friend the opportunity to opt out of receiving other invitations to join Facebook.

#### Memorializing accounts

We may memorialize the account of a deceased person. When we memorialize an account, we keep the timeline on Facebook, but limit access and some features. You can report a deceased person's timeline at: https://www.facebook.com/help/contact.php/show\_form=deceased

We also may close an account if we receive a formal request that satisfies certain criteria.

#### Affiliate:

We may share information we receive with businesses that are legally part of the same group of companies that Facebook is part of, or that become part of that group (often these companies are called affiliates). Likewise, our affiliates may share information with us as well. This sharing is done in compliance with applicable laws including where such applicable laws require consent. We and our affiliates may use shared information to help provide, understand, and improve our services and their own services.

#### Service Providers

We give your information to the people and companies that help us provide, understand and improve the services we offer. For example, we may use outside vendors to help host our website, serve photos and videos, process payments, analyze data, conduct and publish research, measure the effectiveness of ads, or provide search results. In some cases we provide the service jointly with another company, such as the Facebook Marketplace. In all of these cases our partners must agree to only use your information consistent with the agreement we enter into with them, as well as this Data Use Policy.

#### Security and bugs

We do our best to keep your information secure, but we need your help. For more detailed information about staying safe on Facebook, visit the Facebook Security Page. We try to keep Facebook up, bug-free and safe, but can't make guarantees about any part of our services or products.

#### Change of Contro

If the ownership of our business changes, we may transfer your information to the new owner so they can continue to operate the service. But they will still have to honor the commitments we have made in this Data Use Policy.

#### Notice of Changes

If we make changes to this Data Use Policy we will notify you (for example, by publication here and on the Facebook Site Governance Page). If the changes are material, we will provide you additional, prominent notice as appropriate under the circumstances. You can make sure that you receive notice directly by liking the Facebook Site Governance Page.

## Opportunity to comment

Unless we make a change for legal or administrative reasons, or to correct an inaccurate statement, we will give you seven (7) days to provide us with comments on the change. After the comment period, if we adopt any changes, we will provide notice (for example, on the Facebook Sife Governance Page or in this policy) of the effective date.

## Information for users outside of the United States and Canada

Company Information: The website under www.facebook.com and the services on these pages are being offered to users outside of the U.S. and Canada by Facebook Ireland Ltd., Hanover Reach, 5–7 Hanover Quay, Dublin 2 Ireland. The company Facebook Ireland Ltd. has been established and registered in Ireland as a private limited company, Company Number: 462932, and is the data controller responsible for your personal information.

Directors: Sonia Flynn (Irish), Shane Crehan (Irish),

#### Your California privacy rights

California law permits residents of California to request certain details about what personal information a company shares with third parties for the third parties' direct marketing purposes. Facebook does not share your information with third parties for the third parties' own and independent direct marketing purposes unless we receive your permission. Learn more about the information we receive and how it is used and other websites and applications. If you have questions about our sharing practices or your rights under California law, please write us at 1601 Willow Road, Menio Park, CA 94025 or comact us through this help page: https://www.facebook.com/help/contact\_us.php?td=173545232710000

Mobile	Find Friends	Badges	People	Pages	Places	Apps	Games	Music
About	Create Ati	Create Page	Developers	Careers	Privacy	Cookies	Terms	H€łp

Facebook & 2013 - English (US)



# Statement of Rights and Responsibilities

This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls. Please note that Section 17 contains certain changes to the general terms for users outside the United States.

Date of Last Revision: December 11, 2012.

#### Statement of Rights and Responsibilities

This Statement of Rights and Responsibilities ("Statement," "Terms," or "SRR") derives from the Facebook Principles, and is our terms of service that governs our relationship with users and others who interact with Facebook. By using or accessing Facebook, you agree to this Statement, as updated from time to time in accordance with Section 14 below. Additionally, you will find resources at the end of this document that help you understand how Facebook works.

## 1. Privacy

Your privacy is very important to us. We designed our Data Use Policy to make important disclosures about how you can use Facebook to share with others and how we collect and can use your content and information. We encourage you to read the Data Use Policy, and to use it to help you make informed decisions.

#### 2. Sharing Your Content and Information

You own all of the content and information you post on Facebook, and you can control how it is shared through your privacy and application settings. In addition:

- For content that is covered by intellectual property rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application settings: you grant us a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook (IP License). This IP License ends when you delete your IP content or your account unless your content has been shared with others, and they have not deleted it.
- 2. When you delete IP content, it is deleted in a manner similar to emptying the recycle bin on a computer. However, you understand that removed content may persist in backup copies for a reasonable period of time (but will not be available to others).
- 3. When you use an application, the application may ask for your permission to access your content and information that others have shared with you. We require applications to respect your privacy, and your agreement with that application will control how the application can use, store, and transfer that content and information. (To learn more about Platform, including how you can control what information other people may share with applications, read our Data Use Policy and Platform Page.)
- 4. When you publish content or information using the Public setting, it means that you are allowing everyone, including people off of Facebook, to access and use that information, and to associate it with you (i.e., your name and profile picture).
- 5. We always appreciate your feedback or other suggestions about Facebook, but you understand that we may use them without any obligation to compensate you for them (just as you have no obligation to offer them).

## 3. Safety

We do our best to keep Facebook safe, but we cannot guarantee it. We need your help to keep Facebook safe, which includes the following commitments by you:

- 1. You will not post unauthorized commercial communications (such as spam) on Facebook.
- 2. You will not collect users' content or information, or otherwise access Facebook, using automated means (such as harvesting bots, robots, spiders, or scrapers) without our prior permission.
- 3. You will not engage in unlawful multi-level marketing, such as a pyramid scheme, on Facebook.
- 4. You will not upload viruses or other malicious code.

- 5. You will not solicit login information or access an account belonging to someone else.
- 6. You will not bully, intimidate, or harass any user.
- 7. You will not post content that: is hate speech, threatening, or pornographic; incites violence; or contains mulity or graphic or gratuitous violence,
- You will not develop or operate a third-party application containing alcohol-related, dating or other mature content (including advertisements) without appropriate age-based restrictions.
- 9. You will follow our Promotions Guidelines and all applicable laws if you publicize or offer any contest, giveaway, or sweepstakes ("promotion") on Facebook.
- 10. You will not use Facebook to do anything unlawful, misleading, malicious, or discriminatory.
- 11. You will not do anything that could disable, overburden, or impair the proper working or appearance of Facebook, such as a denial of service attack or interference with page rendering or other Facebook functionality.
- 12. You will not facilitate or encourage any violations of this Statement or our policies.

## 4. Registration and Account Security

Facebook users provide their real names and information, and we need your help to keep it that way. Here are some commitments you make to us relating to registering and maintaining the security of your account;

- 1. You will not provide any false personal information on Facebook, or create an account for anyone other than yourself without permission.
- 2. You will not create more than one personal account.
- 3. If we disable your account, you will not create another one without our permission.
- 4. You will not use your personal timeline primarily for your own commercial gain, and will use a Facebook Page for such purposes.
- 5. You will not use Facebook if you are under 13.
- 6. You will not use Facebook if you are a convicted sex offender.
- 7. You will keep your contact information accurate and up-to-date.
- 8. You will not share your password (or in the case of developers, your secret key), let anyone else access your account, or do anything else that might jeopardize the security of your account.
- 9. You will not transfer your account (including any Page or application you administer) to anyone without first getting our written permission.
- 10. If you select a username or similar identifier for your account or Page, we reserve the right to remove or rectain it if we believe it is appropriate (such as when a trademark owner complains about a username that does not closely relate to a user's actual name).

#### 5. Protecting Other People's Rights

We respect other people's rights, and expect you to do the same.

- 1. You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law,
- 2. We can remove any content or information you post on Facebook if we believe that it violates this Statement or our policies.
- 3. We provide you with tools to help you protect your intellectual property rights. To learn more, visit our How to Report Claims of Intellectual Property Infringement page.
- 4. If we remove your content for infringing someone else's copyright, and you believe we removed it by mistake, we will provide you with an opportunity to anneal
- 5. If you repeatedly infringe other people's intellectual property rights, we will disable your account when appropriate.
- 6. You will not use our copyrights or trademarks (including Facebook, the Facebook and F Logos, FB, Face, Poke, Book and Wall), or any confusingly similar marks, except as expressly permitted by our Brand Usage Guidelines or with our prior written permission.
- 7. If you collect information from users, you will: obtain their consent, make it clear you (and not Facebook) are the one collecting their information, and post a privacy policy explaining what information you collect and how you will use it.
- 8. You will not post anyone's identification documents or sensitive financial information on Facebook.
- You will not tag users or send email invitations to non-users without their consent. Facebook offers social reporting tools to enable users to provide feedback about tagging.

#### 6. Mobile and Other Devices

- We currently provide our mobile services for free, but please be aware that your carrier's normal rates and fees, such as text messaging fees, will still
  apply.
- 2. In the event you change or deactivate your mobile telephone number, you will update your account information on Facebook within 48 hours to ensure that your messages are not sent to the person who acquires your old number.
- 3. You provide consent and all rights necessary to enable users to sync (including through an application) their devices with any information that is visible to them on Facebook.

## 7. Payments

If you make a payment on Facebook or use Facebook Credits, you agree to our Payments Terms.

#### 8. Special Provisions Applicable to Social Plugins

If you include our Social Plugins, such as the Share or Like buttons on your website, the following additional terms apply to you:

- 1. We give you permission to use Facebook's Social Plugins so that users can post links or content from your website on Facebook.
- 2. You give us permission to use and allow others to use such links and content on Facebook.
- 3. You will not place a Social Flugin on any page containing content that would violate this Statement if posted on Facebook.

## 9. Special Provisions Applicable to Developers/Operators of Applications and Websites

If you are a developer or operator of a Platform application or website, the following additional terms apply to you:

- 1. You are responsible for your application and its content and all uses you make of Platform. This includes ensuring your application or use of Platform meets our <u>Facebook Platform Policies</u> and our Advertising Guidelines.
- 2. Your access to and use of data you receive from Facebook, will be limited as follows:
  - 1. You will only request data you need to operate your application.
  - 2. You will have a privacy policy that tells users what user data you are going to use and how you will use, display, share, or transfer that data and you will include your privacy policy URL in the Developer Application.
  - 3. You will not use, display, share, or transfer a user's data in a manner inconsistent with your privacy policy.
  - 4. You will delete all data you receive from us concerning a user if the user asks you to do so, and will provide a mechanism for users to make such a request.
  - 5. You will not include data you receive from us concerning a user in any advertising creative.
  - 6. You will not directly or indirectly transfer any data you receive from us to (or use such data in connection with) any ad network, ad exchange, data broker, or other advertising related toolset, even if a user consents to that transfer or use.
  - 7. You will not sell user data. If you are acquired by or merge with a third party, you can continue to use user data within your application, but you cannot transfer user data outside of your application.
  - 8. We can require you to delete user data if you use it in a way that we determine is inconsistent with users' expectations,
  - 9. We can limit your access to data.
  - 10. You will comply with all other restrictions contained in our Facebook Platform Policies.
- 3. You will not give us information that you independently collect from a user or a user's content without that user's consent.
- 4. You will make it easy for users to remove or disconnect from your application.

- 5. You will make it easy for users to contact you. We can also share your email address with users and others daiming that you have infringed or otherwise violated their rights.
- 6. You will provide customer support for your application.
- 7. You will not show third party ads or web search boxes on www.facebook.com.
- 8. We give you all rights necessary to use the code, APIs, data, and tools you receive from us.
- 9. You will not sell, transfer, or sublicense our code, APTs, or tools to anyone.
- 10. You will not misrepresent your relationship with Facebook to others.
- 11. You may use the logos we make available to developers or issue a press release or other public statement so long as you follow our Facebook Platform Policies.
- 12. We can issue a press release describing our relationship with you.
- 13. You will comply with all applicable laws. In particular you will (if applicable):
  - 1. have a policy for removing infringing content and terminating repeat infringers that complies with the Digital Millennium Copyright Act.
  - comply with the Video Privacy Protection Act (VPPA), and obtain any opt-in consent necessary from users so that user data subject to the VPPA may be shared on Facebook. You represent that any disclosure to us will not be incidental to the ordinary course of your business.
- 14. We do not guarantee that Platform will always be free.
- 15. You give us all rights necessary to enable your application to work with Facebook, including the right to incorporate content and information you provide to us into streams, timelines, and user action stories.
- 16. You give us the right to link to or frame your application, and place content, including ads, around your application.
- 17. We can analyze your application, content, and data for any purpose, including commercial (such as for targeting the delivery of advertisements and indexing content for search).
- 18. To ensure your application is safe for users, we can audit it.
- 19. We can create applications that offer similar features and services to, or otherwise compete with, your application,

### 0. About Advertisements and Other Commercial Content Served or Enhanced by Facebook

Our goal is to deliver ads and commercial content that are valuable to our users and advertisers. In order to help us do that, you agree to the following:

- You can use your privacy settings to limit how your name and profile picture may be associated with commercial, sponsored, or related content (such
  as a brand you like) served or enhanced by us. You give us permission to use your name and profile picture in connection with that content, subject
  to the limits you place.
- 2. We do not give your content or information to advertisers without your consent.
- 3. You understand that we may not always identify paid services and communications as such.

#### 1. Special Provisions Applicable to Advertisers

You can target your desired audience by buying ads on Facebook or our publisher network. The following additional terms apply to you if you place an order through our online advertising portal (Order):

- 1. When you place an Order, you will tell us the type of advertising you want to buy, the amount you want to spend, and your bid. If we accept your Order, we will deliver your ads as inventory becomes available. When serving your ad, we do our best to deliver the ads to the audience you specify, although we cannot guarantee in every instance that your ad will reach its intended target.
- In instances where we believe doing so will enhance the effectiveness of your advertising campaign, we may broaden the targeting criteria you specify.
- 3. You will pay for your Orders in accordance with our Payments Terms. The amount you owe will be calculated based on our tracking mechanisms.
- 4. Your ads will comply with our Advertising Guidelines.
- 5. We will determine the size, placement, and positioning of your ads.
- 6. We do not guarantee the activity that your ads will receive, such as the number of clicks your ads will get.

- 7. We cannot control how clicks are generated on your ads. We have systems that attempt to detect and filter certain click activity, but we are not responsible for click fraud, technological issues, or other potentially invalid click activity that may affect the cost of running ads.
- 8. You can cancel your Order at any time through our online portal, but it may take up to 24 hours before the ad stops running. You are responsible for paying for all ads that run.
- Our license to run your ad will end when we have completed your Order. You understand, however, that if users have interacted with your ad, your
  ad may remain until the users delete it.
- 10. We can use your ads and related content and information for marketing or promotional purposes.
- 11. You will not issue any press release or make public statements about your relationship with Facebook without our prior written permission.
- 12. We may reject or remove any ad for any reason.
- 13. If you are placing ads on someone else's behalf, you must have permission to place those ads, including the following:
  - 1. You warrant that you have the legal authority to bind the advertiser to this Statement.
  - 2. You agree that if the advertiser you represent violates this Statement, we may hold you responsible for that violation.

#### 2. Special Provisions Applicable to Pages

If you create or administer a Page on Facebook, or run a promotion or an offer from your Page, you agree to our Pages Terms.

#### 3. Special Provisions Applicable to Software

- 1. If you download our software, such as a stand-alone software product or a browser plugin, you agree that from time to time, the software may download upgrades, updates and additional features from us in order to improve, enhance and further develop the software.
- 2. You will not modify, create derivative works of, decompile or otherwise attempt to extract source code from us, unless you are expressly permitted to do so under an open source ficense or we give you express written permission.

#### 4. Amendments

- 1. Unless we make a change for legal or administrative reasons, or to correct an inaccurate statement, we will provide you with seven (7) days notice (for example, by posting the change on the Facebook Site Governance Page) and an opportunity to comment on changes to this Statement. You can also visit our Facebook Site Governance Page and "like" the Page to get updates about changes to this Statement.
- 2. If we make changes to policies referenced in or incorporated by this Statement, we may provide notice on the Site Governance Page.
- 3. Your continued use of Facebook following changes to our terms constitutes your acceptance of our amended terms.

## 5. Termination

If you violate the letter or spirit of this Statement, or otherwise create risk or possible legal exposure for us, we can stop providing all or part of Facebook to you. We will notify you by email or at the next time you attempt to access your account. You may also delete your account or disable your application at any time. In all such cases, this Statement shall terminate, but the following provisions will still apply: 2.2, 2.4, 3-5, 8.2, 9.1-9.3, 9.9, 9.10, 9.13, 9.15, 9.18, 10.3, 11.2, 11.5, 11.6, 11.9, 11.12, 11.13, and 15-19.

#### 5. Disputes

1. You will resolve any claim, cause of action or dispute (claim) you have with us arising out of or relating to this Statement or Facebook exclusively in a state or federal court located in Santa Clara County. The laws of the State of California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions. You agree to submit to the personal jurisdiction of the courts located in Santa

Clara County, California for the purpose of litigating all such claims.

- 2. If anyone brings a claim against us related to your actions, content or information on Facebook, you will indemnify and hold us harmless from and against all damages, losses, and expenses of any kind (including reasonable legal fees and costs) related to such claim. Although we provide rules for user conduct, we do not control or direct users' actions on Facebook and are not responsible for the content or information users transmit or share on Facebook. We are not responsible for any offensive, inappropriate, obscene, unlawful or otherwise objectionable content or information you may encounter on Facebook. We are not responsible for the conduct, whether online or offline, or any user of Facebook.
- 3. WE TRY TO KEEP FACEBOOK UP, BUG-FREE, AND SAFE, BUT YOU USE IT AT YOUR OWN RISK. WE ARE PROVIDING FACEBOOK AS IS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. WE DO NOT GUARANTEE THAT FACEBOOK WILL ALWAYS BE SAFE, SECURE OR ERROR-FREE OR THAT FACEBOOK WILL ALWAYS FUNCTION WITHOUT DISRUPTIONS, DELAYS OR IMPERFECTIONS, FACEBOOK IS NOT RESPONSIBLE FOR THE ACTIONS, CONTENT, INFORMATION, OR DATA OF THIRD PARTIES, AND YOU RELEASE US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM ANY CLAIMS AND DAMAGES, KNOWN AND UNKNOWN, ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY CLAIM YOU HAVE AGAINST ANY SUCH THIRD PARTIES. IF YOU ARE A CALIFORNIA RESIDENT, YOU WAIVE CALIFORNIA CIVIL CODE \$1542, WHICH SAYS: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR. WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS STATEMENT OR FACEBOOK, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OUR AGGREGATE LIABILITY ARISING OUT OF THIS STATEMENT OR FACEBOOK WILL NOT EXCEED THE GREATER OF ONE HUNDRED DOLLARS (\$100) OR THE AMOUNT YOU HAVE PAID US IN THE PAST TWELVE MONTHS. APPLICABLE LAW MAY NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. IN SUCH CASES, FACEBOOK'S LIABILITY WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

## 7. Special Provisions Applicable to Users Outside the United States

We strive to create a global community with consistent standards for everyone, but we also strive to respect local laws. The following provisions apply to users and non-users who interact with Facebook outside the United States:

- 1. You consent to having your personal data transferred to and processed in the United States.
- 2. If you are located in a country embargood by the United States, or are on the U.S. Treasury Department's list of Specially Designated Nationals you will not engage in commercial activities on Facebook (such as advertising or payments) or operate a Platform application or website.
- 3. Certain specific terms that apply only for German users are available here.

# 8. Definitions

- 1. By "Facebook" we mean the features and services we make available, including through (a) our website at www.facebook.com and any other facebook branded or co-branded websites (including sub-domains, international versions, widgets, and mobile versions); (b) our Platform; (c) social plugins such as the Like button, the Share button and other similar offerings and (d) other media, software (such as a toolbar), devices, or networks now existing or later developed.
- 2. By "Platform" we mean a set of APIs and services (such as content) that enable others, including application developers and website operators, to retrieve data from Facebook or provide data to us.
- 3. By "information" we mean facts and other information about you, including actions taken by users and non-users who interact with Facebook.
- 4. By "content" we mean anything you or other users post on Facebook that would not be included in the definition of information.
- 5. By "data" or "user data" or "user's data" we mean any data, including a user's content or information that you or third parties can retrieve from Facebook or provide to Facebook through Platform.
- 6. By "post" we mean post on Facebook or otherwise make available by using Facebook.
- 7. By "use" we mean use, copy, publicly perform or display, distribute, modify, translate, and create derivative works of.
- 8. By "active registered user" we mean a user who has logged into Facebook at least once in the previous 30 days.
- 9. By "application" we mean any application or website that uses or accesses Platform, as well as anything else that receives or has received data from us. If you no longer access Platform but have not deleted all data from us, the term application will apply until you delete the data.

## 9. Öther

- If you are a resident of or have your principal place of business in the US or Canada, this Statement is an agreement between you and Facebook, Inc.
  Otherwise, this Statement is an agreement between you and Facebook Ireland Limited. References to "us," "we," and "our" mean either Facebook,
  Inc. or Facebook Ireland Limited, as appropriate.
- 2. This Statement makes up the entire agreement between the parties regarding Facebook, and supersedes any prior agreements.
- 3. If any portion of this Statement is found to be unenforceable, the remaining portion will remain in full force and effect.
- 4. If we fail to enforce any of this Statement, it will not be considered a waiver.
- 5. Any amendment to or waiver of this Statement must be made in writing and signed by us.
- 6. You will not transfer any of your rights or obligations under this Statement to anyone else without our consent.
- 7. All of our rights and obligations under this Statement are freely assignable by us in connection with a merger, acquisition, or sale of assets, or by operation of law or otherwise.
- 8. Nothing in this Statement shall prevent us from complying with the law.
- 9. This Statement does not confer any third party beneficiary rights.
- 10. We reserve all rights not expressly granted to you.
- 11. You will comply with all applicable laws when using or accessing Facebook.

## You may also want to review the following documents, which provide additional information about your use of Facebook:

- Data Use Policy: The Data Use Policy contains information to help you understand how we collect and use information.
- \* Payment Terms: These additional terms apply to all payments made on or through Facebook.
- Platform Page: This page helps you better understand what happens when you add a third-party application or use Facebook Connect, including how they may access and use your data.
- \* Facebook Platform Policies: These guidelines outline the policies that apply to applications, including Connect sites.
- Advertising Guidelines: These guidelines outline the policies that apply to advertisements placed on Facebook.
- \* Promotions Guidelines: These guidelines outline the policies that apply if you offer contests, sweepstakes, and other types of promotions on Facebook.
- \* Facebook Brand Resources: These guidelines outline the policies that apply to use of Facebook trademarks, logos and screenshots.
- . How to Report Claims of Intellectual Property Infringement
- Pages Terms: These guidelines apply to your use of Facebook Pages.
- Community Standards: These guidelines outline our expectations regarding the content you post to Facebook and your activity on Facebook.

To access the Statement of Rights and Responsibilities in several different languages, change the language setting for your Facebook session by clicking on the language link in the left corner of most pages. If the Statement is not available in the language you select, we will default to the English version.

Mobile	Find Friends	Badges	People	Pages	Places	Apps	Games	Music
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Facebook & 2013 - English (US)

Email of Phase

Parameter



#### Data Use Policy

Date of Last Revision: December 11, 2012

Information we receive and how it is used

- \* Information we receive about you
- · Public information
- Usernames and User IDs
- How we use the information we receive
- Deleting and deactivating your account

### Sharing and finding you on Facebook

- · Control each time you post
- « Control aver your timeline
- Finding you on Pacebook
- \* Access on phones and other devices
- Activity log
- · What your friends and others share about you
- Groups
- · Pages

## Other websites and applications

- . About Facebook Platform
- Controlling what information you shalle with applications.
- Controlling what is shared when the people you share with use applications
- Logging in to another site using Facebook
- About social plugins
- · About instant personalization
- · Public search engines

#### Bow advertising and Sponsored Stones work

- Personalized ads
- Ads + social context
- Sponsored staries
   Facebook content
- Cookles, pixels and other similar technologies

Some other things you need to know

#### I. Information we receive and how it is used

#### Information we receive about you

We receive a number of different types of information about you, including:

## Your information

Your Information is the information that's required when you sign up for the site, as well as the information you choose to share.

- Registration information: When you sign up for Facebook, you are required to provide information such as your name, email address, birthday, and gender. In some cases, you may be able to register using other information, like your telephone number.
- Enformation you choose to share: Your information also includes the information you choose to share on Facebook, such as when you post a status update, upload a photo, or comment on a friend's story.

It also includes the information you choose to share when you take an action, such as when you add a friend. Exe a Page or a website, add a place to your story, use our contact importers, or indicate you are in a relationship.

🕏 Your name, profile pictures, cover photos, gender, natworks, username and User 10 are treated just like information you choose to make public,

Your birthday allows us to do things like show you age-appropriate content and advertisements.

#### Information others share about you

We receive information about you from your friends and others, such as when they uplead your contact information, post a photo of you, tag you in a photo or status update, or at a location, or add you to a group.

🕏 When people use Facebook, they may store and share information about you and others that they have, such as when they upload and manage their invites and contacts,

## Other information we receive about you

We also receive other types of information about you:

- We receive data about you whenever you interact with Facebook, such as when you look at another person's timeline, send or receive a message, search for a friend or a Page, click on, view or otherwise interact with things, use a Facebook mobile app, or purchase Facebook Credits or make other purchases through Facebook.
- When you post things like photos or videos on Facebook, we may receive additional related data (or metadata), such as the time, date, and place you took the photo or video.
- We receive data from the computer, mobile phone or other device you use to access Facebook, including when multiple users log in from the same device. This may include your IP address and other information about things like your internet service, location, the type (including identifiers) of browser you use, or the pages you visit. For example, we may get your GPS or other location information so we can tell you if any of your friends are nearby.
- We receive data whenever you visit a game, application, or website that uses Facebook Platform or visit a site with a Facebook feature (such as a social plugin), sometimes through concluss.

- This may include the date and time you visit the site; the web address, or URL, you're on; technical information about the IP address, browser and the operating system you use; and, if you are logged in to Facebook, your User ID.
- Sometimes we get data from our affiliates or our advertising partners, customers and other third parties that helps us (or them) deliver ads, understand online activity, and generally make. Facebook better. For example, an advertiser may tell us information about you (like how you responded to an ad on Facebook or on another sita) in order to measure the effectiveness of and improve the quality of -ads.

We also put together data from the information we already have about you and your friends. For example, we may put together data about you to determine which friends we should show you in your News Feed or suggest you tag in the photos you post. We may put together your current city with GPS and other location information we have about you to, for example, tell you and your friends about people or events nearby, or offer deals to you that you might be interested in. We may also put together data about you to serve you add that might be more relevant to you.

When we get your GPS location, we put it together with other location information we have about you (like your current city). But we only keep it until it is no longer useful to provide you services, like keeping your last GPS coordinates to send you relevant notifications.

We only provide data to our advertising partners or customers after we have removed your name or any other personally identifying information from it, or have combined it with other people's data in a way that it is no longer associated with you.

#### Public information

When we use the phrase "public information" (which we sometimes refer to as "Everyone information"), we mean the information you choose to make public, as well as information that is always publicly available.

## Information you choose to make public

Chaosing to make your information public is exactly what it sounds like: anyone, including people off of Fecebook, will be able to see it,

Choosing to make your information public also means that this information:

- can be associated with you (i.e., your name, profile pictures, cover photos, timeline, User ID, username, etc.) even off Facebook;
- can show up when someone does a search on Facebook or on a public search engine;
- . will be accessible to the Facebook-integrated games, applications, and websites you and your friends use; and
- will be accessible to anyone who uses our APIs such as our Graph API.

Sometimes you will not be able to select an audience when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

🛡 When others share information about you, they can also choose to make it public.

#### Information that is always publicly available

The types of information listed below are always publicly available, and are treated just like information you decided to make public.

- Name: This helps your friends and family find you. If you are uncomfortable sharing your real name, you can always delete your account,
- Profile Pictures and Cover Photos: These help your friends and family recognize you. If you are uncomfortable making any of these photos public, you can always delete it. Unless you delete them, when you add a new profile picture or cover photo, the previous photo will remain public in your profile picture or cover photo album.
- Networks: This helps you see whom you will be sharing information with before you choose "Friends and Networks" as a custom audience. If you are uncomfortable making your network public, you can leave the network.
- Gender: This allows us to refer to you properly.
- Username and User ID: These allow you to give out a custom link to your timeline or Page, receive email at your Facebook email address, and help make Facebook Platform possible.

#### Usernames and User TDs

A Username (or Facebook URL) is a custom link to your timeline that you can give out to people or post on external websites. Usernames appear in the URL on your timeline. We also use your User ID to identify your Facebook account.

If someone has your Username or User ID, they can use if to access information about you through the facebook.com website. For example, if someone has your Username, they can type facebook.com/Username into their browser and see your public information as well as anything else you've let them see. Similarly, someone with your Username or User ID can access information about you through our APIs, such as our Graph API. Specifically, they can access your public information, along with your age range, language and country.

If you do not want your information to be accessible to Platform applications, you can turn off all Platform applications from your Privacy Settings. If you turn off Platform you will no longer be able to use any games or other applications until you turn Platform back on. For more information about the information that apps receive when you visit them, see Other websites and applications.

fryou want to see information available about you through our Graph API, just type https://graph.facebook.com/[User ID or Username]?metadata=1 into your browser.

🕏 Your Facebook email address includes your public username like so: username@facebook.com, Anyone in a message conversation can reply to it.

### How we use the information we receive

We use the information we receive about you in connection with the services and features we provide to you and other users like your friends, our partners, the advertisers that purchase ads on the site, and the developers that build the games, applications, and websites you use. For example, in addition to helping people see and find things that you do and share, we may use the information we receive about you:

- as part of our efforts to keep Facebook products, services and integrations safe and secure;
- to protect Facebook's or others' rights or property;
- . to provide you with location features and services, like telling you and your friends when something is going on nearby;
- « To measure or understand the effectiveness of ads you and others see, including to deliver relevant ads to you;
- to make suggestions to you and other users on Facebook, such as: suggesting that your friend use our contact importer because you found friends using it, suggesting that another user add you as a friend because the user imported the same email address as you did, or suggesting that your friend rag you in a picture they have uploaded with you in it; and
- \* for internal operations, including troubleshooting, data analysis, testing, research and service improvement.

Granting us this permission not only allows us to provide Facebook as it exists today, but it also allows us to provide you with innovative features and services we develop in the future that use the information we receive about you in new ways.

While you are allowing us to use the information we receive about you, you always own all of your information. Your trust is important to us, which is why we don't share information we receive about you with others unless we have:

- \* received your permission;
- given you notice, such as by telling you about it in this policy; or
- \* removed your name or any other personally identifying information from it.

Of course, for information others share about you, they control how it is shared.

We store data for as long as it is necessary to provide products and services to you and others, including those described above. Typically, information associated with your account will be kept until your account is deleted. For certain categories of data, we may also tell you about specific data retention practices.

We are able to suggest that your friend tag you in a picture by scanning and comparing your friend's pictures to information we've put logether from the other photos you've been tagged in. This allows us to make these suggestions. You can control whether we suggest that another user tag you in a photo using the "How Tags work" settings. Learn more at: https://www.facebook.com/help/tag-suggestions

#### Deleting and deactivating your account

If you want to stop using your account, you can either deactivate or delete it.

#### Deactivate

Deactivating your account puts your account on hold. Other users will no longer see your timeline, but we do not delete any of your information. Deactivating an account is the same as you telling us not to delete any information because you might want to reactivate your account at some point in the future. You can deactivate your account at https://www.facebook.com/settings?tab=security

Your friends will still see you listed in their list of friends while your account is deactivated.

#### Deletion

When you delete an account, it is permanently deleted from Facebook. It typically takes about one month to delete an account, but some information may remain in backup copies and logs for up to 90 days. You should only delete your account if you are sure you never want to reactivate it. You can delete your account at: https://www.facebook.com/help/contact.php?

Learn more at: https://www.lacebook.com/help/?fag=356107851084108

Certain information is needed to provide you with services, so we only delete this information after you delete your account. Some of the things you do on Facebook aren't stored in your account, like posting to a group or sending someone a message (where your friend may still have a message you sent, even after you delete your account). That information remains after you delete your account.

#### II. Sharing and finding you on Facebook

### Control each time you post

Whenever you past content (like a status update, photo or check-in), you can select a specific audience, or even customize your audience. To do this, simply click on the sharing icon and choose who can see it.

Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like, it means that anyone, including people off of Facebook, will be able to see or access it.

A Choose this icon if you want to share with your Facebook Friends.

Echanse this icon if you want to Customize your audience. You can also use this to hide your story from specific people,

If you tag someone, that person and their friends can see your story no metter what audience you selected. The same is true when you approve a tag someone else adds to your story.

Always think before you post. Just like anything else you post on the web or send in an email, information you share on Facebook can be copied or re-shared by anyone who can see it.

Although you choose with whom you share, there may be ways for others to determine information about you. For example, if you hide your birthday so no one can see it on your timeline, but friends post "happy birthday!" on your timeline, people may determine your birthday.

When you comment on or "like" someone else's story, or write on their timeline, that person gets to select the audience. For example, if a friend posts a Public story and you comment on it, your comment will be Public. Often, you can see the audience someone selected for their story before you post a comment; however, the person who posted the story may later change their audience.

. You can control who can see the Facebook Pages you've "liked" by visiting your timeline, clicking on the Likes box on your timeline, and then clicking "Edit."

Sometimes you will not see a sharing icon when you post something (tike when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

## Cantrol aver your timeline

Whenever you add things to your timeline you can select a specific audience, or even customize your audience. To do this, simply chek on the sharing from and choose who can see it.

Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Pacebook, will be able to see or access it.

A Choose this icon if you want to share with your Facebook Friends.

🕸 Choose this icon if you want to Customize your audience. You can also use this to hide the item on your timeline from specific people.

When you select an audience for your friend list, you are only controlling who can see the entire fist of your friends on your timeline. We call this a timeline visibility control. This is because your friend list is always evailable to the games, applications and websites you use, and your friendships may be visible elsewhere (such as on your friends' timelines or in searches). For example, if you select "Only Me" as the audience for your friend list, but your friend sets her friend list to "Public," anyone will be able to see your connection on your friend's timeline.

Similarly, if you choose to hide your gender, it only hides it on your timeline. This is because we, just like the applications you and your friends use, need to use your gender to refer to you properly on the site.

When someone tags you in a story (such as a photo, status update or check-in), you can choose whether you want that story to appear on your fineline. You can either approve each story individually or approve all stories by your friends. If you approve a story and later change your mind, you can remove it from your fineline.

When you hide things on your timeline, like posts or connections, it means those things will not appear on your timeline. But, remember, anyone in the audience of those posts or who can see a connection may still see it elsewhere, like on someone else's timeline or in search results. You can also delete or change the audience of content you post.

- 👺 People on Facebook may be able to see mutual friends, even if they cannot see your entire list of friends.
- Some things (like your name, profile pictures and cover photos) do not have sharing icons because they are always publicly available. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

#### Finding you on Facebook

To make it easier for your friends to find you, we allow anyone with your contact information (such as email address or telephone number) to find you through the Facebook search bar at the top of most pages, as well as other tools we provide, such as contact importers - even if you have not shared your contact information with them on Facebook.

You can choose who can look up your timeline using the email address or telephone number you added to your timeline through your privacy settings. But remember that people can still find you or a link to your timeline on Facebook through other people and the things they share about you or through other posts, like if you are tagged in a friend's photo or post something to a public page.

Your settings do not control whether people can find you or a link to your timeline when they search for content they have permission to see, like a photo or other story you've been tagged in.

#### Access on phones and other devices

Once you share information with your friends and others, they may be able to sync it with or access it via their mobile phones and other devices. For example, if you share a photo on Facebook, someone viewing that photo could save it using Facebook tools or by other methods offered by their device or browser. Similarly, if you share your contact information with someone or invite someone to an event, they may be able to use Facebook or third party applications or devices to sync that information. Or, if one of your friends has a Facebook application on one of their devices, your information (such as the things you post or photos you share) may be stored on or accessed by their device.

🕏 You should only share information with people you trust because they will be able to save it or re-share it with others, including when they sync the information to a device.

#### Activity log

Your activity log is a place where you can go to view most of your information on Facebook, including things you've hidden from your timeline. You can use this log to manage your content. For example, you can do things like delete stories, change the audience of your stories or stop an application from publishing to your timeline on your behalf.

When you filde something from your timeline, you are not defeting it. This means that the story may be visible elsewhere, like in your friends! News Feed. If you want to delete a story you posted, choose the delete option.

#### What your friends and others share about you

#### Unks and Tags

Anyone can add a link to a story. Links are references to something on the Internet: anything from a website to a Page or timeline on Facebook. For example, if you are writing a story, you might include a link to a biog you are referencing or a link to the biogger's Facebook timeline. If someone clicks on a link to another person's timeline, they'll only see the things that they are allowed to see.

A tag is a special type of link to someone's timeline that suggests that the tagged person add your story to their timeline. In cases where the tagged person isn't included in the audience of the story, it will add them so they can see it. Anyone can tag you in anything. Once you are tagged, you and your friends will be able to see it (such as in News Feed or in search).

You can choose whether e story you've been tagged in appears on your timeline. You can either approve each story individuelly or approve all stories by your friends. If you approve a story and later change your mind, you can always remove it from your timeline.

If you do not want someone to tag you, we encourage you to reach out to them and give them that feedback. If that does not work, you can block them. This will prevent them from tagging you going forward.

If you are linked to or tagged in a private space (such as a message or a group) only the people who can see the private space can see the link or tag. Similarly, if you are linked to or tagged in a comment, only the people who can see the comment can see the link or tag.

#### Other information

As described in the what your friends and others share about you section of this policy, your friends and others may share information about you. They may share photos or other information about you and tag you in their posts. If you do not like a particular post, tell them or report the post.

#### Groups

Once you are in a Group, anyone in that Group can add you to a subgroup. When someone adds you to a Group, you will be listed as "invited" until you visit the Group. You can always leave a Group, which will prevent others from adding you to it again.

#### Pages

Facebook Pages are public pages. Companies use Pages to share information about their products. Celebrities use Pages to talk about their latest projects. And communities use pages to discuss topics of interest, everything from baseball to the opera.

Because Pages are public, information you share with a Page is public information. This means, for example, that if you post a comment on a Page, that comment may be used by the Page owner off Facebook, and anyone can see it.

When you "like" a Page, you create a connection to that Page. The connection is added to your timeline and your friends may see it in their News Feeds. You may be contacted by or receive updates from the Page, such as in your News Feed and your messages, You can remove the Pages you've "liked" through your timeline or on the Page.

Some Pages contain content that comes directly from the Page owner. Page owners can do this through online plugins, such as an iframe, and it works just like the games and other applications you use through Facebook. Because this content comes directly from the Page owner, that Page may be able to collect information about you, just like any website.

Page administrators may have access to insights data, which will tell them generally about the people that visit their Page (as opposed to information about specific people). They may also know when you've made a connection to their Page because you've liked their Page or posted a comment.

#### III. Other websites and applications

### About Facebook Platform

Facebook Platform (or simply Platform) refers to the way we help you share your information with the games, applications, and websites you and your friends use. Facebook Platform also lets you bring your friends with you, so you can connect with them off of Facebook. In these two ways, Facebook Platform helps you make your experiences on the web more personalized and

social.

