

SPICA

From social media service to advertising network

A critical analysis of Facebook's Revised Policies and Terms

DRAFT 23 February 2015 v1.1











About the authors

This report has been prepared by Brendan Van Alsenoy, Valerie Verdoodt, Rob Heyman, Jef Ausloos and Ellen Wauters.

It was written under the academic guidance of Prof. Dr. Peggy Valcke, Prof. Dr. Jo Pierson, Dr. Els Kindt, Prof. Dr. Eva Lievens and Prof. Dr. Marie-Christine Janssens.

The authors are part of the Interdisciplinary Centre for Law and ICT/Centre for Intellectual Property Rights (ICRI/CIR) of KU Leuven (www.icri.be) and the department of Studies on Media, Information and Telecommunication (SMIT) of the Vrije Universiteit Brussel (VUB) (www.smit.vub.ac.be). Both departments are part of iMinds (www.iminds.be).

Preface

This report has been commissioned by the Belgian Data Protection Authority (www.privacycommission.be). The findings it contains build on the results of two research projects, namely EMSOC (www.emsoc.be) and SPION (www.spion.me). Both EMSOC and SPION were funded by the Flemish Agency for Innovation through Science and Technology (www.iwt.be).

The findings and views expressed in this report are solely those of the authors and should not be attributed to any of the other aforementioned entities.

The present report should be considered as **provisional** and will be updated after further research, deliberation and commentary. Comments and suggestions are welcome at facebook.icri-cir@law.kuleuven.be.

Version history

No.	Date	Version	Affected chapters	State
1	30/01/2015	1.0	ALL	Internal draft
2	23/02/2015	1.1	ALL	Public draft

PREFACE			
LIST (OF ABBREVIATIONS	6	
EXEC	UTIVE SUMMARY	7	
1.	INTRODUCTION	9	
A.	HORIZONTAL EXPANSION	9	
B.	VERTICAL EXPANSION	9	
C.	GENERAL ASSESSMENT OF THE REVISED TERMS	10	
2.	CONSENT	11	
A.	Role of consent	11	
B.	REQUIREMENTS FOR VALID CONSENT	12	
	1) Indication of wishes	13	
	2) Freely Given	13	
	3) Specific	14	
	4) Informed	15	
	5) Unambiguous	16	
3.	PRIVACY SETTINGS	17	
A.	SETTINGS REGULATING ACCESS BY OTHER FACEBOOK USERS	18	
B.	APPLICATION SETTINGS	19	
C.	SETTINGS FOR ADVERTISING	20	
D.	Assessment	22	
4.	UNFAIR CONTRACT TERMS	24	
A.	Warranty disclaimer	24	
B.	LIABILITY LIMITATION	25	
C.	INDEMNITY CLAUSE	25	
D.	Unilateral change	26	
E.	FORUM CLAUSE	27	
F.	CHOICE OF LAW	29	
G.	TERMINATION	29	
5.	HOW FACEBOOK "COMBINES" AND "SHARES" DATA ABOUT ITS USERS	31	
A.	FACEBOOK'S 2013 DUP	31	
B.	FACEBOOK'S 2015 DUP	31	
C.	Assessment	31	
6.	LOCATION DATA	34	
A.	FACEBOOK'S 2013 DUP	34	
B.	FACEBOOK'S 2015 DUP	35	
C.	Assessment	35	
7.	FURTHER USE OF USER-GENERATED CONTENT	37	
A.	FACEBOOK'S IP LICENSE	37	
B.	"SPONSORED STORIES" AND "SOCIAL ADS"	42	

	1)) Unsolicited communications	44
	2)) Identifying commercial communications	45
	3)) Right to control the use of one's image	47
8.	TR	RACKING	50
	A.	SOCIAL PLUG-INS	50
	1)) Facebook's 2011 Audit	51
	2)) Facebook's 2013 DUP	51
	3)) Facebook's 2015 DUP	52
	4)) Assessment	53
	B.	FINGERPRINTING	55
	1)) Facebook's 2013 Terms	55
	2)) Facebook's 2015 Terms	56
	3)) Assessment	57
	C.	TRACKING ON MOBILE DEVICES	57
	1)		
	2)) Assessment	59
9.	DA	ATA SUBJECT RIGHTS	60
	A.	RIGHT TO INFORMATION	60
	B.	RIGHT OF ACCESS	61
	C.	RIGHTS TO OBJECT AND ERASURE	61

List of abbreviations

CJEU Court of Justice of the European Union

DUP Data Use Policy

OSN Online Social Network

SSR Statement of Rights and Responsibilities

WP29 Article 29 Data Protection Working Party

Executive summary

1. CONSENT

Data subject consent is the only viable justification for many of Facebook's processing activities. To be valid, consent must be "freely given", "specific", "informed" and "unambiguous". Given the limited information Facebook provides and the absence of meaningful choice with regard to certain processing operations, it is highly questionable whether Facebook's current approach satisfies these requirements.

2. PRIVACY SETTINGS

Facebook has not announced any changes to their privacy settings as part of its 2015 changes. Nevertheless, its current default settings with regards to behavioural profiling and advertising (essentially "opt-out") remain problematic. According to the Article 29 Working Part, consent cannot be inferred from the data subject's inaction with regard to behavioural marketing. As a result, Facebook's opt-out system for advertising does not meet the requirements for legally valid consent. In addition, opt-outs for "Sponsored Stories" or collection of location data are simply not provided.

3. UNFAIR CONTRACT TERMS

In comparison to 2013, Facebook's new Statement of Rights and Responsibilities (SRR) has not changed substantially. However, our analysis shows that there are several clauses which violate European consumer protection law. Specifically, Facebook's SRR contains a number of provisions which do not comply with the Unfair Contract Terms Directive. These violations were already present in 2013, and they are set to persist in 2015.

4. HOW FACEBOOK "COMBINES" AND "SHARES" DATA ABOUT ITS USERS

Facebook combines data from an increasingly wide variety of sources (e.g., Instagram, Whatsapp and data brokers). By combining information from these sources, Facebook gains a deeper and more detailed profile of its users. Facebook only offers an opt-out system for its users in relation to profiling for third-party advertising purposes. The current practice does not meet the requirements for legally valid consent.

5. FURTHER USE OF USER-GENERATED CONTENT

Facebook's terms allow the company to use user-generated content (e.g. photos) for commercial purposes (e.g., Sponsored Stories, Social Ads). While the revised terms communicate this practice in a more transparent way, Facebook fails to offer adequate control mechanisms. In addition, the actual use of user-generated content in commercial communications is not transparent at all. Users might be aware of the possibility that their content might appear in ads, but they are kept unaware about when and how this actually happens.

6. LOCATION

Facebook collects location data from a variety of sources. The only way to stop the Facebook mobile app from accessing location data on one's smart phone is to do so at the level of the mobile operating system. Facebook should implement a granular location-data settings, with all parameters turned off by default. These settings should allow users to determine when and how location data can be used by Facebook and to what purpose.

7. TRACKING

Facebook monitors its users in a variety of ways, both off and on Facebook. While Facebook provides users with high-level information about its tracking practices, we argue that the collection or use of device information envisaged by the 2015 DUP does not comply with the requirements of article 5(3) of the e-Privacy Directive, which requires free and informed prior consent before storing or accessing information on an individual's device.

8. DATA SUBJECT RIGHTS

Facebook's terms do not properly acknowledge the data subject rights of its users. While mention is made of certain (limited) access rights and opt-out mechanisms, Facebook does not appear to give effect to data subject rights. For example, deleting one's profile is an "all-ornothing" exercise and only relates to "things you have posted, such as your photos and status updates". Though users have some options to control the visibility of their information within their networks, they are not able to prevent Facebook from further using this information for its purposes.

1. Introduction

Facebook's revised Data Use Policy (DUP) is an extension of existing practices. This nevertheless raises concerns because Facebook's data processing capabilities have increased both horizontally and vertically. By horizontal we refer to the increase of data gathered from different sources. Vertical refers to the deeper and more detailed view Facebook has on its users. Both are leveraged to create **a vast advertising network** which uses data from inside and outside Facebook to target both users and non-users of Facebook.

A. Horizontal expansion

Facebook combines data from an **increasingly wide variety of sources**. These sources include acquired companies, partnering platforms and websites or mobile applications that rely on Facebook (or one of its companies) for advertising or other services. In addition, Facebook's ability to monitor and track users' activities outside Facebook has increased exponentially as time has gone by. Facebook's tracking capabilities have expanded mainly through the spread of social-plugins ("like buttons")¹ and through new forms of mobile tracking.

B. Vertical expansion

Vertical expansion refers to the **growing variety of types of information** that are obtained regarding Facebook users. Through the acquisition of Instagram and WhatsApp, but also by adding new functionalities, Facebook is able to collect more kinds of user data. These new data types enable more detailed profiling.

Under Facebook's DUP, data usage is not limited to one or more clearly defined purposes. If data is collected in order to improve the service for the user, for example the same data can also be used for advertising purposes. Location data is a clear example: Facebook collects location data in order to allow users to share their location with peers. However, this data may also be re-used to target advertising.

¹ Social-plugins were initially introduced to allow individuals to show their appreciation for specific content (a user-oriented goal). Facebook now gathers information through these buttons and plugins regardless of whether these buttons are actually used.

C. General assessment of the revised terms

Overall, Facebook's revised DUP signals the company's data use practices in a more prominent way. In this regard, Facebook seems to have taken an important step forward. However, the uses of data are still only communicated on a general and abstract level. Much of the DUP consists of hypothetical and vague language rather than clear statements regarding the actual use of data. Moreover, the choices Facebook offers to its users are limited. For many data uses, the only choice for users is to simply "take-it-or-leave-it". If they do not accept, they can no longer use Facebook and may miss out on content exclusively shared on this platform. In other words, Facebook leverages its dominant position on the OSN market to legitimise the tracking of individuals' behaviour across services and devices.

