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Facebook Bows to Pressure Over Privacy

By MIGUEL HELFT and JENNA WORTHAM

PALO ALTO, Calif. — Ever since Facebook was founded in 2004, Mark Zuckerberg, its chief executive, has pushed its users to share more information about themselves. Time and again, users have pushed back, complaining that some new feature or setting on the site violated their privacy.

But the reaction has rarely been as strong as in the last few weeks, as users, privacy advocates and government officials in many countries lobbed a series of increasingly vociferous complaints against the company. On Wednesday, Mr. Zuckerberg responded, unveiling a set of controls that he said would help people better understand what they were sharing online, and with whom.

"It has been a pretty intense few weeks for us," said Mr. Zuckerberg, who added that he had been huddled with other senior executives for the last two weeks to help shape Facebook's response.

The back and forth between Facebook and its users over privacy is gaining importance as the company's growth continues unabated. It now has nearly 500 million users around the world, and its policies, more than those of any other company, are helping to define standards for privacy in the Internet age.

The new settings would simplify a system that required users to sort through about 150 options.

"Facebook is trying to change privacy on the Internet, and users are pushing back," said Marc Rotenberg, executive director of the Electronic Privacy Information Center, which recently filed a complaint about Facebook's privacy practices with the Federal Trade Commission. "This is about who controls the disclosure of data. Facebook cannot make that decision for users."

Mr. Rotenberg and other privacy advocates said the changes that Facebook announced on Wednesday were generally positive ones, but they said they hoped for further changes and for more oversight from Congress and regulators.

Mr. Zuckerberg announced the changes during a press conference at Facebook's headquarters here. He appeared contrite and conceded mistakes, but he did not apologize to users.

He said the new privacy settings, which will show up in users' accounts over the next couple of weeks, would make it easier for users to understand how much of their personal information was publicly accessible. "The settings have gotten complex, and it has become hard for people to use

them effectively," he said.

Facebook said it would give its users simple controls to determine whether their information was visible to only friends, friends of friends, or everyone on the Internet. Those settings will be applied retroactively to everything users have already published on Facebook.

In addition, Facebook said it was changing its directory of users to show only minimal information when people search for others, like name, profile picture and gender. It had earlier required users to make more information public.

Facebook will also include an easy way for users to turn off its new and controversial "instant personalization" feature, which allows partner sites like Yelp and Pandora to gain access to their personal data.

The latest crisis for Facebook began to build shortly after its conference for software developers in late April, where it unveiled new features and a plan to extend Facebook functions across the Web.

The company argued, as it has for some time, that more and broader sharing makes the site better for everyone. While getting more information about users also helps Facebook customize the advertising it displays, Mr. Zuckerberg said none of the changes affecting privacy were financially motivated.

Some critics say the company was slow to respond to the resulting criticisms. But internally a debate was brewing, with some executives arguing that Facebook might be able to get away with making no changes to the site, said Facebook employees who asked not to be named.

Earlier user rebellions had eventually died down, and despite some defections publicized by technology blogs, Facebook users were not canceling their accounts any more than at any other time.

But eventually the amount of bad publicity became impossible to ignore. "No one likes to see the amount of feedback that we are getting," Mr. Zuckerberg said in an interview. "A lot of the blogs and feedback were really negative."

Once he decided to make changes to the privacy settings, he and some of the company's top executives, product managers and senior engineers huddled for nearly two weeks. Working virtually around the clock and through two weekends, they worked out the controls announced Wednesday. Mr. Zuckerberg also personally met with some of his harshest critics.

"We've been working nonstop on this for a few weeks," he said. "There are lot of people who have not eaten or slept or changed clothes a lot in the last couple of weeks."

Mr. Zuckerberg said Facebook's biggest mistake was failing to notice that as Facebook added new

features and its privacy controls grew increasingly complicated, those controls became effectively unusable for many people. "We probably should have been more sensitive to this issue beforehand," he said.

Mr. Zuckerberg, 26 said the crisis was challenging, but not as stressful as fending off billion-dollar acquisition offers from the likes of Yahoo and Viacom when he was 22. "That was definitely the most stressful situation I had at the company," he said.

Kurt Opsahl, a senior staff lawyer at the Electronic Frontier Foundation, who pressed Facebook on privacy, said the new settings were a step forward. But he said that Facebook should not push users into the instant personalization feature without their consent. "This is a change in how data was used that was different from the expectations that people had when they gave the data," he said.

Mr. Opsahl also said Facebook did not appear to offer a good way to manage settings that allow third-party applications like the game FarmVille to have access to personal information. Users can open either all of the applications or none of them.

This latest tussle between Facebook and its users could affect the privacy policies of other technology companies, said Ray Valdes, an analyst with Gartner. "Facebook is a very large canary in the coal mine," he said. "Competitors are watching to see how much Facebook can get away with and what are the limits that are considered acceptable by government and users."

During the news conference, Mr. Zuckerberg said this would be the last overhaul to privacy controls that the company planned to make for a while. He said the preferences that a user expressed with the new settings would apply to all future products and site changes. "The big takeaway is, don't mess with the privacy stuff for a long time."

Miguel Helft reported from Palo Alto, and Jenna Wortham from New York.