Remember that these games, applications and websites are created and maintained by other businesses and developers who are not part of, or controlled by, Facebook, so you should always make sure to read their terms of service and privacy policies to understand how they treat your data.

## Controlling what information you share with applications

When you connect with a game, application or website - such as by going to a game, logging in to a website using your Facebook account, or adding an app to your timeline - we give the game, application, or website (sometimes referred to as just "Applications" or "Apps") your basic info (we sometimes call this your "public profile"), which includes your User ID and your public information. We also give them your friends' User IDs (also called your friend list) as part of your basic info.

Your friend list helps the application make your experience more social because it lets you find your friends on that application. Your User ID helps the application personalize your experience because it can connect your account on that application with your Facebook account, and it can access your basic info, which includes your public information and friend list. This includes the information you choose to make public, as well as information that is always publicly available. If the application needs additional information, such as your stories, photos or likes, it will have to ask you for specific permission.

The "Apps you use" setting lets you control the applications you use. You can see the permissions you have given these applications, the last time an application accessed your information, and the audience on Facebook for timeline stories and activity the application posts on your behalf. You can also remove applications you no longer want, or turn off all Platform applications. When you turn all Platform applications off, your User ID is no longer given to applications, even when your friends use those applications. But you will no longer be able to use any games, applications or websites through Facebook.

When you first visit an app, Facebook lets the app know your language, your country, and whether you are in an age group, for instance, under 18, between 18–20, or 21 and over, Age range lets apps provide you with age-appropriate content. If you install the app, it can access, store and update the information you've shared. Apps you've installed can update their records of your besit info, age range, language and country. If you haven't used an app in a while, it won't be able to continue to update the additional information you've given them permission to access, Learn more at: https://www.facebook.com/help/how-apps-work

Sametimes a game console, mobile phone, or other device might ask for permission to share specific information with the games and applications you use an that device. If you say okay, those applications will not be able to access any other information about you without asking specific permission from you or your friends.

Sites and apps that use Instant Personalization receive your User ID and friend list when you visit them.

You always can remove apps you've installed by using your app settings at: https://www.facebook.com/settings/frab=applications. But remember, apps may still be able to access your information when the people you share with use them. And, if you've removed an application and want them to delete the information you've aiready shared with them, you should contact the application and ask them to delete it. Visit the application's page on Facebook or their own website to learn more about the app. For example, Apps may have reasons (e.g. legal obligations) to retain some date that you share with them,

#### Controlling what is shared when the people you share with use applications

just like when you share information by small or elsewhere on the web, information you share on Facebook can be re-shared. This means that if you share something on Facebook, anyone who can see it can share it with others, including the games, applications, and websites they use.

Your friends and the other people you share information with often want to share your information with applications to make their experiences on those applications more personalized and social. For example, one of your friends might want to use a music application that allows them to see what their friends are listening to. To get the full benefit of that application, your friend would want to give the application her friend fist — which includes your User ID — so the application knows which of her friends is also using it. Your friend might also want to share the music you "like" on Facebook. If you have made that information public, then the application can access it just like anyone else. But if you've shared your likes with just your friends, the application could ask your friend for permission to share them.

You can control most of the information other people can share with applications they use from the "Ads, Apps and Websites" settings page. But these controls do not let you limit access to your public information and friend list.

If you want to completely block applications from getting your information when your friends and others use them, you will need to turn off all Platform applications. This means that you will no longer be able to use any third-party Facebook-integrated games, applications or websites.

ff an application asks permission from someone else to access your information, the application will be allowed to use that information only in connection with the person that gave the permission and no one else.

#### Logging in to another site using Facebook

Facebook Platform lets you tog into other applications and websites using your Facebook account. When you log in using Facebook, we give the site your User ID (just like when you connect with any other application), but we do not share your email address or password with that website through this process without your permission.

If you already have an account on that website, the site may also be able to connect that account with your Facebook account. Sometimes it does this using what is called an "email hash", which is similar to searching for someone on Facebook using an email address. Only the email addresses in this case are hashed so no email addresses are actually shared between Facebook and the website.

#### How it works

The website sends over a hashed version of your email address, and we match it with a database of email addresses that we have also hashed. If there is a match, then we tell the website the User ID associated with the email address. This way, when you log into the website using Facebook, the website can link your Facebook account to your account on that website.

#### About social plugins

Social plugins are buttons, boxes, and stories (such as the Like button) that other websites can use to present Facebook content to you and create more social and personal experiences for you. While you view these buttons, boxes, and stories on other sites, the content comes directly from Facebook.

Sometimes plugins act just tike applications. You can spot one of these plugins because it will ask you for permission to access your information or to publish information back to Facebook. For example, if you use a registration plugin on a website, the plugin will ask your permission to share your basic info with the website to make it easier for you to register for the website. Similarly, if you use an Add To Timeline plugin, the plugin will ask your permission to publish stories about your activities on that website to Facebook.

If you make something public using a plugin, such as posting a public commant on a newspaper's website, then that website can access your comment (along with your User ID) just like everyone else.

ff you post something using a social plugin and you do not see a sharing icon, you should assume that story is Public. For example, if you post a comment through a Facebook comment plugin on a site, your story is Public and everyone, including the website, can see your story.

👼 Websites that use social plugins can sometimes tell that you have engaged with the social plugin. For example, they may know that you clicked on a Like button in a social plugin.

We receive data when you visit, a site with a social plugin. We keep this data for a maximum of 90 days. After that, we remove your name or any other personally identifying information from the data, or combine it with other people's data in a way that it is no longer associated with you, Learn more at: https://www.facebook.com/help/social-pluging

### About instant personalization

Instant personalization (sometimes also referred to as "Start now") is a way for Facebook to help partners (such as Bing and Rotten Tomatoes) on and off Facebook create a more personalized and social experience for logged in users than a social plugin can offer. When you visit a site or app using instant personalization, it will know some information about you and your friends the moment you arrive. This is because sites and apps using instant personalization can access your User ID, your friend list, and your public information.

The first time you visit a site or app using instant personalization, you will see a notification letting you know that the site or app has partnered with Facebook to provide a personalized experience.

The notification will give you the ability to disable or turn off instant personalization for that site or app. If you do that, that site or app is required to delete all of the information about you it received from Facebook as part of the instant personalization program. In addition, we will prevent that site from accessing your information in the future, even when your friends use that site.

If you decide that you do not want to experience instant personalization for all partner sites and apps, you can disable instant personalization from the "Ads, Apps and Websites" settings page.

If you turn off instant personalization, these partner third party sites and apps will not be able to access your public information, even when your friends visit those sites.

fryou turn off an instant personalization site or app after you have been using it or visited it a few times (or after you have given it specific permission to access your data), it will not automatically delete information about you it received through Facebook. Like all other apps, the site is required by our policies to delete information about you if you ask it to.

#### How if works

To join the instant personalization program, a potential partner must enter into an agreement with us designed to protect your privacy. For example, this agreement requires that the partner delete information about you if you turn off instant personalization when you first visit the site or app. It also prevents the partner from accessing any information about you until you or your friends visit its site.

Instant personalization partners sometimes use an email hash process to see if any of their users are on Facebook and get those users' User IDs. This process is similar to searching for someone on Facebook using an email address, except in this case the email addresses are hashed so no actual email addresses are exchanged. The partner is also contractually required not to use your User ID for any purpose (other than associating it with your account) until you or your friends visit the site.

When you visit a site or app using instant personalization, we provide the site or app with your User ID and your friend list (as well as your age range, locale, and gender). The site or app can then connect your account with that partner with your friends' accounts to make the site or app instantly social. The site can also access public information associated with any of the User IDs it receives, which it can use to make them instantly personalized. For example, if the site is a music site, it can access your music interests to suggest songs you may like, and access your friends' music interests to let you know what they are listening to. Of course it can only access your or your friends' music interests if they are public. If the site or app wants any additional information, it will have to get your specific permission.

#### Public search engines

Your public search setting controls whether people who enter your name on a public search engine may see your public timeline (including in sponsored results). You can find your public search setting on the "Ads, Apps and Websites" settings page.

🕏 This setting does not apply to search engines that access your information as an application using Facebook Platform.

If you turn your public search setting off and then search for yourself on a public search engine, you may still see a preview of your timeline. This is because some search engines cache information for a period of time. You can learn more about how to request a search engine to remove you from cached information at: https://www.facebook.com/help/2faq=18323

#### TV. How advertising and Sponsored Stories work

## Personalized ads

We do not share any of your information with advertisers (unless, of course, you give us permission). As described in this policy, we may share your information when we have removed from it anything that personally identifies you or combined it with other information so that it no longer personally identifies you.

We use the information we receive, including the information you provide at registration or add to your account or timeline, to deliver add and to make them more relevant to you. This includes all of the things you share and do on Facebook, such as the Pages you like or key words from your stories, and the things we infer from your use of Facebook. Learn more at: https://www.facebook.com/heliv/apage=226611954016283

When an advertiser creates an ad, they are given the opportunity to choose their audience by focation, demographics, likes, keywords, and any other information we receive or can tell about you and other users. For example, an advertiser can choose to target 18 to 35 year-old women who live in the United States and like basketball. An advertiser could also choose to target certain topics or keywords, like "music" or even people who like a particular song or artist, If you indicate that you are interested in topics, such as by liking a Page, including topics such as products, brands, religion, health status, or political views, you may see ads related to those topics as well. We require advertisers to comply with our Advertising Guidelines, including provisions relating to the use of sensitive data. Try this tool yourself to see one of the ways advertisers target ads and what information they see at: https://www.facebook.com/ads/create/

If the advertiser chooses to run the ad (also known as placing the order), we serve the ad to people who meet the criteria the advertiser selected, but we do not tell the advertiser who any of those people are, 56, for example, if a person views or otherwise interacts with the ad, the edvertiser might infer that the person is an 18-to-35-year-old woman who lives in the U.S. and likes basketball. But we would not tell the advertiser who that person is.

After the ad runs, we provide advertisers with reports on how their ads performed. For example we give advertisers reports telling them how many users saw or clicked on their ads. But these reports are anonymous. We do not tell advertisers who saw or clicked on their ads.

Advertisers or their partners sometimes place cookies on your computer (or use other similar system technologies) in order to serve ads and to make their ads more effective. Learn more about cookies, pixels and other system technologies.

Sometimes we allow advertisers to target a category of user, like a "moviegoer" or a "sci-fi fan." We do this by bundling characteristics that we believe are related to the category. For example, if a person "likes" the "Star Trek" Page and mentions "Star Wars" when they check into a movie theater, we may conclude that this person is likely to be a sci-fi fan. Advertisers of sci-fi movies, for example, could ask us to target "sci-fi fans" and we would target that group, which may include you. Or if you "like" Pages that are car-related and mention a particular car brand in a post, we might put you in the "potential car buyer" category and let a car brand target to that group, which would include you.

#### Ads + social context

Fecebook Ads are sometimes paired with social actions your friends have taken. For example, an ad for a sushi restaurant may be paired with a news story that one of your friends likes that restaurant's Facebook page.

This is the same type of news story that could show up in your News Feed, only we place it next to a paid advertisement to make that ad more relevant and interesting.

When you show up in one of these news stories, we will only pair it with ads shown to your friends. If you do not want to appear in stories paired with Facebook Ads, you can opt out using your "Edit social ads" setting.

- e Learn what happens when you click "Like" on an advertisement or an advertiser's Facebook Page at: https://www.facebook.com/hely/?faq=19399
- We may serve ads, including those with social context (or serve just social context), on other sites. These work just like the ads we serve on Facebook the advertisers do not receive any of your information. Only people that could see the Facebook action (like on your timeline) would see it paired in this way.
- Your "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.
- Games, applications and websites can serve ads directly to you or help us serve ads to you or others if they have information like your User TD or email address.

#### Sponsored stories

Many of the things you do on Facebook (Rike "liking" a Page) are posted to your smalline and shared in News Feed. But there's a lot to read in News Feed. That's why we allow people to "sponsor" your stories to make sure your friends and subscribers see them. For example, if you RSVP to an event hosted by a local restaurant, that restaurant may want to make sure your friends see it so they can come too.

If they do sponsor a story, that story will appear in the same place ads usually do or in your News Feed under the heading "Sponsored" or something similar. Only people that could originally see the story can see the sponsored story, and no personal information about you (or your friends) is shared with the sponsor.

Your "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook context.

#### Facebook content

We like to tell you about some of the features and tools your friends and others use on Facebook, to help you have a better experience. For example, if your friend uses our friend finder tool to find more friends on Facebook, we may tell you about it to encourage you to use it as well. This of course means your friend may similarly see suggestions based on the things you do. But we will try to only show it to friends that could benefit from your experience.

Your "Show my social actions in Fedebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.

#### V. Cookies, pixels and other similar technologies

Cookies are small pieces of data that are stored on your computer, mobile phone or other device, Pixels are small blocks of code on webpages that do things like allow another server to measure viewing of a webpage and often are used in connection with cookies.

We use technologies like cookies, pixels, and local storage (like on your browser or device, which is similar to a cookie but holds more information) to provide and understand a range of products and services. Learn more at: https://www.facebook.com/help/cookies

We use these technologies to do things like:

- \* make Facebook easier or faster to use;
- enable features and store information about you (including on your device or in your browser cache) and your use of Facebook;
- deliver, understand and improve advertising:
- monitor and understand the use of our products and services; and
- \* to protect you, others and Facebook.

For example, we may use them to know you are logged in to Facebook, to help you use social plugins and share buttons, or to know when you are interacting with our advertising or Platform narrange.

We may ask advertisers or other partners to serve ads or services to computers, mobile phones or other devices, which may use a cookle, pixel or other similar technology placed by Facebook or the third party (aithough we would not share any other information that identifies you with an advertiser).

Most companies on the web use cookies (or other similar technological tools), including our advertising and Platform partners. For example, our Platform partners, advertisers or Page administrators may use cookies or similar technologies when you access their apps, ads, Pages or other content.

- Cookies and things like local storage help make Facebook work, like allowing pages to load faster because certain content is stored on your browser or by helping us authenticate you to deliver personalized content.
- To learn more about how advertisers generally use cookies and the choices advertisers provide, visit the Network Advertising Initiative at <a href="http://www.networkadvertising.org/managing/opt\_sut/asp">http://www.networkadvertising.org/managing/opt\_sut/asp</a>, the Digital Advertising Alliance at http://www.aboutads.info/, the Internet Advertising Bureau (US) at http://www.networkadvertising Bureau (EU) at http://www.net
- Refer to your browser or device's help material to learn what controls you can often use to remove or block cookies or other similar technologies or block or remove other data stored on your computer or device (such as by using the various settings in your browser). If you do this, it may affect your ability to use Facebook or other websites and apps.

## VI. Some other things you need to know

#### Safe harbor

Facebook complies with the U.S.-EU and U.S.-Swiss Safe Harbor frameworks as set forth by the Department of Commerce regarding the collection, use, and recention of data from the European Union. To view our certification, visit the U.S. Department of Commerce's Safe Harbor website at: https://safeharbor.export.gov/list.aspx. As part of our participation in the Safe Harbor program, we agree to resolve disputes you have with us in connection with our policies and practices through TRUSTe. If you would like to contact TRUSTe, visithttps://feedbackform.truste.com/watchdog/request

#### Contact us with questions or disputes

If you have questions or complaints regarding our Data Use Policy or practices, please contact us by mail at 1601 Willow Road, Menio Park, CA 94025 if you reside in the U.S. or Canada, or at Facebook freland Ltd., Handwer Reach, S-7 Handwer Quay, Dublin 2 Ireland if you live outside the U.S. or Canada. Anyone may also contact us through this fielp page: https://www.facebook.com/heip/contact\_us.php?id=179545232710000

#### Responding to legal requests and preventing harm

We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoena) if we have a good faith belief that the law requires us to do

so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good faith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you, including financial transaction data related to purchases made with Facebook Credits, may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or obligation, governmental investigation, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm. We also may retain information from accounts disabled for violations of our terms for at least a year to prevent repeat abuse or other violations of our terms.

#### Access requests

You can access and correct most of your personal data stored by Facebook by logging into your account and viewing your timeline and activity log. You can also download a copy of your personal data by visiting your "Account Settings", clicking on "Download a copy of your Facebook data" and then clicking on the link for your expanded archive. Learn more at: https://www.facebook.com/help/?faq=226281544049399

#### Notifications and Other Messages

We may send you notifications and other messages using the contact information we have for you, like your email address. You can control most of the notifications you use, using controls we provide, such as a control included in the email you receive or in your "Notifications" settings.

#### Friend finder

We offer tools to help you upload your friends' contact information so that you and others can find friends on Facebook, and invite friends who do not use Facebook to join, and so we can offer you and others better experiences on Facebook through suggestions and other customized experiences. If you do not want us to store this information, visit this help page at: https://www.facebook.com/contact\_imperter/remove\_uploads.php.

If you give us your password, we will delete it after you upload your friends' contact information.

#### Invitations

When you invite a friend to join Facebook, we send a message on your behalf using your name, and we may also include names and pictures of other people your friend might know on Facebook. We'll also send a few reminders to those you invite, but the invitation will also give your friend the opportunity to opt out of receiving other invitations to join Facebook.

#### Memorializing accounts

We may memorialize the account of a deceased person. When we memorialize an account, we keep the timeline on Facebook, but limit access and some features. You can report a deceased person's timeline at: https://www.facebook.com/help/contact.php/show\_form=deceased

We also may close an account if we receive a formal request that satisfies certain criteria.

#### Affiliate:

We may share information we receive with businesses that are legally part of the same group of companies that Facebook is part of, or that become part of that group (often these companies are called affiliates). Likewise, our affiliates may share information with us as well. This sharing is done in compliance with applicable laws including where such applicable laws require consent. We and our affiliates may use shared information to help provide, understand, and improve our services and their own services.

#### Service Providers

We give your information to the people and companies that help us provide, understand and improve the services we offer. For example, we may use outside vendors to help host our website, serve photos and videos, process payments, analyze data, conduct and publish research, measure the effectiveness of ads, or provide search results. In some cases we provide the service jointly with another company, such as the Facebook Marketplace. In all of these cases our partners must agree to only use your information consistent with the agreement we enter into with them, as well as this Data Use Policy.

#### Security and bugs

We do our best to keep your information secure, but we need your help. For more detailed information about staying safe on Facebook, visit the Facebook Security Page. We try to keep Facebook up, bug-free and safe, but can't make guarantees about any part of our services or products.

#### Change of Contro

If the ownership of our business changes, we may transfer your information to the new owner so they can continue to operate the service. But they will still have to honor the commitments we have made in this Data Use Policy.

#### Notice of Changes

If we make changes to this Data Use Policy we will notify you (for example, by publication here and on the Facebook Site Governance Page). If the changes are material, we will provide you additional, prominent notice as appropriate under the circumstances. You can make sure that you receive notice directly by liking the Facebook Site Governance Page.

## Opportunity to comment

Unless we make a change for legal or administrative reasons, or to correct an inaccurate statement, we will give you seven (7) days to provide us with comments on the change. After the comment period, if we adopt any changes, we will provide notice (for example, on the Facebook Sife Governance Page or in this policy) of the effective date.

## Information for users outside of the United States and Canada

Company Information: The website under www.facebook.com and the services on these pages are being offered to users outside of the U.S. and Canada by Facebook Ireland Ltd., Hanover Reach, 5–7 Hanover Quay, Dublin 2 Ireland. The company Facebook Ireland Ltd. has been established and registered in Ireland as a private limited company, Company Number: 462932, and is the data controller responsible for your personal information.

Directors: Sonia Flynn (Irish), Shane Crehan (Irish).

## Your California privacy rights

California law permits residents of California to request certain details about what personal information a company shares with third parties for the third parties' direct marketing purposes. Facebook does not share your information with third parties for the third parties' own and independent direct marketing purposes unless we receive your permission. Learn more about the information we receive and how it is used and other websites and applications. If you have questions about our sharing practices or your rights under California law, please write us at 1601 Willow Road, Menio Park, CA 94025 or contact us through this help page: https://www.facebook.com/help/contact\_us.php?td=173545232710000

Mobile	Find Friends	Badges	People	Pages	Places	Apps	€ames	Music
About	Create Ati	Create Page	Developers	Careers	Privacy	Cookies	Terms	Help

Facebook & 2013 - English (US)



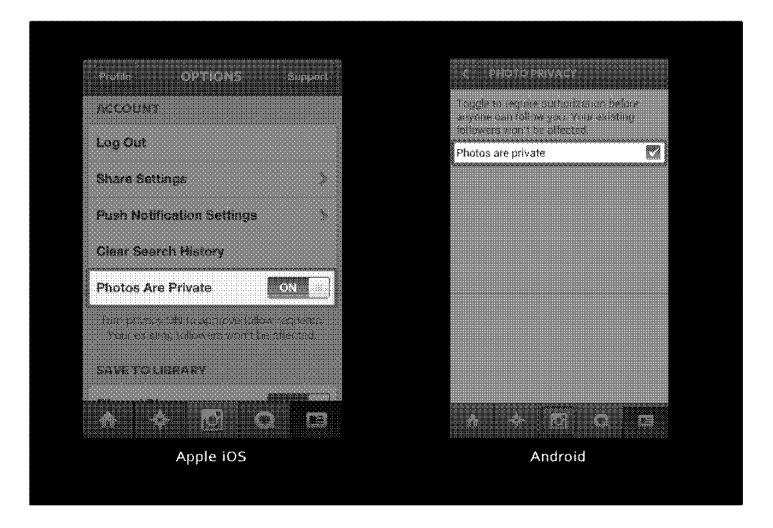
Home > Privacy & Safety > Privacy on Instagram

# Privacy on Instagram

# Privacy on Instagram

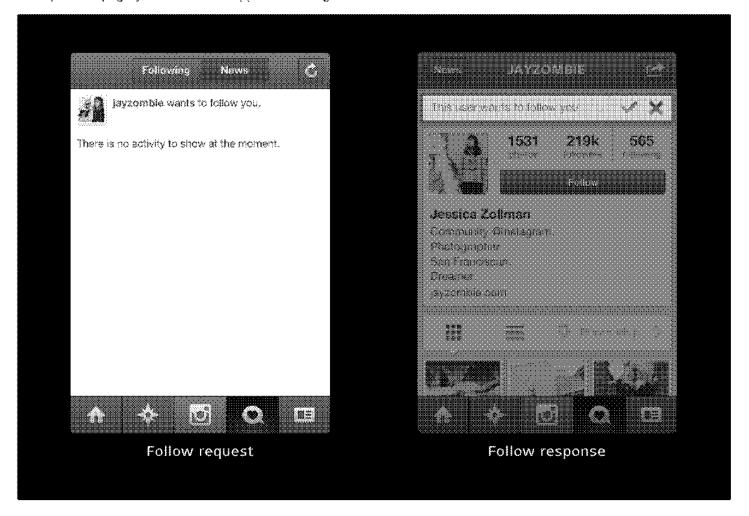
By default, anyone can view your profile in the Instagram application and on the web. If you would like to make sure only approved followers can see your profile:

- 1. Go to your profile by tapping the far right address card icon
- 2. Tap the settings icon in the upper right corner
- 3. Apple iOS -- Scroll to "Photos are private" and toggle the switch to ON to turn on privacy. Android -- Tap on "Photo privacy" then tap the box to turn on privacy.



Once you turn on Privacy, anyone who wants to see your photos, or followers & following lists, will have to send you a follow request that will appear in your News > You feed, which you can then approve or ignore. To approve or deny a

follow request, just tap on the username that appears in the request. You'll then be brought to their profile page and at the top of this page you will see an "approve" and "ignore" button.



# Web Profiles

Instagram photos are now on the web! As within the app, anyone can view a public profile at instagram.com/[username]. If your photos are set to Private, only your approved followers will be able to view your photos after they've logged into instagram.com.

Learn more about Instagram Web Profiles here.

# Photo Map

When a private user has a location associated with a photo, the photo will also appear on their Photo Map.





Only the private user will be able to see that photo on the geolocation tag page. Private users' images, even when geotagged, are hidden from their approved followers and from the public.



Only the private user and their approved followers will be able to see that photo on a Photo Map. Private users' images, even when geotagged, are hidden from the public.



# Hashtags



Private users can add hashtags to photos, but only the private user and their approved followers will be able to see that photo on the hashtag page. Private users' images, even when hashtagged, are hidden from the public.



# Likes

If a private user uploads a photo then an approved follower likes that image, the private photo will not appear in the News > Following feed.

If a private user likes a photo that a public user uploaded, their like will be visible and their username will be click-able below that public user's photo.

# Comments

If a private user @ mentions a user who is not an approved follower on one of their private photos, the user will be able to see part of the comment in the News > You feed, may receive a push notification (if their notification settings are turned on), but will not be able to navigate through to the private photograph.

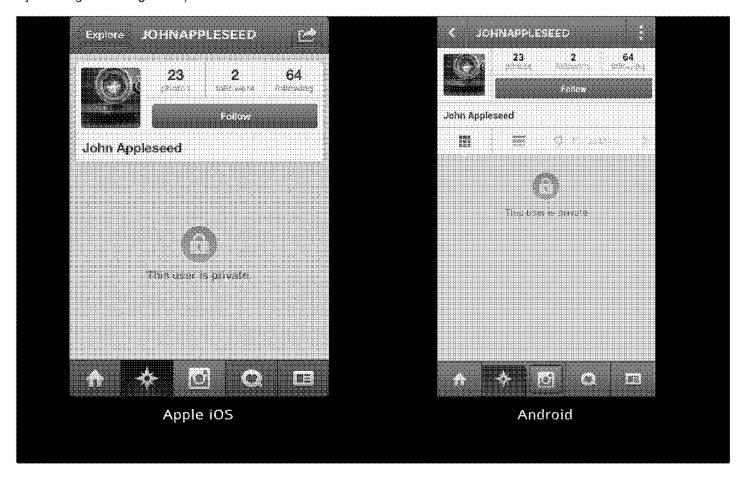
If a private user leaves a comment on a photo that a public user uploaded, their comment will be visible and their username will be click-able below that photo.

# **Sharing Photos**

If a private user shares a photo to a social network (such as Twitter, Facebook, Foursquare, etc.) using Instagram the image will be visible on that network and the permalink will be active, in other words, the photo will be publicly accessible by anyone who has access to the image's direct link/URL.

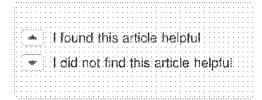
It's important to note that sharing a photo to a social network does not mean that the image will be visible in Instagram. The account will still appear private to those who are not approved followers, as seen in the screenshot below.



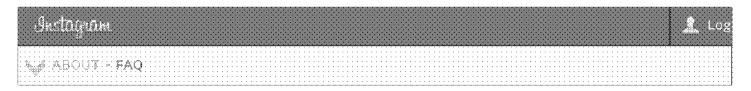


# Additional Questions

- Where can I find more information on Photo Map? Take a look at our blog post on Photo Maps, this informative video, and this help center article.
- Is there any way to hide my bio or my profile image? If you do not want users to see your bio or your profile image we'd suggest removing this information by editing your profile here.
- I accidentally approved a follower. How do I force them to unfollow me? You must block this user in order to force them to stop following you. Learn more about blocking here.



ABOUT US SUPPORT DEVELOPERS JOBS BLOG TERMS PRIVACY 0 2012 INSTAGRAM, INC.
CUSTOMER SERVICE SOFTWARE POWERED BY DESK, COM.



# FAQ

This is a short list of our most frequently asked questions. For more information about Instagram, or if you need support, please visit our support center.

# What is Instagram?

Instagram is a fun and quirky way to share your life with friends through a series of pictures. Snap a photo with your mobile phone, then choose a filter to transform the image into a memory to keep around forever. We're building Instagram to allow you to experience moments in your friends' lives through pictures as they happen. We imagine a world more connected through photos.

# How much is your app?

\$0.00 - available for free in the Apple App Store and Google Play store.

## Where does the name come from?

When we were kids we loved playing around with cameras. We loved how different types of old cameras marketed themselves as "instant" - something we take for granted today. We also felt that the snapshots people were taking were kind of like telegrams in that they got sent over the wire to others - so we figured why not combine the two?

## How did the idea come about?

We love taking photos. We always assumed taking interesting photos required a big bulky camera and a couple years of art school. But as mobile phone cameras got better and better, we decided to challenge that assumption. We created Instagram to solve three simple problems:

- Mobile photos always come out looking mediocre. Our awesome looking filters transform your photos into professional-looking snaoshots.
- 2. Sharing on multiple platforms is a pain we help you take a picture once, then share it (instantly) on multiple services.
- 3. Most uploading experiences are clumsy and take forever we've optimized the experience to be fast and efficient.

## What other services are you compatible with?

Currently, you can share your photos on a photo-by-photo basis on Flickr, Facebook, and Twitter. Additionally, if you specify a location with your photo, you can opt to have us check you in on Foursquare. Going forward, we plan on supporting additional services but have nothing else to announce at this time.

# Are you hiring?

Absolutely, yes. If you're a talented engineer or designer we want to talk to you. Check out our jobs page.

## I have a technical problem or support issue I need resolved, who do I email?

The best way to get in touch with us is to visit our support center.

## Is there an API or developer program?

Developers can register for our api at our developer site.

# How does privacy work?

We have adopted a follower model that means if you're "public" on Instagram, anyone can subscribe to follow your photos. We do, however, have a special private option. In this mode, a user can make sure he/she must approve all follow requests before they go through.

# Who can see my photos?

All photos are public by default which means they are visible to anyone using Instagram or on the instagram.com website. If you choose to make your account private, then only people who follow you on Instagram will be able to see your photos.

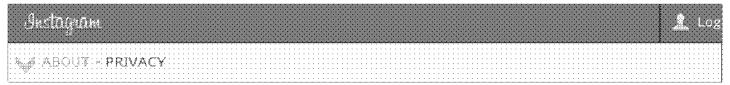
# How can I print my photos?

We save all the photos you process with Instagram to your camera roll. You can then sync with your computer and print as many as you'd like.

# When are you going to make the app for Blackberry, Windows Phone 7, iPad, etc?

We are currently working on making the iPhone and Android experiences as solid as possible. Only then will we consider other platforms, but currently we have nothing to announce.

YOUR ACCOUNT : ABOUT US : SUPPORT : BLOG : API : JOBS : PRIVACY : TERMS : 2012 INSTAGRAM



# **INSTAGRAM**

# We are updating our privacy policy

Note: Our updated Privacy Policy will be effective on January 16, 2013.

# Privacy Policy "Snapshot"

We created this quick "snapshot" to give you a head start on understanding our information collection and use practices. It is important that you read our full Privacy Policy for the full explanation of our privacy practices, including about how your information is shared and how you can control and access your information.

#### We receive information that:

- you provide when you register for and set up an account
- · you post or content you share on Instagram
- · you allow us to collect when you use certain Instagram features
- · you allow social media services to share with us
- · we get from seeing how you use Instagram
- · we get from communicating with you
- · we get from cookies and other technology
- Learn more in our Privacy Policy

## We use this information to:

- · provide Instagram features and services to you
- manage and improve the Instagram website, app and services
- · analyze how you use Instagram
- provide you with information
- diagnose technical problems and maintain security
- · provide you with marketing that is relevant to you
- · Learn more in our Privacy Policy

## We share this information with:

- other instagram users where you allow information to be public
- · social media services you tell us to share information with
- people who help us provide Instagram to you
- business partners, which may include advertising partners
- . businesses that are legally part of the same group of companies that Instagram is part of, or that become part of the same group
- · outside parties to comply with the law and legal obligations
- · Learn more in our Privacy Policy

## We store information:

primarily in the United States, but may also use other locations around the world

Learn more in our Privacy Policy

# **Privacy Policy**

Effective date: August 30, 2012.

Welcome to Instagram ("Instagram," "we," "us" or "our"). Instagram provides a fast, beautiful and fun way for you to share media through our content-sharing platform. Just snap a photo, choose a filter to transform the look and feel, add comments (if you like) and share!

- Our Privacy Policy explains how we collect, use, share and protect information in relation to our mobile services, web site, and
  any software provided on or in connection with Instagram services (collectively, the "Service"), and your choices about the
  collection and use of your information.
- By using our Service you understand and agree that we are providing a platform for you to post content, including photos, comments and other materials ("User Content"), to the Service and to share User Content publicly. This means that other Users may search for, see, use, or share any of your User Content that you make publicly available through the Service, consistent with the terms and conditions of this Privacy Policy and our Terms of Use (which can be found at <a href="http://instagram.com/legal/terms">http://instagram.com/legal/terms</a>).
- Our Policy applies to all visitors, users, and others who access the Service ("Users").

## Click on the links below to jump to each section of this Policy:

- 1. Information We Collect
- 2. How We Use Your Information
- 3. Sharing of Your Information
- 4. How We Store Your Information
- 5. Your Choices About Your Information
- 6. Children's Privacy
- 7. Other Websites and Services
- 8. How to Contact Us About a Deceased User
- 9. How to Contact Us
- 10. Changes to Our Privacy Policy

## 1. INFORMATION WE COLLECT

We collect the following types of information.

## Information you provide us directly:

- Your username, password and e-mail address when you register for an Instagram account.
- Profile information that you provide for your user profile (e.g., first and last name, picture, phone number). This information allows
  us to help you or others be "found" on Instagram.
- User Content (e.g., photos, comments, and other materials) that you post to the Service.
- Communications between you and Instagram. For example, we may send you Service-related emails (e.g., account verification, changes/updates to features of the Service, technical and security notices). Note that you may not opt out of Service-related emails.

# Finding your friends on Instagram:

- If you choose, you can use our "Find friends" feature to locate other people with Instagram accounts either through (i) your contacts list, (ii) third-party social media sites or (iii) through a search of names and usernames on Instagram.
- . If you choose to find your friends through (i) your device's contacts list, then Instagram will access your contacts list to determine

- whether or not someone associated with your contact is using Instagram.
- If you choose to find your friends through a (ii) third-party social media site, then you will be prompted to set up a link to the
  third-party service and you understand that any information that such service may provide to us will be governed by this Privacy
  Policy.
- If you choose to find your friends (iii) through a search of names or usernames on Instagram then simply type a name to search and we will perform a search on our Service.
- Note about "Invite Friends" feature: If you choose to invite someone to the Service through our "Invite friends" feature, you may select a person directly from the contacts list on your device and send a text or email from your personal account. You understand and agree that you are responsible for any charges that apply to communications sent from your device, and because this invitation is coming directly from your personal account, instagram does not have access to or control this communication.

## Analytics information:

We use third-party analytics tools to help us measure traffic and usage trends for the Service. These tools collect information sent by your device or our Service, including the web pages you visit, add-ons, and other information that assists us in improving the Service. We collect and use this analytics information with analytics information from other Users so that it cannot reasonably be used to identify any particular individual User.

# Cookies and similar technologies:

- When you visit the Service, we may use cookies and similar technologies like pixels, web beacons, and local storage to collect information about how you use Instagram and provide features to you.
- We may ask advertisers or other partners to serve ads or services to your devices, which may use cookies or similar technologies placed by us or the third party.
- More information is available in our About Cookies section

## Log file information:

- Log file information is automatically reported by your browser each time you make a request to access (i.e., visit) a web page or app. It can also be provided when the content of the webpage or app is downloaded to your browser or device.
- When you use our Service, our servers automatically record certain log file information, including your web request, Internet Protocol ("IP") address, browser type, referring / exit pages and URLs, number of clicks and how you interact with links on the Service, domain names, landing pages, pages viewed, and other such information. We may also collect similar information from emails sent to our Users which then help us track which emails are opened and which links are clicked by recipients. The information allows for more accurate reporting and improvement of the Service.

## Device identifiers:

- When you use a mobile device like a tablet or phone to access our Service, we may access, collect, monitor, store on your device, and/or remotely store one or more "device identifiers." Device identifiers are small data files or similar data structures stored on or associated with your mobile device, which uniquely identify your mobile device. A device identifier may be data stored in connection with the device hardware, data stored in connection with the device's operating system or other software, or data sent to the device by Instagram.
- A device identifier may deliver information to us or to a third party partner about how you browse and use the Service and may help us or others provide reports or personalized content and ads. Some features of the Service may not function properly if use or availability of device identifiers is impaired or disabled.

#### Metadata:

- Metadata is usually technical data that is associated with User Content. For example, Metadata can describe how, when and by whom a piece of User Content was collected and how that content is formatted.
- Users can add or may have Metadata added to their User Content including a hashtag (e.g., to mark keywords when you post a

photo), geotag (e.g., to mark your location to a photo), comments or other data. This makes your User Content more searchable by others and more interactive. If you geotag your photo or tag your photo using other's APIs then, your latitude and longitude will be stored with the photo and searchable (e.g., through a location or map feature) if your photo is made public by you in accordance with your privacy settings.

## 2. HOW WE USE YOUR INFORMATION

In addition to some of the specific uses of information we describe in this Privacy Policy, we may use information that we receive to:

- · help you efficiently access your information after you sign in
- remember information so you will not have to re-enter it during your visit or the next time you visit the Service;
- provide personalized content and information to you and others, which could include online ads or other forms of marketing
- provide, improve, test, and monitor the effectiveness of our Service
- · develop and test new products and features
- · monitor metrics such as total number of visitors, traffic, and demographic patterns
- diagnose or fix technology problems
- automatically update the Instagram application on your device Instagram or other Users may run contests, special offers or other
  events or activities ("Events") on the Service. If you do not want to participate in an Event, do not use the particular Metadata (i.e.
  hashtag or geotag) associated with that Event.

## 3. SHARING OF YOUR INFORMATION

We will not rent or sell your information to third parties outside instagram (or the group of companies of which instagram is a part) without your consent, except as noted in this Policy.

## Parties with whom we may share your information:

- We may share your information as well as information from tools like cookies, log files, and device identifiers and location data (such as usage data, referring/exit pages and URLs, platform types, number of clicks, etc.), with organizations that help us provide the Service to you ("Service Providers"). Our Service Providers will be given access to your information as is reasonably necessary to provide the Service under reasonable confidentiality terms.
- We may also share certain information such as cookie data with third-party advertising partners. This information would allow third-party ad networks to, among other things, deliver targeted advertisements that they believe will be of most interest to you.
- We may remove parts of data that can identify you and share anonymized data with other parties. We may also combine your information with other information in a way that it is no longer associated with you and share that aggregated information.

## Parties with whom you may choose to share your User Content:

- Any information or content that you voluntarily disclose for posting to the Service, such as User Content, becomes available to the public, as controlled by any applicable privacy settings that you set. To change your privacy settings on the Service, please change your profile setting. Once you have shared User Content or made it public, that User Content may be re-shared by others.
- Subject to your profile and privacy settings, any User Content that you make public is searchable by other Users and subject to
  use under our Instagram API. The use of the Instagram API is subject to the API Terms of Use which incorporates the terms of
  this Privacy Policy.
- If you remove information that you posted to the Service, copies may remain viewable in cached and archived pages of the Service, or if other Users or third parties using the Instagram API have copied or saved that information.

## What happens in the event of a change of control:

If we sell or otherwise transfer part or the whole of Instagram or our assets to another organization (e.g., in the course of a transaction like a merger, acquisition, bankruptcy, dissolution, liquidation), your information such as name and email address, User Content and any other information collected through the Service may be among the items sold or transferred. You will

continue to own your User Content. The buyer or transferee will have to honor the commitments we have made in this Privacy Policy.