The re-use of user content for targeting and advertising purposes is deeply embedded in Facebook's practices. It is impossible to add any information that may not later be re-used for targeting, and any "like" may become a trigger to portray a user in a "Sponsored Story" or Social Ad. From the latter one can opt-out, but the only way to stop appearing in Sponsored Stories, is by stopping to "like" content altogether. Users are even more disempowered because they are unaware about how exactly their data is used for advertising purposes. Furthermore, they are left in the dark about their appearance in promotional content. Facebook should not only provide users with more options to control how their data is gathered, but also show users how their name and picture is used in specific instances.

2. Consent

A. Role of consent

Under Directive 95/46/EC², processing of personal data may only take place to the extent that there is a "**legitimate ground**" justifying the processing. The legitimate grounds recognized by the Directive are enumerated (exhaustively) in article 7. Of these grounds, there are **three grounds** in particular which the provider of an OSN might invoke, namely:

- the unambiguous consent by the data subject³;
- a necessity for the performance of a contract⁴; and
- an (overriding) legitimate interest⁵.

For processing that is **strictly necessary to provide the OSN service** (e.g., initial creation of profile, offering of basic functionalities), the OSN provider can in principle rely on the ground of "necessity for the performance of a contract".⁶ For a limited number of operations, the provider may also be able to rely on the "**legitimate interest**" ground (e.g., processing for purposes of ensuring system security).⁷ For all other processing operations, such as the use of users' personal data for targeting purposes, the provider will in principle have to obtain the "**unambiguous consent**" of its users.⁸

There are **situations in which data subject consent is mandated** by law, even if the controller might theoretically be able to invoke another ground to legitimize the processing. For instance, **article 5(3) of the E-Privacy Directive**⁹ entails that OSN providers must obtain the consent of its users prior to:

² Directive 95/46/EC on the protection of individuals with regards to the processing of personal data and on the free movement of such data, *O.J.*, L-281, 23 November 1995, 31-50. Hereafter also referred to as 'Directive 95/46' or simply 'the Directive'. In Belgium, Directive 95/46 was implemented by modifying of the Belgian Law of 8 December 1992 on privacy protection in relation to the processing of personal data (*B.S.*, 18 March 1993) (hereafter the "Belgian Data Protection Act" or "BDPA").

³ Article 7(a) Directive 95/46; article 5(a) BDPA.

⁴ Article 7(b) Directive 95/46; article 5(b) BDPA.

⁵ Article 7(f) Directive 95/46; article 5(f) BDPA.

⁶ P. Van Eecke and M. Truyens, 'Privacy and Social Networks', *Computer Law & Security Review* 2010, Vol. 26, p. 537-538

⁷ Idem.

⁸ For a more detailed analysis on the role of consent as a basis for legitimating the processing of personal data see B. Van Alsenoy, E. Kosta and J. Dumortier, "Privacy notices versus informational self-determination: Minding the gap", *International Review of Law, Computers & Technology* 2013, and the references provided there.

⁹ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications), *O.J.* L-201, 31 July 2002, 37-47, as amended by Directive 2009/136/EC of the European

- the installation of any software on the device of an end-user (e.g., when offering a mobile application for the OSN);
- any placement of cookies which are not strictly necessary to provide service (e.g., to monitor web-browsing activities outside the OSN).¹⁰

Article 5(3) of the e-Privacy Directive is particularly relevant in relation to the **tracking** techniques used by certain OSN providers, including Facebook (cf. *infra*; section 8 "Tracking").

As far as the use of OSN data for purposes of **targeted advertising** is concerned, the situation is somewhat less clear-cut. Directive 95/46/EC does not explicitly state that individuals must provide consent before their data is used for purposes of direct marketing or targeted advertising. As a result, one might argue that the use of profile information of OSN users (e.g., name, age, location, etc.) for purposes of targeted advertising does not necessitate consent. However, even in absence of a legal provision mandating consent, a normal reading of article 7 of Directive 95/46/EC *de facto* requires users' consent in order to legitimate these types of processing activities.¹¹ The same arguably applies for any processing of data intending to locate the **geographic position** of the end-user, regardless of whether it involves any storage of information on the device of the end-user.¹²

B. Requirements for valid consent

Pursuant to article 2(h) of Directive 95/46, consent needs to be "**freely given**", "**specific**", "**informed**", and "**unambiguous**" (or "explicit") in order to be valid.¹³ Where processing is based on consent, individuals in principle also have the right to withdraw consent and to see the underlying personal data removed.¹⁴

Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws, *O.J.* L-337, 18 December 2009. 11-36. Article 5(3) of the e-Privacy Directive has implemented in Belgian law by way of article 129 of the (revised) Law of 13 June 2005 concerning electronic communication (B.S., 20 June 2006).

¹⁰ See also B. Van Alsenoy, "Rights and obligations of actors in social networking sites", SPION D6.2, 2014, v1.2, p. 33-34 and 38, accessible at www.spion.me.

 $^{^{11}}$ See also E. Kosta, *Consent in European Data Protection Law*, 2013, Martinus Nijhoff Publishing, Leiden, p. 188-202, discussing "the erroneous debate around "opt-in" and "opt-out" consent.

¹² See also Article 29 Data Protection Working Party, "Opinion 13/2011 on Geolocation services on smart mobile devices", WP185, 16 May 2011, p. 14.

¹³ Article 29 Data Protection Working Party, "Opinion 15/2011 on the definition of consent", WP187, 25 November 2011. See also article 1(8) BDPA.

¹⁴ Article 29 Data Protection Working Party, "Opinion 2/2010 on online behavioural advertising", WP171, 22 June 2010, p. 17.

1) Indication of wishes

When registering with Facebook for the first time, individuals actively need to click the button "Sign Up", below the following text

"By clicking Sign Up, you agree to our <u>Terms</u> and that you have read our <u>Data Use Policy</u>, including our <u>Cookie Use</u>."

According to WP29, the act of clicking might be considered to "signal, sufficiently clear to be capable of indicating a data subject's wishes, and to be understandable by the data controller." To be valid, however, the data subject's consent must also fulfil the following criteria:

2) Freely Given

Data subjects must have the ability to exercise "real choice". There can be

"no risk of deception, intimidation, coercion or significant negative consequences if he/she does not consent." ¹⁶

In practice, there are two elements that undermine an individual's ability to provide consent "freely" to Facebooks DUP. The first reason relates to the dominant position Facebook assumes on the OSN market. One of the primary reasons for joining is the fact that "everyone is on it". Secondly, individual's ability to withhold consent is constrained by Facebook's "all-or-nothing" approach for many data uses. It is not possible, for example, to consent only to the basic OSN features, while not consenting to the use of one's data for commercial profiling.¹⁷ This practice goes against what the Article 29 Working Party has stated in its opinion on Consent:

"Considering the importance that some social networks have acquired, some categories of users (such as teenagers) will accept the receipt of behavioural advertising in order to avoid the <u>risk of being partially excluded</u> from social interactions. The <u>user should be put in a position to give free and specific consent</u> to receiving <u>behavioural advertising</u>, <u>independently of his access</u> to the social network service. A pop-up box could be used to offer the user such a possibility." ¹⁸

Finally, it is worth noting that the 2015 DUP explicitly extends "consent" to all of Facebook's partner services ("Facebook Services"). In other words: by consenting to Facebook's DUP, users are also consenting to being tracked on websites including social plug-ins for example. By taking

¹⁵ Article 29 Working Party, Opinion 15/2011 on the definition of consent", *l.c.*, p. 11.

¹⁶ *Ibid*, p. 12-13.

¹⁷ Generally speaking, a distinction should be made between "requiring" and "requesting" information. See also House of Commons Science and Technology Committee, "Responsible use of data", Fourth Report of Session 2014-15, 19 November 2014, p. 24-25, accessible at http://www.publications.parliament.uk/pa/cm201415/cmselect/cmsctech/245/245.pdf

¹⁸ Article 29 Working Party, Opinion 15/2011 on the definition of consent", *l.c.*, p. 18.

this approach, Facebook effectively leverages its strong position as an OSN to legitimise the tracking of individuals' behaviour across services and devices.¹⁹

3) Specific

In order to be valid, a data subject's consent must relate to clearly identified data and purposes.²⁰ Put differently, the data subject's consent must be clearly and unambiguously given for a specific (category of) purpose(s).²¹ Facebook's updated (and previous) DUP clearly lacks such specificity, both with regard to the data it collects as well as with regard to how it uses this data. It only identifies certain vague categories of purposes (e.g. "Provide, Improve and Develop Services"; "Promote Safety and Security"; "Show and Measure Ads and Services"), without providing a full and comprehensive list.

A few examples from the 2015 DUP:

- "We also collect content and information that other people provide when they use our Services, including information about you, such as when they share a photo of you, send a message to you, or upload, sync or import your contact information."
- "We also use information we have to provide shortcuts and suggestions to you. For example, we are able to suggest that your friends tag you in a picture by comparing your friend's pictures to information we've put together from your profile pictures and the other photos in which you've been tagged."

Facebook does inform users of the categories of data that are shared when connecting one's account to an App on the 'Facebook-Platform'.²² It is unclear, however, to what extent user data is shared with other entities such as 'Facebook Companies', 'Third-Party Partners' and 'Customers', nor what the exact identity is of these entities. This issue has already been stressed in the WP29 Opinion on Consent:

"Considering that the application can run without it being necessary that any data is transferred to the developer of the application, the <u>WP encourages granularity while obtaining the consent of the user</u>, i.e. obtaining <u>separate consent</u> from the user for the transmission of his data to the developer for these <u>various purposes</u>. Different mechanisms, such as pop-up boxes, could be used to offer the user the possibility to select the use of data

¹⁹ In its 2015 Cookie Policy, for example, Facebook stipulates "*Technologies like cookies, pixel tags*" ("pixels"), <u>device or other identifiers</u> and local storage (collectively, "Cookies and similar technologies") are <u>used to deliver</u>, secure, and understand products, services, and <u>ads</u>, on and <u>off the Facebook Services</u>."

²⁰ Article 29 Working Party, Opinion 15/2011 on the definition of consent", *l.c.*, p. 17 et seq.

²¹ See also the Opinion of Advocate General Sharpston delivered on 17 June 2010, Volker und Markus Schecke GbR, in Joined Cases C-92/09 and C-93/09: "Acknowledging prior notice that publication of some kind will happen is not the same as giving 'unambiguous' consent to a particular kind of detailed publication." For more information see Article 29 Working Party, Opinion 15/2011 on the definition of consent", *l.c.*, p. 21-25.

²² https://www.facebook.com/about/privacy/your-info-on-other

to which he agrees (transfer to the developer; added value services; behavioural advertising; transfer to third parties; etc.)."23

4) Informed

"[*T]here must always be information before there can be consent*".²⁴ Research has shown²⁵ that individuals rarely read privacy notices or general terms of use, let alone understand them.²⁶ Merely providing a hyperlink - without requiring users to read the full text - has also been ruled insufficient by the CJEU in a consumer protection case.²⁷

For consent to be "informed" under data protection law, the subject must be able to "appreciate and understand the facts and implications of his/her action".²⁸ In principle, the data subject must be informed at least about:

- the identity of the controller and of his representative, if any;
- the purposes of the processing for which the data are intended;
- any further information such as
 - the recipients or categories of recipients of the data,
 - whether replies to the questions are obligatory or voluntary, as well as the possible consequences of failure to reply,
 - the existence of the right of access to and the right to rectify the data concerning him.²⁹

As mentioned earlier (cf. *supra*, specificity), Facebook fails to define the purposes for which the data will be processed in a comprehensive and intelligible fashion. The same applies with regard to its description of the (categories of) recipients of the data.

As to the presentation of the DUP, a lot can be learned from the WP29's 2014 Letter regarding Google's Privacy Policy.³⁰ According to its annex, the privacy policy should be immediately visible and accessible. It should contain an exhaustive list of all types of data as well as purposes for which it will be processed. Language such as "we can..." and "we may..." must be avoided.

²⁴ Article 29 Working Party, "Opinion 15/2011 on the definition of consent", *l.c.*, p.19.

²⁵ For an overview see E. Wauters, V. Donoso, E. Lievens and P. Valcke, "Re-designing & re-modeling Social Network terms, policies, community guidelines and charters: Towards a user-centric approach", EMSOC D1.2.5, 31 March 2014, accessible at www.emsoc.be

²⁶ See also House of Commons, Science and Technology Committee, Responsible Use of Data, *l.c.*,, p. 18 et seq ("As a mechanism for showing that users have provided informed consent, so that organisations can process incredibly personal data, terms and conditions contracts are simply not fit for purpose.")

²⁷ CJEU, *Content Services Ltd v Bundesarbeitskammer*, Case C-49/11 [2012]. See E. Wauters, E. Lievens and P. Valcke, "A legal analysis of Terms of Use of Social Networking Sites, including a practical legal guide for users: 'Rights & obligations in a social media environment", EMSOC D1.2.4, 19 December 2013, accessible at www.emsoc.be.

²⁸ Article 29 Working Party, Working Document on the processing of personal data relating to health in electronic health records (EHR), WP131, 15 February 2007, p. 9.

²⁹ See also infra; section 10 A ("The Right to Information")

³⁰ Article 29 Data Protection Working Party, Letter from the Article 29 Working Party to Google on Google Privacy Policy, 23 September 2014, accessible at http://ec.europa.eu/justice/data-protection/article-29/documentation/other-document/index en.htm#2014.

5) Unambiguous

"Unambiguous" means that the action by the data subject can *only* be understood as an expression of his/her agreement that personal data relating to him/her will be processed.³¹

Default settings which are configured to disclose information without the active engagement of the user do not constitute unambiguous consent.³² When certain settings - not crucial to use the service - "overshare" data by default (e.g. with friends-of-friends or third party application providers), users are required to take active steps to undo this. It is questionable, according to WP29, "whether <u>not</u> clicking on the button means that individuals at large are consenting."³³

Facebook's 2015 DUP provides that:

"We use the <u>information we have</u> to improve our advertising and measurement systems so we can show you relevant ads on and off our Services and measure the effectiveness and reach of ads and services. <u>Learn more</u> about advertising on our Services and how you can <u>control</u> how information about you is used to personalize the ads you see."

As discussed in the next chapter, it is highly questionable whether the manner in which controls are currently provided to users comply with either the requirement of "unambiguous" or "explicit" consent. As emphasised by the Article 29 Working Party, an opt-out mechanism "is not an adequate mechanism to obtain average users informed consent", particularly with regard to behavioural advertising.³⁴ In other words, **Facebook's opt-out approach with regard to behavioural profiling for advertising purposes do not meet the requirements for legally valid consent**.

³¹ D. De Bot, *Verwerking van Persoonsgegevens* ['Processing of Personal Data'], Kluwer, Antwerpen, 2001, p. 129. Where special categories of data are involved, article 8(2)a of the Directive specifies that the consent of the data subject must be "explicit" rather than "unambiguous". The distinction between explicit and unambiguous is a subtle one, which is not always perceptible in practice. The main difference is that 'absence of ambiguity' still allows for inference from other (affirmative) actions, whereas 'express' consent does not allow for inference of any kind.

³² See E. Kosta, *Consent in European Data Protection Law*, o.c., p. 200, discussing "the erroneous debate around "optin" and "opt-out" consent

³³ Article 29 Working Party, "Opinion 15/2011 on the definition of consent", *l.c.*, p. 24.

³⁴ Article 29 Working Party Opinion 2/2010 on online behavioural advertising, l.c., p. 15.

3. **Privacy settings**

Privacy settings are access control mechanisms that allow users to decide who can access their "profile information".³⁵ Facebook users can either select an audience from a predefined set of groups (e.g., Friends, Friends of Friends, only me, Public), or customise their own audience.

Facebook has changed its privacy settings many times. In 2007, Facebook introduced a new advertising feature ("Facebook Beacon"), which sent news alerts to users' friends about the goods and services they buy and view on third-party websites (e.g., Blockbuster, Overstock.com).³⁶ There was fierce opposition to this service because it functioned on an optout basis, meaning that the users had to take actives steps to prevent other people from finding out about their off-Facebook activities.³⁷ In 2008, a class action suit was filed against Facebook³⁸ and in 2009, Facebook announced that it would stop the service.³⁹ In 2009, the default settings changed again, resulting in an increase of the data made publicly available by default.⁴⁰ In October 2013, Facebook changed its default settings for teenagers (aged 13-17).41

Facebook has **not announced any changes to the privacy settings for 2015**. Facebook only introduced its "Privacy Basics", which is an interactive tutorial to demonstrate how users can control access to their information. Interestingly, the "privacy basics" tutorial only informs users about "social" privacy controls, i.e. controls in relation to what other users can see or do. It does not walk users through the settings for vis-à-vis advertising or access by third-party application providers.

³⁵ An ACM is the formalisation of how policies are composed based on a specific set of features in the system, regulating and authorising access to data. (R. Sayaf & D. Clarke, "Access Control Models For Online Social Networks", Caviglione in et al. (eds), IGI Global. 2012 accessible https://lirias.kuleuven.be/bitstream/123456789/373507/1/ACMs%20in%200SNs.pdf) terms information" here refers to both basic profile information and additional information that the user adds to his or her profile. It does not concern behavioural profiles created by Facebook for purposes of behavioural targeting. ³⁶ D. Boyd, E. Hargittai, "Facebook privacy settings: Who cares?", First Monday vol. 15 n°8, 2 August 2010, accessible

at http://firstmonday.org/article/view/3086/2589#author.

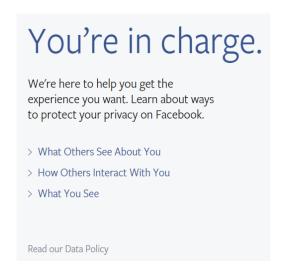
C. Metz. Facebook turns out light on Beacon. 23 September 2009, http://www.theregister.co.uk/2009/09/23/facebook_beacon_dies/.

Facebook class-action suit 2008, Gohring, faces over Beacon, Augustus http://www.networkworld.com/news/2008/081308-facebook-faces-class-action-suit-over.html.

³⁹ C. Metz, *idem*.

⁴⁰ A. Kuczerawy and F. Coudert, 'Privacy Settings in Social Networking Sites: Is It Fair?', in S. Fischer-Hübner et al. (Eds.): Privacy and Identity Management for Life 6th IFIP AICT 352 (Springer, Heidelbert, 2011) 235.

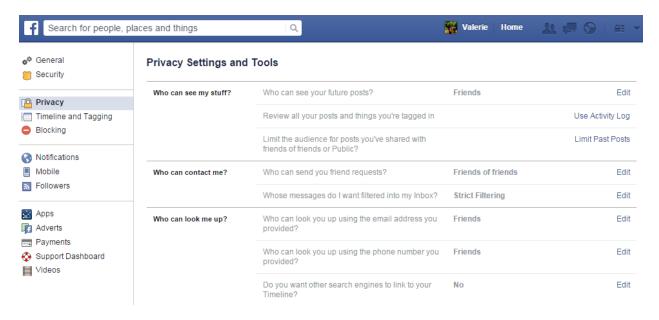
⁴¹ Facebook, Teens Now Start With "Friends" Privacy for New Accounts; Adding the Option to Share Publicly, 16 October 2013, http://newsroom.fb.com/news/2013/10/teens-now-start-with-friends-privacy-for-new-accountsadding-the-option-to-share-publicly/.



Although no changes have been made to the default settings, the **default configuration** of certain settings **remains problematic**. The following sections will analyse three of the main settings available to Facebook users.

A. Settings regulating access by other Facebook users

Facebook provides several granular settings **regulating access by other Facebook users**. The default regulating access by users is set to "Friends" (for new users⁴²), other possibilities are "Public", "Friends of friends", "Custom" and "Only me".

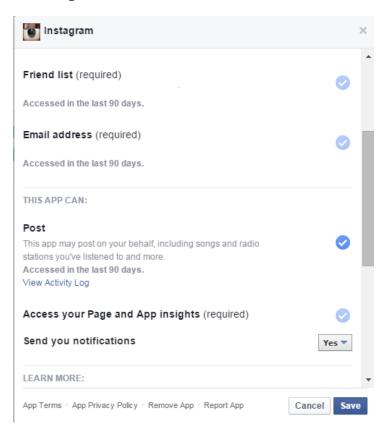


⁴² For existing users the default setting used to be "public".