## Instances where we may be required to share your information:

Instagram will disclose your information where required to do so by law or by judicial process or if we reasonably believe that such action is necessary to:

- · comply with the law and the reasonable requests of law enforcement
- · enforce our Terms of Use
- · protect the security or integrity of our Service
- exercise or protect the rights, property, or personal safety of Instagram, our Users or others

#### 4. HOW WE STORE YOUR INFORMATION

## Storage and Processing:

- Your information collected through the Service may be stored and processed in the United States or any other country in which Instagram, a company in the same group of companies as Instagram or Service Providers maintain facilities.
- Instagram may transfer information that we collect about you, including personal information across borders and from your country or jurisdiction to other countries or jurisdictions around the world. If you are located in the European Union or other regions with laws governing data collection and use that may differ from U.S. law, please note that we may transfer information, including personal information, to a country and jurisdiction that does not have the same data protection laws as your jurisdiction.
- By registering for and using the Service you consent to the transfer of information to the U.S. or to any other country in which
  Instagram, a company in the same group of companies as Instagram or Service Providers maintain facilities and the use and
  disclosure of information about you as described in this Privacy Policy.
- We use commercially reasonable safeguards to help keep the information collected through the Service secure and take reasonable steps (such as requesting a unique password) to verify your identity before granting you access to your account. However, Instagram cannot ensure the security of any information you transmit to Instagram or guarantee that information on the Service may not be accessed, disclosed, altered, or destroyed.
- Please do your part to help us. You are responsible for maintaining the secrecy of your unique password and account
  information, and for controlling access to emails between you and Instagram, at all times. Your privacy settings may also be
  affected by changes the social media services you connect to Instagram make to their services. We are not responsible for the
  functionality, privacy, or security measures of any other organization.

# 5. YOUR CHOICES ABOUT YOUR INFORMATION

#### Your account information and profile/privacy settings:

- Update your account at any time by logging in and changing your profile settings.
- Unsubscribe from email communications from us by clicking on the "unsubscribe link" provided in such communications. As noted
  above, you may not opt out of Service-related communications (e.g., account verification, purchase and billing confirmations and
  reminders, changes/updates to features of the Service, technical and security notices).
- If you have any questions about reviewing or modifying your account information, please contact us directly at support@instagram.com.

## How long we keep your User Content:

- Following termination or deactivation of your account, Instagram may retain information (including your profile information) and User Content for a commercially reasonable time for backup, archival, and/or audit purposes.
- If you have any questions about termination or deactivation of your account, please contact us directly at support@instagram.com.

#### 6. CHILDREN'S PRIVACY

Instagram does not knowingly collect or solicit any information from anyone under the age of 13 or knowingly allow such persons to register for the Service. The Service and its content are not directed at children under the age of 13. In the event that we learn that we have collected personal information from a child under age 13 without parental consent, we will delete that information as quickly as possible. If you believe that we might have any information from or about a child under 13, please contact us at support@instagram.com.

## 7. OTHER WEB SITES AND SERVICES

We are not responsible for the practices employed by any websites or services linked to or from our Service, including the information or content contained within them. Please remember that when you use a link to go from our Service to another website or service, our Privacy Policy does not apply to those third-party websites or services. Your browsing and interaction on any third-party website or service, including those that have a link on our website, are subject to that third party's own rules and policies. In addition, you agree that we are not responsible and do not have control over any third-parties that you authorize to access your User Content. If you are using a third-party website or service and you allow them to access your User Content you do so at your own risk.

#### 8. HOW TO CONTACT US ABOUT A DECEASED USER

In the event of the death of an Instagram User, please send us an email to the following email address: support@instagram.com. We will usually conduct our communication via email; should we require any other information, we will contact you at the email address you have provided in your request.

#### 9. HOW TO CONTACT US

If you have any questions about this Privacy Policy or the Service, please contact us at support@instagram.com.

#### 10. CHANGES TO OUR PRIVACY POLICY

Instagram may modify or update this Privacy Policy from time to time, so please review it periodically. We may provide you additional forms of notice of modifications or updates as appropriate under the circumstances. Your continued use of Instagram or the Service after any modification to this Privacy Policy will constitute your acceptance of such modification.

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# **Privacy Policy**

## **Important Update**

In September 2012, we announced that Instagram had been acquired by Facebook. We knew that by teaming up with Facebook, we could build a better Instagram for you. Since then, we've been collaborating with Facebook's team on ways to do just that. As part of our new collaboration, we've learned that by being able to share insights and information with each other, we can build better experiences for our users.

We're updating our Privacy Policy to highlight this new collaboration, but we want to make sure you understand that you still have control over who sees your photos. You still get to choose who can see your Instagram photos, and you still get to choose whether you post your photos on Facebook. So while we're looking forward to working closely with Facebook to build better experiences, we aren't changing the core features of the app that you've come to know and love.

Our new Privacy Policy is effective on January 16, 2013. To learn about how we treat information collected prior to January 16, 2013, please click here.

# **Privacy Policy**

Effective date: January 16, 2013

Welcome to Instagram ("Instagram," "we," "us" or "our"). Instagram provides a fast, beautiful and fun way for you to share media through our content-sharing platform. Just snap a photo, choose a filter to transform the look and feel, add comments (if you like) and share!

- Our Privacy Policy explains how we and some of the companies we work with collect, use, share and protect information in relation to our mobile services, web site, and any software provided on or in connection with instagram services (collectively, the "Service"), and your choices about the collection and use of your information.
- By using our Service you understand and agree that we are providing a platform for you to post content, including photos, comments and other materials ("User Content"), to the Service and to share User Content publicly. This means that other Users may search for, see, use, or share any of your User Content that you make publicly available through the Service, consistent with the terms and conditions of this Privacy Policy and our Terms of Use (which can be found at http://instagram.com/legal/terms).
- Our Policy applies to all visitors, users, and others who access the Service ("Users").

Click on the links below to jump to each section of this Policy:

- 1. Information We Collect
- 2. How We Use Your Information
- 3. Sharing of Your Information
- 4. How We Store Your Information
- 5. Your Choices About Your Information
- 6. Children's Privacy
- 7. Other Websites and Services
- 8. How to Contact Us About a Deceased User

- 9. How to Contact Us
- 10. Changes to Our Privacy Policy

#### 1. INFORMATION WE COLLECT

We collect the following types of information.

### Information you provide us directly:

- Your username, password and e-mail address when you register for an Instagram account.
- Profile information that you provide for your user profile (e.g., first and last name, picture, phone number). This information allows
  us to help you or others be "found" on Instagram.
- User Content (e.g., photos, comments, and other materials) that you post to the Service.
- Communications between you and Instagram. For example, we may send you Service-related emails (e.g., account verification, changes/updates to features of the Service, technical and security notices). Note that you may not opt out of Service-related emails.

### Finding your friends on Instagram:

- If you choose, you can use our "Find friends" feature to locate other people with Instagram accounts either through (i) your contacts list, (ii) third-party social media sites or (iii) through a search of names and usernames on Instagram.
- If you choose to find your friends through (i) your device's contacts list, then Instagram will access your contacts list to determine whether or not someone associated with your contact is using Instagram.
- If you choose to find your friends through a (ii) third-party social media site, then you will be prompted to set up a link to the
  third-party service and you understand that any information that such service may provide to us will be governed by this Privacy
  Policy.
- If you choose to find your friends (iii) through a search of names or usernames on Instagram then simply type a name to search and we will perform a search on our Service.
- Note about "Invite Friends" feature: If you choose to invite someone to the Service through our "Invite friends" feature, you may select a person directly from the contacts list on your device and send a text or email from your personal account. You understand and agree that you are responsible for any charges that apply to communications sent from your device, and because this invitation is coming directly from your personal account, Instagram does not have access to or control this communication.

### Analytics information:

 We use third-party analytics tools to help us measure traffic and usage trends for the Service. These tools collect information sent by your device or our Service, including the web pages you visit, add-ons, and other information that assists us in improving the Service. We collect and use this analytics information with analytics information from other Users so that it cannot reasonably be used to identify any particular individual User.

### Cookies and similar technologies:

- When you visit the Service, we may use cookies and similar technologies like pixels, web beacons, and local storage to collect information about how you use instagram and provide features to you.
- We may ask advertisers or other partners to serve ads or services to your devices, which may use cookies or similar technologies placed by us or the third party.
- · More information is available in our About Cookies section

#### Log file information:

Log file information is automatically reported by your browser each time you make a request to access (i.e., visit) a web page or app. It can also be provided when the content of the webpage or app is downloaded to your browser or device.

• When you use our Service, our servers automatically record certain log file information, including your web request, Internet Protocol ("IP") address, browser type, referring / exit pages and URLs, number of clicks and how you interact with links on the Service, domain names, landing pages, pages viewed, and other such information. We may also collect similar information from emails sent to our Users which then help us track which emails are opened and which links are clicked by recipients. The information allows for more accurate reporting and improvement of the Service.

#### Device identifiers:

- When you use a mobile device like a tablet or phone to access our Service, we may access, collect, monitor, store on your device, and/or remotely store one or more "device identifiers." Device identifiers are small data files or similar data structures stored on or associated with your mobile device, which uniquely identify your mobile device. A device identifier may be data stored in connection with the device hardware, data stored in connection with the device's operating system or other software, or data sent to the device by Instagram.
- A device identifier may deliver information to us or to a third party partner about how you browse and use the Service and may
  help us or others provide reports or personalized content and ads. Some features of the Service may not function properly if use
  or availability of device identifiers is impaired or disabled.

#### Metadata:

- Metadata is usually technical data that is associated with User Content. For example, Metadata can describe how, when and by whom a piece of User Content was collected and how that content is formatted.
- Users can add or may have Metadata added to their User Content including a hashtag (e.g., to mark keywords when you post a photo), geotag (e.g., to mark your location to a photo), comments or other data. This makes your User Content more searchable by others and more interactive. If you geotag your photo or tag your photo using other's APis then, your latitude and longitude will be stored with the photo and searchable (e.g., through a location or map feature) if your photo is made public by you in accordance with your privacy settings.

#### 2. HOW WE USE YOUR INFORMATION

In addition to some of the specific uses of information we describe in this Privacy Policy, we may use information that we receive to:

- help you efficiently access your information after you sign in
- · remember information so you will not have to re-enter it during your visit or the next time you visit the Service;
- provide personalized content and information to you and others, which could include online ads or other forms of marketing
- · provide, improve, test, and monitor the effectiveness of our Service
- develop and test new products and features
- monitor metrics such as total number of visitors, traffic, and demographic patterns
- diagnose or fix technology problems
- automatically update the Instagram application on your device Instagram or other Users may run contests, special offers or other
  events or activities ("Events") on the Service. If you do not want to participate in an Event, do not use the particular Metadata (i.e.
  hashtag or geotag) associated with that Event.

### 3. SHARING OF YOUR INFORMATION

We will not rent or sell your information to third parties outside Instagram (or the group of companies of which Instagram is a part) without your consent, except as noted in this Policy.

### Parties with whom we may share your information:

• We may share User Content and your information (including but not limited to, information from cookies, log files, device identifiers, location data, and usage data) with businesses that are legally part of the same group of companies that Instagram is part of, or that become part of that group ("Affiliates"). Affiliates may use this information to help provide, understand, and improve the Service (including by providing analytics) and Affiliates' own services (including by providing you with better and more relevant experiences). But these Affiliates will honor the choices you make about who can see your photos.

- We also may share your information as well as information from tools like cookies, log files, and device identifiers and location data, with third-party organizations that help us provide the Service to you ("Service Providers"). Our Service Providers will be given access to your information as is reasonably necessary to provide the Service under reasonable confidentiality terms.
- We may also share certain information such as cookie data with third-party advertising partners. This information would allow third-party ad networks to, among other things, deliver targeted advertisements that they believe will be of most interest to you.
- We may remove parts of data that can identify you and share anonymized data with other parties. We may also combine your
  information with other information in a way that it is no longer associated with you and share that aggregated information.

### Parties with whom you may choose to share your User Content:

- Any information or content that you voluntarily disclose for posting to the Service, such as User Content, becomes available to the public, as controlled by any applicable privacy settings that you set. To change your privacy settings on the Service, please change your profile setting. Once you have shared User Content or made it public, that User Content may be re-shared by others.
- Subject to your profile and privacy settings, any User Content that you make public is searchable by other Users and subject to
  use under our Instagram API. The use of the Instagram API is subject to the API Terms of Use which incorporates the terms of
  this Privacy Policy.
- If you remove information that you posted to the Service, copies may remain viewable in cached and archived pages of the Service, or if other Users or third parties using the Instagram API have copied or saved that information.

### What happens in the event of a change of control:

• If we sell or otherwise transfer part or the whole of Instagram or our assets to another organization (e.g., in the course of a transaction like a merger, acquisition, bankruptcy, dissolution, liquidation), your information such as name and email address, User Content and any other information collected through the Service may be among the items sold or transferred. You will continue to own your User Content. The buyer or transferee will have to honor the commitments we have made in this Privacy Policy.

#### Responding to legal requests and preventing harm:

• We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoena) if we have a good faith belief that the law requires us to do so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good faith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or obligation, governmental investigation, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm.

### 4. HOW WE STORE YOUR INFORMATION

### Storage and Processing:

- Your information collected through the Service may be stored and processed in the United States or any other country in which Instagram, its Affiliates or Service Providers maintain facilities.
- Instagram, its Affiliates, or Service Providers may transfer information that we collect about you, including personal information across borders and from your country or jurisdiction to other countries or jurisdictions around the world. If you are located in the European Union or other regions with laws governing data collection and use that may differ from U.S. law, please note that we may transfer information, including personal information, to a country and jurisdiction that does not have the same data protection laws as your jurisdiction.
- By registering for and using the Service you consent to the transfer of information to the U.S. or to any other country in which Instagram, its Affiliates or Service Providers maintain facilities and the use and disclosure of information about you as described

in this Privacy Policy.

- We use commercially reasonable safeguards to help keep the information collected through the Service secure and take reasonable steps (such as requesting a unique password) to verify your identity before granting you access to your account. However, Instagram cannot ensure the security of any information you transmit to Instagram or guarantee that information on the Service may not be accessed, disclosed, altered, or destroyed.
- Please do your part to help us. You are responsible for maintaining the secrecy of your unique password and account information, and for controlling access to emails between you and Instagram, at all times. Your privacy settings may also be affected by changes the social media services you connect to Instagram make to their services. We are not responsible for the functionality, privacy, or security measures of any other organization.

#### 5. YOUR CHOICES ABOUT YOUR INFORMATION

### Your account information and profile/privacy settings:

- Update your account at any time by logging in and changing your profile settings.
- Unsubscribe from email communications from us by clicking on the "unsubscribe link" provided in such communications. As noted
  above, you may not opt out of Service-related communications (e.g., account verification, purchase and billing confirmations and
  reminders, changes/updates to features of the Service, technical and security notices).
- If you have any questions about reviewing or modifying your account information, please contact us directly at support@instagram.com.

### How long we keep your User Content:

- Following termination or deactivation of your account, Instagram, its Affiliates, or its Service Providers may retain information (including your profile information) and User Content for a commercially reasonable time for backup, archival, and/or audit purposes.
- If you have any questions about termination or deactivation of your account, please contact us directly at support@instagram.com.

### 6. CHILDREN'S PRIVACY

Instagram does not knowingly collect or solicit any information from anyone under the age of 13 or knowingly allow such persons to register for the Service. The Service and its content are not directed at children under the age of 13. In the event that we learn that we have collected personal information from a child under age 13 without parental consent, we will delete that information as quickly as possible. If you believe that we might have any information from or about a child under 13, please contact us at support@instagram.com.

### 7. OTHER WEB SITES AND SERVICES

We are not responsible for the practices employed by any websites or services linked to or from our Service, including the information or content contained within them. Please remember that when you use a link to go from our Service to another website or service, our Privacy Policy does not apply to those third-party websites or services. Your browsing and interaction on any third-party website or service, including those that have a link on our website, are subject to that third party's own rules and policies. In addition, you agree that we are not responsible and do not have control over any third-parties that you authorize to access your User Content. If you are using a third-party website or service and you allow them to access your User Content you do so at your own risk.

#### 8. HOW TO CONTACT US ABOUT A DECEASED USER

In the event of the death of an Instagram User, please send us an email to the following email address: support@instagram.com. We will usually conduct our communication via email; should we require any other information, we will contact you at the email address you have provided in your request.

#### 9. HOW TO CONTACT US

If you have any questions about this Privacy Policy or the Service, please contact us at support@instagram.com.

#### 10. CHANGES TO OUR PRIVACY POLICY

instagram may modify or update this Privacy Policy from time to time, so please review it periodically. We may provide you additional forms of notice of modifications or updates as appropriate under the circumstances. Your continued use of Instagram or the Service after any modification to this Privacy Policy will constitute your acceptance of such modification.

YOUR ACCOUNT: ABOUT US: SUPPORT: BLOG: API: JOBS: PRIVACY: TERMS

© 2012 MSTAGRAM

# Terms of Use

We are updating our Terms of Use: Our updated Terms of Use will be effective on January 16, 2013.

By using the instagr.am/instagram.com website and Instagram service you are agreeing to be bound by the following terms and conditions ("Terms of Use").

### **Basic Terms**

- 1. You must be 13 years or older to use this site.
- 2. You may not post nude, partially nude, or sexually suggestive photos.
- 3. You are responsible for any activity that occurs under your screen name.
- 4. You are responsible for keeping your password secure.
- 5. You must not abuse, harass, threaten, impersonate or intimidate other Instagram users.
- You may not use the Instagram service for any illegal or unauthorized purpose. International users agree to comply with all local laws regarding online conduct and acceptable content.
- 7. You are solely responsible for your conduct and any data, text, information, screen names, graphics, photos, profiles, audio and video clips, links ("Content") that you submit, post, and display on the Instagram service.
- 8. You must not modify, adapt or hack Instagram or modify another website so as to falsely imply that it is associated with Instagram.
- 9. You must not access Instagram's private API by any other means other than the Instagram application itself.
- You must not crawl, scrape, or otherwise cache any content from Instagram including but not limited to user profiles and photos.
- You must not create or submit unwanted email or comments to any Instagram members ("Spam").
- 12. You must not use web URLs in your name without prior written consent from Instagram, inc.
- You must not transmit any worms or viruses or any code of a destructive nature.
- 14. You must not, in the use of Instagram, violate any laws in your jurisdiction (including but not limited to copyright laws).
- 15. Violation of any of these agreements will result in the termination of your Instagram account. While Instagram prohibits such conduct and content on its site, you understand and agree that Instagram cannot be responsible for the Content posted on its web site and you nonetheless may be exposed to such materials and that you use the Instagram service at your own risk.

#### General Conditions

- 1. We reserve the right to modify or terminate the Instagram service for any reason, without notice at any time.
- 2. We reserve the right to alter these Terms of Use at any time. If the alterations constitute a material change to the Terms of Use, we will notify you via internet mail according to the preference expressed on your account. What constitutes a "material change" will be determined at our sole discretion, in good faith and using common sense and reasonable judgement.
- 3. We reserve the right to refuse service to anyone for any reason at any time.
- 4. We reserve the right to force forfeiture of any username that becomes inactive, violates trademark, or may

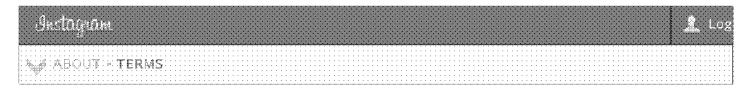
mislead other users.

- We may, but have no obligation to, remove Content and accounts containing Content that we determine in our sole discretion are unlawful, offensive, threatening, libelous, defamatory, obscene or otherwise objectionable or violates any party's intellectual property or these Terms of Use.
- We reserve the right to reclaim usernames on behalf of businesses or individuals that hold legal claim or trademark on those usernames.

## Proprietary Rights in Content on Instagram

- 1. Instagram does NOT claim ANY ownership rights in the text, files, images, photos, video, sounds, musical works, works of authorship, applications, or any other materials (collectively, "Content") that you post on or through the Instagram Services. By displaying or publishing ("posting") any Content on or through the Instagram Services, you hereby grant to Instagram a non-exclusive, fully paid and royalty-free, worldwide, limited license to use, modify, delete from, add to, publicly perform, publicly display, reproduce and translate such Content, including without limitation distributing part or all of the Site in any media formats through any media channels, except Content not shared publicly ("private") will not be distributed outside the Instagram Services.
- 2. Some of the Instagram Services are supported by advertising revenue and may display advertisements and promotions, and you hereby agree that Instagram may place such advertising and promotions on the Instagram Services or on, about, or in conjunction with your Content. The manner, mode and extent of such advertising and promotions are subject to change without specific notice to you.
- 3. You represent and warrant that: (i) you own the Content posted by you on or through the Instagram Services or otherwise have the right to grant the license set forth in this section, (ii) the posting and use of your Content on or through the Instagram Services does not violate the privacy rights, publicity rights, copyrights, contract rights, intellectual property rights or any other rights of any person, and (iii) the posting of your Content on the Site does not result in a breach of contract between you and a third party. You agree to pay for all royalties, fees, and any other monies owing any person by reason of Content you post on or through the Instagram Services.
- 4. The Instagram Services contain Content of Instagram ("Instagram Content"). Instagram Content is protected by copyright, trademark, patent, trade secret and other laws, and Instagram owns and retains all rights in the Instagram Content and the Instagram Services. Instagram hereby grants you a limited, revocable, nonsublicensable license to reproduce and display the Instagram Content (excluding any software code) solely for your personal use in connection with viewing the Site and using the Instagram Services.
- 5. The Instagram Services contain Content of Users and other Instagram licensors. Except as provided within this Agreement, you may not copy, modify, translate, publish, broadcast, transmit, distribute, perform, display, or sell any Content appearing on or through the Instagram Services.
- 6. Instagram performs technical functions necessary to offer the Instagram Services, including but not limited to transcoding and/or reformatting Content to allow its use throughout the Instagram Services.
- 7. Although the Site and other Instagram Services are normally available, there will be occasions when the Site or other Instagram Services will be interrupted for scheduled maintenance or upgrades, for emergency repairs, or due to failure of telecommunications links and equipment that are beyond the control of Instagram. Also, although Instagram will normally only delete Content that violates this Agreement, Instagram reserves the right to delete any Content for any reason, without prior notice. Deleted content may be stored by Instagram in order to comply with certain legal obligations and is not retrievable without a valid court order. Consequently, Instagram encourages you to maintain your own backup of your Content. In other words, Instagram is not a backup service. Instagram will not be liable to you for any modification, suspension, or

Terms of Use • Instagram		
	discontinuation of the Instagram Services, or the loss of any Content.	



## Terms of Use

These Terms of Use are effective on January 16, 2013. To access our previous Terms of Use, please click here.

By accessing or using the Instagram website, the Instagram service, or any applications (including mobile applications) made available by Instagram (together, the "Service"), however accessed, you agree to be bound by these terms of use ("Terms of Use"). The Service is owned or controlled by Instagram, LLC ("Instagram"). These Terms of Use affect your legal rights and obligations. If you do not agree to be bound by all of these Terms of Use, do not access or use the Service.

There may be times when we offer a special feature that has its own terms and conditions that apply in addition to these Terms of Use. In those cases, the terms specific to the special feature control to the extent there is a conflict with these Terms of Use.

ARBITRATION NOTICE: EXCEPT IF YOU OPT-OUT AND EXCEPT FOR CERTAIN TYPES OF DISPUTES DESCRIBED IN THE ARBITRATION SECTION BELOW, YOU AGREE THAT DISPUTES BETWEEN YOU AND INSTAGRAM WILL BE RESOLVED BY BINDING, INDIVIDUAL ARBITRATION AND YOU WAIVE YOUR RIGHT TO PARTICIPATE IN A CLASS ACTION LAWSUIT OR CLASS-WIDE ARBITRATION.

## **Basic Terms**

- 1. You must be at least 13 years old to use the Service.
- 2. You may not post violent, nude, partially nude, discriminatory, unlawful, infringing, hateful, pornographic or sexually suggestive photos or other content via the Service.
- 3. You are responsible for any activity that occurs through your account and you agree you will not sell, transfer, license or assign your account, followers, username, or any account rights. With the exception of people or businesses that are expressly authorized to create accounts on behalf of their employers or clients, instagram prohibits the creation of and you agree that you will not create an account for anyone other than yourself. You also represent that all information you provide or provided to instagram upon registration and at all other times will be true, accurate, current and complete and you agree to update your information as necessary to maintain its truth and accuracy.
- 4. You agree that you will not solicit, collect or use the login credentials of other Instagram users.
- 5. You are responsible for keeping your password secret and secure.
- 6. You must not defame, stalk, bully, abuse, harass, threaten, impersonate or intimidate people or entities and you must not post private or confidential information via the Service, including, without limitation, your or any other person's credit card information, social security or alternate national identity numbers, non-public phone numbers or non-public email addresses.
- 7. You may not use the Service for any illegal or unauthorized purpose. You agree to comply with all laws, rules and regulations (for example, federal, state, local and provincial) applicable to your use of the Service and your Content (defined below), including but not limited to, copyright laws.
- 8. You are solely responsible for your conduct and any data, text, files, information, usernames, images, graphics, photos, profiles, audio and video clips, sounds, musical works, works of authorship, applications, links and other content or materials (collectively, "Content") that you submit, post or display on or via the Service.
- 9. You must not change, modify, adapt or alter the Service or change, modify or alter another website so as to falsely imply that it is associated with the Service or Instagram.
- 10. You must not access instagram's private API by means other than those permitted by Instagram. Use of Instagram's API is subject to a separate set of terms available here: http://instagram.com/about/legal/terms/api/ ("API Terms").
- 11. You must not create or submit unwanted email, comments, likes or other forms of commercial or harassing communications (a/k/a "spam") to any instagram users.

- 12. You must not use domain names or web URLs in your username without prior written consent from instagram.
- 13. You must not interfere or disrupt the Service or servers or networks connected to the Service, including by transmitting any worms, viruses, spyware, malware or any other code of a destructive or disruptive nature. You may not inject content or code or otherwise alter or interfere with the way any Instagram page is rendered or displayed in a user's browser or device.
- 14. You must comply with Instagram's Community Guidelines, available here: http://help.instagram.com/customer/portal/articles/262387-community-guidelines.
- 15. You must not create accounts with the Service through unauthorized means, including but not limited to, by using an automated device, script, bot, spider, crawler or scraper.
- 16. You must not attempt to restrict another user from using or enjoying the Service and you must not encourage or facilitate violations of these Terms of Use or any other Instagram terms.
- 17. Violation of these Terms of Use may, in Instagram's sole discretion, result in termination of your Instagram account. You understand and agree that Instagram cannot and will not be responsible for the Content posted on the Service and you use the Service at your own risk. If you violate the letter or spirit of these Terms of Use, or otherwise create risk or possible legal exposure for Instagram, we can stop providing all or part of the Service to you.

## **General Conditions**

- 1. We reserve the right to modify or terminate the Service or your access to the Service for any reason, without notice, at any time, and without liability to you. You can deactivate your Instagram account by logging into the Service and completing the form available here: https://instagram.com/accounts/remove/request/. If we terminate your access to the Service or you use the form detailed above to deactivate your account, your photos, comments, likes, friendships, and all other data will no longer be accessible through your account (e.g., users will not be able to navigate to your username and view your photos), but those materials and data may persist and appear within the Service (e.g., if your Content has been reshared by others).
- 2. Upon termination, all licenses and other rights granted to you in these Terms of Use will immediately cease.
- 3. We reserve the right, in our sole discretion, to change these Terms of Use ("Updated Terms") from time to time. Unless we make a change for legal or administrative reasons, we will provide reasonable advance notice before the Updated Terms become effective. You agree that we may notify you of the Updated Terms by posting them on the Service, and that your use of the Service after the effective date of the Updated Terms (or engaging in such other conduct as we may reasonably specify) constitutes your agreement to the Updated Terms. Therefore, you should review these Terms of Use and any Updated Terms before using the Service. The Updated Terms will be effective as of the time of posting, or such later date as may be specified in the Updated Terms, and will apply to your use of the Service from that point forward. These Terms of Use will govern any disputes arising before the effective date of the Updated Terms.
- 4. We reserve the right to refuse access to the Service to anyone for any reason at any time.
- 5. We reserve the right to force forfeiture of any username for any reason.
- 6. We may, but have no obligation to, remove, edit, block, and/or monitor Content or accounts containing Content that we determine in our sole discretion violates these Terms of Use.
- 7. You are solely responsible for your interaction with other users of the Service, whether online or offline. You agree that Instagram is not responsible or liable for the conduct of any user. Instagram reserves the right, but has no obligation, to monitor or become involved in disputes between you and other users. Exercise common sense and your best judgment when interacting with others, including when you submit or post Content or any personal or other information.
- 8. There may be links from the Service, or from communications you receive from the Service, to third-party web sites or features. There may also be links to third-party web sites or features in images or comments within the Service. The Service also includes third-party content that we do not control, maintain or endorse. Functionality on the Service may also permit interactions between the Service and a third-party web site or feature, including applications that connect the Service or your profile on the Service with a third-party web site or feature. For example, the Service may include a feature that enables you to share Content from the Service or your Content with a third party, which may be publicly posted on that third party's service or application. Using this functionality typically requires you to login to your account on the third-party service and you do so at your own risk. Instagram does not control any of these third-party web services or any of their content. You expressly acknowledge and agree that Instagram is in no way responsible or liable for any such third-party services or features. YOUR CORRESPONDENCE AND

BUSINESS DEALINGS WITH THIRD PARTIES FOUND THROUGH THE SERVICE ARE SOLELY BETWEEN YOU AND THE THIRD PARTY. You may choose, at your sole and absolute discretion and risk, to use applications that connect the Service or your profile on the Service with a third-party service (each, an "Application") and such Application may interact with, connect to or gather and/or pull information from and to your Service profile. By using such Applications, you acknowledge and agree to the following: (i) if you use an Application to share information, you are consenting to information about your profile on the Service being shared; (ii) your use of an Application may cause personally identifying information to be publicly disclosed and/or associated with you, even if Instagram has not itself provided such information; and (iii) your use of an Application is at your own option and risk, and you will hold the Instagram Parties (defined below) harmless for activity related to the Application.

- 9. You agree that you are responsible for all data charges you incur through use of the Service.
- 10. We prohibit crawling, scraping, caching or otherwise accessing any content on the Service via automated means, including but not limited to, user profiles and photos (except as may be the result of standard search engine protocols or technologies used by a search engine with Instagram's express consent).

## Rights

- Instagram does not claim ownership of any Content that you post on or through the Service. Instead, you hereby grant to
  Instagram a non-exclusive, fully paid and royalty-free, transferable, sub-licensable, worldwide license to use the Content that you
  post on or through the Service, except that you can control who can view certain of your Content and activities on the Service as
  described in the Service's Privacy Policy, available here: http://instagram.com/legal/privacy/.
- 2. Some or all of the Service may be supported by advertising revenue. To help us deliver interesting paid or sponsored content or promotions, you agree that a business or other entity may pay us to display your username, likeness, photos (along with any associated metadata), and/or actions you take, in connection with paid or sponsored content or promotions, without any compensation to you. If you are under the age of eighteen (18), or under any other applicable age of majority, you represent that at least one of your parents or legal guardians has also agreed to this provision (and the use of your name, likeness, username, and/or photos (along with any associated metadata)) on your behalf.
- 3. You acknowledge that we may not always identify paid services, sponsored content, or commercial communications as such.
- 4. You represent and warrant that: (i) you own the Content posted by you on or through the Service or otherwise have the right to grant the rights and licenses set forth in these Terms of Use; (ii) the posting and use of your Content on or through the Service does not violate, misappropriate or infringe on the rights of any third party, including, without limitation, privacy rights, publicity rights, copyrights, trademark and/or other intellectual property rights; (iii) you agree to pay for all royalties, fees, and any other monies owed by reason of Content you post on or through the Service; and (iv) you have the legal right and capacity to enter into these Terms of Use in your jurisdiction.
- 5. The Service contains content owned or licensed by Instagram ("Instagram Content"). Instagram Content is protected by copyright, trademark, patent, trade secret and other laws, and, as between you and Instagram, Instagram owns and retains all rights in the Instagram Content and the Service. You will not remove, alter or conceal any copyright, trademark, service mark or other proprietary rights notices incorporated in or accompanying the Instagram Content and you will not reproduce, modify, adapt, prepare derivative works based on, perform, display, publish, distribute, transmit, broadcast, sell, license or otherwise exploit the Instagram Content.
- 6. The Instagram name and logo are trademarks of Instagram, and may not be copied, imitated or used, in whole or in part, without the prior written permission of Instagram, except in accordance with our brand guidelines, available here: http://help.instagram.com/customer/portal/articles/182487. In addition, all page headers, custom graphics, button icons and scripts are service marks, trademarks and/or trade dress of Instagram, and may not be copied, imitated or used, in whole or in part, without prior written permission from Instagram.
- 7. Although it is Instagram's intention for the Service to be available as much as possible, there will be occasions when the Service may be interrupted, including, without limitation, for scheduled maintenance or upgrades, for emergency repairs, or due to failure of telecommunications links and/or equipment. Also, instagram reserves the right to remove any Content from the Service for any reason, without prior notice. Content removed from the Service may continue to be stored by Instagram, including, without limitation, in order to comply with certain legal obligations, but may not be retrievable without a valid court order. Consequently, Instagram encourages you to maintain your own backup of your Content. In other words, Instagram is not a backup service and you agree that you will not rely on the Service for the purposes of Content backup or storage. Instagram will not be liable to you

for any modification, suspension, or discontinuation of the Services, or the loss of any Content. You also acknowledge that the internet may be subject to breaches of security and that the submission of Content or other information may not be secure.

- 8. You agree that Instagram is not responsible for, and does not endorse, Content posted within the Service. Instagram does not have any obligation to prescreen, monitor, edit, or remove any Content. If your Content violates these Terms of Use, you may bear legal responsibility for that Content.
- 9. Except as otherwise described in the Service's Privacy Policy, available at http://instagram.com/legal/privacy/, as between you and instagram, any Content will be non-confidential and non-proprietary and we will not be liable for any use or disclosure of Content. You acknowledge and agree that your relationship with Instagram is not a confidential, fiduciary, or other type of special relationship, and that your decision to submit any Content does not place Instagram in a position that is any different from the position held by members of the general public, including with regard to your Content. None of your Content will be subject to any obligation of confidence on the part of Instagram, and Instagram will not be liable for any use or disclosure of any Content you provide.
- 10. It is Instagram's policy not to accept or consider content, information, ideas, suggestions or other materials other than those we have specifically requested and to which certain specific terms, conditions and requirements may apply. This is to avoid any misunderstandings if your ideas are similar to those we have developed or are developing independently. Accordingly, Instagram does not accept unsolicited materials or ideas, and takes no responsibility for any materials or ideas so transmitted. If, despite our policy, you choose to send us content, information, ideas, suggestions, or other materials, you further agree that Instagram is free to use any such content, information, ideas, suggestions or other materials, for any purposes whatsoever, including, without limitation, developing and marketing products and services, without any liability or payment of any kind to you.

## Reporting Copyright and Other IP Violations

- 1. We respect other people's rights, and expect you to do the same.
- 2. We provide you with tools to help you protect your intellectual property rights. To learn more about how to report claims of intellectual property infringement, visit: http://help.instagram.com/customer/portal/articles/270501.
- 3. If you repeatedly infringe other people's intellectual property rights, we will disable your account when appropriate.

## Disclaimer of Warranties

THE SERVICE, INCLUDING, WITHOUT LIMITATION, INSTAGRAM CONTENT, IS PROVIDED ON AN "AS IS", "AS AVAILABLE" AND "WITH ALL FAULTS" BASIS. TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER INSTAGRAM NOR ITS PARENT COMPANY NOR ANY OF THEIR EMPLOYEES, MANAGERS, OFFICERS OR AGENTS (COLLECTIVELY, THE "INSTAGRAM PARTIES") MAKE ANY REPRESENTATIONS OR WARRANTIES OR ENDORSEMENTS OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AS TO: (A) THE SERVICE; (B) THE INSTAGRAM CONTENT; (C) USER CONTENT; OR (D) SECURITY ASSOCIATED WITH THE TRANSMISSION OF INFORMATION TO INSTAGRAM OR VIA THE SERVICE. IN ADDITION, THE INSTAGRAM PARTIES HEREBY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, TITLE, CUSTOM, TRADE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND FREEDOM FROM COMPUTER VIRUS.

THE INSTAGRAM PARTIES DO NOT REPRESENT OR WARRANT THAT THE SERVICE WILL BE ERROR-FREE OR UNINTERRUPTED; THAT DEFECTS WILL BE CORRECTED; OR THAT THE SERVICE OR THE SERVER THAT MAKES THE SERVICE AVAILABLE IS FREE FROM ANY HARMFUL COMPONENTS, INCLUDING, WITHOUT LIMITATION, VIRUSES. THE INSTAGRAM PARTIES DO NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT THE INFORMATION (INCLUDING ANY INSTRUCTIONS) ON THE SERVICE IS ACCURATE, COMPLETE, OR USEFUL. YOU ACKNOWLEDGE THAT YOUR USE OF THE SERVICE IS AT YOUR SOLE RISK. THE INSTAGRAM PARTIES DO NOT WARRANT THAT YOUR USE OF THE SERVICE IS LAWFUL IN ANY PARTICULAR JURISDICTION, AND THE INSTAGRAM PARTIES SPECIFICALLY DISCLAIM SUCH WARRANTIES. SOME JURISDICTIONS LIMIT OR DO NOT ALLOW THE DISCLAIMER OF IMPLIED OR OTHER WARRANTIES SO THE ABOVE DISCLAIMER MAY NOT APPLY TO YOU TO THE EXTENT SUCH JURISDICTION'S LAW IS APPLICABLE TO YOU AND THESE TERMS OF USE.

BY ACCESSING OR USING THE SERVICE YOU REPRESENT AND WARRANT THAT YOUR ACTIVITIES ARE LAWFUL IN EVERY JURISDICTION WHERE YOU ACCESS OR USE THE SERVICE.

THE INSTAGRAM PARTIES DO NOT ENDORSE CONTENT AND SPECIFICALLY DISCLAIM ANY RESPONSIBILITY OR LIABILITY TO ANY PERSON OR ENTITY FOR ANY LOSS, DAMAGE (WHETHER ACTUAL, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURY, CLAIM, LIABILITY OR OTHER CAUSE OF ANY KIND OR CHARACTER BASED UPON OR RESULTING FROM ANY CONTENT.

# Limitation of Liability; Waiver

UNDER NO CIRCUMSTANCES WILL THE INSTAGRAM PARTIES BE LIABLE TO YOU FOR ANY LOSS OR DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, FOR ANY DIRECT, INDIRECT, ECONOMIC, EXEMPLARY, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES) THAT ARE DIRECTLY OR INDIRECTLY RELATED TO: (A) THE SERVICE; (B) THE INSTAGRAM CONTENT; (C) USER CONTENT; (D) YOUR USE OF, INABILITY TO USE, OR THE PERFORMANCE OF THE SERVICE; (E) ANY ACTION TAKEN IN CONNECTION WITH AN INVESTIGATION BY THE INSTAGRAM PARTIES OR LAW ENFORCEMENT AUTHORITIES REGARDING YOUR OR ANY OTHER PARTY'S USE OF THE SERVICE: (F) ANY ACTION TAKEN IN CONNECTION WITH COPYRIGHT OR OTHER INTELLECTUAL PROPERTY OWNERS; (G) ANY ERRORS OR OMISSIONS IN THE SERVICE'S OPERATION; OR (H) ANY DAMAGE TO ANY USER'S COMPUTER, MOBILE DEVICE, OR OTHER EQUIPMENT OR TECHNOLOGY INCLUDING, WITHOUT LIMITATION, DAMAGE FROM ANY SECURITY BREACH OR FROM ANY VIRUS, BUGS, TAMPERING, FRAUD, ERROR, OMISSION, INTERRUPTION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMPUTER LINE OR NETWORK FAILURE OR ANY OTHER TECHNICAL OR OTHER MALFUNCTION, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, LOSS OF GOODWILL, LOSS OF DATA. WORK STOPPAGE, ACCURACY OF RESULTS, OR COMPUTER FAILURE OR MALFUNCTION, EVEN IF FORESEEABLE OR EVEN IF THE INSTAGRAM PARTIES HAVE BEEN ADVISED OF OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR TORT (INCLUDING, WITHOUT LIMITATION, WHETHER CAUSED IN WHOLE OR IN PART BY NEGLIGENCE, ACTS OF GOD, TELECOMMUNICATIONS FAILURE, OR THEFT OR DESTRUCTION OF THE SERVICE). IN NO EVENT WILL THE INSTAGRAM PARTIES BE LIABLE TO YOU OR ANYONE ELSE FOR LOSS, DAMAGE OR INJURY, INCLUDING, WITHOUT LIMITATION, DEATH OR PERSONAL INJURY, SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES. SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. IN NO EVENT WILL THE INSTAGRAM PARTIES TOTAL LIABILITY TO YOU FOR ALL DAMAGES, LOSSES OR CAUSES OR ACTION EXCEED ONE HUNDRED UNITED STATES DOLLARS (\$100.00).

YOU AGREE THAT IN THE EVENT YOU INCUR ANY DAMAGES, LOSSES OR INJURIES THAT ARISE OUT OF INSTAGRAM'S ACTS OR OMISSIONS, THE DAMAGES, IF ANY, CAUSED TO YOU ARE NOT IRREPARABLE OR SUFFICIENT TO ENTITLE YOU TO AN INJUNCTION PREVENTING ANY EXPLOITATION OF ANY WEB SITE, SERVICE, PROPERTY, PRODUCT OR OTHER CONTENT OWNED OR CONTROLLED BY THE INSTAGRAM PARTIES, AND YOU WILL HAVE NO RIGHTS TO ENJOIN OR RESTRAIN THE DEVELOPMENT, PRODUCTION, DISTRIBUTION, ADVERTISING, EXHIBITION OR EXPLOITATION OF ANY WEB SITE, PROPERTY, PRODUCT, SERVICE, OR OTHER CONTENT OWNED OR CONTROLLED BY THE INSTAGRAM PARTIES.

BY ACCESSING THE SERVICE, YOU UNDERSTAND THAT YOU MAY BE WAIVING RIGHTS WITH RESPECT TO CLAIMS THAT ARE AT THIS TIME UNKNOWN OR UNSUSPECTED, AND IN ACCORDANCE WITH SUCH WAIVER, YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND, AND HEREBY EXPRESSLY WAIVE, THE BENEFITS OF SECTION 1542 OF THE CIVIL CODE OF CALIFORNIA, AND ANY SIMILAR LAW OF ANY STATE OR TERRITORY, WHICH PROVIDES AS FOLLOWS: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

INSTAGRAM IS NOT RESPONSIBLE FOR THE ACTIONS, CONTENT, INFORMATION, OR DATA OF THIRD PARTIES, AND YOU RELEASE US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM ANY CLAIMS AND DAMAGES, KNOWN AND UNKNOWN, ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY CLAIM YOU HAVE AGAINST ANY SUCH THIRD PARTIES.

## Indemnification

You (and also any third party for whom you operate an account or activity on the Service) agree to defend (at Instagram's request),

indemnify and hold the Instagram Parties harmless from and against any claims, liabilities, damages, losses, and expenses, including without limitation, reasonable attorney's fees and costs, arising out of or in any way connected with any of the following (including as a result of your direct activities on the Service or those conducted on your behalf): (i) your Content or your access to or use of the Service; (ii) your breach or alleged breach of these Terms of Use; (iii) your violation of any third-party right, including without limitation, any intellectual property right, publicity, confidentiality, property or privacy right; (iv) your violation of any laws, rules, regulations, codes, statutes, ordinances or orders of any governmental and quasi-governmental authorities, including, without limitation, all regulatory, administrative and legislative authorities; or (v) any misrepresentation made by you. You will cooperate as fully required by instagram in the defense of any claim. Instagram reserves the right to assume the exclusive defense and control of any matter subject to indemnification by you, and you will not in any event settle any claim without the prior written consent of Instagram.

## Arbitration

Except if you opt-out or for disputes relating to: (1) your or Instagram's intellectual property (such as trademarks, trade dress, domain names, trade secrets, copyrights and patents); (2) violations of the API Terms; or (3) violations of provisions 13 or 15 of the Basic Terms, above ("Excluded Disputes"), you agree that all disputes between you and Instagram (whether or not such dispute involves a third party) with regard to your relationship with Instagram, including without limitation disputes related to these Terms of Use, your use of the Service, and/or rights of privacy and/or publicity, will be resolved by binding, individual arbitration under the American Arbitration Association's rules for arbitration of consumer-related disputes and you and Instagram hereby expressly waive trial by jury. As an alternative, you may bring your claim in your local "small claims" court, if permitted by that small claims court's rules. You may bring claims only on your own behalf. Neither you nor Instagram will participate in a class action or class-wide arbitration for any claims covered by this agreement. You also agree not to participate in claims brought in a private attorney general or representative capacity, or consolidated claims involving another person's account, if Instagram is a party to the proceeding. This dispute resolution provision will be governed by the Federal Arbitration Act. In the event the American Arbitration Association is unwilling or unable to set a hearing date within one hundred and sixty (160) days of filing the case, then either Instagram or you can elect to have the arbitration administered instead by the Judicial Arbitration and Mediation Services. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. Any provision of applicable law notwithstanding, the arbitrator will not have authority to award damages, remedies or awards that conflict with these Terms of Use.

You may opt out of this agreement to arbitrate. If you do so, neither you nor Instagram can require the other to participate in an arbitration proceeding. To opt out, you must notify Instagram in writing within 30 days of the date that you first became subject to this arbitration provision. You must use this address to opt out:

Instagram, LLC ATTN: Arbitration Opt-out 1601 Willow Rd. Menlo Park, CA 94025

You must include your name and residence address, the email address you use for your Instagram account, and a clear statement that you want to opt out of this arbitration agreement.

If the prohibition against class actions and other claims brought on behalf of third parties contained above is found to be unenforceable, then all of the preceding language in this Arbitration section will be null and void. This arbitration agreement will survive the termination of your relationship with Instagram.

## Time Limitation on Claims

You agree that any claim you may have arising out of or related to your relationship with Instagram must be filed within one year after such claim arose; otherwise, your claim is permanently barred.

## Governing Law & Venue

These Terms of Use are governed by and construed in accordance with the laws of the State of California, without giving effect to any principles of conflicts of law AND WILL SPECIFICALLY NOT BE GOVERNED BY THE UNITED NATIONS CONVENTIONS ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS, IF OTHERWISE APPLICABLE. For any action at law or in equity relating to the arbitration provision of these Terms of Use, the Excluded Disputes or if you opt out of the agreement to arbitrate, you agree to resolve any dispute you have with Instagram exclusively in a state or federal court located in Santa Clara, California, and to

submit to the personal jurisdiction of the courts located in Santa Clara County for the purpose of litigating all such disputes.

If any provision of these Terms of Use is held to be unlawful, void, or for any reason unenforceable during arbitration or by a court of competent jurisdiction, then that provision will be deemed severable from these Terms of Use and will not affect the validity and enforceability of any remaining provisions. Instagram's failure to insist upon or enforce strict performance of any provision of these Terms will not be construed as a waiver of any provision or right. No waiver of any of these Terms will be deemed a further or continuing waiver of such term or condition or any other term or condition. Instagram reserves the right to change this dispute resolution provision, but any such changes will not apply to disputes arising before the effective date of the amendment. This dispute resolution provision will survive the termination of any or all of your transactions with Instagram.

## **Entire Agreement**

If you are using the Service on behalf of a legal entity, you represent that you are authorized to enter into an agreement on behalf of that legal entity. These Terms of Use constitute the entire agreement between you and instagram and governs your use of the Service, superseding any prior agreements between you and Instagram. You will not assign the Terms of Use or assign any rights or delegate any obligations hereunder, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of Instagram. Any purported assignment or delegation by you without the appropriate prior written consent of Instagram will be null and void. Instagram may assign these Terms of Use or any rights hereunder without your consent. If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid or otherwise unenforceable, the parties nevertheless agree that such portion will be deemed severable from these Terms of Use and will not affect the validity and enforceability of the remaining provisions, and the remaining provisions of the Terms of Use remain in full force and effect. Neither the course of conduct between the parties nor trade practice will act to modify the Terms of Use. These Terms of Use do not confer any third-party beneficiary rights.

## **Territorial Restrictions**

The information provided within the Service is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject instagram to any registration requirement within such jurisdiction or country. We reserve the right to limit the availability of the Service or any portion of the Service, to any person, geographic area, or jurisdiction, at any time and in our sole discretion, and to limit the quantities of any content, program, product, service or other feature that Instagram provides.

Software related to or made available by the Service may be subject to United States export controls. Thus, no software from the Service may be downloaded, exported or re-exported: (a) into (or to a national or resident of) any country to which the United States has embargoed goods; or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders. By downloading any software related to the Service, you represent and warrant that you are not located in, under the control of, or a national or resident of, any such country or on any such list.

The effective date of these Terms of Use is January 16, 2013. These Terms of Use were written in English (US). To the extent any translated version of these Terms of Use conflicts with the English version, the English version controls.

YOUR ACCOUNT ABOUT US SUPPORT BLOG API JOBS PRIVACY TERMS © 2012 INSTAGRAM

Back to Facebook facebook HELP CENTER **Intellectual Property** English (US) Basics Report Abuse or Policy Violations » Intellectual Property Something's Not Working Expand All - Share This part of the Help Center contains information about intellectual property rights as they relate to content Report Abuse or Policy posted on Facebook. Sometimes, people reading this section are actually looking for help with other matters. If you see your issue below, click on it for help: **Violations**: Impostor accounts Learn How to Address Abuse Hacked accounts \* Abuse and harassment Report a Violation \* Pages and groups admin issues Privacy rights \* Functionality issues Surface Safety and Privacy · Usernames and web addresses Concerns **Intellectual Property** Secure a Hacked Account Facebook respects the intellectual property rights of others and is committed to helping third parties protect their rights. Our Statement of Rights and Responsibilities prohibits users from posting content that violates Intellectual Property another party's intellectual property rights. When we receive a valid notice of IP infringement, we promptly remove or disable access to the allegedly infringing content. We also terminate the accounts of repeat Ads and Business infringers in appropriate circumstances. Solutions Rights holders will find information below regarding how to report copyright and other intellectual property infringements by users posting content on our website, and answers to some frequently asked questions Apps, Games and Credits regarding our policies. Safety Center Copyright Copyright protects creative works like music and film. Learn more. Community Forum Trademark Trademark protects the brand names and logos used to identify companies and their products. Learn more.

Was this information helpful?

## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

Jon Leibowitz, Chairman J. Thomas Rosch Edith Ramirez Julie Brill Maureen K. Ohlhausen	
)	
	DOCKET NO. C-4365
	J. Thomas Rosch Edith Ramirez Julie Brill

#### DECISION AND ORDER

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and the Respondent having been furnished thereafter with a copy of a draft Complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued, would charge the Respondent with violation of the Federal Trade Commission Act, 15 U.S.C. § 45 et seq.;

The Respondent and counsel for the Commission having thereafter executed an Agreement Containing Consent Order ("Consent Agreement"), an admission by the Respondent of all the jurisdictional facts set forth in the aforesaid draft Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by the Respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the Respondent has violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having carefully considered the comments filed by interested persons, now in further conformity with

the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and enters the following order:

- 1. Respondent Facebook, Inc. ("Facebook") is a Delaware corporation with its principal office or place of business at 1601 Willow Road, Menlo Park, California 94025.
- 2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

### ORDER

### DEFINITIONS

For purposes of this order, the following definitions shall apply:

- 1. Unless otherwise specified, "Respondent" shall mean Facebook, its successors and assigns. For purposes of Parts I, II, and III of this order, "Respondent" shall also mean Facebook acting directly, or through any corporation, subsidiary, division, website, or other device.
- 2. "Commerce" shall be defined as it is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- 3. "Clear(ly) and prominent(ly)" shall mean:
  - A. in textual communications (e.g., printed publications or words displayed on the screen of a computer or mobile device), the required disclosures are of a type, size, and location sufficiently noticeable for an ordinary consumer to read and comprehend them, in print that contrasts highly with the background on which they appear;
  - B. in communications disseminated orally or through audible means (e.g., radio or streaming audio), the required disclosures are delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend them;
  - C. in communications disseminated through video means (e.g., television or streaming video), the required disclosures are in writing in a form consistent with subpart (A) of this definition and shall appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and in the same language as the predominant language that is used in the communication; and
  - D. in all instances, the required disclosures: (1) are presented in an understandable language and syntax; and (2) include nothing contrary to, inconsistent with, or in

mitigation of any statement contained within the disclosure or within any document linked to or referenced therein.

- 4. "Covered information" shall mean information from or about an individual consumer including, but not limited to: (a) a first or last name; (b) a home or other physical address, including street name and name of city or town; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) a mobile or other telephone number; (e) photos and videos; (f) Internet Protocol ("IP") address, User ID or other persistent identifier; (g) physical location; or (h) any information combined with any of (a) through (g) above.
- 5. "Nonpublic user information" shall mean covered information that is restricted by one or more privacy setting(s).
- 6. "Privacy setting" shall include any control or setting provided by Respondent that allows a user to restrict which individuals or entities can access or view covered information.
- 7. "Representatives" shall mean Respondent's officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.
- 8. "Third party" shall mean any individual or entity that uses or receives covered information obtained by or on behalf of Respondent, other than: (1) a service provider of Respondent that (i) uses the covered information for and at the direction of Respondent and no other individual or entity and for no other purpose; and (ii) does not disclose the covered information, or any individually identifiable information derived from such covered information, except for, and at the direction of, Respondent, for the purpose of providing services requested by a user and for no other purpose; or (2) any entity that uses the covered information only as reasonably necessary: (i) to comply with applicable law, regulation, or legal process, (ii) to enforce Respondent's terms of use, or (iii) to detect, prevent, or mitigate fraud or security vulnerabilities.
- 9. "User" shall mean an identified individual from whom Respondent has obtained information for the purpose of providing access to Respondent's products and services.

I.

IT IS ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, shall not misrepresent in any manner, expressly or by implication, the extent to which it maintains the privacy or security of covered information, including, but not limited to:

A. its collection or disclosure of any covered information;

- B. the extent to which a consumer can control the privacy of any covered information maintained by Respondent and the steps a consumer must take to implement such controls;
- C. the extent to which Respondent makes or has made covered information accessible to third parties;
- D. the steps Respondent takes or has taken to verify the privacy or security protections that any third party provides;
- E. the extent to which Respondent makes or has made covered information accessible to any third party following deletion or termination of a user's account with Respondent or during such time as a user's account is deactivated or suspended; and
- F. the extent to which Respondent is a member of, adheres to, complies with, is certified by, is endorsed by, or otherwise participates in any privacy, security, or any other compliance program sponsored by the government or any third party, including, but not limited to, the U.S.-EU Safe Harbor Framework.

П.

IT IS FURTHER ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, prior to any sharing of a user's nonpublic user information by Respondent with any third party, which materially exceeds the restrictions imposed by a user's privacy setting(s), shall:

- A. clearly and prominently disclose to the user, separate and apart from any "privacy policy," "data use policy," "statement of rights and responsibilities" page, or other similar document: (1) the categories of nonpublic user information that will be disclosed to such third parties, (2) the identity or specific categories of such third parties, and (3) that such sharing exceeds the restrictions imposed by the privacy setting(s) in effect for the user; and
- B. obtain the user's affirmative express consent.

Nothing in Part II will (1) limit the applicability of Part I of this order; or (2) require Respondent to obtain affirmative express consent for sharing of a user's nonpublic user information initiated by another user authorized to access such information, provided that such sharing does not materially exceed the restrictions imposed by a user's privacy setting(s). Respondent may seek modification of this Part pursuant to 15 U.S.C. §45(b) and 16 C.F.R. 2.51(b) to address relevant developments that affect compliance with this Part, including, but not limited to, technological changes and changes in methods of obtaining affirmative express consent.

IT IS FURTHER ORDERED that Respondent and its representatives, in connection with any product or service, in or affecting commerce, shall, no later than sixty (60) days after the date of service of this order, implement procedures reasonably designed to ensure that covered information cannot be accessed by any third party from servers under Respondent's control after a reasonable period of time, not to exceed thirty (30) days, from the time that the user has deleted such information or deleted or terminated his or her account, except as required by law or where necessary to protect the Facebook website or its users from fraud or illegal activity. Nothing in this paragraph shall be construed to require Respondent to restrict access to any copy of a user's covered information that has been posted to Respondent's websites or services by a user other than the user who deleted such information or deleted or terminated such account.

### IV.

IT IS FURTHER ORDERED that Respondent shall, no later than the date of service of this order, establish and implement, and thereafter maintain, a comprehensive privacy program that is reasonably designed to (1) address privacy risks related to the development and management of new and existing products and services for consumers, and (2) protect the privacy and confidentiality of covered information. Such program, the content and implementation of which must be documented in writing, shall contain controls and procedures appropriate to Respondent's size and complexity, the nature and scope of Respondent's activities, and the sensitivity of the covered information, including:

- A. the designation of an employee or employees to coordinate and be responsible for the privacy program.
- B. the identification of reasonably foreseeable, material risks, both internal and external, that could result in Respondent's unauthorized collection, use, or disclosure of covered information and an assessment of the sufficiency of any safeguards in place to control these risks. At a minimum, this privacy risk assessment should include consideration of risks in each area of relevant operation, including, but not limited to: (1) employee training and management, including training on the requirements of this order, and (2) product design, development, and research.
- C. the design and implementation of reasonable controls and procedures to address the risks identified through the privacy risk assessment, and regular testing or monitoring of the effectiveness of those controls and procedures.
- D. the development and use of reasonable steps to select and retain service providers capable of appropriately protecting the privacy of covered information they receive from Respondent and requiring service providers, by contract, to

- implement and maintain appropriate privacy protections for such covered information.
- E. the evaluation and adjustment of Respondent's privacy program in light of the results of the testing and monitoring required by subpart C, any material changes to Respondent's operations or business arrangements, or any other circumstances that Respondent knows or has reason to know may have a material impact on the effectiveness of its privacy program.

V.

IT IS FURTHER ORDERED that, in connection with its compliance with Part IV of this order, Respondent shall obtain initial and biennial assessments and reports ("Assessments") from a qualified, objective, independent third-party professional, who uses procedures and standards generally accepted in the profession. A person qualified to prepare such Assessments shall have a minimum of three (3) years of experience in the field of privacy and data protection. All persons selected to conduct such Assessments and prepare such reports shall be approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, in his or her sole discretion. Any decision not to approve a person selected to conduct such Assessments shall be accompanied by a writing setting forth in detail the reasons for denying such approval. The reporting period for the Assessments shall cover: (1) the first one hundred and eighty (180) days after service of the order for the initial Assessment, and (2) each two (2) year period thereafter for twenty (20) years after service of the order for the biennial Assessments. Each Assessment shall:

- A. set forth the specific privacy controls that Respondent has implemented and maintained during the reporting period:
- explain how such privacy controls are appropriate to Respondent's size and complexity, the nature and scope of Respondent's activities, and the sensitivity of the covered information;
- C. explain how the privacy controls that have been implemented meet or exceed the protections required by Part IV of this order; and
- D. certify that the privacy controls are operating with sufficient effectiveness to provide reasonable assurance to protect the privacy of covered information and that the controls have so operated throughout the reporting period.

Each Assessment shall be prepared and completed within sixty (60) days after the end of the reporting period to which the Assessment applies. Respondent shall provide the initial Assessment to the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580, within ten (10) days after the Assessment has been prepared. All subsequent biennial Assessments shall be retained by Respondent until the order is

terminated and provided to the Associate Director of Enforcement within ten (10) days of request.

#### VI.

IT IS FURTHER ORDERED that Respondent shall maintain and upon request make available to the Federal Trade Commission for inspection and copying, a print or electronic copy of:

- A. for a period of three (3) years from the date of preparation or dissemination, whichever is later, all widely disseminated statements by Respondent or its representatives that describe the extent to which Respondent maintains and protects the privacy, security, and confidentiality of any covered information, including, but not limited to, any statement related to a change in any website or service controlled by Respondent that relates to the privacy of such information, along with all materials relied upon in making such statements, and a copy of each materially different privacy setting made available to users;
- B. for a period of six (6) months from the date received, all consumer complaints directed at Respondent or forwarded to Respondent by a third party, that relate to the conduct prohibited by this order and any responses to such complaints;
- C. for a period of five (5) years from the date received, any documents, prepared by or on behalf of Respondent, that contradict, qualify, or call into question Respondent's compliance with this order;
- D. for a period of three (3) years from the date of preparation or dissemination, whichever is later, each materially different document relating to Respondent's attempt to obtain the consent of users referred to in Part II above, along with documents and information sufficient to show each user's consent; and documents sufficient to demonstrate, on an aggregate basis, the number of users for whom each such privacy setting was in effect at any time Respondent has attempted to obtain and/or been required to obtain such consent; and
- E. for a period of three (3) years after the date of preparation of each Assessment required under Part V of this order, all materials relied upon to prepare the Assessment, whether prepared by or on behalf of Respondent, including but not limited to all plans, reports, studies, reviews, audits, audit trails, policies, training materials, and assessments, for the compliance period covered by such Assessment.

### VII.

IT IS FURTHER ORDERED that Respondent shall deliver a copy of this order to (1) all current and future principals, officers, directors, and managers; (2) all current and future employees, agents, and representatives having supervisory responsibilities relating to the subject matter of this order, and (3) any business entity resulting from any change in structure set forth in Part VIII. Respondent shall deliver this order to such current personnel within thirty (30) days after service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities. For any business entity resulting from any change in structure set forth in Part VIII, delivery shall be at least ten (10) days prior to the change in structure.

### VIII.

IT IS FURTHER ORDERED that Respondent shall notify the Commission within fourteen (14) days of any change in Respondent that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in either corporate name or address. Unless otherwise directed by a representative of the Commission, all notices required by this Part shall be sent by overnight courier (not the U.S. Postal Service) to the Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580, with the subject line *In the Matter of Facebook, Inc.*, FTC File No.[ ]. *Provided, however*, that in lieu of overnight courier, notices may be sent by first-class mail, but only if an electronic version of any such notice is contemporaneously sent to the Commission at Debrief@ftc.gov.

#### IX.

IT IS FURTHER ORDERED that Respondent, within ninety (90) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of their own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, Respondent shall submit additional true and accurate written reports.

#### Χ.

This order will terminate on July 27, 2032, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided*, *however*, that the filing of such a complaint will not affect the duration of:

- A. any Part of this order that terminates in fewer than twenty (20) years; and
- B. this order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that this order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission, Commissioner Rosch dissenting and Commissioner Ohlhausen not participating.

Donald S. Clark Secretary

SEAL

ISSUED: July 27, 2012

### Ads & Frends

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## Here's an example of a Facebook Ad:

#### Denver Sashi



The best sishi in Denver. Try our daily brigh specials for \$9.65. Fan our page for special offers:

#### Denver Sushi



The best stable in Convert.
Thy our dealy lanch
specials for \$9.95, Fan
our page for special
offers.

🖒 Like - Tykur Goodenan likas Emu.

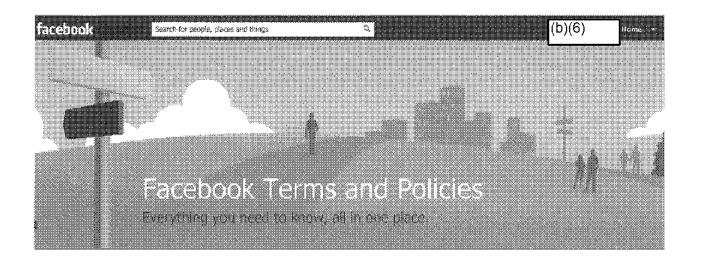
This setting only applies to add that are pair with nave about social actions. So, independent of this setting, you may still see social actions in other contexts, like in Sponsored Stories or paired with messages from Facebook. You can learn more about how social acts, Sponsored Stories, and messages from Facebook work in the High Center.

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Statement of Rights and Responsibilities

Terms you agree to when you use Facebook.

Data Use Policy

Information we receive and how it's used.

Community Standards

What's not allowed and how to report abuse.

For other activity:

- **89 Ads and Sponsored Stories**
- ₩ Pages
- @ Promotions
- **O** Platform
- n Developer Payments Terms
- 📆 Payments Terms
- **M** Brand Resources

Learn more about: Facebook's Principles - Ads on Facebook - Safety Center

Autourt - Create art Ad - Create & Page - Developairs - Carbors - Privacy - Cookies / Telms

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#### Data Use Policy

Date of Last Revision: June 8, 2012

Information we receive and how it is used

- · Information we receive about you
- Public information
- Usernames and User IDs
- · How we use the information we receive
- · Deleting srel-deactivating your account

Sharing and finding you on Facebook

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- Control over your timeline
- Finding you on Facebook
- Access on phones and other devices
- · Activity log
- · What your friends share about you
- About Pages

Other websites and applications

- · About Pacebook Platform
- Controlling what information you share with applications
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- Looping in to another site using Facebook
- About societ atugins
- Afxout instant personalization
- Public search engines

How advertising and Sponsored Stories work

- Personalized ads
- Ads + social context
- Soonsored stories
- Facebook content

Cockies, pixels and other similar technologies Some other things you need to know

#### I. Information we receive and how it is used

#### Information we receive about you

We receive a number of different types of information about you, including:

#### Your information

Your Information is the information that's required when you sign up for the site, as well as the information you choose to share.

- Registration information: When you sign up for Facebook, you are required to provide your name, email address, birthday, and gender.
- Information you choose to share: Your information also includes the information you choose to share on Facebook, such as when you post a status update, upload a photo, or comment on a friend's story.

It also includes the information you choose to share when you take an action, such as when you add a friend, like a Page or a website, add a place to your story, find friends using our contact importers, or indicate you are in a relationship.

- 🌹 Your name, profile pictures, cover photos, gender, networks, username and User ID are treated just like information you choose to make public.
- Your birthday allows us to do things like show you age-appropriate content and advertisements.

#### Information others share about you

We receive information about you from your friends and others, such as when they upload your contact information, post a photo of you, tag you in a photo or status update, or at a location, or add you to a group.

🔻 When people use Facebook, they may store and share Information about you and others that they have, such as when they upload and manage their invites and contacts.

#### Other information we receive about you

We also receive other types of Information about you:

- We receive data about you whenever you interact with Facebook, such as when you look at another person's timeline, send or receive a message, search for a friend or a Page, click on, view or otherwise interact with things, use a Facebook mobile app, or purchase Facebook Credits or make other purchases through Facebook.
- . When you post things like photos or videos on Facebook, we may receive additional related data (or metadata), such as the time, date, and place you took the photo or video.
- We receive data from the computer, mobile phone or other device you use to access Facebook, Including when multiple users log in from the same device. This may include your IP address and other information about triings like your internet service, location, the type (including identifiers) of browser you use, or the pages you visit. For example, we may get your GPS or other location information so we can rell you if any of your friends are nearby.
- We receive data whenever you visit a game, application, or website that uses Facebook Platform or visit a site with a Facebook feature (such as a social plugin), sometimes through cookies. This may include the date and time you visit the site; the web address, or URL, you're on; technical information about the IP address, browser and the operating system you use; and, if you are logged in to Facebook, your User ID.
- Sometimes we get data from our advertising partners, customers and other third parties that helps us (or them) deliver ads, understand online activity, and generally make Facebook better. For example, an advertiser may fell us information about you (like how you responded to an ad on Facebook or on another site) in order to measure the effectiveness of and improve the quality of ads.

We also put together data from the information we already have about you and your friends. For example, we may put together data about you to determine which friends we should show you in your News Feed or suggest you tag in the photos you post. We may put together your current city with GPS and other location information we have about you to, for example, tell you and your friends about

people or events nearby, or offer deals to you that you might be interested in. We may also put together data about you to serve you and that might be more relevant to you.

When we get your GPS location, we put it together with other location information we have about you (like your current city). But we only keep it until it is no longer useful to provide you services, like keeping your last GPS coordinates to send you relevant notifications.

We only provide data to our advertising partners or customers after we have removed your name or any other personally identifying information from it, or have combined it with other people's data in a way that it is no longer associated with you.

#### **Public information**

When we use the phrase "public information" (which we sometimes refer to as "Everyone information"), we mean the information you choose to make public, as well as information that is always publicly available.

#### Information you choose to make public

Choosing to make your information public is exactly what it sounds like: anyone, including people off of Facebook, will be able to see it.

Choosing to make your information public also means that this information:

- x can be associated with you (i.e., your name, profile pictures, cover photos, timeline, User ID, username, etc.) even off Facebook;
- can show up when someone does a search on Pacebook or on a public search engine;
- will be accessible to the Facebook-integrated games, applications, and websites you and your friends use; and
- will be accessible to anyone who uses our APIs such as our Graph API.

Sometimes you will not be able to select an audience when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing (con, the information will be publicly available.

When others share information about you, they can also choose to make it public.

#### Information that is always publicly available

The types of information listed below are always publicly available, and are treated just like information you decided to make public.

- · Name: This helps your friends and family find you. If you are uncomfortable sharing your real name, you can always delete your account.
- Profile Plictures and Cover Photos: These help your friends and family recognize you. If you are uncomfortable making any of these photos public, you can always delete it. Unless you delete them, when you add a new profile picture or cover photo, the previous photo will remain public in your profile picture or cover photo album.
- Network: This helps you see whom you will be sharing information with before you choose "Friends and Networks" as a custom audience. If you are uncomfortable making your network public, you can leave the network.
- . Gender: This allows us to refer to you properly.
- . Username and User ID: These allow you to give out a custom link to your timeline or Page, receive email at your Facebook email address, and help make Facebook Platform possible,

#### Usernames and User IDs

A Username (or Facebook URL) is a custom link to your timeline that you can give out to people or post on external websites. Usernames appear in the URL on your timeline. We also use your User 1D to identify your Facebook account.

If someone has your Username or User ID, they can use it to access information about you through the facebook.com website. For example, if someone has your Username, they can type facebook.com/Username into their browser and see your public information as well as anything else you've let them see. Similarly, someone with your Username or User ID can access information about you through our APIs, such as our Graph API. Specifically, they can access your public information, along with your age range, language and country.

If you do not want your information to be accessible to Platform applications, you can turn off all Platform applications from your Privacy Settings. If you turn off Platform you will no longer be able to use any games or other applications until you turn Platform back on. For more information about the information that apps receive when you visit them, see Other websites and applications.

If you want to see information available about you through our Graph APL, just type https://graph.facebook.com/[User ID or Username]?metadata=1 into your browser.

Tour Fecebook email address includes your public username like so: username@facebook.com. You can control who can start a message thread with you using your "How You Connect" settings. If they include others on that message, the others can reply too.

#### flow we use the information we receive

We use the information we receive about you in connection with the services and features we provide to you and other users like your friends, our partners, the advertisers that purchase ads on the site, and the developers that build the games, applications, and websites you use. For example, we may use the information we receive about you:

- · as part of our efforts to keep Facebook products, services and integrations safe and secure;
- · to protect Facebook's or others' rights or property;
- . to provide you with location features and services, like telling you and your friends when something is going on nearby;
- to measure or understand the effectiveness of ads you and others see, including to deliver relevant ads to you;
- to make suggestions to you and other users on Facebook, such as: suggesting that your lifend use our contact importer because you found friends using it, suggesting that another user add you as a friend because the user imported the same email address as you did, or suggesting that your friend tag you in a picture they have uploaded with you in it; and
- · for internal operations, including troubleshooting, data analysis, festing, research and service improvement.

Granting us this permission not only allows us to provide Pecebook as it exists today, but it also allows us to provide you with Innovative features and services we develop in the future that use the information we receive about you in new ways.

While you are allowing us to use the information we receive about you, you always own all of your information. Your trust is important to us, which is why we don't share information we receive about you with others unless we have:

- received your permission:
- · given you notice, such as by teiling you about it in this policy; or
- removed your name or any other personally Identifying information from it.

Of course, for information others share about you, they control how it is shared.

We store data for as long as it is necessary to provide products and services to you and others, including those described above. Typically, information associated with your account will be kept until your account is deleted. For certain categories of data, we may also tell you about specific data retention practices,

We are able to suggest that your friend tag you in a picture by scanning and comparing your friend's pictures to information we've put together from the other photos you've been tagged in. This allows us to make these suggestions. You can control whether we suggest that another user tag you in a photo using the "How Tags work" settings. Learn more at: https://www.faczbook.com/help/tag-suggestions

#### Deleting and deactivating your account

If you want to stop using your account, you can either deactivate or delete it.

#### Deactivate

Deactivating your account puts your account on hold. Other users will no longer see your timeline, but we do not delete any of your information. Deactivating an account is the same as you telling us not to delete any information because you might want to reactivate your account at some point in the future. You can deactivate your account at: https://www.fscebook.com/editaccount.php

Your friends will still see you listed in their list of friends while your account is deactivated.

#### Deletion

When you delete an account, it is permanently deleted from Facabook. It typically takes about one month to delete an account, but some information may remain in backup copies and logs for up to 90 days. You should only delete your account if you are sure you never want to reactivate it. You can delete your account at: https://www.facebook.com/help/contect.php?show\_form=delete\_account Learn more at: https://www.facebook.com/help/2faq=356107851084108

Certain information is needed to provide you with services, so we only delete this information after you delete your account. Some of the things you do on Facebook aren't stored in your account, like posting to a group or sending someone a message (where your friend may still have a message you sent, even after you delete your account). That information remains after you delete your account.

#### II. Sharing and finding you on Facebook

#### Control each time you post

Whenever you post content (like a status update, photo or check-in), you can select a specific audience, or even customize your audience. To do this, simply click on the sharing icon and choose who can see it.

- Choose this from if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Facebook, will be able to see or access it.
- A Choose this icon if you want to share with your Facebook Friends.
- Choose this icon if you want to Customize your audience. You can also use this to hide your story from specific people.

If you tag someone, that person and their friends can see your story no matter what audience you selected. The same is true when you approve a tag someone else adds to your story.

Always think before you post. Just like anything else you post on the web or send in an email, information you share on Facebook can be copied or re-shared by anyone who can see it.

- Although you choose with whom you share, there may be ways for others to determine information about you. For example, if you hide your birthday so no one can see it on your timeline, but friends post "happy birthday!" on your timeline, people may determine your birthday.
- When you comment on or "like" someone else's story, or write on their timeline, that person gets to select the audience. For exemple, if a friend posts a Public story and you comment on it, your comment will be Public. Often, you can see the audience someone selected for their story before you post a comment; however, the person who posted the story may later change their audience.
- 🍍 You can control who can see the Facebook Pages you've "liked" by visiting your timeline, clicking on the Likes box on your timeline, and then clicking "Edit,"
- Sometimes you will not see a sharing icon when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

#### Control over your timeline

Whenever you add things to your timeline you can select a specific audience, or even customize your audience. To do this, simply click on the sharing icon and choose who can see it.

- Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Facebook, will be able to see or access it.
- is Choose this icon if you want to share with your Facebook Friends.
- Choose this icon if you want to Customize your audience. You can also use this to tide the item on your timeline from specific people.

When you select an audience for your friend list, you are only controlling who can see the entire list of your friends on your timeline. We call this a timeline visibility control. This is because your friends list is always available to the games, applications and websites you use, and your friendships may be visible elsewhere (such as an your friends' timelines or in searches). For example, if you select "Only Me" as the audience for your friend list, but your friend sets her friend list to "Public," anyone will be able to see your connection on your friend's timeline.

Similarly, if you choose to hide your gender, it only hides it on your timeline. This is because we, just like the applications you and your friends use, need to use your gender to refer to you properly on the site.

When someone tags you in a story (such as a photo, status update or check-in), you can choose whether you want that story to appear on your timeline. You can either approve each story individually or approve all stories by your friends. If you approve a story and later change your mind, you can remove it from your timeline.

- People on Facebook may be able to see mutual friends, even if they cannot see your entire list of friends.
- Some things (like your name, profile pictures and cover photos) do not have sharing icons because they are always publicly available. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

#### Finding you on Facebook

To make it easier for your friends to find you, we allow anyone with your contact information (such as email address or telephone number) to find you through the Facebook search har at the top of most pages, as well as other tools we provide, such as contact importers - even if you have not shared your contact information with them on Facebook.

You can choose who can look up your timeline using the email address or telephone number you added to your timeline through your privacy settings. But remember, if you choose Friends, only your current Facebook friends will be able to find you this way.

Your "How You Connect" settings do not control whether people can find you or a link to your timeline when they search for content they have permission to see, like a photo or other story you've been tagged in.

#### Access on phones and other devices

Once you share information with your friends and others, they may be able to sync it with or access it via their mobile phones and other devices. For example, if you share a photo on Facebook, someone viewing that photo could save it using Facebook tools or by other methods offered by their device or browser. Similarly, if you share your contact information with someone or invite someone to an event, they may be able to use Facebook or third party applications or devices to sync that information. Or, if one of your friends has a Facebook application on one of their devices, your information (such as the things you post or photos you share) may be stored on or accessed by their device.

🎙 You should only share information with people you trust Decause they will be able to save it or re-share it with others, including when they sync the information to a device.

#### Activity.iog

Your activity tog is a place where you can go to view most of your information on Facebook, including things you've hidden from your timeline. You can use this log to manage your content, For example, you can do things like delete stories, change the audience of your stories or stop an application from publishing to your timeline on your behalf.

When you hide something from your timeline, you are not deleting it. This means that the story may be visible elsewhere, like in your friends' News Feed. If you want to delete a story you posted, choose the delete option.

#### What your friends share about you

#### Links and Tags

Amyone can add a link to a story. Links are references to something on the Internet; anything from a website to a Page or timeline on Facebook. For example, if you are writing a story, you might include a link to a blog you are referencing or a link to the blogger's Facebook timeline. If someone clicks on a link to another person's timeline, they'll only see the things that they are allowed to see.

A tag is a special type of link to someone's timeline that suggests that the tagged person add your story to their timeline. In cases where the tagged person len't included in the audience of the story, it will add them so they can see it. Anyone can tag you in anything. Once you are tagged, you and your friends will be able to see it (such as in News Feed or in search).