In addition, user are able to define the audience for each post separately. When new users post something for the first time, they can select their audience for that particular post. If they don't select anything their info is shared with <u>friends only</u>. If they do change the audience for that post, for instance to public, this change will remain, which means that future posts will also be shared publicly.

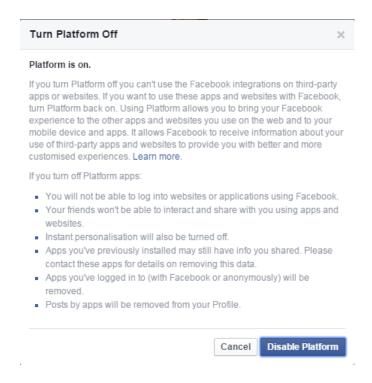
B. Application settings

Facebook also offers **application settings**. Limited options are available to restrict (1) app visibility towards other users; (2) data collection by app providers (but actual controls vary from app to app); and (3) posting on behalf of the user. The following screenshot shows the application settings for Instagram:



Users are able to change the full blue settings, simply by clicking on it. The greyed-out settings are wired-in, which means that users cannot change them. For Instagram, users can choose whether the app can post on their behalf. On the other hand, users do not have control over Instagram's access to their email address or Friend list. As mentioned, these settings may vary from app to app. For instance, for the app iPhoto, users can choose whether or not to share photos and videos, or their friends' chat statuses. However, users cannot control that the iPhoto posts on their behalf, as this setting is wired-in.

Finally, the user can decide to turn off the application platform entirely, which would mean that his or her information cannot be accessed by any application.



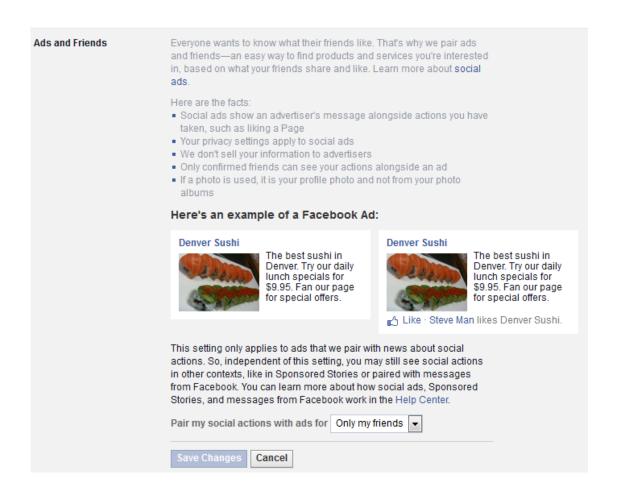
C. Settings for advertising

The current settings offered for advertising are essentially two-fold⁴³. First, users can opt-out from appearing in so-called **Social Ads.** A Social Ad is an ad portraying a brand or Facebook page and the friends who liked it⁴⁴. Users can opt-out from appearing in Social Ads, but cannot opt-out from appearing in so-called "Sponsored Stories".⁴⁵

⁴³ Facebook's Ads settings also include a setting for "Third Party Sites", where it states that "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 choose will determine how your information is used." As this setting is not yet relevant we do analyse it further for the time being.

⁴⁴ A Social Ad is not the same as Sponsored stories. Sponsored stories attach another story to the fact that someone liked something. Sponsored stories appear in News Feed while social ads appear in a box on the right hand side, designated for advertising.

⁴⁵ See also infra; section 7.B "Sponsored Stories" and "Social Ads".



Second, Facebook tells its users they can opt-out of tracking and targeted advertising by providing **links to the websites** of the American, Canadian and **European Digital Advertising Alliance**.

Ads Based On Your Use Of Websites Or Apps Off Facebook

Ads Based On Your Use Of Websites Or Apps Off Facebook

One of the ways ads reach you is when a business or organization asks Facebook to show their ads to people who have used their websites and apps off Facebook. For example, you might visit a company's website that uses cookies to record visitors to it. The company then asks Facebook to show their ad to this list of visitors, and you might see these ads both on and off Facebook. This is a type of interest-based advertising.

If you don't want Facebook or other participating companies to collect or use information based on your activity on websites, devices, or apps off Facebook for the purpose of showing you ads, you can opt out through the Digital Advertising Alliance in the USA, Digital Advertising Alliance of Canada in Canada or the European Digital Advertising Alliance in Europe. You can also opt out using your mobile device settings.

You only need to opt out once. If you opt out of interest-based advertising from Facebook on one phone or computer, we'll apply that choice everywhere you use Facebook.

D. Assessment

Adjustable privacy settings can serve as an additional way to obtain consent for certain specific types of data use. Because of their adjustability, settings can be understood as the expression of the user's will. According to the Article 29 Working Party, however, the provider of an OSN should offer default settings⁴⁶

"which allow users to <u>freely and specifically consent</u> to any access to their profile's content that is <u>beyond their self-selected contacts</u> in order to reduce the risk of unlawful processing by third parties".⁴⁷

In other words: access to profile information should be restricted to self-selected contacts (i.e., 'Friends') by default. Users should be asked for permission before access is extended to any other entity.⁴⁸

Facebook's privacy settings offer users considerable control when it comes to regulating access of their data by other users ("social privacy"). Control is considerably less granular in relation to the collection and use of data by Facebook itself or by third-parties (e.g., access by application providers or use of personal data for advertising purposes). In other words: users are able to choose from several granular settings which regulate access by other individuals, but cannot exercise meaningful control over the use of their personal information by Facebook or third parties. This gives users a **false sense of control**.

Furthermore if users want to regulate access to their information by apps or the use of data for advertising purposes, they are faced with a rather complicated opt-out system. In this regard, the Article 29 Working Party argues that an opt-out mechanism "is not an adequate mechanism to obtain average users informed consent".⁴⁹ As a result, **Facebook's opt-out approach for behavioural profiling and social advertising does not meet the requirements for legally effective consent.**⁵⁰ In addition, it is important to note that **certain key settings are missing**, which means users cannot exercise control of these activities. For example, Facebook does not

⁴⁶ In this regard, the Article 29 Working Party has advocated robust security and privacy-friendly default settings as "the ideal starting point with regard to all services on offer". (See Article 29 Working Party Opinion 5/2009 on online social networking, 12 June 2009, 3, http://ec.europa.eu/justice/policies/privacy/docs/wpdocs/2009/wp163 en.pdf). Furthermore, concept of privacy by default has also been introduced in the article 23 of the proposed General Data Protection Regulation.

⁴⁷ Article 29 Data Protection Working Party, Opinion 5/2009 on online social networking', *l.c.*, p. 7.

⁴⁸ This includes access to personal data by application providers, including when this application has not been downloaded by the OSN user herself, but rather by one of her contacts. For example, information contained in a user's profile should not be made available for indexation by (internal or external) search engines unless the user has explicitly agreed to this.

⁴⁹ Article 29 Working Party Opinion 2/2010 on online behavioural advertising, WP171, 22 June 2010, p. 15.

⁵⁰ Cf. supra; section 2 "Consent".

provide users with an opportunity opt out of appearing in Sponsored Stories⁵¹ or of the sharing of location data⁵² with Facebook.

Finally, it is worth noting that "privacy-unfriendly" default settings also raise questions from a **consumer law** perspective. It can be argued that such settings constitute unfair commercial practices.⁵³ When, in addition, these settings are well hidden and/or hard to adjust, they may also be qualified as "misleading".⁵⁴ Issues relating to consumer law will be addressed further in the following section.

⁵¹ Cf. infra; section 7.B "Sponsored Stories" and "social ads".

⁵² Cf. infra; section 6 "Location Data"

⁵³ Art. 8 Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive' or UCPD), Official Journal of the European Union, no L 149, 11 June 2005, 22-39 Directive 2005/29 is implemented in Belgian Law through Book VI of the BCEL.

⁵⁴ See art. 6-7 Unfair Commercial Practices Directive; article VI.97 BCEL.

4. Unfair contract terms

The terms of use of OSNs are subject to the requirements of the Directive on unfair terms in consumer contracts (UCTD)⁵⁵, as implemented into national laws.⁵⁶

The UCTD prohibits the use of certain contractual terms. It contains a list of terms which may be regarded as "unfair" (annex 1), as well as a "catch-all" provision, which states that

"a contractual term which has not been individually negotiated shall be regarded as unfair if, contrary to the requirement of good faith, it <u>causes a significant imbalance</u> in the parties".

Facebook's SRR contains a number of provisions which, according to our analysis⁵⁷, violate the UCTD. While these violations were already present in 2013, they are set to persist in 2015.

A. Warranty disclaimer

Clause 15(3) of Facebook's SRR disclaims any warranty for the content and the software:

"WE TRY TO KEEP FACEBOOK UP, BUG-FREE, AND SAFE, BUT YOU <u>USE IT AT YOUR OWN</u>
<u>RISK.</u> 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."

⁵⁵ Council Directive (EC) 93/13 on unfair terms in consumer contracts [1993] *O.J.* 24 April 1993, L 95/29 ("UCTD"); http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31993L0013&from=EN. The UCTD is transposed into Belgian law in Book VI of the Code of Economic Law of 28 February 2013 (*B.S.*, 29 March 2013) (hereafter: "BCEL").

⁵⁶ According to the European Commission's Cloud Expert Working Group, the scope of the Unfair Contract Terms Directive 93/13/EEC is sufficiently broad to cover "free" services ("The Unfair Contract Terms Directive has a broad scope and applies to all consumer contracts for the supply of goods and services. Furthermore, its application is irrespective of whether the consumer paid a monetary price or not as a counter performance. Thus, contracts for the supply of 'free' cloud computing services are covered as well") (European Commission's Expert Group on Cloud Computing Contracts, "Unfair Contract Terms in Cloud - Computing Service Contracts - Discussion Paper", p. 1, accessible at http://ec.europa.eu/justice/contract/files/expert groups/unfair contract terms en.pdf, last accessed 17 October 2014). See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", Amsterdam Law School Legal Studies Research Paper No. 2015-01 / Centre for the Study of European Contract Law Working Paper No. 2015-01, accessible at http://ssrn.com/abstract=2546859.