You can choose whether a story you've been tagged in appears on your timeline. You can either approve each story Individually or approve all stories by your friends. If you approve a story and later change your mind, you can always remove it from your timeline.

If you do not want someone to tag you, we encourage you to reach out to them and give them that feedback. If that does not work, you can block them. This will prevent them from tagging you going forward.

If you are tagged in a private space (such as a message or a group) only the people who can see the private space can see the tag. Similarly, if you are tagged in a comment, only the people who can see the comment can see the tag.

#### Groups

Once you are in a Group, anyone in that Group can add you to a subgroup. When someone adds you to a Group, you will be listed as "Invited" until you visit the Group. You can always leave a Group, which will prevent others from adding you to it again.

#### **About Pages**

Facebook Pages are public pages. Companies use Pages to share information about their products. Celebrities use Pages to talk about their latest projects. And communities use pages to discuss topics of interest, everything from basebail to the opera.

Because Pages are public, information you share with a Page is public information. This means, for example, that if you post a comment on a Page, that comment may be used by the Page owner off Facebook, and anyone can see it.

When you "like" a Page, you create a connection to that Page. The connection is added to your timeline and your friends may see it in their News Feeds. You may be contacted by or receive updates from the Page, such as in your News Feed and your messages. You can remove the Pages you've "liked" through your timeline or on the Page.

Some Pages contain content that comes directly from the Page owner. Page owners can do this through chiline plugins, such as an iframe, and it works just like the games and other applications you use through Facebook. Because this content comes directly from the Page owner, that Page may be able to collect information about you, just like any website.

Page administrators may have access to insights data, which will tell them generally about the people that visit their Page (as opposed to information about specific people). They may also know when you've made a connection to their Page because you've liked their Page or posted a comment.

#### III. Other websites and applications

#### About Facebook Platform

Facebook Platform (or simply Platform) refers to the way we help you share your information with the games, applications, and websites you and your friends use. Facebook Platform also lets you bring your friends with you, so you can connect with them off of Facebook. In these two ways, Facebook Platform helps you make your experiences on the web more personalized and social.

Remember that these games, applications and websites are created and maintained by other businesses and developers who are not part of Facebook, so you should always make sure to read their terms of service and privacy policies.

#### Controlling what information you share with applications

When you connect with a game, application or websits - such as by going to a game, logging in to a websits using your Facebook account, or adding an app to your timeline - we give the game, application, or website (sometimes referred to as just "Applications" or "Apps") your basic info, which includes your User ID, as well your friends' User IDs (or your friend list) and your public information.

Your friend list helps the application make your experience more social because it lets you find your friends on that application. Your User ID helps the application personalize your experience because it can connect your account on that application with your friends account, and it can access your basic info, which includes your public information and friend list. This includes the information you choose to make public, as well as information that is always publicly available. If the application needs additional information, such as your stories, photos or likes, it will have to ask you for specific nemicision.

The "Apps you use" setting lets you control the applications you use. You can see the permissions you have given these applications, the last time an application accessed your information, and the audience on Pacebook for your timeline stories and activity the applications posts on your behalf. You can also remove applications you no longer want, or turn off all Platform applications. When you turn all Platform applications off, your User ID is no longer given to applications, even when your friends use those applications. But you will no longer be able to use any games, applications or websites through Facebook.

When you first visit an app, Facebook lets the app know your language, your country, and whether you are under 18, between 18-20, or 21 and over. Age range lets apps provide you with age-appropriate content. If you install the app, it can access, store and update the information you've shared. Apps you've installed can update their records of your basic info, age range, language and

country. If you haven't used an app in a white, it won't be able to continue to update the additional information you've given them permission to access. Learn more at: https://www.facebook.com/help/now-epps-work

- Sometimes a game console, mobile phone, or other device might ask for permission to share specific information with the games and applications you use on that device. If you say okay, those applications will not be able to access any other information about you without asking specific permission from you or your friends.
- Sites and apps that use Instant Personalization receive your User ID and friend list when you visit them.
- You always can remove apps you've installed by using your app settings at: https://www.facebook.com/settings/?tab=applications. But remember, apps may still be able to access your information when the people you share with use them. And, if you've removed an application and want them to delete the information you've already shared with them, you should contact the application and ask them to delete it. Visit the application's page on Facebook or their own website to learn more about the app.

#### Controlling what is shared when the people you share with use applications

Just like When you share information by email or elsewhere on the web, information you share on Facebook can be re-shared. This means that if you share something on Facebook, anyone who can see it can shere it with others, including the games, applications, and websites they use.

Your friends and the other people you share information with often want to share your information with applications to make their experiences on those applications more personalized and social, for example, one of your friends might want to use a music application that allows them to see what their friends are listening to. To get the full benefit of that application, your friend would want to give the application has friend list — which includes your User ID — so the application knows which of her friends is also using it. Your friend might also want to share the music you "like" on Facebook. If you have made that information public, then the application can access it just like anyone else. But if you've shared your likes with just your friends, the application could ask your friend for permission to share them.

You can control most of the information other people can share with applications they use from the "Ads, Apps and Websites" settings page. But these controls do not let you limit access to your public information and friend list.

If you want to completely block applications from getting your information when your friends and others use them, you will need to turn off all Platform applications. This means that you will no longer be able to use any third-party Facebook-integrated games, applications or websites.

If an application asks permission from someone eise to access your information, the application will be allowed to use that information only in connection with the person that gave the permission and no one else.

#### Logging in to another site using Facebook

Facebook Platform lets you log Into other applications and websites using your Facebook account. When you log in using Facebook, we give the site your User ID (just like when you connect with any other application), but we do not share your email address or password with that website through this process.

If you already have an account on that website, the site may also be able to connect that account with your Facebook account. Sometimes it does this using what is called an "email hash", which is similar to searching for someone on Facebook using an email address. Only the email addresses in this case are hashed so no email addresses are actually shared between Facebook and the website.

#### Home it works

The website sends over a hashed version of your email address, and we match it with a database of email addresses that we have also hashed. If there is a match, then we tell the website the User ID associated with the email address. This way, when you fog into the website using Facebook, the website can link your Facebook account to your account on that website.

#### About social plugins

Sodal plugins are buttons, boxes, and stories (such as the Like button) that other websites can use to present Facebook content to you and create more social and personal experiences for you. While you view these buttons, boxes, and stories on other sites, the content comes directly from Facebook.

Sometimes plugins act just like applications. You can spot one of these plugins because it will ask you for permission to access your information or to publish information back to Facebook. For example, if you use a registration plugin on a website, the plugin will ask your permission to share your basic info with the website to make it easier for you to register for the website. Similarly, if you use an Add To Timeline plugin, the plugin will ask your permission to publish stories about your activities on that website to Facebook.

If you make something public using a plugin, such as posting a public comment on a newspaper's website, then that website can access your comment (along with your User ID) just like everyone else.

- If you post something using a social plugin and you do not see a sharing icon, you should assume that story is Public. For example, if you post a comment through a Facebook comment plugin on a site, your story is Public and everyone, including the website, can see your story.
- Websites that use social plugins can sometimes tell that you have engaged with the social plugin. For example, they may know that you clicked on a Like button in a social plugin.
- We receive data when you visit a site with a social plugin. We keep this data for a maximum of 90 days. After that, we remove your name or any other personally identifying information from the data, or combine it with other people's data in a way that it is no longer associated with you, teem more at: https://www.facebook.com/help/social-plugins

#### About instant personalization

Instant personalization is a way for Facebook to help partners (such as Bing and Rotten Tornatoss) on and off Facebook create a more personalized and social experience for logged in users than a social plught can offer. When you visit a site or app using instant personalization, it will know some information about you and your friends the moment you arrive. This is because sites and apps using instant personalization can access your User ID, your friend list, and your public information.

The first time you visit a site or app using instant personalization, you will see a notification letting you know that the site or app has partnered with Facebook to provide a personalized experience.

The notification will give you the ability to disable or turn off instant personalization for that site or app. If you do that, that site or app is required to delete all of the information about you if received from Facebook as part of the instant personalization program. In addition, we will prevent that site from accessing your information in the future, even when your friends use that site.

If you decide that you do not want to experience Instant personalization for all partner sites and apps, you can disable instant personalization from the "Ads, Apps and Websites" settings page.

If you turn off instant personalization, partner third party sites and apps will not be able to access your public information, even when your friends visit those sites.

If you turn off an Instant personalization site or app after you have been using it or visited it a few times (or after you have given it specific permission to access your data), it will not automatically delete your data received through Facebook. But the site is contractually required to delete your data if you ask it to.

#### How it work

To join the instant personalization program, a potential partner must enter into an agreement with us designed to protect your privacy. For example, this agreement requires that the partner delete your data if you turn off instant personalization when you first visit the site or app. It also prevents the partner from accessing any information about you until you or your friends yield its site.

Instant personalization partners sometimes use an email hash process to see if any of their users are on Facebook and get those users' User IDs. This process is similar to searching for someone on Facebook using an email address, except in this case the email addresses are hashed so no actual email addresses are exchanged. The partner is also contractually required not to use your User ID for

any purpose (other than associating it with your account) until you or your friends visit the site.

When you visit a site or app using instant personalization, we provide the site or app with your fished just ID and your friends is to ask on a your age range, locale, and gender). The site or app can then connect your account with that partner with your friends' accounts to make the site or app instantly social. The site can also access public information associated with any of the User IDs it receives, which it can use to make them instantly personalized. For example, if the site is a music site, it can access your music interests to suggest songs you may like, and access your friends' music interests to let you know what they are listening to. Of course it can only access your or your friends' music interests if they are public. If the site or app wants any additional information, it will have to get your specific permission.

#### Public search engines

Your public search setting controls whether people who enter your name on a public search engine may see your public timeline (including in sponsored results). You can find your public search setting on the "Ads, Apos and Websites" settings page.

- This setting does not apply to search engines that access your information as an application using Facebook Platform.
- If you turn your public search setting off and then search engines cache information for a period of time. You can learn more about how to request a search engine to remove you from cached information at; https://www.facebook.com/heip/?fag=13323

#### IV. How advertising and Sponsored Stories work

#### Personalized ads

We do not share any of your information with advertisers (unless, of course, you give us permission). As described in this policy, we may share your information when we have removed from it anything that personally identifies you or combined it with other information so that it no longer personally identifies you.

We use the information we receive to deliver ads and to make them more relevant to you. This includes all of the things you share and do on Facebook, such as the Pages you like or key words from your stories, and the things we infer from your use of Facebook. Learn more at: https://www.facebook.com/nelp/7page=226611954016283

When an advertiser creates an ad, they are given the opportunity to choose their audience by location, demographics, likes, keywords, and any other information we receive or can tell about you and other users. For example, an advertiser could also choose to target 18 to 35 year-old women who live in the United States and like basketball. An advertiser could also choose to target certain topics or keywords, like "music" or even people who like a particular song or artist.

Try this tool yourself to see one of the ways advertisers target ads and what information they see at: https://www.facebook.com/ads/create/

If the advertiser chooses to run the ad (also known as placing the order), we serve the ad to people who meet the criteria the advertiser selected, but we do not tell the advertiser who any of those people are. So, for example, if a person views or otherwise interacts with the ad, the advertiser might infer that the person is an 18-to-35-year-old woman who lives in the U.S. and likes backetball. But we would not tell the advertiser who that person is.

After the adruns, we provide advertisers with reports on how their ads performed. For example we give advertisers reports telling them how many users saw or clicked on their ads. But these reports are anonymous. We do not tell advertisers who saw or clicked on their ads.

- Advertisers sometimes place cookies on your computer in order to make their ada more effective. Learn more about cookies, pixels and other system technologies.
- Sometimes we allow advertisers to target a category of user, like a "moviegoer" or a "sci-fi fan," We do this by bundling characteristics that we believe are related to the category. For example, if a person "likea" the "Star Trek" Page and mentions "Star Wars" when they check into a movie theater, we may conclude that this person is likely to be a sci-fi fan, Advertisers of sci-fi movies, for example, could ask us to target "sci-fi fans" and we would target that group, which may include you. Or if you "like" Pages that are car-related and mention a particular car brand in a post, we might put you in the "potential car buyer" category and let a car brand target to that group, which would include you.

#### Ads - social context

Facebook Ads are sometimes paired with social actions your friends have taken. For example, an ad for a sushi restaurant may be paired with a news story that one of your friends likes that restaurant's Facebook page.

This is the same type of news story that could show up in your News Feed, only we place it next to a paid advertisement to make that ad more relevant and interesting.

When you show up in one of these news stories, we will only pair it with ads shown to your friends. If you do not want to appear in stories paired with Facebook Ade, you can opt out using your "Edit social ads" setting.

- Exam what happens when you click "Like" on an advertisement or an advertiser's Facebook Page at: https://www.facebook.com/help/?faq=39369
- We may serve ads, including those with social context (or serve just social context), on other sites. These work just like the ads we serve on Facebook the advertisers do not receive any of your information, Only people that could see the Facebook action (like on your timeline) would see it paired in this way.
- Your "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.
- Bames, applications and websites can serve ads directly to you or help us serve ads to you or others if they have information like your User ID or email address.

#### Sponsored stories

Many of the things you do on Facebook (like "liking" a Page) are posted to your timeline and shared in Hews Feed. But there's a lot to read in News Feed. That's why we allow people to "sponsor" your stories to make sure your friends see them. For example, if you RSVP to an event hasted by a local restaurant, that restaurant may want to make sure your friends see it so they can come too.

If they do sponsor is story, that story will appear in the same place acts usually do or in your News Feed under the heading "Sponsored" or something similar. Only people that could originally see the story can see the sponsored story, and no personal information about you (or your friends) is shared with the sponsor.

Four "Show my social actions in Facebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or Information about Facebook's services and features, or other Facebook content.

### Facebook content

We like to tell you about some of the features and tools your friends and others use on Facebook, to help you have a better experience. For example, if your friend uses our friend inder tool to find more friends on Facebook, we may tell you about it to encourage you to use it as well. This of course means your friend may similarly see suggestions based on the things you do. But we will try to only show it to friends that could benefit from your experience.

Your "Show my social actions in Pacebook Ads" setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.

Cookies are small pieces of data that are stored on your computer, mobile phone or other device. Pixels are small blocks of code on webpages that do things like allow another server to measure viewing of a webpage and often are used in connection with cookies.

We use rechnologies like cookies, pixels, and local storage (like on your browser or device, which is similar to a cookie but holds more information) to provide and understand a range of products and services. Learn more at: https://www.facebook.com/halp/cookies

We use these technologies to do things like:

- make Facebook easier or faster to use:
- enable features and store information about you (including on your device or in your browser cache) and your use of Facebook;
- · deliver, understand and improve advertising;
- monitor and understand the use of our products and services; and
- \* to protect you, others and Facebook.

For example, we may use them to know you are logged in to Facebook, to help you use social plugins and share buttons, or to know when you are interacting with our advertising or Platform partners.

We may ask advertisers or other partners to serve ada or services to computers, mobile phones or other devices, which may use a cookie, pixel or other similar technology piaced by Facebook or the third party (although we would not share any other information that Identifies you with an advertiser).

Most companies on the web use cookies (or other similar technological tools), including our advertising and Platform partners, For example, our Platform partners, advertisers or Page administrators may use cookies or similar technologies when you access their apps, ads. Pages or other content.

- 🔻 Cockles and things like local storage help make Facebook work, like allowing pages to losd faster because certain content is stored on your browser or by helping us authenticate you to deliver personalized content.
- 🔻 To learn more about how advertisers generally use cockies and the choices advertisers provide, visit the Network Advertising Initiative at http://www.networkadvertising.org/maneging/opt\_out.asp, the Digital Advertising Alliance at http://www.abcutads.info/, the Internet Advertising Bureau (US) at http://www.lab.net or the Internet Advertising Bureau (EU) at http://youronlinechoices.eu/.
- 🔻 You can remove or block cookies or other similar technologies or block or remove other data stored on your computer or device (such as by using the various settings in your browser), but it may affect your ability to use Facebook or other websites and apps.

#### VI. Some other things you need to know

#### Safa harbor

Facebook compiles with the U.S.-EU and U.S.-Swiss Safe Harbor frameworks as set forth by the Department of Commerce regarding the collection, use, and retention of data from the European Union. To view our certification, visit the U.S. Department of Commerce's Safe Harbor website at: https://safeharbor.export.gov/list.aspx. As part of our participation in the Safe Harbor program, we agree to resolve disputes you have with us in connection with our policies and practices through TRUSTe. If you would like to contact TRUSTe, visit:https://feedback-form.truste.com/watchdog/request.

#### Contact us with questions or disputes

If you have questions or complaints regarding our Data Use Policy or practices, please contact us by mail at 1601 Willow Road, Menio Park, CA 94025 if you reside in the U.S. or Canada, or at Facebook Ireland Ltd., Hanover Reach, 5-7 Hanover Quay, Dublin 2 Ireland if you live outside the U.S. or Canada. Anyone may also contact us through this help page: https://www.facebook.com/helb/contect\_us.php?ld=173545232710000

#### Responding to legal requests and preventing harm

We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoens) if we have a good faith belief that the law requires us to do so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good feith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you, including financial transaction data related to purchases made with Facebook Credits, may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or óbligation, góvernmental investigatión, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm.

#### Access requests

You can access and correct most of your personal data stored by Facebook by logging into your account and viewing your timeline and activity log. You can also download a copy of your personal data by visiting your "Account Settings", clicking on "Download a copy of your Pacebook data" and then clicking on the link for your expanded archive. Learn more at: https://www.facebook.com/help/? fag=226281544049399

#### Notifications and Other Messages

We may send you notifications and other messages using the contact information we have for you, like your email address. You can control most of the notifications you receive, including ones from Pages you like and applications you use, using your "Notifications" settings.

We offer tools to help you upload your friends' contact information so that you and others can find friends on Facebook, and invite friends who do not use Facebook to join. If you do not want us to store this information, visit this help page at: https://www.facebook.com/contact\_importer/remove\_uploads.php

If you give us your password, we will delete it after you upload your friends' contact information.

#### Invitations

When you invite a friend to Join Facebook, we send a message on your behalf using your name, and up to two rentinders. We may also include names and pictures of other people your friend might know on Facebook. The invitation will also give your friend the opportunity to opt out of receiving other invitations to join facebook,

We may memorialize the account of a deceased person. When we memorialize an account, we keep the timeline on Facebook, but limit access and some features. You can report a deceased person's timeline at: https://www.facebook.com/help/contact.php?show\_form=deceased

We also may close an account if we receive a formal request that setisfies certain criteria.

We give your information to the people and companies that help us provide, understand and improve the services we offer. For example, we may use outside vendors to help host our website, serve photos and videos, process payments, analyze data, measure the effectiveness of ads, or provide search results. In some cases we provide the service jointly with another company, such as the Facebook Marketplace. In all of these cases our partners must agree to only use your information consistent with the agreement we enter into with them, as well as this Data Use Policy.

#### Security and bugs

We do our best to keep your information secure, but we need your help. For more detailed information about staying safe on Facebook, visit the Facebook Security Page. We try to keep Facebook up, bug-free and safe, but can't make guarantees about any part of our services or products.

#### Change of Control

If the ownership of our business changes, we may transfer your information to the new owner so they can continue to operate the service. But they will still have to honor the commitments we have made in this Data Use Policy.

#### Notice of Changes

If we make changes to this Data Use Policy we will notify you by publication here and on the Facebook Site Governance Page. If the changes are material, we will provide you additional, prominent notice as appropriate under the circumstances. You can make sure that you receive notice directly by liking the Facebook Site Governance Page.

#### Opportunity to comment and vote

Unless we make a change for legal or administrative reasons, or to correct an inaccurate statement, we will give you seven (7) days to provide us with comments on the change. If we receive more than 7000 comments concerning a particular change, we will put the change up for a vote. The vote will be binding on us if more than 30% of all active registered users as of the date of the notice vote.

#### Information for users outside of the United States and Canada

Company Information: The website under www.facebook.com and the services on these pages are being offered to users outside of the U.S. and Canada by Facebook Ireland Ltd., Hanover Reach, 5-7 Hanover Quay, Dublin 2 Ireland. The company Facebook Ireland Ltd. has been established and registered in Ireland as a private limited company, Company Number: 462932, and is the data controller responsible for your personal information.

Directors: Cipora Herman (American), Theodore Uliyot (American).

#### Your California privacy rights

California law permits residents of California to request certain details about what personal information a company shares with third parties for the third parties' direct marketing purposes and share your information with third parties for the third parties' own and independent direct marketing purposes unless we receive your permission. Learn more about the information we receive and how it is used and other websites and applications. If you have questions about our sharing practices or your rights under California faw, please write us at 1601 Willow Road, Menio Park, CA 94025 or contact us through this help page: https://www.facebook.com/help/contect\_us.php?id=173545232710000

Facebook ⊗ 2012 · English (US)

About : Create an Ad : Create a Page : Developers : Careers : Privacy : Cookies : Terms : Help

(b)(6)

This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version, the English version controls. Please note that Section 15 contains commin changes to the general terms for esers outside the Drifted States.

Date of Last Revision: June 8, 2012.

#### Statement of Rights and Responsibilities

This Statement of Rights and Responsibilities ("Statement," "Tarms," or "SRP") derives from the Papabook Principles, and is our barns of source that governs our relationship with ozers and others with inturact with Excuberat, By using far accessing Receberat, you agree to this Stationism, as updated from time to time in accordance with Section 14 before. Additionally, you will find resources at the end of this document that field you understand how Pacebook works.

Your grivery is very important to us. We designed our lists like Policy to make important discissures about how you can use l'écolock to share with dibers and how we collect and can use your content and information. We encourage you to need the Cata Gas Folicy, and to use it to belp you make information. We encourage you to need the Cata Gas Folicy, and to use it to belp you make information.

#### 2. Sharing Your Content and Information

- You own all of the content and information you peet on Facebook, and you can control flow if is shared divergity your privacy and application setungs, in addition

  1. For content that is covered by intellectual groupsty rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application senses; you gent us a non-exclusive, vendefanite, sub-dismostle, repairly-flee, vendefanite season to use any if content that you post on or is connection with Facebook (IP License). This IP License right when you delete your IP content ur your account unless your content pas bean shared with phinas, and they have not deleted it.

  2. When you delete IP content, it is disperse in a manner similar to engaging the recycle in an a computer. However, you understood that promoved content may passist in backup copies for a casonable period of time (but with not be available to outnot).

  3. Here you delete IP contents that the contents of outnots are contents and information to what had a content to the content of the outnote that information the content had information to what had information to what had information to what had information to what had information the content had information to what had information the content had information to what had information the content had information to what had information to what had information the content had information to be a selected in the content of the content had information to what had information to the content of the content o

  - 3. When you use an application, the application may sak for your permission to access your content and information as well as content and information that others have shared with you. We require applications to respect your privacy, and your agreement with that application only is control from the application or use, start, and transfer that content and information. (To learn more about Platforn, including now you can conjust what information other oracity may share application for the Polica of Polic

  - associate it with you (i.e., your name and profile picture).

    We always appreciate your feedback or other suggestions about facebook, but you understand that we may use them without any obligation to compensate you for them (just as you have no obligation to offer them).

#### 3. Safety

We do our best to keep Pacebook sale, but we cannot guarantee it. We need your help to keep Pacebook safe, which includes the following commitments by your

- You will not post unsufficized commercial communications (such as search on Pacatook
- 2. You will not collect users' consent or information, or otherwise access Facebook, using automated means (such as harvesting bots, robots, spiders, or accepters) without our prior
- You will not engage in uniawful multi-level marketing, such as a pyramid scheme, on Fiscebook.
- You will not uplead viruses or other malicious code.
   You will not solicit login information or access an account belonging to compone else.
- 6. You will not bully, institutions, or hardss any user.
- 7. You will not post content that is hate speeds, threatening, or pormyrophic; incides violence, or contains anothy or graphic or grateticus violence.

  3. You will not develop or operate a third-party application containing alcohol related, dating or other mature content (including advertisements) without appropriate agerbased.

- 9. You will follow our Promotions Guidelines and all applicable laws if you publicibe or offer any contest, giveway, or sweepstakes ("promotion") on Pacebook.

  10. You will not do anything that could disable, overtunden, or impair the proper working or appearance of Pacebook, such as a dealel of service attack or interference with page rendeding. or other Excebook functionality.
- 12. You will not facilitate or encourage any violations of this Suztement or our policies.

#### 4. Registration and Account Security

Facebook users provide duelr real names and information, and we need your belp to keep fi that way. Here are some commitments you make to us reliding to registering and maintaining the

- You will not provide any faits personal information on Facebook, or crease an account for anyone other than yourself without permission.
- 2. You will not croate more than one personal account.
- if we disable your account, you will not create another one without our permission.
   You will not use your personal binefine for your own commercial goin (such as selling your status update to an advertiser).
   You will not use Pamibook if you are under 13.

- Too will not use Forebook if you are a constitute sex offerder.
   You will not use Forebook if you are a constitute sex offerder.
   You will keep your contact information accurate and up no-date.
   You will not share your password (or in the case of developers, your sexret key), let enyone observoes your account, or do anything else that might joopardize the security of your account
- You will not measure your account fundating any Page or application you administer) to anyone without first getting our written permission.
   If you select a pagmente or similar identifier for your account or Page, we asserve the rigid to remove or reclaim it if we believe it is appropriate (but his whim a takdemark owner.)
- complains about a pserage that does not desely edate to a eser's actual name).

#### 5. Protecting Other People's Rights

We respect asier people's rights, and except you to do the same.

- respect court peopers regists, and expect you to be the starts.

  1. You will not post content or bake any actions on Foodbeck that interings or violates shared and on otherwise violates the law.

  2. We can remove any content or information you post an Exception if we believe that it violates this Statement or our policias.

  3. We provide you will book to help you protest your institution properly rights. To learn more, visit our flow to Report Chairs of Indiffective Reviews the security your will provide you with the or infringing statement else's depryright, and you fellieve we removed it it is retistable, we will provide you with an expositivity to appeal.

  5. If you repeatedly infring other people's including Provider, we will disable your account when appropriate.

  5. You will not use our capyrights or trademarks (document Provider), the Pacebooks and I stopes, RB, Face, Poice, Book and Walfi, or any confusingly similar marks, except an expressing markets that our provide provide Chairman Chairman with our more offers. pairaktest by our Brand Usago Guiddiness or with our prior written permission.
- 7. If you called information from users, you will obtain their possent, make it clear you (and not Pacebook) are the one collecting their information, and post a privacy poincy explaining what information you collect and how you will size it.
- 8. You will not post enviore's identification documents or sensitive financial information on Facebook.
  - 9. You will not tag used on send email invitations to non-users wildout their consent. Facebook offers docust reporting tools to enable users to provide feedback about tagging.

#### 6. Mobile and Other Devices

- We duriestly provide dur mobile abrivios for foat, but please be sivere that your carrier's naminal cases and fields, such as tick hierosigning fields, vital still upon.
   In the event you change or describete your mobile beginning number, you will update your account information on Excelptox within 48 hours to quarter to assure that your messages are not sent to the general who acquires your discontinuation.
   You provide coincest and all rights nacessary to enable issers to sync (including follows) that devices with any information that is visible to them on Facebook.

#### 7. Payments

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Search for people, places and things:

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#### 8. Special Provisions Applicable to Social Plugins

If you include our Social Plugias, such as the Share or Like buttons on your website, the following additional terms apply to your

- We give you permission to use isocobooks Social Plagies so that users can post links or content from your website on Facebook.
   You will not place a Social Plagin on any page containing content that would violate this Statement if posted on Facebook.

#### 9. Special Provisions Applicable to Developers/Operators of Applications and Websites

- If you are a decidence or operator of a Platform againsticn or settable, the following additional terms apply to you:

  1. You are responsible for your application and its content and all uses you reake of Platform. This includes ensuring your application or use of Platform meets our <u>Excelsions.</u> College and our Advertising Coldelines.
  Your access to and use of data you receive from Pacebook, will be kinked as follows:
  - - You will poly request data you need to program your application.
    - You will have a preacy policy that help pages what each data you are going to eac and now you will use, display, share, or transfer that data and you will reclude your privacy godey life. In the Charlispea Application.
    - You will not use, display, share, or transfer a warr's data in a manner inconsistant with your privacy policy.

    - You will debute all data you receive from as concerning a user if the user miss you to do so, and will provide a mechanism for users so make such a request.
       You will not imbade data you receive from as concerning a user in any advertising creative.
       You will not directly or indirectly transfer any data you receive from as to (or use secta rates in connection with) any 46 nativates, and exchange, data broker; at other advertising. related toolset, even if a user consume to that transfer or use.
    - You will not sell user data. If you are acquired by or merge with a think pady, you can continue to use user that within your application, but you cannot transfer user data custoffe of your application.
    - 8. We can require you to delete user data if you use it in a way that we determine is inconsistent with asers' expectables.

    - We can Entit your access to data.
       Yes will comply with all other restrictions contained in our Forestock Platicism Policies.
  - You will not give us information that you independently collect from a user or a user's context without that user's consent. You will make it easy for users to remove or discusment from your application.

  - You will make it see, for users to contact you. We can also share your emell address with users and others claiming that you have intringed or otherwise violated their rights.

  - You will previde continues support for your application.
    You will not show littled party add or youb search boxes on www.factstock.com
  - We give you all rights recessary to use the code, AFIs, data, and took you receive from six

  - 9. You will not sail transfer, or ordification our code. APIs, or took for anyone.

    10. You will not misrepresent your relationship with Psechook to others.

    11. You may use the logics we make available to developers or issue a press release or other public statement so long as you follow our Facebook Platform Policies.
- You may use this pages we make a washout to developers or issue a press renews or other panic statement suring as you return when it is not a press renew or other panic statement suring as you return when it is not a positive for removing infringing content and terminating repeal infringers that complies with the Digital Millennium Copyright Act.
   In there a pulicy for removing infringing content and terminating repeal infringers that complies with the Digital Millennium Copyright Act.
   Comply with the Weber Drivacy Protection Act (PPPA), and obtain any opinic consent represent from waters so that user data subject to the VPPA may be shared on Pacebook. You represent that any disclosure to us with not be incidental to the ordinary course of your fusioness.
- 14. We do not guarantee that Platform will always be free.

  15. You give us all rights hecksaary to enable your application to york with Fadebook, including the right to indeportate content and information you provide to us into streams, fundines, and user action stories.
- You give as the right to link to an frame your application, and place content, including ads, around your application.
   We can bright to link to an including your application, contents, and data for any purpose, including commercial (such as for targeting the delivery of advertisements and indexing content for search).
   To ensure your application is safe for users, we can audit it.
- 19. We can crease applications that offer similar features and services to, or otherwise compese with, your application.

### 18. About Advertisements and Other Commercial Content Served or Enhanced by Facebook

Our goal is to deliver ads and commercial concept that are valuable to our users and advertisers. In order to help us do that, you agree to the following:

- got is to come our any termination content our are very our door, and contained in most on many the enter our or the out of the limits of the
- 3. You understand that we may not always identify paid services and communications as such

### 11. Special Pravisions Applicable to Advertisors

You can parget your desired pushing a by buying add on Facebook or our publisher network. The fisiowing additional terms apply to you if you place an order through our online advertising

- 1. When you place an Order, you will belt us the type of advertising you want to buy, the absount you want to spand, and your bid. If we accept your Order, we will define your advertising you advertising your bid. inventory becomes available. When serving your ad, we do our best to deliver the ads to the audience you specify, although we cannot guarantee in every instauce that your ad will
- Its instances where we believe dains so will enhance the effectiveness of your advertising compalyn, we may broaden the targeting criticals you specify.
   You will pay for your Orders in accordance with our Payments Terrist. The amount you sive will be calculated based on our tracking mechanisms.

- Tow and yet year Covers in accordance was our varying in them. The amount you have well as excessed accordance in the contrained of the contrai

- d. .
   We can use your add and neleted cortest and information for marketing or promotional purposes.
   You will not issue any press release or make public internents about your relationship with Facebook without our prior written perculation.
   We may reject or remove any and fire any reasons.
   If you respirating add on a numbrone areas behalf, you must have permission to place those ods, including the following:

   You warrant that you have the legal authority to blad the advertiser to this Statebrent:
- - 2. You agree that if the advantage you represent yislates this Statement, we may hold you responsible for that stoletion.

#### 12. Special Provisions Applicable to Pages

If you create or administer a Page on Facabook, you agree to our Pages Taxas.

#### 13. Special Provisions Applicable to Software

- 1. If you townload our software, such as a stand-alone software product or a browser plugia, you agree that from those to late, the software may download appraise, updates and
- additional features from as in order to improve, enhance and further develop the software.

  7. You will not modify, create derivative works of, descripping or phinarise affairst to extract source code from us, unless you are expressly permitted to do so under an open source license or we give you depress written permission.

#### 14. Amendments

J. We can change this Statement if we provide you notice (by posting the change on the Facebook Site Governance Page) and an apportunity to cumment. To set notice of any future changes to this Statement, visit our Facebook Site Governance Page and "like" the Page. 1.9 Chat (Off) face none

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- afternatives. The vote shall be blocking on us if more than 30% of all active registered users as of the date of the notice vote.
- If we make changes to policies referenced in an incorporated by this Statement, we may provide notice on the Side Governance Page.
   We can make changes for legal or administrative reasons, or to correct an inaccurran statement, upon notice without opportunity to comment.
   Your continued use of Facebook following changes to bur terms constitutes your acceptance of our amended terms.

#### 15. Yermination

if you violate the letter or spirit of this Statement, or otherwise create risk or possible legal exposure for us, we can stop providing all or part of Facebook to you. We will notify you by email or at the next time you alterned to access your account. You may also delete your account or disable your application of any time. In all such cases, this Statement shall be minute, but the failuring provisions roll still apply: 2.2, 2.4, 3.5, 8.2, 9.1-9.2, 9.1.9, 1.3, 9.13, 9.13, 9.13, 9.15, 11.2, 11.5, 11.5, 11.5, 11.5, 11.6, 11.9, 11.12, and 15-19.

- You will respire any Claim, cause of acriso or dispute (claim) you have with as arising out of or relating to this Statement or Facebook exclusively in a state or faderal court located in Sortin Claim County. The land of the State of California will govern this Statement, as well as any object that this butween you and as, without regard to conflict of how provisions. You agree to submit to the postorial jurisdiction of the counts located to Serial Claim County, California for this purposes of Righting all such claims.
- You agree to submit to the possonal jurisocition of the courts. Accessed to Savina Close Coverty, Celifornia for the purpose of Rigiding all such clemes.

  2. If agrinze bright a claim organia as related to submit celifornia for the courts of information or facilities, you will informed our formation and all specimes and approve of any bind finduling reasonable legisfress and coats) related to such cleme. Although we provide miles for user conduct, we do not control or direct verify actions on Facilities and any bind finduling reasonable legisfress in controlling the controlling or the conduct, which will be only controlling for the conduct, whether celling is offered, inappropriate, observed, unlikely or cinerate dispositions on content or information you may exceed to a new not recognized for the conduct, whether celling is offered, inappropriate, observed, unlikely the controlling facilities of strip is offered, as its writtenia as a propose of the late of intervals disposition, but not further to its preparation of the conduct, whether celling is offered, inappropriate, observed, as the first propose of the late of the conduct of the conduc ABOVE LIMITATION OR EXCLUSION MAY NOT APELY TO YOU. IN SUCH CASES, FACEBOOK'S LIABILITY WILL BE LIMITED TO THE PILLEST EXTENT PERMITTED BY APPLICABLE LAW.

#### 17. Special Provisions Applicable to Users Outside the United States

We strive to create a global community with consistent standards for everyone, but we also strive to respect local laws. The following provisions apply to users and non-users who interact with

- 1. You consent to having your personal data transferred to and processed in the United States.
- By you are located in a constructive meaning of the funded Setus, or are on the U.S. Treasury Department's list of Specially Designated Retignals you will not engage in commercial activities on Fercilize's (such as advertising or payments) or operate a Platform application or website.
   Certain specific terms that apply only for German users are evalidable how.

#### 18. Definitions

- By "Facebook" we meen the features and services we make available, including through (a) our website at wave facebook com and any other facebook branded or co-branded websites (including sub-domains, international versions, vidgets, and mobile versions); (b) our Platform; (c) social plugins such as the Like botton, the Share button and other similar offerings and (ii) other media, software (such as a boolbar), devices, or networks now existing or fater developers and version and or persions, to retrieve date from Facebook or
   By "Platform" we mean a set of APIs and services (such as content) that enable offices, including application developers and website operators, to retrieve date from Facebook or

- 3. By "Rifermation" we recent facts and other information about you, including actions taken by users and men-users who interact with Facebook.

  4. By "content" we meen anything you or other users post on Facebook that would not be included in the definition of information.

  5. By "data" or "user data" or "user's data" we meen any data, including a user's content or information that you or third parties can retrieve from Facebook or provide to Facebook.
- through Platform.

- through Pattern.

  5. 97 (1967) we mega just on Facebook or otherwise make available by using Facebook.

  7. 97 "isse" we mean use, copy, publicly perform or display, distribute, medify, consiste, and create derivative works of.

  8. 99 "active registered user" we mean a user who has logged the Facebook at least once in the previous 30 days.

  9. 99 "application" we decid any application or redulate that uses or accesses Platform, as well as anything obsertable received data from us. If you no longer access Platform but have not deleted all data from us, the term application will apply until you delete the data.

- If you are a resident of or have your principal place of business in the US or Cauada, this Statement is an agreement between you and Facebook Treatment Limited. References to "us;" "we," and "our" mean either Facebook, inc. or Facebook Treatment Limited, as appropriate.
   This Statement makes on the ordine agreement between the parties regarding Facebook, and supercedes any prior agreements.
- If any portion of this Statement is found to be identiforceable, the remaining portion will remain in full force and effect. If we fell so enforce any of this Statement, it will not be considered a violent.

  Any animination for involver of this Statement, it will not be considered a violent.

  You will not trensfer any of your digits or obligations under this Statement to anyone also without our consent.

- All of our sights and obligations under this Statement are freely assignable by us in connection with a merger, acqualition, or sale of assets, or by assertion of law or otherwise. Nothing is the Statement shall prevent us been complying with the law.
  This Statement does not confer any third party beneficiary rights.

- We make a disting set expressly granted to you.
   You will comply with all applicable love when using or accessing facebook

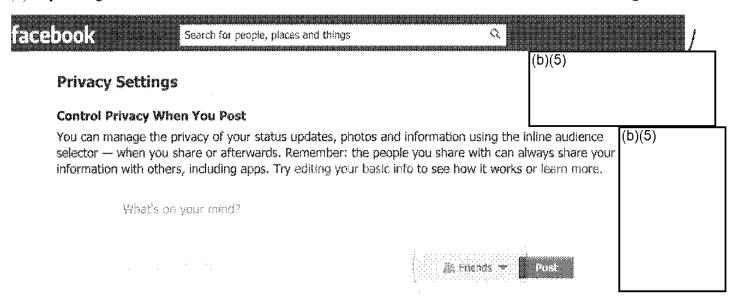
#### You may also want to review the following documents, which provide additional Jafornation about your use of Pacabook:

- Ditter Use Policy: The Data Use Policy contribes beformation to hisp you understand how we collect and use leformation.
- Payment Temen: These additional terms apply to all payments made on or through Facebook.
  Platform Page: This page helps you before understand what happens when you add a datel panty application or use Facebook Connect, including here they may access and use your data.
  Facebook Platform Policies: These guidelines outline the palicies that apply to applications, including Connect sides.
- Advertising Guidelines (These guidelines outline the policies that apply to advertigements placed on Psodocol.
   Promotions Guidelines: These guidelines outline the policies that apply if you offer conteals, sweepstakes, and other types of promotions on Psodocol.
   Sixand Permissions Center: These guidelines outline the policies that apply to use of Facebook buildenines, logos and screenshots.
- Player to Report Claims of Intelligence Property Editiogeniem. Pages Yerms: These guidolinas apply to your use of Facebook Pages.
- Community Standardis: These quidelines outline our expectations regarding the content you past to Facebook and your activity on Facebook.

Statement of Rights and Responsibilities in several different tanguages, change the language setting for your Pacetools session by clicking on the language ink in the last conner of most pages. If the Statement is not available to the language you solect, we will default to the linglish version.

Facebook © 2012 - English (US) About - Cresté an Adi - Creste a Page - Developers - Coreza - Privary - Corkies - Terros - Help

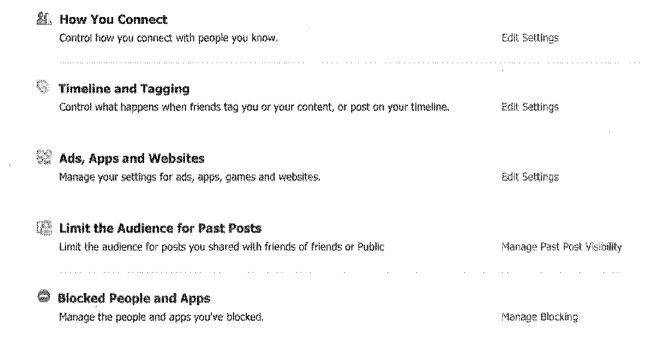
					1																



### **Control Your Default Privacy**

This setting will apply to status updates and photos you post to your timeline from a Facebook app that doesn't have the inline audience selector, like Facebook for Blackberry.



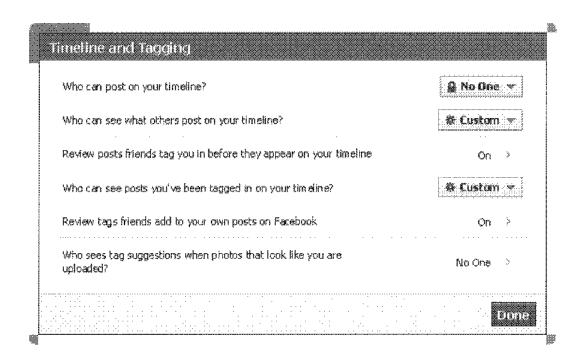


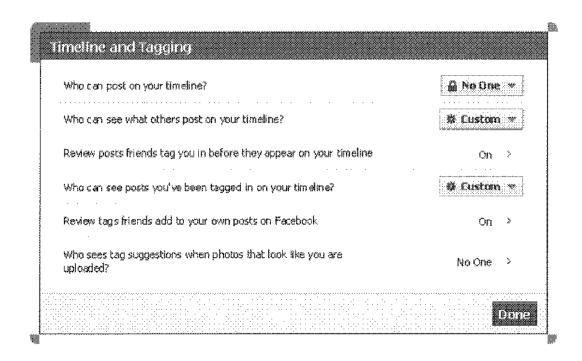
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Search for people, places and things

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Search for people, places and things



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Home +

### Choose Your Privacy Settings - Apps, Games and Websites

#### 4 Back to Privacy

On Facebook, your name, profile picture, gender, networks, username and user ld (account number) are always publicly available, including to apps (Learn Winy). Also, by default, apps have access to your (riends list and any information you choose to make public.

Edit your settings to control whether you use our Platform, Including whether we store information about you when you use apps you use off Facebook. If you do not wish to turn off Platform, you can also individually remove unwanted applications.

Apps you use

You're using 1 app, game or website:



Birthday Calendar

More than 6 months ago

Tran off your ability to use apps, plugins, and websites on and off Facebook. After you turn this off, we will not stone information about you when you use apps or websites off Facebook.

How people bring your info to apps they use

Recalls who can see your info can bring it with them when they use apps. Use this setting to control the categories of information people can bring with them.

Edit Settings

Instant personalization

Lets you see relevant information about your friends the moment you arrive on select partner websites.

Edit Settings

Public search

Show a preview of your Facebook timeline when people look for

you using a search engine.



Ads

Manage settings for third-party and social ads.

Edit Settings

Facebook @ 2012 · English (US)

About - Create an Ad - Create a Page - Developers - Careers - Privacy - Cockles - Terms - Help

Date of Last Revision: February 29, 2012

#### Facebook Pages Terms

The following terms, as well as our Data Use Policy and Statement of Rights and Responsibilities, apply to all Pages on Facebook. Additionally, all content in Pages must comply with our Community Standards.

#### . General

- A. Crity authorized representatives may administer a Page for a brand, entity (place or organization), or public figure.
- 8. Any user may create a Page to express support for or interest in a brand, entity (place or organization), or public figure, provided that it is not likely to be confused with an official Page or violate someone's rights.
- C. Content posted to a Page is public and viewable by everyone who can see the Page.
- D. You are required to restrict access to Pages (through our gating functionality) as necessary to comply with applicable laws and Facebook policies, including our Advertising Guidelines and Community Standards.
- E. You may not establish terms for your Page that conflict with our Statement of Rights and Responsibilities, Data Use Policy or these terms.

#### II. Page Management

#### A. Page Names and Facebook Web Addresses

Page names and Facebook Web Addresses must accurately reflect Page content. We may remove administrative rights or require you to change the Page name and Facebook Web Address for any Page that fails to meet this requirement.

Page names must:

- i. not consist salety of generic terms (e.g., "beer" or "pizza");
- ii. use proper, grammatically correct capitalization and may not include all capitals, except for acronyms;
- iii. not include character symbols, such as excessive punctuation and trademark designations; and
- iv. not include superfluous descriptions or unnecessary qualifiers.

#### 8. Name Changes and Migrations

We will only process name changes and migrations that do not result in a misleading or unintended connection. For example, we will allow local to global migrations, such as "Facebook France" to "Facebook", but will not allow global to local migrations, or location to location migrations, such as "Facebook Russia". Additionally, you may not request a name change or migration that would result in re-categoriting a product Page to a brand Page, a generic or opinion Page to a brand Page, or a Group to a Page. All migrations are at our discretion and are final.

#### C. Collection of Data

If you collect content and information directly from users, you will make it clear that you (and not Facebook) are collecting it, and you will provide notice about and obtain user consent for your use of the content and information that you collect. Regardless of how you obtain content and information from users, you are responsible for securing all necessary permissions to reuse their content and information.

You will not collect users' content or information, or otherwise access Facebook, using automated means (such as harvesting bots, robots, spiders, or scrapers) without our permission.

Any data you obtain from us must comply with Section II of our Facebook Platform Policies.

### II. Page Features

### A. Advertising on Pages

Ads and commercial content (including Page post content) are subject to the Advertising Guidelines.

Third-party advertisements on Pages are prohibited.

### 3. Cover

All covers are public. This means that anyone who visits your Page will be able to see your cover. Covers can't be deceptive, misleading, or infringe on anyone else's copyright. You may not encourage people to upload your cover to their personal timelines.

1.\* Chat (Off)

Covers may not include:

- i. price or purchase information, such as "40% off" or "Download it on socialmusic.com";
- ii. contact information such as a website address, email, mailing address, or information that should go in your Page's "About" section;
- iii. references to Facebook features or actions, such as "Like" or "Share" or an arrow pointing from the cover photo to any of these features; or
- iv. calls to action, such as "Get it now" or "Tell your friends."

#### C. Applications on Pages

Apps on your Page must comply with the Pacebook Platform Policies.

### 0. Offers

Facebook may not be a suitable place for every type of offer, and you are solely responsible for determining if Facebook is the appropriate forum for your offer. If you create an offer using Facebook's offer creation tool, the following policies apply:

- i. You are responsible for ensuring that your offer complies with these terms and all applicable laws, rules and regulations. Offers are subject to many regulations (such as alcohol discounts and offers marketed to minors) and if you are not certain that your offer complies with applicable law, consult with an expert.
- ii. If there are any restrictions on your offer (such as expiration date or limitations on redemption), you must disclose those restrictions to users in the terms and conditions section of the offer.
- iii. You are solely responsible for improper redemption, fraud or other issues that arise from the distribution and/or redemption of your offer.
- iv. If your offer may be redeemed at a merchant not operated by you, it is your sole responsibility to communicate with the participating
- v. You must not use Facebook's offer creator to offer the equivalent of a gift card, gift certificate or stored value card.

#### E. Promotions

If you use Pacebook to communicate about or administer a promotion (such as a contest or sweepstakes), you are responsible for the lawful operation of that promotion, including the official rules, offer terms and eligibility requirements (e.g., age and residency restrictions), and compliance with regulations governing the promotion and all prizes offered in connection with the promotion (e.g., registration and obtaining necessary regulatory approvals). Please note that compliance with these guidelines does not constitute the lawfulness of a promotion. Promotions are subject to many regulations and if you are not certain that your promotion complies with applicable law, please consult with an expert.

- i. Promotions on Facebook must be administered within Apps on Facebook.com, either on a Canvas Page or a Page App.
- it. Promotions on Facebook must include the following:
  - a. A complete release of Facebook by each entrant or participant.
  - b. Acknowledgment that the promotion is in no way sponsored, endorsed or administered by, or associated with, Facebook
  - c. Disclosure that the participant is providing information to [disclose recipient(s) of information] and not to Facebook.
- iii. You must not condition registration or entry upon the user taking any action using any Facebook features or functionality other than liking a Page, checking in to a Place, or connecting to your app. For example, you must not condition registration or entry upon the user liking a Wall post, or commenting or uploading a photo on a Walf.
- iv. You must not use Facebook features or functionality as a promotion's registration or entry mechanism. For example, the act of liking a Page or checking in to a Place cannot automatically register or enter a promotion participant.
- v. You must not use Facebook features or functionality, such as the Like button, as a voting mechanism for a promotion.
- vi. You must not notify winners through Facebook, such as through Facebook messages, chat, or posts on profiles (timelines) or Pages.
- vii. Definitions:
  - a. By "administration" we mean the operation of any element of the promotion, such as collecting entries, conducting a drawing, judging entries, or notifying winners.
  - b. By "communication" we mean promoting, advertising or referencing a promotion in any way on Facebook, e.g., in ads, on a Page, or in a Wall post.

We reserve the right to reject or remove Pages for any reason. These terms are subject to change at any time.

Amended Pages Terms for State and Local Governments in the United States

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About \* Create an Ad • Create a Page • Developers • Careers • Privacy • Cookies • Terms • Help

(b)(6) Search for people, claces and things Learn more about cookies and similar technologies. Data Use Policy Information we receive and how it is used Learn about the types of information we receive, and how froitos de perecións, pienesa descuids um by describit il vez ans econoxid that information is used. in the U.S. on Conada, our maland indures is Parabode tro. . JEOG Prachy Moud, Merko Parto, Ca Specific If you cree betwee artifere ultve Carata, der matang antende et kalabakse erabend lid. Sharing and finding you on Facebook kurungan Perudi K. 7 Karropa (barp Cuthi) Zikelenii shiji mpe she çodiri: Get to know the privacy settings that help you control ok finalija ing **helo dege.** your information on facebook com-More resources Other websites and applications Learn about things like social plugins and how information Interactive Tools is shared with the games, applications and websites you Minors and Safety and your friends use off Facebook. . View the complete Data Use Policy How advertising and Sponsored Stories work See how ads are served without sharing your information. with advertisers, and understand how we pair ads with social context, such as newsfééd-style stories. Cookies, pixels and other system technologies Find out how cookies, pixels and tools (like local storage) are used to provide you with services, features and relevant ads and content. Some other things you need to know Learn how we make changes to this policy and more. Pedebook © 2017: English (US) Rbout : Create an Ad : Create a Page : Developers : Cares 1\* Chat (Off) Data Use Policy -- Enformation we represent atrick you

### Information we receive about you

We receive a number of different types of information about you, including:

#### Your information

Your information is the information that's required when you sign up for the site, as well as the information you choose to share.

### . Registration information

When you sign up for Facebook, you are required to provide your name, email address, birthday, and gender.

### . Information you choose to share

Your information also includes the information you choose to share on Facebook, such as when you post a status update, upload a photo, or comment on a friend's story.



It also includes the information you choose to share when you take an action, such as when you add a friend, like a Page or a website, add a place to your story, find friends using our contact importers, or indicate you are in a relationship.

Your name, profile picturés, cover photos, gender, networks, username and User ID are treated just like information you choose to make public. Learn more.

Your birthday allows us to do things like show you age-appropriate content and advertisements.

### Information others share about you

We receive information about you from your friends and others, such as when they upload your contact information, post a photo of you, tag you in a photo or status update, or at a location, or add you to a group.

When people use Facebook, they may store and share information about you and others that they have, such as when they upload and manage their invites and contacts.

### Other information we receive about you

We also receive other types of information about you:

• We receive data about you whenever you interact with Facebook, such as when you look at another person's timeline, send or receive a message, search for a friend or a Page, click on, view or otherwise interact with things, use a Facebook mobile app, or purchase Facebook Credits or make other purchases through Facebook.

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- When you post things like photos or videos on Facebook, we may receive additional related data (or metadata), such as the time, date, and place you took the photo or video.
- We receive data from the computer, mobile phone or other device you use to access Facebook, including when multiple users log in from the same device. This may include your IP address and other information about things like your internet service, location, the type (including identifiers) of browser you use, or the pages you visit. For example, we may get your GPS or other location information so we can tell you if any of your friends are nearby.
- We receive data whenever you visit a game, application, or website that uses Facebook
  Platform or visit a site with a Facebook feature (such as a social plugin), sometimes through
  cookies. This may include the date and time you visit the site; the web address, or URL,
  you're on; technical information about the IP address, browser and the operating system you
  use; and, if you are logged in to Facebook, your User ID.
- Sometimes we get data from our advertising partners, customers and other third parties that helps us (or them) deliver ads, understand online activity, and generally make Facebook better. For example, an advertiser may tell us information about you (like how you responded to an ad on Facebook or on another site) in order to measure the effectiveness of - and improve the quality of - ads.

We also put together data from the information we already have about you and your friends. For example, we may put together data about you to determine which friends we should show you in your News Feed or suggest you tag in the photos you post. We may put together your current city with GPS and other location information we have about you to, for example, tell you and your friends about people or events nearby, or offer deals to you that you might be interested in. We may also put together data about you to serve you add that might be more relevant to you.

When we get your GPS location, we put it together with other location information we have about you (like your current city). But we only keep it until it is no longer useful to provide you services, like keeping your last GPS coordinates to send you relevant notifications.

We only provide data to our advertising partners or customers after we have removed your name or any other personally identifying information from it, or have combined it with other people's data in a way that it is no longer associated with you.

### Public information

When we use the phrase "public information" (which we sometimes refer to as "Everyone information"), we mean the information you choose to make public, as well as information that is always publicly available.

#### Information you choose to make public

Choosing to make your information public is exactly what it sounds like: anyone, including people off of Facebook, will be able to see it.



Choosing to make your information public also means that this information:

- can be associated with you (i.e., your name, profile pictures, cover photos, timeline, User ID, username, etc.) even off Facebook;
- can show up when someone does a search on Facebook or on a public search engine;

- will be accessible to the Facebook-integrated games, applications, and websites you and your friends use; and
- will be accessible to anyone who uses our APIs such as our Graph API,

Sometimes you will not be able to select an audience when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

When others share information about you, they can also choose to make it public.

### Information that is always publicly available

The types of information listed below are always publicly available, and are treated just like information you decided to make public.

#### . Name

This helps your friends and family find you. If you are uncomfortable sharing your real name, you can always delete your account,

#### . Profile Pictures and Cover Photos

These help your friends and family recognize you. If you are uncomfortable making any of these photos public, you can always delete it. Unless you delete them, when you add a new profile picture or cover photo, the previous photo will remain public in your profile picture or cover photo album.

#### . Network

This helps you see whom you will be sharing information with before you choose "Friends and Networks" as a custom audience. If you are uncomfortable making your network public, you can leave the network.

### . Gender

This allows us to refer to you properly.

### . Username and User ID

These allow you to give out a custom link to your timeline or Page, receive email at your Facebook email address, and help make Facebook Platform possible. Learn more.

### Usernames and User IDs

A Username (or Facebook URL) is a custom link to your timeline that you can give out to people or post on external websites, Usernames appear in the URL on your timeline. We also use your User ID to identify your Facebook account.

If someone has your Username or User ID, they can use it to access information about you through the facebook.com website. For example, if someone has your Username, they can type facebook.com/Username into their browser and see your public information as well as anything else you've let them see. Similarly, someone with your Username or User ID can access information about you through our APIs, such as our Graph API. Specifically, they can access your public information, along with your age range, language and country.

If you do not want your information to be accessible to Platform applications, you can turn off all Platform applications from your Privacy Settings. If you turn off Platform you will no longer be able to use any games or other applications until you turn Platform back on. For more information about the information that apps receive when you visit them, see Other websites and applications.

If you want to see information available about you through our Graph API, just type https://graph.facebook.com/ into your browser.

Your Facebook email address includes your public username like so: username@facebook.com. You can control who can start a message thread with you using your How You Connect settings. If they include others on that message, the others can reply too.

### How we use the information we receive

We use the information we receive about you in connection with the services and features we provide to you and other users like your friends, our partners, the advertisers that purchase ads on the site, and the developers that build the games, applications, and websites you use. For example, we may use the information we receive about you:

- as part of our efforts to keep Facebook products, services and integrations safe and secure;
- to protect Facebook's or others' rights or property;
- to provide you with location features and services, like telling you and your friends when something is going on nearby;
- to measure or understand the effectiveness of ads you and others see, including to deliver relevant ads to you;
- to make suggestions to you and other users on Facebook, such as: suggesting that your
  friend use our contact importer because you found friends using it, suggesting that another
  user add you as a friend because the user imported the same email address as you did, or
  suggesting that your friend tag you in a picture they have uploaded with you in it; and
- for internal operations, including troubleshooting, data analysis, testing, research and service improvement.

Granting us this permission not only allows us to provide Facebook as it exists today, but it also allows us to provide you with innovative features and services we develop in the future that use the information we receive about you in new ways.

While you are allowing us to use the information we receive about you, you always own all of your information. Your trust is important to us, which is why we don't share information we receive about you with others unless we have:

- received your permission;
- . given you notice, such as by telling you about it in this policy; or
- · removed your name or any other personally identifying information from it.

Of course, for information others share about you, they control how it is shared.

We store data for as long as it is necessary to provide products and services to you and others, including those described above. Typically, information associated with your account will be kept until your account is deleted. For certain categories of data, we may also tell you about specific data retention practices.

We are able to suggest that your friend tag you in a picture by scanning and comparing your friend's pictures to information we've put together from the other photos you've been tagged in. This allows us to make these suggestions. You can control whether we suggest that another user tag you in a photo using the How Tags Work settings. Learn more.

### Deleting and deactivating your account

If you want to stop using your account, you can either deactivate or delete it.

#### Deactivate

Deactivating your account puts your account on hold. Other users will no longer see your timeline, but we do not delete any of your information. Deactivating an account is the same as you telling us not to delete any information because you might want to reactivate your account at some point in the future. You can deactivate your account on your account settings page.

Your friends will still see you listed in their list of friends while your account is deactivated,

### Deletion

When you delete an account, it is permanently deleted from Facebook. It typically takes about one month to delete an account, but some information may remain in backup copies and logs for up to 90 days. You should only delete your account if you are sure you never want to reactivate it. You can delete your account here. Learn more.

Certain information is needed to provide you with services, so we only delete this information after you delete your account. Some of the things you do on Facebook aren't stored in your account, like posting to a group or sending someone a message (where your friend may still have a message you sent, even after you delete your account). That information remains after you delete your account.

Facebook @ 2012 : English (US)

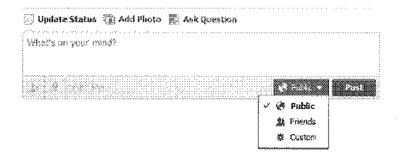
About: Create an Ad. Create a Page: Developers: Careers: Privacy: Cookles: Terms: Help

Data Use Policy -- Sharing and flacing your on Harebook

### Sharing and finding you on Facebook

### Control each time you post

Whenever you post content (like a status update, photo or check-in), you can select a specific audience, or even customize your audience.



To do this, simply click on the sharing icon and choose who can see it.

- Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Facebook, will be able to see or access it. Learn more about public information.
- 數 Choose this icon if you want to share with your Facebook Friends.
- Choose this icon if you want to Customize your audience. You can also use this to hide your story from specific people.

If you tag someone, that person and their friends can see your story no matter what audience you selected. The same is true when you approve a tag someone else adds to your story.

Always think before you post. Just like anything else you post on the web or send in an email, information you share on Facebook can be copied or re-shared by anyone who can see it.

Although you choose with whom you share, there may be ways for others to determine information about you. For example, if you hide your birthday so no one can see it on your timeline, but friends post "happy birthday!" on your timeline, people may determine your birthday.

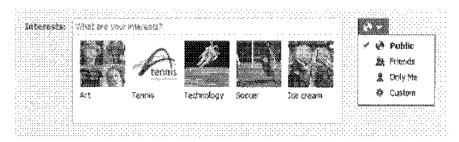
When you comment on or "like" someone else's story, or write on their timeline, that person gets to select the audience. For example, if a friend posts a Public story and you comment on it, your comment will be Public. Often, you can see the audience someone selected for their story before you post a comment; however, the person who posted the story may later change their audience.

You can control who can see the Facebook Pages you've "liked" by visiting your timeline, clicking on the Likes box on your timeline, and then clicking "Edit."

Sometimes you will not see a sharing icon when you post something (like when you write on a Page's wall or comment on a news article that uses our comments plugin). This is because some types of stories are always public stories. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

### Control over your timeline

Whenever you add things to your timeline you can select a specific audience, or even customize your audience,



To do this, simply click on the sharing icon and choose who can see it.

Choose this icon if you want to make something Public. Choosing to make something public is exactly what it sounds like. It means that anyone, including people off of Facebook, will be able to see or access it. Learn more about public information.



\* Choose this icon if you want to Customize your audience. You can also use this to hide the item on your timeline from specific people.

When you select an audience for your friend list, you are only controlling who can see the entire list of your friends on your timeline. We call this a timeline visibility control. This is because your friend list is always available to the games, applications and websites you use, and your friendships may be visible elsewhere (such as on your friends' timelines or in searches). For example, if you select "Only Me" as the audience for your friend list, but your friend sets her friend list to "Public," anyone will be able to see your connection on your friend's timeline.

Similarly, if you choose to hide your gender, it only hides it on your timeline. This is because we, just like the applications you and your friends use, need to use your gender to refer to you properly on the site.

When someone tags you in a story (such as a photo, status update or check-in), you can choose whether you want that story to appear on your timeline. You can either approve each story individually or approve all stories by your friends. If you approve a story and later change your mind, you can remove it from your timeline. Learn more about tagging.

People on Facebook may be able to see mutual friends, even if they cannot see your entire list of friends.

Some things (like your name, profile pictures and cover photos) do not have sharing icons because they are always publicly available. As a general rule, you should assume that if you do not see a sharing icon, the information will be publicly available.

### Finding you on Facebook

To make it easier for your friends to find you, we allow anyone with your contact information

(such as email address or telephone number) to find you through the Facebook search bar at the top of most pages, as well as other tools we provide, such as contact importers - even if you have not shared your contact information with them on Facebook.

You can choose who can look up your timeline using the email address or telephone number you added to your timeline through your privacy settings. But remember, if you choose Friends, only your current Facebook friends will be able to find you this way.

Your "How You Connect" settings do not control whether people can find you or a link to your timeline when they search for content they have permission to see, like a photo or other story you've been tagged in.

### Access on phones and other devices

Once you share information with your friends and others, they may be able to sync it with or access it via their mobile phones and other devices. For example, if you share a photo on Facebook, someone viewing that photo could save it using Facebook tools or by other methods offered by their device or browser. Similarly, if you share your contact information with someone or invite someone to an event, they may be able to use Facebook or third-party applications or devices to sync that information. Or, if one of your friends has a Facebook application on one of their devices, your information (such as the things you post or photos you share) may be stored on or accessed by their device.

You should only share information with people you trust because they will be able to save it or re-share it with others, including when they sync the information to a device.

### **Activity log**

Your activity log is a place where you can go to view most of your information on Facebook, including things you've hidden from your timeline. You can use this log to manage your content. For example, you can do things like delete stories, change the audience of your stories or stop an application from publishing to your timeline on your behalf.

When you hide something from your timeline, you are not deleting it. This means that the story may be visible elsewhere, like in your friends' News Feed. If you want to delete a story you posted, choose the delete option.

### What your friends share about you

#### Links and Tags

Anyone can add a link to a story. Links are references to something on the Internet; anything from a website to a Page or timeline on Facebook. For example, if you are writing a story, you might include a link to a blog you are referencing or a link to the blogger's Facebook timeline. If someone clicks on a link to another person's timeline, they'll only see the things that they are allowed to see.

A tag is a special type of link to someone's timeline that suggests that the tagged person add your story to their timeline. In cases where the tagged person isn't included in the audience of the story, it will add them so they can see it. Anyone can tag you in anything. Once you are tagged, you and your friends will be able to see it (such as in News Feed or in search).

You can choose whether a story you've been tagged in appears on your timeline. You can either approve each story individually or approve all stories by your friends. If you approve a story and later change your mind, you can always remove it from your timeline.

If you do not want someone to tag you, we encourage you to reach out to them and give them that feedback. If that does not work, you can block them. This will prevent them from tagging you going forward.

If you are tagged in a private space (such as a message or a group) only the people who can see the private space can see the tag. Similarly, if you are tagged in a comment, only the

people who can see the comment can see the tag.

### Groups

Once you are in a Group, anyone in that Group can add you to a subgroup. When someone adds you to a Group, you will be listed as "invited" until you visit the Group. You can always leave a Group, which will prevent others from adding you to it again.

### **About Pages**

Facebook Pages are public pages. Companies use Pages to share information about their products. Celebrities use Pages to talk about their latest projects. And communities use pages to discuss topics of interest, everything from baseball to the opera.

Because Pages are public, information you share with a Page is public information. This means, for example, that if you post a comment on a Page, that comment may be used by the Page owner off Facebook, and anyone can see it. Learn more.

When you "like" a Page, you create a connection to that Page. The connection is added to your timeline and your friends may see it in their News Feeds. You may be contacted by or receive updates from the Page, such as in your News Feed and your messages. You can remove the Pages you've "liked" through your timeline or on the Page.

Some Pages contain content that comes directly from the Page owner. Page owners can do this through online plugins, such as an iframe, and it works just like the games and other applications you use through Facebook. Because this content comes directly from the Page owner, that Page may be able to collect information about you, just like any website.

Page administrators may have access to insights data, which will tell them generally about the people that visit their Page (as opposed to information about specific people). They may also know when you've made a connection to their Page because you've liked their Page or posted a comment.

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### Other websites and applications

### **About Facebook Platform**

Facebook Platform (or simply Platform) refers to the way we help you share your information with the games, applications, and websites you and your friends use. Facebook Platform also lets you bring your friends with you, so you can connect with them off of Facebook. In these two ways, Facebook Platform helps you make your experiences on the web more personalized and social.



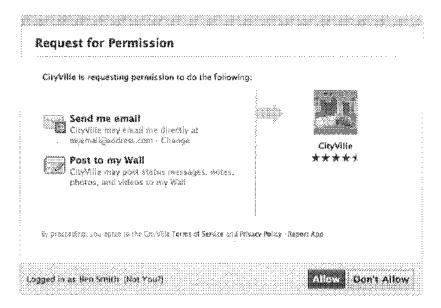
Remember that these games, applications and websites are created and maintained by other businesses and developers who are not part of Facebook, so you should always make sure to read their terms of service and privacy policies.

### Controlling what information you share with applications

When you connect with a game, application or website - such as by going to a game, logging in to a website using your Facebook account, or adding an app to your timeline - we give the game, application, or website (sometimes referred to as just "Applications" or "Apps") your basic info, which includes your User ID, as well your friends' User IDs (or your friend list) and your public information.

Your friend list helps the application make your experience more social because it lets you find your friends on that application. Your User ID helps the application personalize your experience because it can connect your account on that application with your Facebook account, and it can access your basic info, which includes your public information and friend list. This includes the information you choose to make public, as well as information that is always publicly available. If the application needs additional information, such as your stories, photos or likes, it will have to ask you for specific permission.

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The Apps you use setting lets you control the applications you use. You can see the permissions you have given these applications, the last time an application accessed your information, and the audience on Facebook for your timeline stories and activity the application posts on your behalf. You can also remove applications you no longer want, or turn off all Platform applications. When you turn all Platform applications off, your User ID is no longer given to applications, even when your friends use those applications. But you will no longer be able to use any games, applications or websites through Facebook.

Apps you use

Edil Settings

When you first visit an app, Facebook lets the app know your language, your country, and whether you are under 18, between 18-20, or 21 and over. Age range lets apps provide you with age-appropriate content. If you install the app, it can access, store and update the information you've shared. Apps you've installed can update their records of your basic info, age range, language and country. If you haven't used an app in a while, it won't be able to continue to update the additional information you've given them permission to access. Learn more.

Someomes a game console, mobile phone, or other device might ask for permission to share specific information with the games and applications you use on that device. If you say okay, those applications will not be able to access any other information about you without asking specific permission from you or your friends,

Sites and apps that use Instant Personalization receive your User ID and friend list when you visit them. Learn more.

You can always remove apps you've installed by using your App Settings. But remember, apps may still be able to access your information when the people you share with use them. And, if you've removed an application and want them to delete the

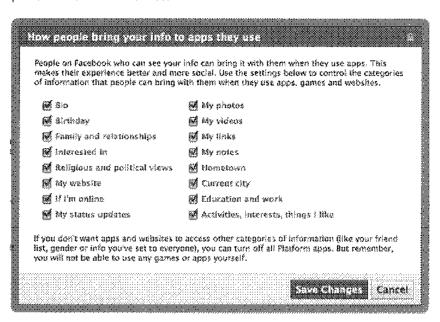
information you've already shared with them, you should contact the application and ask them to delete it. Visit the application's page on Facebook or their own website to learn more about the app.

# Controlling what is shared when the people you share with use applications

Just like when you share information by email or elsewhere on the web, information you share on Facebook can be re-shared. This means that if you share something on Facebook, anyone who can see it can share it with others, including the games, applications, and websites they use.

Your friends and the other people you share information with often want to share your information with applications to make their experiences on those applications more personalized and social. For example, one of your friends might want to use a music application that allows them to see what their friends are listening to. To get the full benefit of that application, your friend would want to give the application her friend list - which includes your User ID - so the application knows which of her friends is also using it. Your friend might also want to share the music you "like" on Facebook. If you have made that information public, then the application can access it just like anyone else. But if you've shared your likes with just your friends, the application could ask your friend for permission to share them.

You can control most of the information other people can share with applications they use from the Ads, Apps and Websites settings page. But these controls do not let you limit access to your public information and friend list.



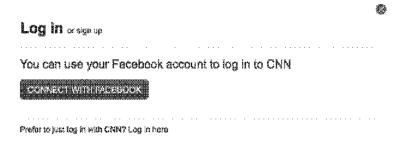
If you want to completely block applications from getting your information when your friends and others use them, you will need to turn off all Platform applications. This means that you will no longer be able to use any third-party Facebook-integrated games, applications or websites.

If an application asks permission from someone else to access your information, the application will be allowed to use that information only in connection with the person that gave the permission and no one else.

# Logging in to another site using Facebook

Facebook Platform lets you log into other applications and websites using your Facebook

account. When you log in using Facebook, we give the site your User ID (just like when you connect with any other application), but we do not share your email address or password with that website through this process.



If you already have an account on that website, the site may also be able to connect that account with your Facebook account. Sometimes it does this using what is called an "email hash", which is similar to searching for someone on Facebook using an email address. Only the email addresses in this case are hashed so no email addresses are actually shared between Facebook and the website.

#### How it works

The website sends over a hashed version of your email address, and we match it with a database of email addresses that we have also hashed. If there is a match, then we tell the website the User ID associated with the email address. This way, when you log into the website using Facebook, the website can link your Facebook account to your account on that website.

### About social plugins

Social plugins are buttons, boxes, and stories (such as the Like button) that other websites can use to present Facebook content to you and create more social and personal experiences for you. While you view these buttons, boxes, and stories on other sites, the content comes directly from Facebook.



Sometimes plugins act just like applications. You can spot one of these plugins because it will ask you for permission to access your information or to publish information back to Facebook. For example, if you use a registration plugin on a website, the plugin will ask your permission to share your basic info with the website to make it easier for you to register for the website. Similarly, if you use an Add To Timeline plugin, the plugin will ask your permission to publish stories about your activities on that website to Facebook.

If you make something public using a plugin, such as posting a public comment on a newspaper's website, then that website can access your comment (along with your User ID) just like everyone else.

If you post something using a social plugin and you do not see a sharing icon, you should assume that story is Public. For example, if you post a comment through a Facebook comment plugin on a site, your story is Public and everyone, including the website, can see your story.

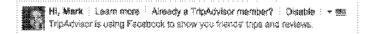
Websites that use social plugins can sometimes tell that you have engaged with the social plugin. For example, they may know that you clicked on a Like button in a social plugin.

We receive data when you visit a site with a social plugin. We keep this data for a maximum of 90 days. After that, we remove your name or any other personally identifying information from the data, or combine it with other people's data in a way that it is no longer associated with you. Learn more,

### About instant personalization

Instant personalization is a way for Facebook to help partners (such as Bing and Rotten Tomatoes) on and off Facebook create a more personalized and social experience for logged in users than a social plugin can offer. When you visit a site or app using instant personalization, it will know some information about you and your friends the moment you arrive. This is because sites and apps using instant personalization can access your User ID, your friend list, and your public information.

The first time you visit a site or app using instant personalization, you will see a notification letting you know that the site or app has partnered with Facebook to provide a personalized experience.



The notification will give you the ability to disable or turn off instant personalization for that site or app. If you do that, that site or app is required to delete all of the information about you it received from Facebook as part of the instant personalization program. In addition, we will prevent that site from accessing your information in the future, even when your friends use that site.

If you decide that you do not want to experience instant personalization for all partner sites and apps, you can disable instant personalization from the "Ads, Apps and Websites" settings page.

Instant Personalization

Our goal is to give you a great social and personalized experience with every app and website you use. We've worked with a select set of partners to personalize your experience as soon as you arrive on their sites.

These partner sites (currently limited to Bing, TripAdvisor, Clicker, Rotten Tometoes, Docs, Pandora, Yeip, and Scribd), can prily access the information and content you've already made available to everyone. All our partners are required to respect your information and we've worked closely with them to make sure they do.

When you arrive at one of these sites, you'll see a notification message and a way to turn off the personalized experience on that site.



Instant personalization is different from social plugins. Social plugin content comes directly from Facebook and no information is shared with the websites themselves.

To turn off instant personalization on all partner sites, uncheck the box below. This will prevent these partners from receiving any of your information through instant personalization, even content you have made available to everyone.

Enable instant personalization on partner websites.

If you turn off instant personalization, partner third party sites and apps will not be able to access your public information, even when your friends visit those sites.

If you turn off an instant personalization site or app after you have been using it or visited it a few times (or after you have given it specific permission to access your data), it will not automatically delete your data received through Facebook. But the site is contractually required to delete your data if you ask it to.

### How it works

To join the instant personalization program, a potential partner must enter into an agreement with us designed to protect your privacy. For example, this agreement requires that the partner delete your data if you turn off instant personalization when you first visit the site or app. It also prevents the partner from accessing any information about you until you or your friends visit its site.

Instant personalization partners sometimes use an email hash process to see if any of their users are on Facebook and get those users' User IDs. This process is similar to searching for someone on Facebook using an email address, except in this case the email addresses are hashed so no actual email addresses are exchanged. The partner is also contractually required not to use your User ID for any purpose (other than associating it with your account) until you or your friends visit the site.

When you visit a site or app using instant personalization, we provide the site or app with your User ID and your friend list (as well as your age range, locale, and gender). The site or app can then connect your account with that partner with your friends' accounts to make the site or app instantly social. The site can also access public information associated with any of the User IDs it receives, which it can use to make them instantly personalized. For example, if the site is

a music site, it can access your music interests to suggest songs you may like, and access your friends' music interests to let you know what they are listening to. Of course it can only access your or your friends' music interests if they are public. If the site or app wants any additional information, it will have to get your specific permission.

Because Pages are public, information you share with a Page is public information. This means, for example, that if you post a comment on a Page, that comment may be used by the Page owner off Facebook, and anyone can see it. Learn more.

When you "like" a Page, you create a connection to that Page. The connection is added to your timeline and your friends may see it in their News Feeds. You may be contacted by or receive updates from the Page, such as in your News Feed and your messages. You can remove the Pages you've "liked" through your timeline or on the Page.

Some Pages contain content that comes directly from the Page owner. Page owners can do this through online plugins, such as an iframe, and it works just like the games and other applications you use through Facebook. Because this content comes directly from the Page owner, that Page may be able to collect information about you, just like any website.

Page administrators may have access to insights data, which will tell them generally about the people that visit their Page (as opposed to information about specific people) They may also know when you've made a connection to their Page because you've liked their Page or posted a comment.

### Public search engines

Your public search setting controls whether people who enter your name on a public search engine may see your public timeline (including in sponsored results). You can find your public search setting on the Ads, Apps and Websites page.

This setting does not apply to search engines that access your information as an application using Facebook Platform.

If you turn your public search setting off and then search for yourself on a public search engine, you may still see a preview of your timeline. This is because some search engines cache information for a period of time. You can learn more about how to request a search engine to remove you from cached information.

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Data Use Policy — How advertising and Spraggined Stories work

### How advertising and Sponsored Stories work

### Personalized ads

We do not share any of your information with advertisers (unless, of course, you give us permission). As described in this policy, we may share your information when we have removed from it anything that personally identifies you or combined it with other information so that it no longer personally identifies you.

We use the information we receive to deliver ads and to make them more relevant to you. This includes all of the things you share and do on Facebook, such as the Pages you like or key words from your stories, and the things we infer from your use of Facebook. Learn more.

When an advertiser creates an ad, they are given the opportunity to choose their audience by location, demographics, likes, keywords, and any other information we receive or can tell about you and other users. For example, an advertiser can choose to target 18 to 35 year-old women who live in the United States and like basketball. An advertiser could also choose to target certain topics or keywords, like "music" or even people who like a particular song or artist.

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Try this tool yourself to see one of the ways advertisers target ads and what information they see

If the advertiser chooses to run the ad (also known as placing the order), we serve the ad to people who meet the criteria the advertiser selected, but we do not tell the advertiser who any of those people are. So, for example, if a person views or otherwise interacts with the ad, the advertiser might infer that the person is an 18-to-35-year-old woman who lives in the U.S. and likes basketball. But we would not tell the advertiser who that person is.