⁵⁷ For a more extensive analysis see E. Wauters, E. Lievens and P. Valcke, Towards a better protection of social media users: a legal perspective on the terms of use of social networking sites", *International Journal of Law and Information Technology* 2014, Vol. 22, No. 3, 254-294

The UCTD prohibits terms "inappropriately excluding or limiting the legal rights of the consumer [...] in the event of non-performance or inadequate performance".⁵⁸ The blanket warranty disclaimer contained in Facebook's SRR arguably violates this prohibition. In addition, the warranty disclaimer could also be invalidated under the catch-all provision of the UCTD (significant imbalance).⁵⁹

B. Liability limitation

Clause 15(3) of Facebook's SRR stipulates that

"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." 60

There are two reasons to question the validity of this term. First, the UCTD consumer protection law prohibits companies from excluding liability for intentional or gross misconduct (cf. *supra*; Warranty disclaimer).⁶¹ In addition, Facebook's liability cap of \$100 creates a significant imbalance between the liability exposure of Facebook and that of its users, which is, in principle, unlimited according to the same SRR (cf. *infra*; indemnity clause).

C. Indemnity clause

Clause 15(2) of Facebook's SSR stipulates that

"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."

This clause essentially obliges users to indemnify Facebook for any expenses incurred, including legal fees, as a result of a violation of the terms of service. The validity of such clauses has been contested in certain jurisdictions.⁶² Moreover, under Belgian law, the recoverability of legal fees

_

⁵⁸ UCTD, Annex 1 (b); Article VI.83, 13° BCEL.

⁵⁹ When assessing the fairness of a warranty clause, courts usually take into account the price paid for goods or services. If one accepts that a user "pays" with personal information, it could be argued that such a provision does cause an insignificant imbalance since the user "gives up a significant amount of personal information in exchange for which he receives no guarantee of conformity of the goods or services." (IDATE, TNO and IVIR, User-Created-Content: Supporting a participative Information Society – Final report (2008) http://www.ivir.nl/publications/helberger/User created content.pdf, p. 257.

⁶⁰ Article 16(3) of Facebook's "Statement of Rights and Responsibilities", 15 November 2013, accessible at https://www.facebook.com/legal/terms (last accessed 25 November 2014)

⁶¹ UCTD, Annex 1 (b); Article VI.83, °13 BCEL. See also I. Samoy, P. Valcke, S. Janssen a.o., "Facebook maakt privéberichten openbaar: een casus contractuele aansprakelijkheid?", *l.c.*, p. 11.

⁶² For example, in 2004, a consumer organization successfully challenged a "hold harmless" provision included in the terms of use of internet service provider AOL France. See Tribunal de Grande Instance de Nanterre (1ère chambre), *UFC Que Choisir / AOL Bertelsmann Online France*, 2 June 2004, paragraph 13, accessible at http://www.legalis.net/spip.php?page=jurisprudence-decision&id article=1211. In a guidance document on these Regulations the Office of Fair Trading in the UK also indicated that such an indemnity clause may be unfair: OFT,

is governed by article 1022 the Code of Civil Procedure.⁶³ This law limits the amount of damages that can be recuperated for legal expenses in disputes between private parties. In principle, no one may be asked to reimburse legal expenses above the maximum amounts established by Royal Decree (article 1022 *in fine* of the Belgian Code of Civil Procedure).⁶⁴

As for other damages, Facebook would need to demonstrate the existence of a direct causal relationship between the violation of the terms of use by the OSN user and the damages suffered by the OSN provider. Very often, the actual liability exposure of an OSN provider for usergenerated content results not only from the content itself, but from its own failure to act. A distinction therefore needs to be made between the action of the user and the non-action of the OSN provider. Any attempt to hold OSN users liable for the fault of the OSN provider may be considered unfair and therefore invalid.⁶⁵

D. Unilateral change

Facebook reserves the right to change their SRR and DUP unilaterally:

"We'll notify you before we make changes to these terms and give you the opportunity to review and comment on the revised terms before continuing to use our Services.

If we make changes to policies, guidelines or other terms referenced in or incorporated by this Statement, we may provide notice on the Site Governance Page.

Your continued use of the Facebook Services, following notice of the changes to our terms, policies or guidelines, constitutes your acceptance of our amended terms, policies or guidelines"

The UCTD stipulates that a term may be unfair when it enables a "seller or supplier to alter the terms of the contract unilaterally without a valid reason which is specified in the contract." ⁶⁶ This provision of the UCTD has been implemented divergently across Member States. In Belgium, the Code of Economic Law provides that a unilateral change clause may not deprive consumers of the ability to end the contract before these new conditions apply, without extra costs and without compensation. ⁶⁷

^{&#}x27;Unfair contract terms guidance. Guidance for the Unfair Terms in Consumer Contracts Regulations 1999' (2008), http://www.oft.gov.uk/shared-oft/reports/unfair-contract-terms/oft311.pdf.

⁶³ Article 1022 of the Code of Civil Procedure was modified in 2007 in order to provide for the recoverability of legal fees Wet van 21 april 2007 betreffende de verhaalbaarheid van de erelonen en de kosten verbonden aan de bijstand van een advocaat, *B.S.* 31 mei 2007).

⁶⁴ Koninklijk besluit van 26 oktober 2007 tot vaststelling van het tarief van de rechtsplegingsvergoeding bedoeld in artikel 1022 van het Gerechtelijk Wetboek en tot vaststelling van de datum van inwerkingtreding van de artikelen 1 tot 13 van de wet van 21 april 2007 betreffende de verhaalbaarheid van de erelonen en de kosten verbonden aan de bijstand van de advocaat.

⁶⁵ See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 18.

⁶⁶ UCTD, Annex 1 (j)

⁶⁷ Article VI.83, 2° BCEL.

It is interesting to note that a German court has invalidated this provision of Facebook's SRR because of its "significant imbalance".⁶⁸ According to the Court, provisions which allow the company or trader to change the terms without the consent of the consumer, are only permitted when they are restricted to remedy "equivalence problems"⁶⁹ and gaps in the conditions, and if they are drafted in a clear manner. Facebook, however, grants itself seemingly unlimited power to amend the terms. The notice period and the possibility to participate under certain conditions softened the power of unlimited amendment, but this does not, according to the Court, alter the fact that the amendment provision violates German Law.⁷⁰

E. Forum clause

Clause 15(1) of Facebook's 2015 SRR provides that

"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 the U.S. District Court for the Northern District of California or a state court located in San Mateo County, and you agree to submit to the personal jurisdiction of such courts for the purpose of litigating all such claims."

Within the EU, disputes with a cross-border element are subject to the Brussels I Regulation⁷¹, which lays down the rules for the jurisdiction and enforcement in civil and commercial matters.

Article 17(1)c of Brussels I provides that the rules concerning jurisdiction over consumer contracts shall apply if

"the contract has been concluded with a person who <u>pursues commercial or professional</u> <u>activities in the Member State of the consumer's domicile or</u>, by any means, <u>directs such activities</u> to that Member State or to several States including that Member State, and the contract falls within the scope of such activities."

Article 17(2) goes on to specify:

-

⁶⁸ Landgericht Berlin, Judgement of 6 March 2012, Az. 16 0 551/10, http://openjur.de/u/269310.print.

⁶⁹ The interest of each party lies in the value of a corresponding return for its performance. For instance, person A and B conclude an agreement concerning a purebred dog. Person A pays a price that is common for purebred dogs. However, if afterwards it turns out that the dog is of a mixed breed, the equivalence of person A is disturbed because he has not received the full benefits of the price he paid (see http://www.lexexakt.de/glossar/aequivalenzinteresse.php).

 $^{^{70}}$ Landgericht Berlin, Judgement of 6 March 2012, Az. 16 O 551/10, http://openjur.de/u/269310.print accessed 9 September 2013 .

⁷¹ Regulation (EU) no 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, O.J. 2012, L 351/1 (hereafter: "Brussels I"). This Regulation applies as of 10 January 2015 (art. 81). Before January 10 2015, these matters were regulated Council Regulation (EC) 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, OJ 2001, L 12/1 (which contained very similar provisions). See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 19.

"Where a consumer enters into a contract with <u>a party who is not domiciled</u> in the Member State <u>but has a branch</u>, <u>agency or other establishment</u> in one of the Member States, that party shall, in disputes arising out of the operations of the branch, agency or establishment, <u>be deemed to be domiciled</u> in that State."

Facebook has offices in the EU (including Ireland, Belgium, the Netherlands and Germany). As a result, they can be considered to have a "branch, agency or other establishment" in these Member States within the meaning of article 17(2) of Brussels I.⁷² In any event, Facebook also "directs" its activities to these Member States within the meaning of article 17(c).

Article 18 (1) of Brussels I offers consumers the choice of either bringing proceedings in the courts in the Member State where he is domiciled or in the Member State where the other party is domiciled.⁷³ In contrast, the consumer can only be sued in the Member State where he is domiciled.⁷⁴ Parties cannot deviate from it by agreement until after a dispute has arisen and under certain conditions.⁷⁵ This implies that the forum clause of Facebook's SSR is invalid.⁷⁶

In addition the Brussels I Regulation, it is also important to take into account the UCTD when assessing a jurisdiction clause. In *Océano*, the CJEU concluded that

"where a jurisdiction clause is included, without being individually negotiated, in a contract between a consumer and a seller or supplier within the meaning of the Directive and where it confers exclusive jurisdiction on a court in the territorial jurisdiction of which the seller or supplier has his principal place of business, it must be regarded as unfair within the meaning of Article 3 of the Directive in so far as it causes, contrary to the requirement of good faith, a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer."