After the ad runs, we provide advertisers with reports on how their ads performed. For

example we give advertisers reports telling them how many users saw or clicked on their ads.



But these reports are anonymous. We do not tell advertisers who saw or clicked on their ads.

- Advertisers sometimes place cookies on your computer in order to make their ads more effective. Learn more about cookies, pixels and other system technologies.
- Sometimes we allow advertisers to target a category of user, like a "moviegoer" or a "sci-fi fan." We do this by bundling characteristics that we believe are related to the category. For example, if a person "likes" trie "Star Trek" Page and mentions "Star Wars" when they check into a movie theater, we may conclude that this person is likely to be a sci-fi fan. Advertisers of sci-fi movies, for example, could ask us to target "sci-fi fans" and we would target that group, which may include you. Or if you "like" Pages that are car-related and mention a particular car brand in a post, we might put you in the "potential car buyer" category and let a car brand target to that group, which would include you.

### Ads + social context

Facebook Ads are sometimes paired with social actions your friends have taken. For example, an ad for a sushi restaurant may be paired with a news story that one of your friends likes that restaurant's Facebook page.



This is the same type of news story that could show up in your News Feed, only we place it next to a paid advertisement to make that ad more relevant and interesting.

When you show up in one of these news stories, we will only pair it with ads shown to your

friends. If you do not want to appear in stories paired with Facebook Ads, you can opt out using your Edit social ads setting.

- Learn what happens when you click "Like" on an advertisement or an advertiser's Facebook Page.
- We may serve ads, including those with social context (or serve just social context), on
  other sites. These work just like the ads we serve on Facebook the advertisers do not
  receive any of your information. Only people that could see the Facebook action (like
  on your timeline) would see it paired in this way.
- Your Show my social actions in Facebook Advisetting only controls advivith social context. It does not control Sponsored Stories, advior information about Facebook's services and features, or other Facebook content.
- Games, applications and websites can serve ads directly to you or help us serve ads to
  you or others if they have information like your User ID or email address.

### Sponsored stories

Many of the things you do on Facebook (like "liking" a Page) are posted to your timeline and shared in News Feed. But there's a lot to read in News Feed. That's why we allow people to "sponsor" your stories to make sure your friends see them. For example, if you RSVP to an event hosted by a local restaurant, that restaurant may want to make sure your friends see it so they can come too.

If they do sponsor a story, that story will appear in the same place ads usually do or in your News Feed under the heading "Sponsored" or something similar. Only people that could originally see the story can see the sponsored story, and no personal information about you (or your friends) is shared with the sponsor.

Your Show my social actions in Facebook Ads setting only controls ads with social context. It does not control Sponsored Stories, ads or information about Facebook's services and features, or other Facebook content.

### Facebook content

We like to tell you about some of the features and tools your friends and others use on Facebook, to help you have a better experience. For example, if your friend uses our friend finder tool to find more friends on Facebook, we may tell you about it to encourage you to use it as well. This of course means your friend may similarly see suggestions based on the things you do. But we will try to only show it to friends that could benefit from your experience,

Your Show my social actions in Facebook Ads setting only controls ads with social context. It does not control Sponsored Stories, ads or Information about Facebook's services and features, or other Facebook content.

Data Use Policy — Cookies, pixels and other system technologies

### Cookies, pixels and other system technologies

Cookies are small pieces of data that are stored on your computer, mobile phone or other device. Pixels are small blocks of code on webpages that do things like allow another server to measure viewing of a webpage and often are used in connection with cookies.

We use technologies like cookies, pixels, and local storage (like on your browser or device, which is similar to a cookie but holds more information) to provide and understand a range of products and services. Learn more,

We use these technologies to do things like:

- make Facebook easier or faster to use;
- enable features and store information about you (including on your device or in your browser cache) and your use of Facebook;
- deliver, understand and Improve advertising;
- monitor and understand the use of our products and services;
- · to protect you, others and Facebook.

For example, we may use them to know you are logged in to Facebook, to help you use social plugins and share buttons, or to know when you are interacting with our advertising or Platform partners.

We may ask advertisers or other partners to serve ads or services to computers, mobile phones or other devices, which may use a cookie, pixel or other similar technology placed by Facebook or the third party (although we would not share any other information that identifies you with an advertiser).

Most companies on the web use cookies (or other similar technological tools), including our advertising and Platform partners. For example, our Platform partners, advertisers or Page administrators may use cookies or similar technologies when you access their apps, ads, Pages or other content.

Cookles and things like local storage help make Facebook work, like allowing pages to load faster because certain content is stored on your browser or by helping us authenticate you to deliver personalized content.

To learn more about how advertisers generally use cookies and the choices advertisers provide, visit the Network Advertising Initiative, the Digital Advertising Alliance, the Internet Advertising Bureau (US), or the Internet Advertising Bureau (EU).

You can remove or block cookies or other similar technologies or block or remove other data stored on your computer or device (such as by using the various settings in your browser), but it may affect your ability to use Facebook or other websites and apps.

1. Chat (Off)

Data Use Policy -> Some other things you need to know

### Some other things you need to know

Facebook complies with the U.S.-EU and U.S.-Swiss Safe Harbor frameworks as set forth by the Department of Commerce regarding the collection, use, and retention of data from the European Union. To view our certification, visit the U.S. Department of Commerce's Safe Harbor website.

As part of our participation in the Safe Harbor program, we agree to resolve disputes you have with us in connection with our policies and practices through TRUSTe. If you would like to contact TRUSTe, click here.

### Contact us with questions or disputes

If you have questions or complaints regarding our Data Use Policy or practices, please contact us by mail at 1601 Willow Road, Menlo Park, CA 94025 if you reside in the U.S. or Canada, or at Facebook Ireland Ltd., Hanover Reach, 5-7 Hanover Quay, Dublin 2 Ireland if you live outside the U.S. or Canada. Anyone may also contact us through this help page.

### Responding to legal requests and preventing harm

We may access, preserve and share your information in response to a legal request (like a search warrant, court order or subpoena) if we have a good faith belief that the iaw requires us to do so. This may include responding to legal requests from jurisdictions outside of the United States where we have a good faith belief that the response is required by law in that jurisdiction, affects users in that jurisdiction, and is consistent with internationally recognized standards. We may also access, preserve and share information when we have a good faith belief it is necessary to: detect, prevent and address fraud and other illegal activity; to protect ourselves, you and others, including as part of investigations; and to prevent death or imminent bodily harm. Information we receive about you, including financial transaction data related to purchases made with Facebook Credits, may be accessed, processed and retained for an extended period of time when it is the subject of a legal request or obligation, governmental investigation, or investigations concerning possible violations of our terms or policies, or otherwise to prevent harm.

# Access requests

You can access and correct most of your personal data stored by Facebook by logging into your account and viewing your timeline and activity log. You can also download a copy of your personal data by visiting your Account Settings, clicking on "Download a copy of your Facebook data" and then clicking on the link for your expanded archive. Learn more.

∡\* Chat (Off)

### Notifications and Other Messages

We may send you notifications and other messages using the contact information we have for you, like your email address. You can control most of the notifications you receive, including ones from Pages you like and applications you use, using your Notifications settings.

### Friend finder

We offer tools to help you upload your friends' contact information so that you and others can find friends on Facebook, and invite friends who do not use Facebook to join. If you do not want us to store this Information, visit this help page. If you give us your password, we will delete it after you upload your friends' contact information.

### **Invitations**

When you invite a friend to join Facebook, we send a message on your behalf using your name, and up to two reminders. We may also include names and pictures of other people your friend might know on Facebook. The invitation will also give your friend the opportunity to opt out of receiving other invitations to join Facebook.

### Memorializing accounts

We may memorialize the account of a deceased person. When we memorialize an account, we keep the timeline on Facebook, but limit access and some features. You can report a deceased person's timeline.

We also may close an account if we receive a formal request that satisfies certain criteria.

### Service Providers

We give your information to the people and companies that help us provide, understand and improve the services we offer. For example, we may use outside vendors to help host our website, serve photos and videos, process payments, analyze data, measure the effectiveness of ads, or provide search results. In some cases we provide the service jointly with another company, such as the Facebook Marketplace. In all of these cases our partners must agree to only use your information consistent with the agreement we enter into with them, as well as this Data Use Policy.

### Security and bugs

We do our best to keep your information secure, but we need your help. For more detailed information about staying safe on Facebook, visit the Facebook Security Page. We try to keep Facebook up, bug-free and safe, but can't make guarantees about any part of our services or products.

# Change of Control

If the ownership of our business changes, we may transfer your information to the new owner so they can continue to operate the service. But they will still have to honor the commitments we have made in this Data Use Policy.

# **Notice of Changes**

If we make changes to this Data Use Policy we will notify you by publication here and on the Facebook Site Governance Page

If the changes are material, we will provide you additional, prominent notice as appropriate under the circumstances. You can make sure that you receive notice directly by liking the Facebook Site Governance Page.

# Opportunity to comment and vote

Unless we make a change for legal or administrative reasons, or to correct an inaccurate statement, we will give you seven (7) days to provide us with comments on the change. If we

receive more than 7000 comments concerning a particular change, we will put the change up for a vote. The vote will be binding on us if more than 30% of all active registered users as of the date of the notice vote.

### Information for users outside of the United States and Canada

Company Information: The website under www.facebook.com and the services on these pages are being offered to users outside of the U.S. and Canada by Facebook Ireland Ltd., Hanover Reach, 5-7 Hanover Quay, Dublin 2 Ireland. The company Facebook Ireland Ltd. has been established and registered in Ireland as a private limited company, Company Number: 462932, and is the data controller responsible for your personal information.

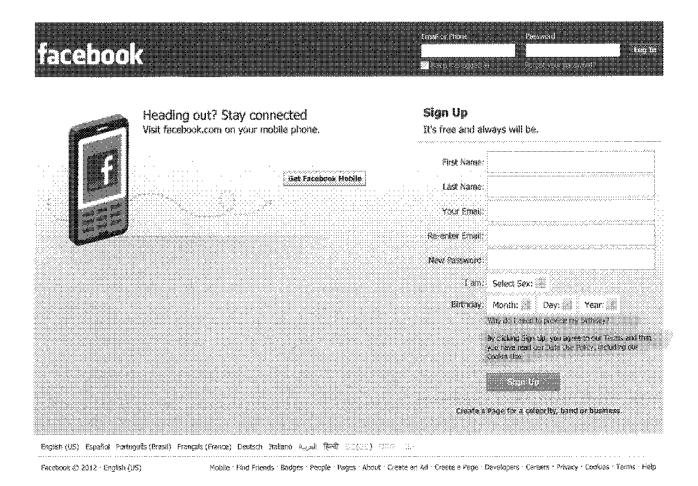
Directors: Cipora Herman (American), Theodore Ullyot (American).

# Your California privacy rights

California law permits residents of California to request certain details about what personal information a company shares with third parties for the third parties' direct marketing purposes. Facebook does not share your information with third parties for the third parties' own and independent direct marketing purposes unless we receive your permission. Learn more about the information we receive and how it is used and other websites and applications. If you have questions about our sharing practices or your rights under California law, please write us at 1601 Willow Road, Menlo Park, CA 94025 or contact us through this help page.

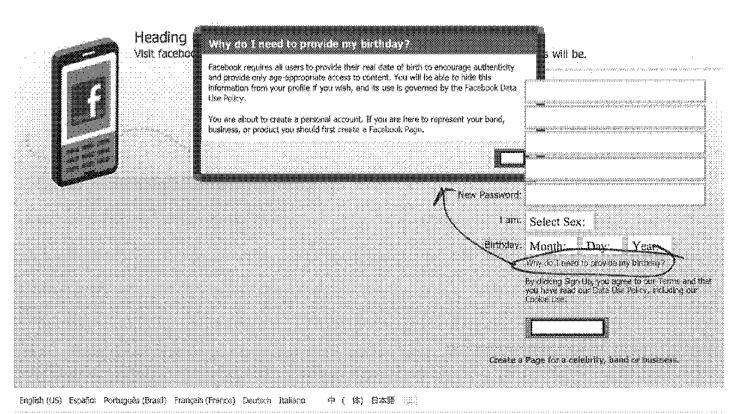
Facebook @ 2012 English (US)

About: Create an Ad.: Create a Page: Developers: Careers: Privacy: Cookles: Terms: Hel



https://www.facebook.com/index.php?stype=lo&lh=Ac8QjuKIvq4oNM4U

# facebook



Facebook @ 2012 · English (US)

Mobile : Find Friends : Badges : People : Pages : About : Create an Ad : Create a Page : Developers : Careers : Privacy : Cookies : Terms : Help

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This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls. Please note that Section 15 contains certain changes to the ganeral terms for users outside the United States.

Date of Last Revision: June 8, 2012.

## Statement of Rights and Responsibilities

This Statement of Rights and Responsibilities ("Statement," "Terms," or "SRR") derives from the Facebook Principles, and is our terms of service that governs our relationship with users and others who interact with Facebook. By using or accessing Facebook, you agree to this Statement, as updated from time to time in accordance with Section 1.4 below. Additionally, you will find resources at the end of this document that help you understand how Facebook works.

#### 1. Privacy

Your privacy is very important to us. We designed our Data Use Policy to make important disclosures about how you can use Facebook to share with others and how we collect and can use your content and information. We encourage you to read the Data Use Policy, and to use it to help you make informed decisions.

#### 2. Sharing Your Content and Information

You own all of the content and information you post on Facebook, and you can control how it is shared through your privacy and application settings. In addition:

- For content that is covered by intellectual property rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application settings: you grant us a non-exclusive, transferable, sub-licensable, rayalty-free, worldwide license to use any IP content that you post on or in connection with Facebook (IP License).
  This IP License ends when you delete your IP content or your account unless your content has been shared with others, and they have not deleted it.
- When you delete IP content, it is deleted in a mariner similar to emptying the recycle bin on a computer. However, you understand that removed content may persist in backup copies
  for a reasonable period of time (but will not be available to others).
- 3. When you use an application, the application may ask for your permission to access your content and information as well as content and information that others have shared with you. We require applications to respect your privacy, and your agreement with that application will control how the application can use, store, and transfer that content and information. (To learn more about Platform, including how you can control what information other people may share with applications, read our Data Use Policy and Platform Page.)
- 4. When you publish content or information using the Public setting, it means that you are allowing everyone, including people off of Facebook, to access and use that information, and to associate it with you (i.e., your name and profile picture).
- 5. We always appreciate your feedback or other suggestions about Facebook, but you understand that we may use them without any obligation to compensate you for them (just as you have no obligation to offer them).

## 3. Safety

We do our best to keep Facebook safe, but we cannot guarantee it. We need your help to keep Facebook safe, which includes the following commitments by you:

- 1. You will not post unauthorized commercial communications (such as spam) on Fedebook.
- You will not collect users' content or information, or otherwise access Facebook, using automated means (such as harvesting bots, robots, spiders, or scrapers) without our prior permission.
- 3. You will not engage in unlawful multi-level marketing, such as a pyramid scheme, on Facebook.
- 4. You will not upload viruses or other malicious code.
- 5. You will not solid! login information or access an account belonging to someone else.
- 5. You will not bully, intimidate, or harass any user.
- 7. You will not post content that: is hate speach, threatening, or pernographic; incites violence; or contains multiy or graphic or gratuitous violence.
- You will not develop or operate a third-party application containing alcohol-related, dating or other mature content (including advertisements) without appropriate age-based restrictions.
- 9. You will follow our Promotions Guidelines and all applicable laws if you publicize or offer any contest, giveaway, or sweepstakes ("promotion") on Facebook.
- 10. You will not use Facebook to do anything unlawful, misleading, malicious, or discriminatory.
- 11. You will not do anything that could disable, overburden, or impair the proper working or appearance of Facebook, such as a denial of service attack or interference with page rendering or other Facebook functionality.
- 12. You will not facilitate or encourage any violations of this Statement or our policies.

## 4. Registration and Account Security

Facebook users provide their real names and information, and we need your help to keep it that way. Here are some commitments you make to us relating to registering and maintaining the security of your account:

- You will not provide any faise personal information on Facebook, or create an account for anyone other than yourself without permission.
- 2. You will not create more than one personal account.
- 3. If we disable your account, you will not create another one without our permission.
- 4. You will not use your personal timeline for your own commercial gain (such as selling your status update to an advertiser).
- You will not use Facebook if you are under 13.
- You will not use Facebook if you are a convicted sex offender.
- 7. You will keep your contact information accurate and up-to-date.
- You will not share your password (or in the case of developers, your secret key), let anyone else access your account, or do anything else that might jeopardize the security of your account.
- 9. You will not transfer your account (including any Page or application you administer) to anyone without first getting our written permission.
- If you select a username or similar identifier for your account or Page, we reserve the right to remove or rectain it if we believe it is appropriate (such as when a trademark owner complains about a username that does not closely relate to a user's actual name).

#### 5. Protecting Other People's Rights

We respect other people's rights, and expect you to do the same.

- 1. You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law.
- 2. We can remove any content or information you post on Facebook If we believe that it violates this Statement or our policies.
- 3. We provide you with toofs to help you protect your intellectual property rights. To learn more, visit our flow to Report Claims of Intellectual Property Infringement page.
- 4. If we remove your content for infringing someone else's copyright, and you believe we removed it by mistake, we will provide you with an opportunity to appeal.
- 5. If you repeatedly infringe other people's intellectual property rights, we will disable your account when appropriate.
- You will not use our copyrights or trademarks (including Facebook, the Facebook and F Logos, FB, Face, Poke, Book and Wall), or any confusingly similar marks, except as expressly
  permitted by our Brand Usage Guidefines or with our prior written permission.
- If you collect information from users, you will obtain their consent, make it clear you (and not Facebook) are the one collecting their information, and post a privacy policy explaining
  what information you collect and how you will use it.
- 8. You will not post anyone's identification documents or sensitive financial information on Facebook.
- 9. You will not tag users or send email invitations to non-users without their consent. Pacebook offers social reporting tools to enable users to provide feedback about tagging.

#### 5. Mobile and Other Devices

- 1. We currently provide our mobile services for free, but please be aware that your carrier's normal rates and fees, such as text messaging fees, will still apply.
- In the event you change or deactivate your mobile telephone number, you will update your account information on Facebook within 48 hours to ensure that your messages are not sent to the person who acquires your old number.
- 3. You provide consent and all rights necessary to enable users to sync (including through an application) their devices with any information that is visible to them on Facebook.

#### 7. Payments

If you make a payment on Facebook or use Facebook Credits, you agree to our Payments Terms.

#### 8. Special Provisions Applicable to Social Plugins

If you include our Social Plugins, such as the Share or Like buttons on your website, the following additional terms apply to you:

- 1. We give you permission to use Facebook's Social Plugins so that users can post links or content from your website on Facebook.
- 2. You give us permission to use and allow others to use such links and content on Facebook,
- 3. You will not place a Social Plugin on any page containing content that would violate this Statement if posted on Facebook,

#### 9. Special Provisions Applicable to Developers/Operators of Applications and Websites

If you are a developer or operator of a Platform application or website, the following additional terms apply to you:

- 1. You are responsible for your application and its content and all uses you make of Platform. This includes ensuring your application or use of Platform meets our <u>Facebook Platform</u> <u>Policies</u> and our Advertising Guidelines.
- 2. Your access to and use of data you receive from Facebook, will be limited as follows:
  - 1. You will only request data you need to operate your application.
  - You will have a privacy policy that tells users what user data you are going to use and how you will use, display, share, or transfer that data and you will include your privacy policy URL in the Developer Application.
  - 3. You will not use, display, share, or transfer a user's data in a manner inconsistent with your privacy policy.
  - 4. You will delete all data you receive from us concerning a user if the user asks you to do so, and will provide a mechanism for users to make such a request.
  - 5. You will not include data you receive from us concerning a user in any edvertising creative.
  - You will not directly or indirectly transfer any data you receive from us to (or use such data in connection with) any ad network, ad exchange, data broker, or other advertising related boolset, even if a user consents to that transfer or use,
  - You will not sell user data. If you are acquired by or merge with a third party, you can continue to use user data within your application, but you cannot transfer user data outside of your application.
  - 8. We can require you to delete user data if you use it in a way that we determine is inconsistent with users' expectations.
  - 9. We can limit your access to data.
  - 10. You will comply with all other restrictions contained in our Pacebook Pletform Policies.
- 3. You will not give us information that you independently collect from a user or a user's content without that user's consent,
- 4. You will make it easy for users to remove or disconnect from your application.
- 5. You will make it easy for users to contact you. We can also share your email address with users and others claiming that you have infringed or otherwise violated their rights.
- 6. You will provide customer support for your application.
- 7. You will not show third party ads or web search boxes on www.facebook.com.
- 8. We give you all notite necessary to use the code, APIs, data, and tools you receive from us.
- 9. You will not sell, transfer, or sublicense our code, APIs, or tools to anyone.
- 10. You will not misrepresent your relationship with Facebook to others.
- 11. You may use the logos we make available to developers or issue a press release or other public statement so long as you follow our Facebook Platform Policies.
- 12. We can issue a press release describing our relationship with you.
- 13. You will comply with all applicable laws. In particular you will (if applicable):
  - 1. have a policy for removing infringing content and terminating repeat infringers that complies with the Digital Millennium Copyright Act.
  - comply with the Video Privacy Protection Act (VPPA), and obtain any opt-in consent necessary from users so that user date subject to the VPPA may be shared on Facebook. You represent that any disclosure to us will not be incidental to the ordinary course of your business.
- 14. We do not guarantee that Platform will always be free.
- 15. You give us all rights necessary to enable your application to work with Facebook, including the right to incorporate content and information you provide to us into streams, timelines, and user action stories.
- 16. You give us the right to link to or frame your application, and place centerit, including ads, eround your application.
- 17. We can analyze your application, content, and data for any purpose, including commercial (such as for targeting the delivery of advertisements and indexing content for search).
- 18. To ensure your application is safe for users, we can audit it.
- 19. We can create applications that offer similar features and services to, or otherwise compete with, your application.

### 10. About Advertisements and Other Commercial Content Served or Enhanced by Facebook

Our goal is to deliver ads and commercial content that are valuable to our users and advertisers. In order to help us do that, you agree to the following;

- 1. You can use your privacy settings to limit how your name and profile picture may be associated with commercial, sponsored, or related content (such as a brand you like) served or enhanced by us. You give us permission to use your name and profile picture in connection with that content, subject to the limits you place.
- 2. We do not give your content or information to advertisers without your consent.
- 3. You understand that we may not always identify paid services and communications as such.

#### 11. Special Provisions Applicable to Advertisers

You can target your desired audience by buying ads on Facebook or our publisher network. The following additional terms apply to you if you place an order through our online advertising portal (Order):

- When you place an Order, you will tell us the type of advertising you want to buy, the amount you want to spend, and your bid. If we accept your Order, we will deliver your adv as
  inventory becomes available. When serving your ad, we do our best to deliver the ads to the audience you specify, although we cannot guarantee in every instance that your ad will
  reach its intended strate.
- 2. In Instances where we believe doing so will enhance the effectiveness of your advertising campaign, we may broaden the targeting criteria you specify.
- 3. You will pay for your Orders in accordance with our Payments Terms. The amount you owe will be calculated based on our tracking mechanisms.
- 4. Your ads will comply with our Advertising Guidelines.
- 5. We will determine the size, placement, and positioning of your ads.
- 6. We do not guarantee the activity that your ads will receive, such as the number of clicks your ads will get.
- We cannot control how clicks are generated on your ads. We have systems that attampt to detect and filter certain click activity, but we are not responsible for click fraud, technological issues, or other potentially invalid click activity that may affect the cost of running ads.
- 8. You can cancel your Order at any time through our online partal, but it may take up to 24 hours before the ad stops running. You are responsible for paying for all ads that run.
- Our ilcense to run your ad will end when we have completed your Order. You understand, however, that if users have interacted with your ad, your ad may remain until the users
  delete it.
- 10. We can use your ads and related content and information for marketing or promotional purposes.
- 11. You will not issue any press release or make public statements about your relationship with Pacebook without our prior written permission.
- 12. We may reject or remove any ad for any reason.
- 13. If you are placing ads on someone else's behalf, you must have permission to place those ads, including the following:
  - 1. You warrant that you have the legal authority to bind the advertiser to this Statement.
  - 2. You agree that if the advertiser you represent violates this Statement, we may hold you responsible for that violation.

#### 12. Special Provisions Applicable to Pages

If you create or administer a Page on Facebook, you agree to our Pages Terms,

## 13. Special Provisions Applicable to Software

- If you download our software, such as a stand-alone software product or a browser plugin, you agree that from time to time, the software may download upgrades, updates and additional features from us in order to improve, enhance and further develop the software.
- 2. You will not modify, create derivative works of, decompile or otherwise attempt to extract source code from us, unless you are expressly permitted to do so under an open source floense or we give you express written permission.

#### 14. Amendments

- We can change this Statement if we provide you notice (by posting the change on the Facebook Site Governance Page) and an opportunity to comment. To get notice of any future changes to this Statement, visit our Facebook Site Governance Page and "like" the Page.
- For changes to sections 7, 8, 9, and 11 (sections relating to payments, application developers, website operators, and advertisers), we will give you a minimum of three days notice. For all other changes we will give you a minimum of seven days notice. Comments to proposed changes will be made on the Facebook Site Governance Page.
- 3. If more than 7,000 users post a substantive comment on a particular proposed change, we will also give you the apportunity to participate in a vote in which you will be provided alternatives. The vote shall be binding on us if more than 30% of all active registered users as of the date of the notice vote.
- 4. If we make changes to policies referenced in or incorporated by this Statement, we may provide notice on the Site Governance Page.
- 5. We can make changes for legal or administrative reasons, or to correct an inaccurate statement, upon notice without opportunity to comment.
- 6. Your continued use of Facebook following changes to our terms constitutes your acceptance of our amended terms.

### 15. Termination

If you violate the letter or spirit of this Statement, or otherwise create risk or possible legal exposure for us, we can stop providing all or part of facebook to you. We will notify you by email or at the next time you attempt to access your account. You may also delete your account or disable your application at any time. In all such cases, this Statement shall terminate, but the following provisions will still apply: 2.2, 2.4, 3-5, 8.2, 9.1-9.3, 9.9, 9.10, 9.13, 9.15, 9.18, 10.3, 11.2, 11.5, 11.6, 11.9, 11.12, 11.13, and 15-19.

### to. Disputes

- You will resolve any claim, cause of action or dispute (claim) you have with us arising out of or relating to this Statement or Facebook exclusively in a state or federal court located in Santa Clara County. The laws of the State of California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions. You agree to submit to the personal furtisdiction of the courts located in Santa Clara County, California for the purpose of litigating all such claims.
- 2. If anyone brings a daim against us related to your actions, content or information on Facebook, you will indemnify and hold us harmless from and against all damages, losses, and expenses of any kind (including reasonable legal fees and costs) related to such claim. Although we provide rules for user conduct, we do not control or direct users' actions on Facebook and are not responsible for the content or information users transmit or share on Facebook. We are not responsible for any offensive, inappropriate, obscene, unlawful or otherwise objectionable content or information you may encounter on Facebook. We are not responsible for the conduct, whether online or offline, or any user of Facebook.
- 3. WE TRY TO KEEP FACEBOOK UP, BUG-FREE, AND SAFE, BUT YOU USE IT AT YOUR OWN RISK. WE ARE PROVIDING FÁCEBOOK AS IS WITHOUT ANY ÉXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, PITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. WE DO NOT GUARANTEE THAT FACEBOOK WILL ALWAYS BE SAFE, SECURE OR ERROR-FREE OR THAT FACEBOOK WILL ALWAYS PUNCTION WITHOUT DISRUPTIONS, DELAYS OR IMPREFECTIONS. FACEBOOK IS NOT RESPONSIBLE FOR THE ACTIONS, CONTENT, INFORMATION, OR DATA OF THIRD PARTIES, AND YOU RELEASE US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AND ACERTS FROM ANY CLAIMS AND DAMAGES, KNOWN AND UNKNOWN, ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY CLAIM YOU HAVE AGAINST ANY SUCH THIRD PARTIES. IF YOU ARE A CALIFORNIA RESIDENT, YOU WAIVE CALIFORNIA CIVIL CODE \$1542, WHICH SAYS: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR, WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS STATEMENT OR FACEBOOK, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ON THE ROST LIABILITY ARISING OUT OF THIS STATEMENT OR FACEBOOK WILL NOT EXCLUSION OF LIABILITY OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ROSC LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. IN SUCH CASES, FACEBOOK'S LIABILITY WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE

#### 17. Special Provisions Applicable to Users Outside the United States

We strive to create a global community with consistent standards for everyone, but we also strive to respect local laws. The following provisions apply to users and non-users who interact with Facebook outside the United States:

- 1. You consent to having your personal data transferred to and processed in the United States.
- If you are located in a country embargoed by the United States, or are on the U.S. Treasury Department's list of Specially Designated Nationals you will not engage in commercial activities on Facebook (such as advertising or payments) or operate a Platform application or website.
- 3. Certain specific terms that apply only for German users are available here.

#### 18. Definitions

- By "Facebook" we mean the features and services we make available, including through (a) our website at www.facebook.com and any other Facebook branded or co-branded websites
  (including sub-domains, international versions, widgets, and mobile versions); (b) our Platform; (c) social plugine such as the Like button, the Share button and other similar offerings
  and (d) other media, software (such as a boolbar), devices, or networks now existing or later developed.
- By "Platform" we mean a set of APIs and services (such as content) that enable others, including application developers and website operators, to retrieve data from Facebook or provide data to us.
- 3. By "information" we mean facts and other information about you, including actions taken by users and non-users who interact with Facebook.
- 4. By "content" we mean anything you or other users post on Facebook that would not be included in the definition of information.
- 5. By "data" or "user data" or "user's data" we mean any data, including a user's content or information that you or third parties can retrieve from Facebook or provide to Facebook through Platform.
- 5. By "post" we mean post on Facebook or otherwise make available by using Facebook.
- 7. By "use" we mean use, copy, publicly perform or display, distribute, modify, translate, and create derivative works of.
- 8. By "active registered user" we mean a user who has logged into Facebook at least once in the previous 30 days.
- 9. By "application" we meen any application or website that uses or accesses Platform, as well as anything else that receives or has received data from us. If you no longer access Platform but have not deleted all data from us, the term application will apply until you delete the data.

#### 19. Other

- 1. If you are a resident of or have your principal place of business in the US or Canada, this Statement is an agreement between you and Facebook, Inc. Otherwise, this Statement is an agreement between you and Facebook freland Limited. References to "us," "we," and "our" mean either Facebook, Inc. or Facebook treland Limited, as appropriate.
- 2. This Statement makes up the entire agreement between the parties regarding Facebook, and supersedes any orior agreements.
- 3. If any portion of this Statement is found to be unenforceable, the remaining portion will remain in full force and effect.
- 4. If we fall to enforce any of this Statement, it will not be considered a waiver.
- 5. Any amendment to or waiver of this Statement must be made in writing and signed by us.
- 6. You will not transfer any of your rights or obligations under this Statement to anyone else without our consent.
- 7. All of our rights and obligations under this Statement are freely assignable by us in connection with a merger, acquisition, or sale of assets, or by operation of law or otherwise.
- 8. Nothing in this Statement shall prevent us from complying with the law.
- 9. This Statement does not confer any third party beneficiary rights.
- 10. We reserve all rights not expressly granted to you.
- 11. You will comply with all applicable laws when using or accessing Facebook.

### You may also want to review the following documents, which provide additional information about your use of Facebook:

- Data Use Policy: The Data Use Policy contains information to help you understand how we collect and use information.
- Payment Terms: These additional terms apply to all payments made on or through Facebook.
- Platform Page: This page helps you better understand what happens when you add a third-party application or use Facebook Connect, including how they may access and use your data.
- · Facebook Platform Policies: These guidelines outline the policies that apply to applications, including Connect sites.
- Advertising Guidelines: These guidelines outline the policies that apply to advertisements placed on Facebook.
- Promotions Guidelines: These guidelines outline the policies that apply if you offer contests, sweepstakes, and other types of promotions on Facebook.
- Brand Permissions Center: These guidelines outline the policies that apply to use of Facebook trademarks, logos and screenshots.
- . How to Report Claims of Intellectual Property Infringement
- Pages Terms: These guidelines apply to your use of Facebook Pages.
- · Community Standards; These guidelines outline our expectations regarding the content you post to Facebook and your activity on Facebook.

To access the Statement of Rights and Responsibilities in several different languages, change the language setting for your Facebook session by clicking on the language link in the left corner of most pages. If the Statement is not available in the language you select, we will default to the English version.

log in

# facebook

Facebook helps you connect and share with the people in your life.

Learn more about cookies and similar technologies.

## Data Use Policy

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Information we receive and how it is used Learn about the types of information we receive, and how that information is used.

Sharing and finding you on Facebook Get to know the privacy settings that help you control your information on facebook.com.

Other websites and applications Learn about things like social plugins and how information is shared with the games, applications and websites you and your friends use off Facebook.

How advertising and Sponsored Stories work See how ads are served without sharing your information with advertisers, and understand how we pair ads with social context, such as newsfeed-style stories.

Cookles, pixels and other system technologies Find out how cookies, pixels and tools (like local storage) are used to provide you with services, features and relevant ads and content.

Some other things you need to know Learn how we make changes to this policy and more.