⁷² One might argue that disputes concerning Facebook's SRR or DUP do not directly "arise out of the operations of the branch, agency or establishment" established in the EU, as the relevant decisions are made by Facebook headquarters, which are located in California. However, given that the operations of Facebook's European offices are "inextricably linked" to those of Facebook's primary establishment, one may argue that disputes regarding Facebook's DUP or SRR do in fact also arise out of the operations of the branch, agency or establishment. For an analogous reasoning see CJEU, *Google Spain SL*, *Google Inc. v Agencia Española de Protección de Datos (AEPD)*, *Mario Costeja González*, Case C-131/12, 13 May 2014, at paragraphs 47 et seq.

⁷³ See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 20.

⁷⁴ Article 18(2) Brussels I Regulation.

⁷⁵ See article 19 of the Brussels I Regulation. See also P. A. Nielsen, 'Art. 17' in Ulrich Magnus and Peter Mankowski *Brussels I Regulation* (Sellier European Law Publishers, München 2007), 321; G. Mazziotti, *EU Digital Copyright Law and the End-User* (Springer, Berlin Heidelberg, 2008), 122; Susan Schiavetta, Does the Internet Occasion New Directions in Consumer Arbitration in the EU? (2004) 3 JILT, 2004, accessible at http://www2.warwick.ac.uk/fac/soc/law/elj/jilt/2004-3/schiavetta.

⁷⁶ See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 20.

⁷⁷ CJEU, Joined cases C-240/98 to C-244/98 Océano Grupo Editorial SA v Roció Murciano Quintero, Salvat Editores SA v José M. Sánchez Alcón Prades, José Luis Copano Badillo, Mohammed Berroane and Emilio Viñas Feliú [2000] ECR I-4941, para 24. See also Ulrich Magnus and Peter Mankowski, *Brussels I regulation, European commentaries on private international law* (Sellier European Law Publishers, München 2007), 322 and M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 20.

F. Choice of law

According to Clause 15(1) Facebook's SRR, any disputes relating to the SRR or Facebook shall be governed by Californian Law. However, article 6 of Regulation No 593/2008 (Rome I)⁷⁸ provides that consumer contracts shall in principle be governed by the law of the country where the consumer has his habitual residence. While parties may choose for a different law to be applicable under certain conditions, such a choice may not, however, have the result of depriving the consumer of the protection afforded to him by provisions that cannot be derogated from by agreement by virtue of the law which, in the absence of choice, would have been applicable (article 6(2) of Rome I).⁷⁹

G. Termination

Clause 14 of Facebook's SSR provided that:

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: (...)

Under the UCTD, terms that enable "the seller or supplier to terminate a contract of indeterminate duration without reasonable notice except where there are serious grounds for doing so" may be unfair. Given the differences in transposition of the Unfair Terms Directive in Member States, the latter will have to be judged on a country-specific basis. For instance, Germany has not implemented this provision in its national law as such. In Belgium, the provision is part of a "black list", which provides that any provision which "[...] authorizes a company to terminate an agreement of indefinite time period without a reasonable notice period" shall be unlawful (except in case of "force majeure"). Sa

 $^{^{78}}$ Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I), O.J. L-177, 4 July 2008, 6-16.

⁷⁹ See also I. Samoy, P. Valcke, S. Janssen a.o., "Facebook maakt privéberichten openbaar: een casus contractuele aansprakelijkheid?", *Juristenkrant* 5 December 2012, p. 10; E. Wauters, E. Lievens, P. Valcke and K. Lefever, "Over Tweeten, Friends & Followers: Juridische Kijk op Sociale Media", in P. Valcke en J. Dumortier (eds.), *ICT- en Mediarecht*, Brugge; Die Keure, 2012, p. 5-6 and See also M.B.M Loos and J.A. Luzak, "Wanted: A Bigger Stick. On Unfair Terms in Consumer Contracts with Online Service Providers", *l.c.*, p. 22-23.

⁸⁰ Annex article 1 (g) Unfair Terms Directive.

⁸¹ M. Skory, Study: Abusive clauses – application of the provisions of Directive 93/13 in Poland and selected countries of the European Union (Germany, Great Britain, France, the Czech Republic, Slovakia and Hungary) (2007), 22.

⁸² A blacklist is a list of clauses which are considered to be absolutely unlawful. H.W. Icklitz, J. Stuyck and E. Terryn (eds), *Cases, Materials and Text on Consumer Law*, (Hart, Oxford/Portland 2010), 291.

⁸³ Art. VI.83 11° BCEL. See also R. Steennot, Commentaar bij art. 74, 11° wet 6 april 2010, X., Handels- en economisch recht. Commentaar met overzicht van rechtspraak en rechtsleer, X. Marktpraktijken, 1-2.

Although Germany has not transposed the provision directly, a German court⁸⁴ has already invalidated Facebook's termination clause because it provides an extraordinary right of termination since it does not provide a warning or a valid reason. The provision was considered to be in breach with the core of article §314 of the German Civil Code (*Bürgerliches Gesetzbuch*), which stipulates that each party can end a contract without a notice period when there is a compelling reason.⁸⁵ If the compelling reason constitutes a breach of duty under the contract, it can only be ended after the expiration of a relief period in which no solution was found or when a warning was issued to the party who breached the contract and did not respond to this warning.⁸⁶

Facebook's termination provision is very broad and very general, making it difficult for users to know when they risk seeing their account suspended. Facebook has a history of using many different reasons to disable accounts, such as "not using your real name, posting offensive content, scraping the site, joining too many groups, sending too many messages, 'poking' too many people, or sending the same message too many times."⁸⁷ People using their real names have seen their accounts being disabled without warning or recourse because Facebook found they were in breach of their real name policy.⁸⁸ In addition, reasons such as "sending too many messages" are inherently subjective. What may seem an extensive amount of messages to one person, may be considered absolutely normal by another person.

⁸⁴ Landgericht Berlin, Judgement of 6 March 2012, Az. 16 0 551/10, http://openjur.de/u/269310.print.

⁸⁵ The law speaks of a "compelling reason" if the party who ends the contract, after taking all circumstances of the specific case into account and weighing the interests of both parties, cannot be reasonably expected to continue the contract until the agreed end or until the expiration of a notice period.

^{86 &}quot;(1) Dauerschuldverhältnisse kann jeder Vertragsteil aus wichtigem Grund ohne Einhaltung einer Kündigungsfrist kündigen. Ein wichtiger Grund liegt vor, wenn dem kündigenden Teil unter Berücksichtigung aller Umstände des Einzelfalls und unter Abwägung der beiderseitigen Interessen die Fortsetzung des Vertragsverhältnisses bis zur vereinbarten Beendigung oder bis zum Ablauf einer Kündigungsfrist nicht zugemutet werden kann. (2) Besteht der wichtige Grund in der Verletzung einer Pflicht aus dem Vertrag, ist die Kündigung erst nach erfolglosem Ablauf einer zur Abhilfe bestimmten Frist oder nach erfolgloser Abmahnung zulässig. § 323 Abs. 2 findet entsprechende Anwendung. (3) Der Berechtigte kann nur innerhalb einer angemessenen Frist kündigen, nachdem er vom Kündigungsgrund Kenntnis erlangt hat."

⁸⁷ Eric Schonfeld, 'Facebook Stirring Up Anger For Disabling Accounts', *Techcrunch* (11 July 2007) http://techcrunch.com/2007/12/11/facebook-stirring-up-anger-for-disabling-accounts accessed 9 September 2013.

⁸⁸ Asher Moses, 'Banned for keeps on Facebook for odd name', *The Sydney Morning Herald* (25 September 2008) http://www.smh.com.au/news/biztech/banned-for-keeps-on-facebook-for-odd-name/2008/09/25/1222217399252.html.

5. How Facebook "combines" and "shares" data about its users

A. Facebook's 2013 DUP

"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 - ads."

B. Facebook's 2015 DUP

"Information from third-party partners.

We receive information about you and your activities on and off Facebook from thirdparty partners, such as information from a partner when we jointly offer services or from an advertiser about your experiences or interactions with them.

Facebook companies.

We receive information about you from companies that are owned or operated by Facebook, in accordance with their terms and policies. Learn more about these companies and their privacy policies.

Sharing With Third-Party Partners and Customers

We work with third party companies who help us provide and improve our Services or who use advertising or related products, which makes it possible to operate our companies and provide free services to people around the world."

C. Assessment

To a large extent, the changes introduced by the 2015 DUP are an extension upon existing practices. Nevertheless, the horizontal expansion of Facebook's processing capabilities creates additional concerns. Facebook combines data from an increasingly wide variety of sources, including an expanded number of "Facebook Services" which are (in principle) also covered by the DUP, and Facebook's companies (e.g., Whatsapp and Instagram). By combining its sources, Facebook gains a deeper and more detailed view of its users.

Use case: Combining Facebook Data with data from third-party data brokers

Over the past few years, Facebook has partnered with data brokers such as Acxiom, Datalogix and Epsilon so that advertisers can target OSN users on the basis of their purchasing behavior outside the social network.⁸⁹ Facebook has reportedly also partnered with data broker BlueKai to enable further targeting of Facebook users on the basis of their browsing activities outside of Facebook.⁹⁰

User targeting is achieved through a matching function which can be summarized as follows: a company contacts a data broker with a particular audience in mind (e.g., people interested in losing weight). The data broker then generates a list of email addresses of people it believes that belong to that audience. It then creates a cryptographic hash function for each of the email addresses of each person on the list and sends these hash functions to Facebook. Facebook then compares this list of hash functions to its own list of hash functions of email addresses belonging all Facebook users and then identifies the relevant users as being part of the target group. In case of targeting based on browsing activity, mapping OSN users with the intended audience is done through a process referred to as 'cookie matching'. Even if data brokers do not directly share any data with Facebook other than the relevant hash functions, Facebook might still be able to glean information of the user based on what is being advertised.⁹¹

As indicated earlier Facebook only offers an opt-out system for its users to regulate the use of their data by third-party advertising:

⁸

⁸⁹ Specifically, Facebook has added 'partner categories' as an additional targeting feature, which enables advertisers to target individuals based on the basis of their purchase behaviour outside the social network. See https://www.facebook-studio.com/news/item/partner-categories-a-new-self-serve-targeting-feature (last accessed 17 December 2013). See also C. Dello, 'Facebook to Partner With Acxiom, Epsilon to Match Store Purchases with User Profiles – Can Facebook Ads Drive Offline Buying?', *Advertising Age*, 22 February 2013, available at http://adage.com/article/digital/facebook-partner-acxiom-epsilon-match-store-purchases-user-profiles/239967 (last accessed 7 January 2014).

⁹⁰ See K. Opshal and R. Reitman, 'The Disconcerting Details: How Facebook Teams Up With Data Brokers to Show You Targeted Ads', Electronic Frontier Foundation (EFF), 22 April 2013, available at https://www.eff.org/deeplinks/2013/04/disconcerting-details-how-facebook-teams-data-brokers-show-you-targeted-ads (last accessed 7 January 2014).

⁹¹ *Id.*

If you don't want Facebook or other participating companies to collect or use information based on your activity on websites, devices, or apps off Facebook for the purpose of showing you ads, you can opt out through the Digital Advertising Alliance in the USA, Digital Advertising Alliance of Canada in Canada or the European Digital Advertising Alliance in Europe. You can also opt out using your mobile device settings.

You only need to opt out once. If you opt out of interest-based advertising from Facebook on one phone or computer, we'll apply that choice everywhere you use Facebook.

As mentioned earlier, consent cannot be inferred from the data subject's inaction with regard to behavioural marketing. As a result, Facebook's opt-out system for advertising does not meet the requirements for legally valid consent (cf. *supra* sections chapter 2 and 3).

6. Location Data

Smart devices contain many sensors which make it possible to determine the location of the person holding it (e.g., GPS, WiFi, etc.).⁹² In principle, the operating system of a smart device enables its users to decide whether or not to share location data. When it comes to sharing location data with Facebook, users only have a binary choice: all-or-nothing. Once the Facebook mobile app is authorized to access location data, there are no further (in-app) settings, for example, allowing the individual to authorize location sharing for one purpose but decline it for other purposes.

Even when a user decides to turn off Facebook's access to location data, this still does not prevent Facebook from collecting location data via other means. Pictures taken with smartphones, for example, often contain location information as metadata. As a result, location data may be shared indirectly when uploading pictures to Facebook. Combined with features such as facial recognition, it is fairly easy to pinpoint the location of specific individuals to specific locations in time.

A. Facebook's 2013 DUP

- "We receive <u>data from or about the computer, mobile phone, or other devices you use</u> [...] This may include network and communication information [...] and other <u>information about things like your [...] location</u> [...]. 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."
- For example, 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 in which you might be interested. We may also put together data about you to serve you ads or other content 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). <u>But we only keep it until it is no longer useful to provide you services</u>, like keeping your last GPS coordinates to send you relevant notifications."

⁹² For a more comprehensive analysis see Article 29 Data Protection Working Party, "Opinion 13/2011 on Geolocation services on smart mobile devices", WP185, 16 May 2011.

B. Facebook's 2015 DUP

- "We collect the content and other information you provide when you use our Services, including [...] <u>information in or about the content you provide</u>, <u>such as the location of a photo</u> or the date a file was created."
- Here are some examples of the <u>device information</u> we collect:

[...].

<u>Device locations, including specific geographic locations, such as through GPS, Bluetooth, or WiFi signals.</u>

<u>Connection information such as the name of your mobile operator or ISP, browser</u> <u>type, language and time zone, mobile phone number and IP address."</u>

[...]

- "When we have location information, we use it to tailor our Services for you and others, like helping you to check-in and find local events or offers in your area or tell your friends that you are nearby."
- "Other people may use our Services to share content about you with the audience they choose. For example, people may share a photo of you, mention or tag you at a location in a post...."

C. Assessment

Facebook's 2015 DUP is slightly more explicit about the types of information Facebook collects in order to locate its user (e.g., the 2015 DUP explicitly also mentions WiFi signals and Bluetooth as means to determine a user's location). The description of purposes is, however, as vague and broad as it was in 2013 (Facebook still collects the "GPS or other location information" in order to "tailor our Services for you and others"). Interestingly, there is no longer any mention of limiting the storage or use of location data to the time necessary to provide a service.

The collection and use of location data by Facebook constitutes processing of personal data. ⁹³ Location data do not qualify as "sensitive data" as defined in article 8 of Directive 95/46. Nevertheless, the Article 29 Working Party has emphasised the particular nature of location data which requires special protection (i.e., opt-in). ⁹⁴ The special nature of location data is also emphasised in article 9 of the e-Privacy Directive ⁹⁵, providing a specific regime regarding information obligations and consent requirements. Providers of OSNs generally do not qualify

 $^{^{93}}$ Article 29 Working Party, "Opinion 13/2011 on Geolocation Services on Smart Mobile Devices", WP185, May 16, 2011, p. 9-11 and 13.

⁹⁴ Idem.

⁹⁵ Article 9 of the e-Privacy Directive has implemented in Belgian law by way of article 123 of the (revised) Law of 13 June 2005 concerning electronic communication (B.S., 20 June 2006).

as providers of an "electronic communication service", meaning Facebook falls largely outside of the scope of the e-Privacy Directive. 96 Nevertheless, a normal reading of article 7 of Directive 95/46 in principle requires informed user consent prior to the sharing of location data. 97

In conclusion, Facebook should offer granular in-app settings for sharing of location data, with all parameters turned off by default. This should allow users to determine when, how and what (location) data can be used by Facebook and to what purpose. Additionally, Facebook should provide more detailed information about how, when and why exactly location data is collected. Finally, location data should only be collected to the extent and for the duration necessary for the provision of a service requested by the user.

⁹⁶ See also Article 29 Working Party, Opinion 5/2009 on Online Social Networking, 12 June 2009, p.10.

⁹⁷ See also supra; chapter 2 on the role of consent.

7. Further use of user-generated content

A. Facebook's IP License

Clause 2 of Facebook's 2015 SRR98 provides that

"You own all of the content and information you post on Facebook, and you can control how it is shared through your <u>privacy</u> and <u>application settings</u>. In addition:

- 1. 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 <u>privacy</u> and <u>application settings</u>: 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 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 <u>Data Policy</u> and <u>Platform Page</u>.)
- 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)."

Clause 2 states that **all copyright protected content**, and in particular **photos and videos that users post may be used by Facebook** in either non-commercial or commercial way. Because the license is non-exclusive, users retain the right to continue to use and exploit their content as well in any way they deem suitable (e.g. grant licences to other parties).

The license is **transferable and sub-licensable**, implying that Facebook may authorize any third party to use protected content of an individual user and receive payment for it. The license is furthermore **royalty-free**, which implies that users will not receive any form of remuneration

⁹⁸ Clause 2 of Facebook 2013 SRR contained near-identical wording.

nor share in the proceeds that Facebook might collect from third parties in consideration of an authorisation to use photos or videos from users.

The license is **worldwide**, so Facebook may allow use of a user's content on a worldwide basis. In principle, the license is terminated when the protected materials (photos and or/videos) are deleted. However, if the content has been shared with other users who have not deleted it from their profile, the license continues to apply until the date of deletion of a particular content by every user with whom the content has been shared. So basically, the license may be of a perpetual nature in cases where content is shared with others.

It can be seriously questioned whether such an encompassing type of license is in compliance with copyright law. As a preliminary matter, it should be observed that the current acquis communautaire in the domain of copyright law does not provide an answer to this question as none of the current copyright directives, including the Information Society Directive⁹⁹, include generally applicable provisions in respect of copyright contracting. This issue remains therefore primarily governed by the national laws of the Member States. It has been demonstrated that significant differences exist at the national level regarding the law applicable to copyright contracts.¹⁰⁰/¹⁰¹ While in some countries the general principles of contract law continue to apply, some other countries, including Belgium, have included a number of specific safeguards in their copyright legislation with a view to protect authors as the weaker party to transactions relating to the exploitation of their works to prevent that they be unfairly or unreasonably disadvantaged (e.g. over-broad transfers of rights).

In Belgium, Article XI.167 BCEL¹⁰² lists the conditions that are applicable to copyright contracts in general.¹⁰³ These provisions do not make a distinction between the rules applicable to different types of transfers and, hence, are applicable to assignments as well as (non-exclusive or exclusive) licenses. Firstly, §1 establishes a specific rule of evidence regarding the existence of the license agreement vis-à-vis the author in the sense that any assignee or licensee will need to provide evidence *in writing*. Secondly, copyright contracts are to be interpreted in a *restrictive* manner in favor of the author (*in dubio pro auctore*). Thirdly, with respect to the scope of the rights transferred by the contract, an obligation is imposed to **explicitly address the remuneration, the scope and the duration for each mode of exploitation**. This list should, however, be limited to *known* modes of exploitation provided and the text of the contract should

⁹⁹ Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, *OJ* L167/10. Changes to this framework are currently being discussed and a proposal for a new legislative instrument is announced for mid 2015.

¹⁰⁰ L. Guibault and P. Bernt Hugenholtz, *Study on the conditions applicable to contracts relating to intellectual property in the European Union*, EU Study contract No. ETD/2000 /B5-3001/E/69, May 2002 (available at http://www.ivir.nl/publicaties/download/334).

¹⁰¹ It should be noted that these existing disparities in the laws of the EU member states relating to copyright contracts will lead to different outcomes depending on which national law applies, e.g. in relation to the initial allocation of rights and further transfer of rights

 $^{^{102}}$ Belgian Code on Economic Law that codifies, since 1 January 2015, the former provisions of the Belgian Copyright Act (Act of 30 June 1994 on copyright and neighbouring rights).

¹⁰³ For more details, see Hendrik Vanhees, 'Artikel 3' in Fabienne Brison and Hendrik Vanhees (Eds.), *De Belgische Auteurswet. Artikelsgewijze commentaar*, Larcier, Brussel 2012, 31.

be sufficiently precise. Any transfer of rights that would relate to yet *unknown* types of **exploitation is null and void.**¹⁰⁴ Moreover, contract clauses by which rights to *future works* are transferred are only valid if they are **restricted to a limited period of time** and provided that the types of works, to which the transfer applies, are specified (§ 2).