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### More resources

Interactive Tools

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- View the complete Data Use Policy

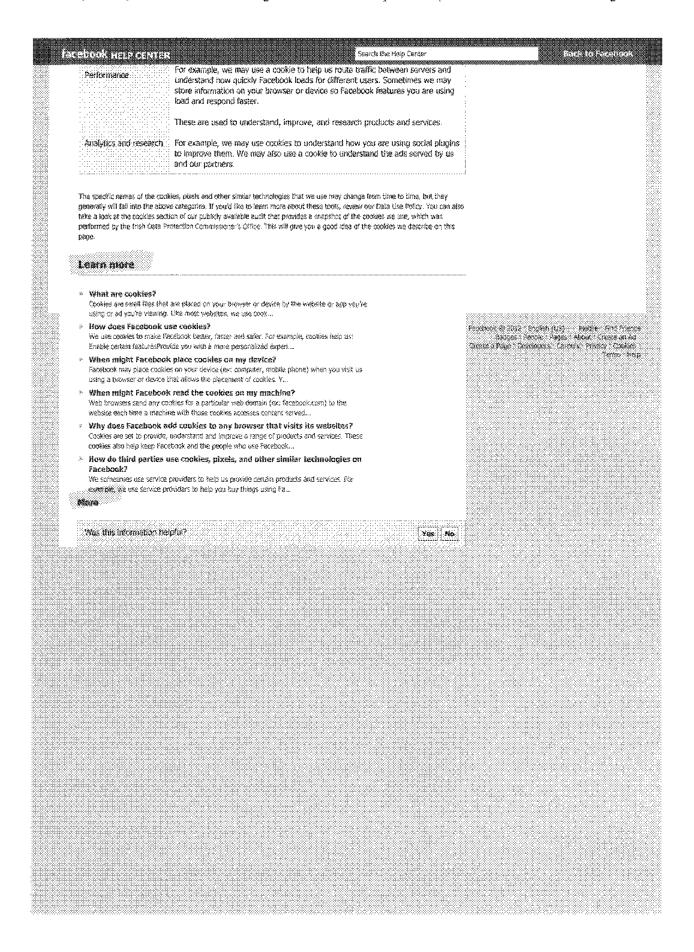
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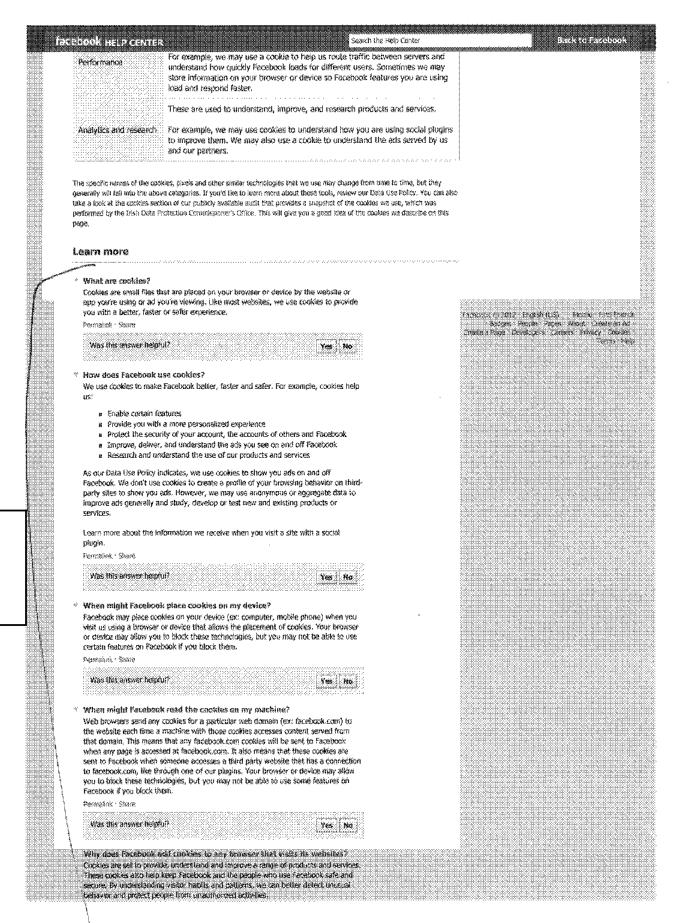
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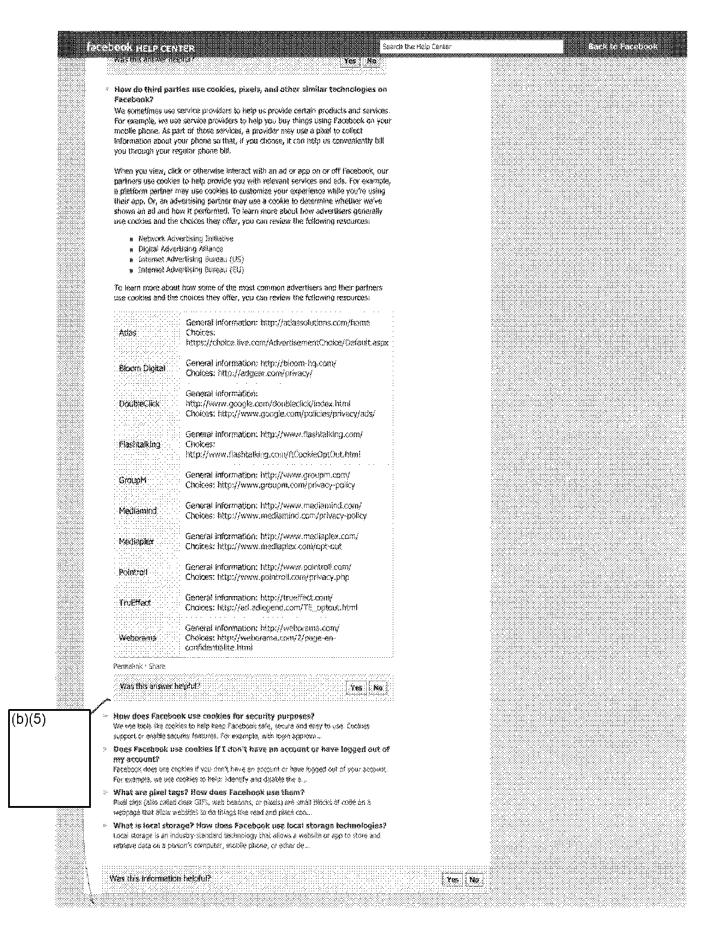
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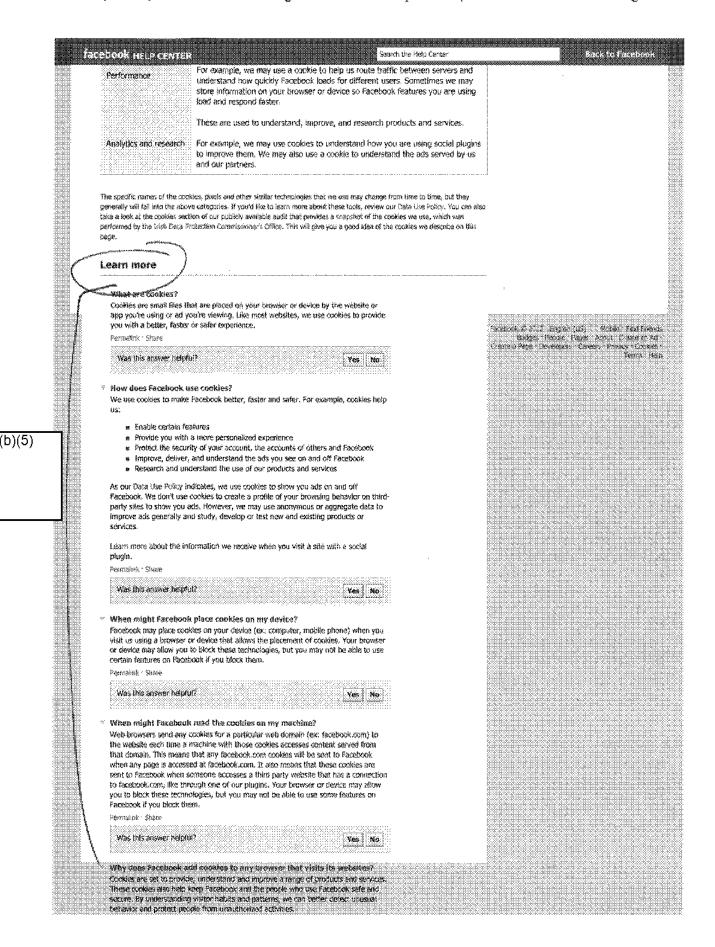


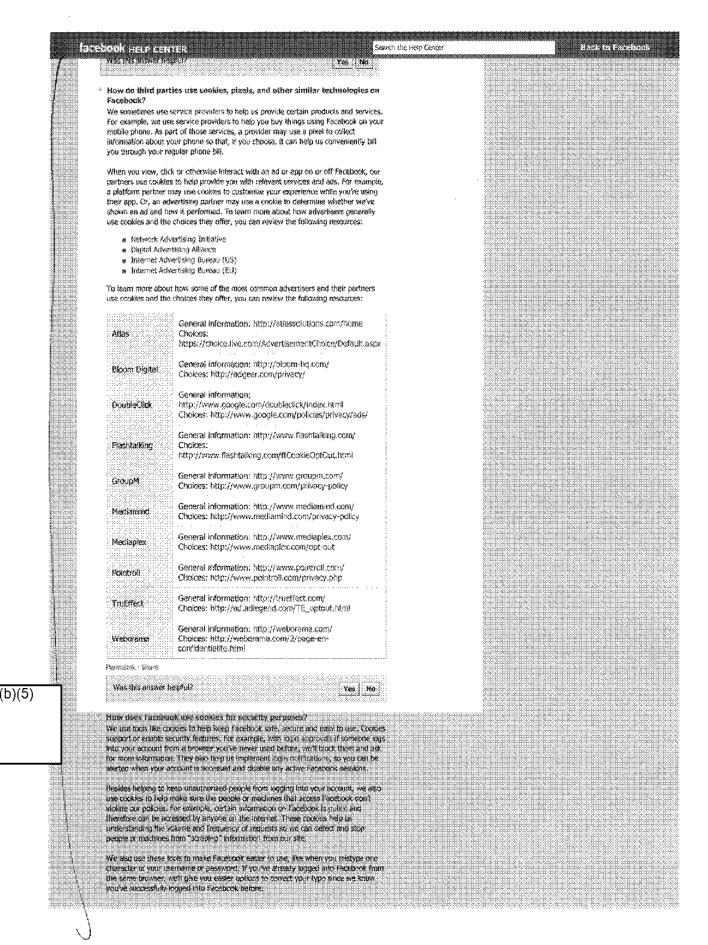
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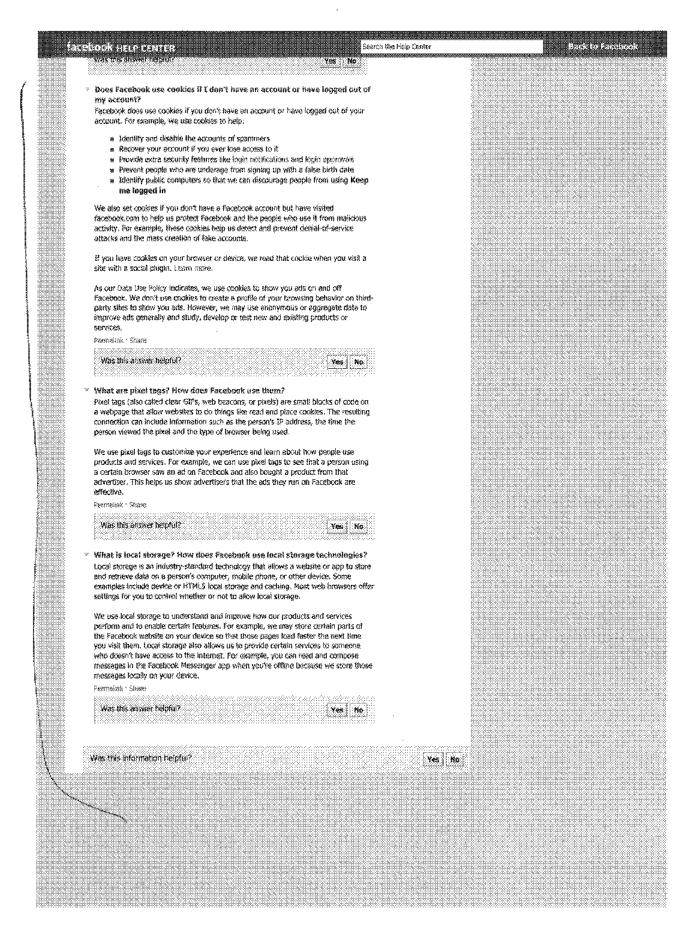




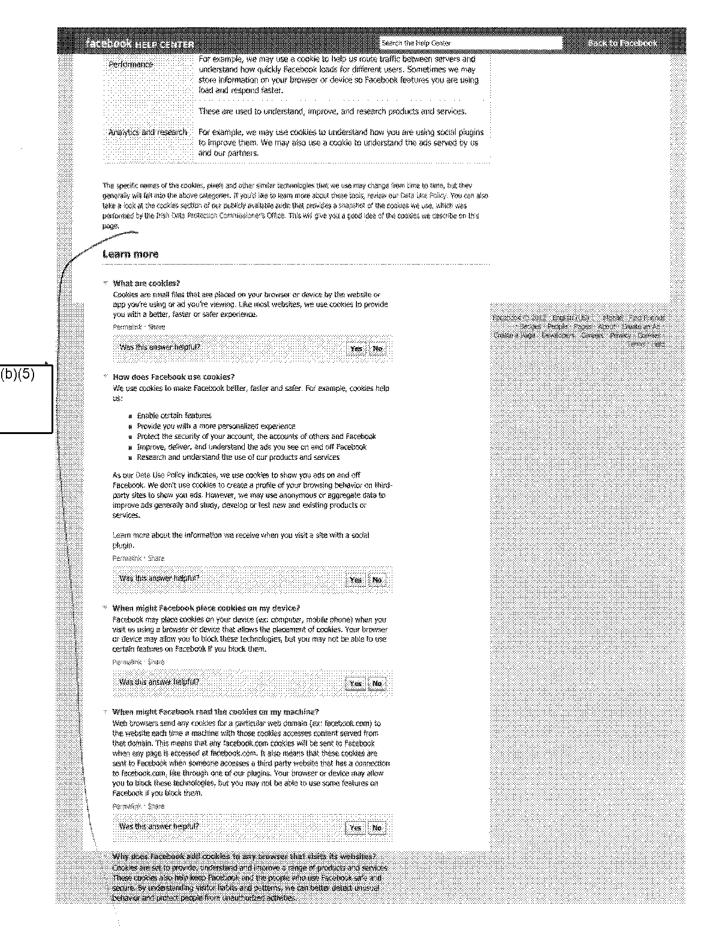
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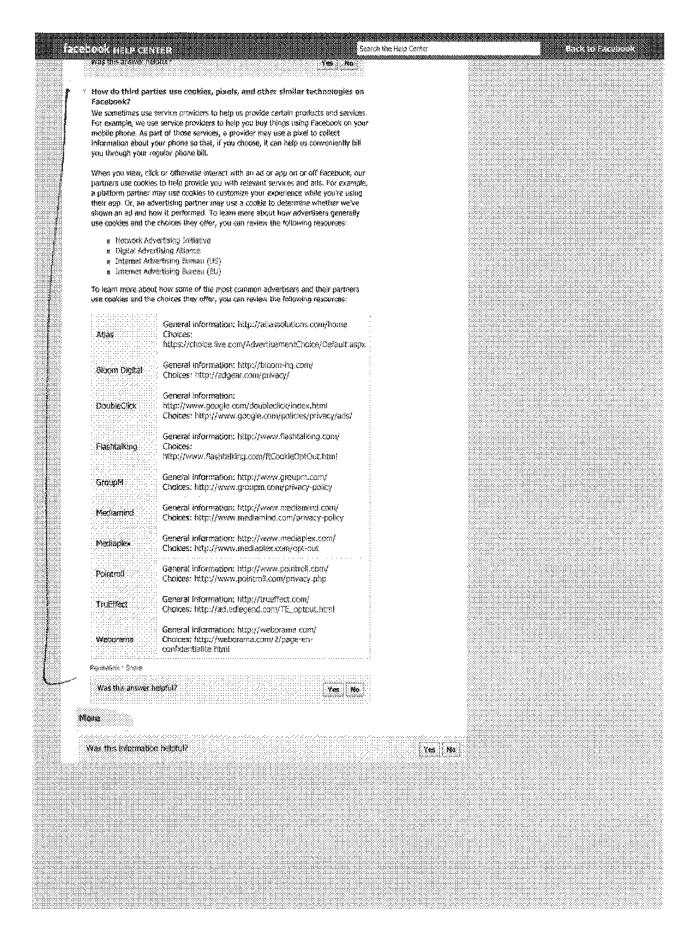


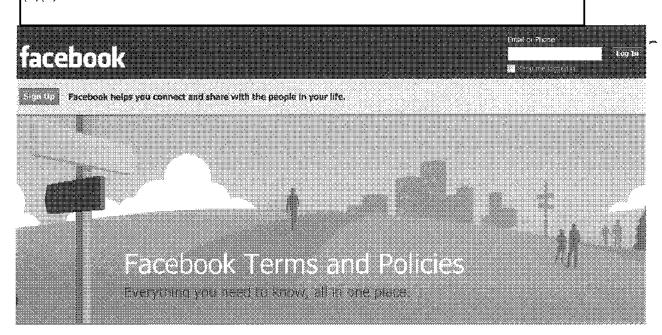




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## Statement of Rights and Responsibilities

Terms you agree to when you use Facebook.



## Data Use Policy

Information we receive and how it's used.



## **Community Standards**

What's not allowed and how to report abuse.

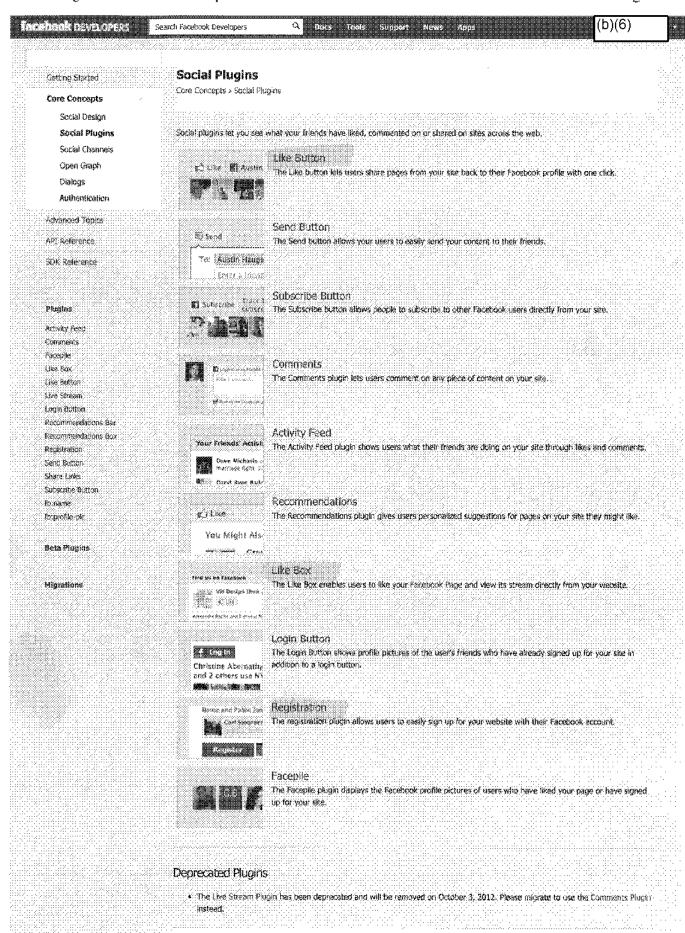
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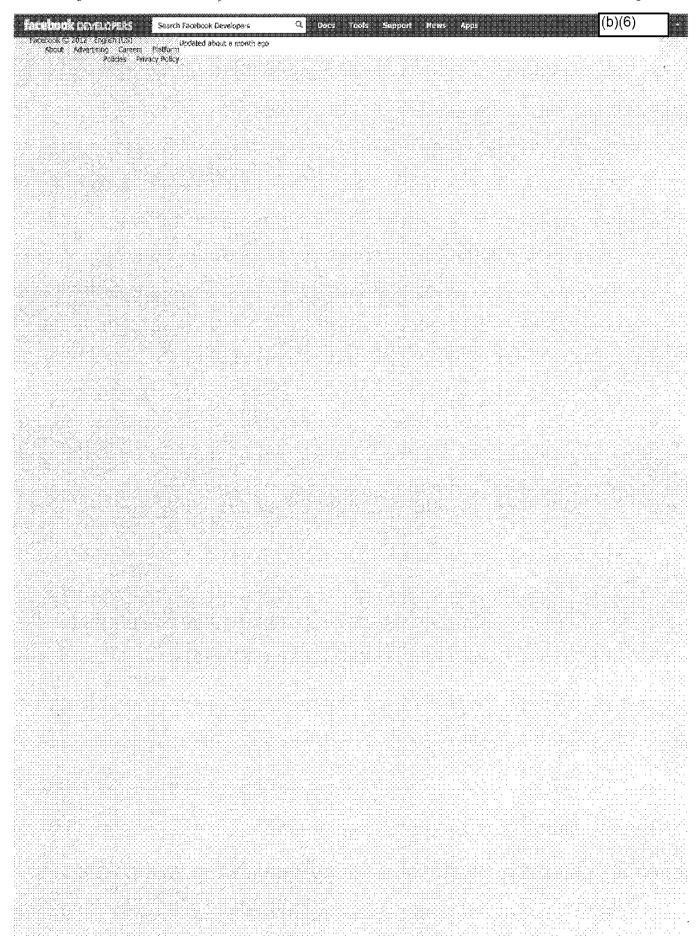
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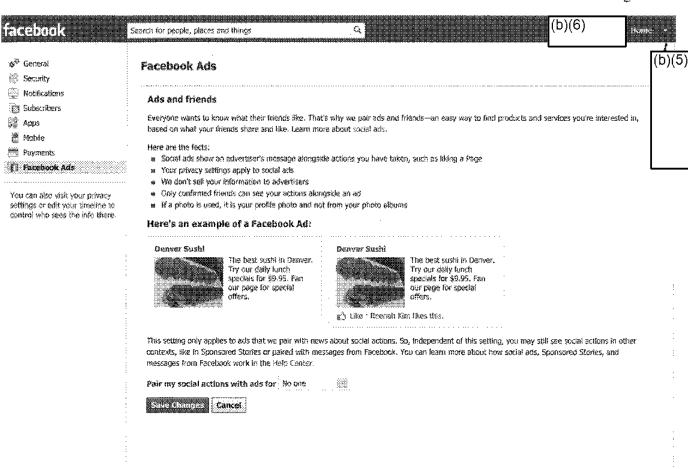
Learn more about: Facebook's Principles - Ads on Facebook - Safety Center

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Mobile : Find Friends : Badges : People : Pages : About : Create an Ad : Create a Page : Cevelopers : Cassers : Privary : Cookies : Terms : Help







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About - Create an Ad - Create a Page - Developers - Careers - Privacy - Cookies - Terms - Halp

(b)(6)race and s Search for people, places and things Q er<sup>©</sup> General Facebook Ads Security Notifications Ads shown by third parties Subscribers ... Facebook does not give third party applications or ad networks the right to use your name or picture in ads. If we allow this in the future, the setting you **Д** Аррз choose will determine how your information is used. Mobile You may see social context on third party sites, including in ads, through Pacebook social plugins. Although social plugins enable you to have a social Payments experience on a third party site, Facebook does not share your information with the third party sites hosting the social plugins. Learn more about social (2 Fecabook Ads plugins. Edit initid party at settings You can also visit your privacy settings or edit your timeline to Ads and friends control who sees the info there. Everyone wants to know what their friends like, That's why we pair ads and friends—an easy way to find products and services you're interested in, based on what your friends share and like, Learn more about social ads. Social ads show an advertiser's message alongside actions you have taken, such as liking a Page Your privacy settings apply to social ads. # We don't sell your information to advertisers a Only confirmed friends can see your extions alongside an ed # If a photo is used, it is your profile photo and not from your photo albums Edit social ads setting

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Search for people, places and things

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# **About Facebook Advertising**

Facebook makes money by showing you relevant ads. Here's an example to show you how it works.



# A business creates an ad

Let's say a gym opens in your neighborhood. The owner creates an ad to get people to come in for a free workout.



# Facebook gets paid to deliver the ad

The owner sends the ad to Facebook and describes who should see it; people who live nearby and like running.



# The right people see the ad

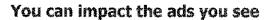
Facebook shows you the ad if you live in town and like to run. That's how advertisers reach you without Facebook sharing your private info.

## Ads help keep Facebook free

From the beginning, the people who built Facebook wanted it to be free for everyone. It now costs over a billion dollars a year to run Facebook, and delivering ads is how Facebook pays for this.

# You see personalized ads

Facebook tries to show you the ads you'll be most interested in. These ads are chosen based on the things you do with Facebook such as liking a page, and info Facebook receives from you and other sources. Dig into the details.



Unlike ads on television, you can influence which ads you see on Facebook. Spot something that doesn't interest you? Click the X and it's gone.



## **Top Questions**

You've probably heard some theories about how Facebook makes money. Here are the facts:

Collapse all

## Is it true that Facebook sells my name and contact info to make money?

No. Facebook does not sell your personal information. Instead, Facebook makes its money from showing you ads.

Selling your information would actually be bad for Facebook. Here's why: Facebook was created to help you share and connect with the people in your life. If you don't feel like you're in control of who sees what you share, you probably won't use Facebook as much, and you'fl share less with your friends. Not only is that bad for Facebook, it's also bad for you. That's why only the people you choose to share with see your stuff.

## What's the difference between ads and sponsored stories?

Ads and sponsored stories are types of sponsored content on Facebook:

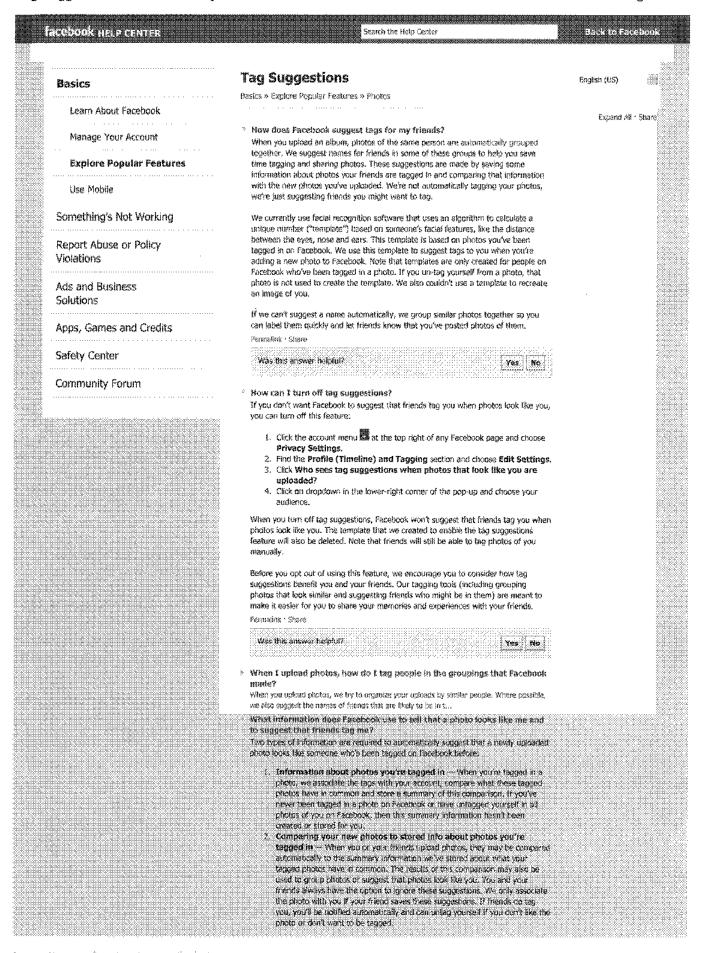
## 1. Ads

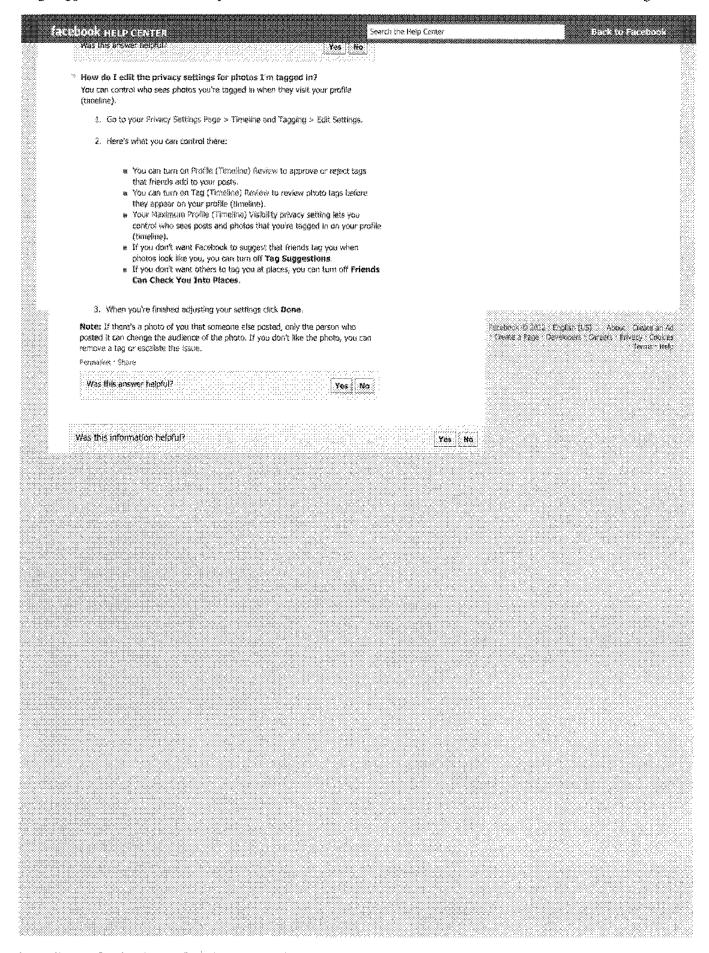
A business creates an ad and pays Facebook to deliver it to the people who are most likely to find it useful. For example, you might see an ad for a local gym if you live nearby, are a certain age and like running. Learn more about ads.

&\* Chat (Off)

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Learn more about ads a	and sponsored stories in the Help Center.			
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Community Forum

# Cookies, Pixels, and Similar Technologies

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English (CISS)

Basics » Manage Your Account » Cookles

Expand All - Share

Back to Escalico.

## **How Cookies Work**

Cookies and other similar technologies help provide a better, faster, and safer experience.

Technologies like cookies, pixels, and local storage are used to deliver, secure, and understand products, services, and ads, on and off Facebook. We want this page to help you understand more about these technologies and how they are used. Your browser or device may allow you to block these technologies, but you may not be able to use some features on Facebook if you block them. Check back here from time to time to get the latest information about these technologies.

## What are cookies, pixels, local storage, and similar technologies?

These technologies are tools that websites and applications use for security purpose and to deliver products, services, and advertisements, and to understand how they are used. With these technologies, a website or application can store information on your browser or device and later read that information back. We explain more about each of these technologies and how they are used on this page.

## Why do we use these technologies?

## Show what matters to you

They work with Facebook

Improve your experience

Protection and security

They help us know who you are so we can show content that's most relevant to you, including features, products, and ads.

features and help us improve our products and services – so you can do things like see which friends are online in chat, use share buttons, and upload photos.

They help secure Facebook by letting us know if someone tries to access your account or engages in activity that violates our terms.

Categories of use	Examples
	These tools tell us when you're logged in, so we can show you the appropriate experience and features.
Authentication	For example, cookies tell us when you are logged in to Facebook so we can show you relevant and social information when you visit other websites that use our social plugins. We also use this information to understand how people use our Platform.
Security and	We use these to help keep Facebook safe and secure. They support or enable security features and help us detect activity that violates our Statement of Rights and Responsibilities.
site integrity	For example, they help protect your account from being accessed by anyone other than you. Cookies also let us know when several people have logged in from the same computer.
	Things like cookies and pixels are used to understand and deliver ads and make them more relevant to you.
Advertising	For example, we may read a cookie that tells us you're logged into facebook so we can show you add that may be interesting to you on Facebook or other websites. We may also use a cookie to learn whether someone who saw an ad on Facebook later visited the advertiser's site. Similarly, one of our partners may use a cookie to determine whether we've shown an ad and how it performed. We also may work with a partner to show you an ad on Facebook after you've visited the partner's site and this may involve the use of cookies.
	These help Facebook provide a localized experience.
Localization	For example, we may store information in a cookie that is placed on your browser or device so you will see the site in your preferred language.
	These provide functionality that help us deliver products and services.

Site features and services	For example, cookies help you log in by pre-filling the username field and help make chat a better experience by showing which of your friends are online. We may also use cookies to help us provide you with social plugins and other customized content and experiences.
Performence	We use these to provide you with the best experience possible.  For example, we may use a cookie to help us route traffic between servers and understand how quickly Facebook loads for different users. Sometimes we may store information on your browser or device so Facebook features you are using load and respond faster.
Analytics and research	These are used to understand, improve, and research products and services.  For example, we may use cookies to understand how you are using social plugins to improve them. We may also use a cookie to understand the ads served by us and our partners.

The specific names of the cookies, pixels and other similar technologies that we use may change from time to time, but they generally will fall into the above categories. If you'd like to learn more about these tooks, review our Data Use Policy. You can also take a look at the cookies section of our publicly available audit that provides a snapshot of the cookies we use, which was performed by the Irish Data Protection Commissioner's Office. This will give you a good idea of the cookies we describe on this page.

## Learn more

#### <sup>™</sup> What are cockies?

Cookies are small files that are placed on your browser or device by the website or app you're using or ad you're viewing. Like most websites, we use cookies to provide you with a better, faster or safer experience.

Permalink : Share

Was this answer helpful?

## How does Facebook use cookies?

We use cookies to make Facebook better, faster and safer. For example, cookies help us:

- # Enable certain features
- » Provide you with a more personalized experience
- Protect the security of your account, the accounts of others and Facebook
- Improve, deliver, and understand the ads you see on and off Facebook
- Research and understand the use of our products and services

As our Data Use Policy indicates, we use cookies to show you ads on and off Facebook. We don't use cookies to create a profile of your browsing behavior on third-party sites to show you ads. However, we may use anonymous or aggregate data to improve ads generally and study, develop or test new and existing products or services.

Learn more about the information we receive when you visit a site with a social plugin.

Permalink · Share

Was this answer helpful?

## When might Facebook place cookies on my device?

Facebook may place cookies on your device (ex: computer, mobile phone) when you visit us using a browser or device that allows the placement of cookies. Your browser or device may allow you to block these technologies, but you may not be able to use certain features on Facebook if you block them.

Permolink : Share

Was this answer neighbor

## When might Facebook read the cookies on my machine?

Web browsers send any cookies for a particular web domain (ex: facebook.com) to the website each time a machine with those cookies accesses content served from that domain. This means that any facebook.com cookies will be sent to Facebook when any page is accessed at facebook.com. It also means that these cookies are sent to Facebook when someone accesses a third party website that has a connection to facebook.com, like through one of our plugins. Your browser or device may allow you to block these technologies, but you may not be able to use some

Perma®nk - Share

Was this answer helpful?



Why does Facebook add cookies to any browser that visits its websites? Cookies are set to provide, understand and improve a range of products and services. These cookies also help keep Facebook and the people who use Facebook safe and secure. By understanding visitor habits and patterns, we can better detect unusual behavior and protect people from unauthorized activities.

Pormetink - Share

Was this answer helpful?



 $^{\mathrm{F}}$  How do third parties use cookies, pixels, and other similar technologies on Facebook?

We sometimes use service providers to help us provide certain products and services. For example, we use service providers to help you buy things using Pacebook on your mobile phone. As part of those services, a provider may use a pixel to collect information about your phone so that, if you choose, it can help us conveniently bill you through your regular phone bill.

When you view, click or otherwise interact with an ad or app on or off Facebook, our partners use cookles to help provide you with relevant services and ads. For example, a platform partner may use cookles to customize your experience while you're using their app. Or, an advertising partner may use a cookle to determine whether we've shown an ad and how it performed. To learn more about how advertisers generally use cookles and the choices they offer, you can review the following resources:

- \* Network Advertising Initiative
- « Digital Advertising Aflance
- Internet Advertising Bureau (US)
- # Internet Advertising Bureau (EU)

To learn more about how some of the most common advertisers and their partners use cookies and the choices they offer, you can review the following resources:

Atlas	General information: http://atlassolutions.com/home Choices: https://choice.live.com/AdvertisementChoice/Default.aspx
Bloom Digital	General information: http://bloom-hq.com/ Choices; http://adgear.com/privacy/
DoubleClick	General information: http://www.google.com/doubleclick/index.html Choices: http://www.google.com/policles/privacy/ads/
Flashtalking	General information: http://www.flashtalking.com/ Choices: http://www.flashtalking.com/ftCookieOptOut.html
GroupM	General information: http://www.groupm.com/ Choices: http://www.groupm.com/privacy-policy
Mediamind	General information: http://www.mediamind.com/ Choices: http://www.mediamind.com/privacy-policy
Mediaplex	General information: http://www.mediaplex.com/ Choices: http://www.mediaplex.com/opt-out
Pointroll:	General information: http://www.pointroll.com/ Choices: http://www.pointroll.com/privacy.php
TruEffect	General information: http://trueffect.com/ Choices: http://ad.adlagend.com/TE_optout.html
Weborama	General information: http://weborama.com/ Cholces: http://weborama.com/2/page-en- confidentialite.html

Permetink : Share

Was this answer helpful?



## How does Facebook use cookies for security purposes?

We use tools like cookies to help keep Facebook safe, secure and easy to use. Cookies support or enable security features. For example, with login approvals if someone logs into your account from a browser you've never used before, we'll block them and ask for more information. They also help us implement login notifications, so you can be alerted when your account is accessed and disable any active Facebook sessions.

Besides helping to keep unauthorized people from logging into your account, we also use cookies to help make sure the people or machines that access Facebook don't violate our policies. For example, certain information on Facebook is public and therefore can be accessed by anyone on the internet. These cookies help us understanding the volume and frequency of requests so we can detect and stop people or machines from "scraping" information from our site.

We also use these tools to make Facebook easier to use, like when you mistype one character of your username or password. If you've already logged into Facebook from the same browser, we'll give you easier options to correct your typo since we know you've successfully logged into Facebook before.

Permatink · Share

Was this answer helpful?

# Does Pacebook use cookies if I don't have an account or have logged out of my account?

Facebook does use cookies if you don't have an account or have logged out of your account. For example, we use cookies to help:

- Identify and disable the accounts of spammers
- Recover your account if you ever lose access to it.
- Provide extra security features like login notifications and login approvals
- \* Prevent people who are underage from signing up with a false birth date
- Identify public computers so that we can discourage people from using Keep me logged in

We also set cookies if you don't have a Facebook account but have visited facebook.com to help us protect Facebook and the people who use it from malicious activity. For example, these cookies help us detect and prevent denial-of-service attacks and the mass creation of fake accounts.

If you have cookies on your browser or device, we read that cookie when you visit a site with a social plugin. Learn more.

As our Data Use Policy indicates, we use cookies to show you add on and off Facebook. We don't use cookies to create a profile of your prowsing behavior on third-party sites to show you add. However, we may use anonymous or aggregate data to improve add generally and study, thirdless or test new and existing products or services.

Permalink : Share

Was this answer helpful?

## " What are pixel tags? How does Pacebook use them?

Pixel tags (also called clear GIFs, web beacons, or pixels) are small blocks of code on a webpage that allow websites to do things like read and place cookies. The resulting connection can include information such as the person's IP accress, the time the person viewed the pixel and the type of prowser being used.

We use pixel tags to customize your experience and learn about how people use products and services. For example, we can use pixel tags to see that a person using a certain browser saw an ad on Pacebook and also bought a product from that advertisers. This helps us show advertisers than the age they run on Facebook are effective.

Permahilik r Shere

Was this answer heloful?



What is local storage? How does Facebook use local storage technologies? Local storage is an industry-standard technology that allows a website or app to store and retrieve data on a person's computer, mobile phone, or other device. Some examples include device or HTML5 local storage and caching. Most web browsers offer settings for you to control whether or not to allow local storage.

We use local storage to understand and improve how our products and services perform and to enable certain features. For example, we may store certain parts of

the Facebook website on your device so that those pages load faster the next time you visit them. Local storage also allows us to provide certain services to someone who doesn't have access to the internet. For example, you can read and compose messages in the Facebook Messenger app when you're offline because we store those messages locally on your device.

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Was this information helpful?

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About "Greate an Xo" Create a Page - Developers - Carbers - Privacy - Gookles - Terms - Hes-

facebook HELP CENTER Back to Facebook

Basics

Something's Not Working

Report Abuse or Policy
Violations

Ads and Business
Solutions

Apps, Games and Credits

Safety Center

Community Forum

## Help Center Search

English (US)

"counterfeit"

#### FAQ Results

## TP Prohibited Content

Ads and Sponsoired Stories may not contain content that is illegal or otherwise prohibited per Facebook's Advertising Guidelines. Prohibited content includes but is not limited to the examples listed below:

#### Tobacco Products:

- Ads and Sponsored Stories may not promote tobacco or tobacco-related products, including cigarettes, cigars, chewing tobacco, tobacco pipes, hookahs, hookah lounges, rolling papers, vaporized tobacco delivery devices and electronic cigarettes.
- Ads and Sponsored Stories promoting blogs or groups that exist to help connect users whose interests are related to these products are allowed as long as the service does not lead to the sale of any tobacco-related products. Ads and Sponsored Stories for anti-smoking campaigns, e-books, counseling services for smoking addiction and rehabilitation programs or facilities for smokers are allowed.
- » Acceptable:
  - "Meet with people around the world who have a taste for cigars"
- Unacceptable:
  - "Buy cigarettes and e-cigarettes here today!"

## Weapons:

- Ads and Sponsored Stories may not promote firearms, ammunition, paintball guns, bb guns, fireworks, explosives, papper spray, knives, tasers, or weapons of any kind, including those used for self-defense. Ads and Sponsored Stories may not directly or indirectly link to landing pages where users can purchase any of these products.
- Images of weapons are generally acceptable, as long as the weapon is not pointed directly at the user.
- Ads and Sponsored Stories promoting blogs or groups that exist to help connect users whose interests are related to these products are allowed as long as the service does not lead to the sale of any weapons or explosives.
- Acceptable:
  - "Gun Exposition Today"
- » Unacceptable;
- "Get your ammo here"

### Inflammatory and Derogatory Personal, Political and Religious Content:

Ad or Sponsored Stories content may not express hatred or intent of violence against any individual or group, particularly surrounding the race, sex, creed, national origin, religious affiliation, marital status, sexual orientation, gender identity, or language of that individual or group. We advocate freedom of political speech, however we do not tolerate the use of derogatory language for political purposes, as this leads to high negative feedback from users.

## Spy Cams and Surveillance Equipment:

- Ads and Sponsored Stories may not promote the sale of spy cams, mobile
  phone trackers or other surveillance equipment hidden in products such as
  pens, keys, etc.
- \* The promotion of private detective services may be allowed.

## Counterfeit Goods:

 Ads and Sponsored Stories may not promote or facilitate the sale of counterfeit goods.

## Fake Documents:

 Ads and Sponsored Stories may not promote fake documents such as degrees, possports, immigration papers, etc.

## Pornography

 Ads and Sponsored Stories may not contain nudity or pornographic material of any kind.

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Was this answer heipful?

## Page Results

## Advertised or Sponsored Products and Services

Ads and Spansored Stories may not premote or facilitate the swenf counterfelt goods. facebook.com/help/?page=174952259238535

## Reporting a Violation

Forethook is a social utility that connects people with friends and others who work, study and live around them. People use Farebook to keep up with friends, uplood as ... facebook.com/help/?page=204546626249232

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## Ads & Frends

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- We doe't sed your beforenben be advertises:
- \* Only confirmed focalis can see your actions blongs designed
- \* If a places is used, it is pase profile photo and exit from your photo alterns

## Here's an example of a Facebook Ad:

## Denver Sashi



The best sisti in Deliver. Terr over desire benefit sección for \$9.55. Fan our page for special offen.

## Denver Sushi



The best such in Genrei. You over desily functi specials for £9.95, Fan our page for special offers.

🖒 Like - Tykur Goodenan likas Emu.

This setting only applies to additivative pair with news about social actions, Se, independent of this setting, you may still see social actions in other contexts, like in Spansored Stades or gained with messages from Facebook. You can learn more about how social acts, Sponsored Stories, and messages from Facebook work in the Hely Center.

Page my social actions with ads for COMAGAICAN

No one

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Cancel