Regarding the remuneration, Article XI.167 BCEL does not impose a certain minimum royalty rate. Hence, in principle, a royalty-free license can be validly agreed upon. Finally, any assignee or licensee is obliged to exploit copyright in accordance with honest professional practices as established in the particular sector concerned (§ 1 *in fine*).

It is important to underline that the rules described above are imperative in nature and cannot be contracted away.

It should furthermore be observed that besides economic rights, copyright law also confers *moral rights* on the author, including at least in all European countries the rights of paternity and integrity¹⁰⁵ as well as, at least in the so-called *droit d'auteur* countries, the right of divulgation.¹⁰⁶ These rights are inalienable as a matter of principle.¹⁰⁷ Subject to narrowly defined conditions, it is accepted that a waiver with respect to individual attributes of the moral rights are allowed¹⁰⁸, but is highly unlikely that the terms of the Facebook license comply with these conditions.

In Germany, the question relating to the validity of licensing terms imposed by Facebook was addressed in the case *Verbraucherzentrale Bundesverband*¹⁰⁹. In its decision of 6 March 2012, the Berlin District Court ruled that, from a copyright perspective, the granting of automatic worldwide exploitation rights by merely clicking on the terms and conditions, was invalid and therefore not enforceable under German Law,

"(...) The <u>transfer of</u>, as to their nature, unlimited exploitation rights, stipulated in the <u>license</u>, violates the doctrine of intended purpose ("Zweckübertragungslehre") which underlies Article 31, paragraph 5 of the Copyright Act. The doctrine of intended purpose is based on the principle motive of an author having the most extensive share possible in the commercial exploitation of his work and resigning or transferring his exclusive rights to the smallest degree possible. Given its nature as a rule of interpretation, the prerequisite for its application is that there exists doubt concerning the scope of the grant of rights (BGH, 1984, 45, 49 – remuneration clauses in contract on sending). Here - in contrast to the mentioned

¹⁰⁴ For instance, in the 1980s, forms of exploitation over the Internet did not exist and copyright contracts signed at that time could not validly include these types of exploitation; see case 'Central Station', *Auteurs & Media* 1996/4, 426; confirmed by Court of Appeals of Brussels, 28 October 1997, *Auteurs & Media*, 1997/4, p. 383.

 $^{^{105}}$ This obligation results from Article 6bis of the Berne Convention.

¹⁰⁶ See, in Belgium, Article 165 § 2 BCEL.

¹⁰⁷ Article XI.165 BCEL

¹⁰⁸ M-Ch. Janssens, "Les droits moraux en Belgique", *Les Cahiers de propriété intellectuelle* (Canada), vol. 25 n° 1, Janvier 2013, p. 91.

¹⁰⁹ Landgericht Berlin, Urteil vom 6. März 2012, (16 0 551/10), accessible at http://openjur.de/u/269310.html. An appeal lodged by Facebook was rejected by Kammergericht Berlin, Urteil vom 24. Januar 2014 (5 U 42/12).

decision – this is exactly the case, while it is not made explicit in the disputed clause, which copyright exploitation rights the contracting parties intended to be transferred, rather this clause contains a mere mention of "exploitation of all IP content". However <u>such a broad transfer contradicts the core idea of the doctrine of intended purpose."</u>

The Berlin Court applied Article 31 (5) of the German Copyright Act that specifically deals with contracts in which the scope of the authorised use is not clear and comprehensible. In such a case the scope has to be determined in accordance with the specific purpose of the contract. This principle is known as the "doctrine of intended purpose" and entails that no more rights should be granted than what is needed to achieve the purpose of the transfer. The Berlin Court considered that the broadness of the Facebook's license terms was in contradiction with the core purpose of transferring copyright under German law and that therefore the provision should be held invalid.

Another question that may arise in relation with the Facebook IP license is whether its provisions can be qualified as "**unfair**" **under the Unfair Contract Terms Directive** (UCTD)¹¹⁰ (*cf. supra*; chapter 4 "Unfair Contract terms"). Article 3 of the UCTD deems a contractual term unfair if "contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer".

In order to be applicable, several conditions have to be fulfilled. First, the term must not have been individually negotiated. Article 3 (2) of the Directive explains that a term shall always be regarded as not individually negotiated when "it has been drafted in advance and the consumer has therefore not been able to influence the substance of the term, particularly in the context of a pre-formulated standard contract." It is up to the seller or the supplier to prove that the term was individually negotiated. Second, there must be a significant imbalance to the detriment of the consumer. Third, that imbalance should be "contrary to good faith". The unfairness shall be assessed on the basis of the nature of the goods or services for which the contract was concluded and by taking into account all the circumstances at the time of concluding the contract. Furthermore, the Annex to the Directive serves as an indication of which kind of terms could be deemed unfair or not. Until Tecently, the CJEU has only provided clarifications regarding the unfairness of specific terms, not the general terms used in article 3.115

 $^{^{110}}$ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contract

¹¹¹ Unfair Terms Directive, art. 3 (2).

¹¹² Michael Rustad and Maria Onufrio, 'Reconceptualizing Consumer Terms of Use for a Globalized Knowledge Economy' (2012) 14(4) University of Pennsylvania Journal of Business Law 1085-1190, 1135.

¹¹³ Unfair Terms Directive, art. 4 (1).

¹¹⁴ H. Schulte-Nölke, C. Twigg-Flesner, M. Ebers (Eds.), *EC Consumer Law Compendium. The Consumer Acquis and its transposition in the Member States*, Sellier. European law publishers, Munich, 2008, p. 228. However, despite a certain level of harmonisation, differences between Member States continue to exist. For instance, some countries have incorporated article 3 (1) literally (e.g. Cyprus, Hungary, Ireland, United Kingdom), others have left out the criterion of 'good faith' (Belgium, Greece, Luxemburg).

¹¹⁵ H.-W. Icklitz, J. Stuyck and E. Terryn (eds.), *Cases, Materials and Text on Consumer Law*, (Hart, Oxford/Portland 2010), 289.

However, in a case of March 2013 about mortgage agreements, the CJEU clarified the notions 'significant imbalance' and 'good faith'. ¹¹⁶ According to the CJEU, in order to determine whether a term causes a 'significant imbalance', it must be assessed which rules of national law would apply when there would be no agreement between the parties. This comparative analysis enables the national court to evaluate if the consumer would be worse off under the terms of the agreement than what the national law provides for. ¹¹⁷ As for 'good faith', the CJEU ruled that it must be determined whether the seller, assuming he deals fairly and equitably with the consumer, could reasonably expect that the consumer would have agreed to the term when the contract would have been individually negotiated. ¹¹⁸

Applying this interpretation of the CJEU on a national level, and taking the Belgian Copyright Act (cf. supra) as an example, it would seem that **Facebook's IP License could be seen to cause a significant imbalance**. As was explained above, a transfer of copyright between the author and the licensor can only be proven by a written agreement. This does not necessarily have to be an individually negotiated agreement; an invoice or a tender from the author can also be regarded as proof that there was a commitment to transfer the copyright. Lacking an agreement in writing, there is no transfer of copyright and any use may give rise to liability for copyright infringement. When considering the obligation of 'good faith', it may be assumed that Facebook users do not to intend to give up their intellectual property rights and grant such a broad license to Facebook or, at least, that they would normally not have agreed to such overly broad terms if they would have negotiated an agreement with Facebook on an individual basis. An indication of the latter can be found in the many status updates by which users (re)claim their copyright on content posted on Facebook.

¹¹⁶ Case C-415/11 *Mohamed Aziz v Catalunyacaixa* [2013].

¹¹⁷ *Ibid*, at paragraph 68.

¹¹⁸ *Ibid*, at paragraph 69.

¹¹⁹ Hendrik Vanhees, "Artikel 3", in F. Brison and H. Vanhees (Eds.), *De Belgische Auteurswet. Artikelsgewijze commentaar*, Larcier, Brussel 2012, 32.

^{120 &}quot;In response to the new Facebook guidelines I hereby declare that my copyright is attached to all of my personal details, illustrations, graphics, comics, paintings, photos and videos, etc. (as a result of the Berner Convention). For commercial use of the above my written consent is needed at all times! (Anyone reading this can copy this text and paste it on their Facebook Wall. This will place them under protection of copyright laws. By the present communiqué, I notify Facebook that it is strictly forbidden to disclose, copy, distribute, disseminate, or take any other action against me on the basis of this profile and/or its contents. The aforementioned prohibited actions also apply to employees, students, agents and/or any staff under Facebook's direction or control. The content of this profile is private and confidential information. The violation of my privacy is punished by law (UCC 1 1-308-308 1-103 and the Rome Statute). Facebook is now an open capital entity. All members are recommended to publish a notice like this, or if you prefer, you may copy and paste this version. If you do not publish a statement at least once, you will be tacitly allowing the use of elements such as your photos as well as the information contained in your profile status updates." (R. Tate, 'Facebook **Debunks** Copyright Hoax', Wired 26 November 2012, accessible at http://www.wired.com/business/2012/11/facebook-copyright-hoax.

B. "Sponsored Stories" and "Social Ads"

Facebook indicates in clause 9 of its 2015 SRR¹²¹ that it can use a user's profile name, picture and content for commercial purposes as follows:

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

- 1. You give us <u>permission to use your name</u>, <u>profile picture</u>, <u>content</u>, <u>and information in connection with commercial</u>, <u>sponsored</u>, <u>or related content</u> (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, without any compensation to you. <u>If you have selected a specific audience for your content or information</u>, <u>we will respect your choice when we use it</u>.
- 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."

In practice, Facebook portrays the content of its users in so-called "Sponsored Stories" and "Social Ads". A **Social Ad** is similar to a regular advertisement, except that a user's name and the fact that he or she "liked" a brand are shown next to the ad (an example can be found left from number 3 in the image below). A **Sponsored Story** is a mix between user-generated content and promotional content. A user's action related to a promotional message is shown with a promotional message in News Feed (this is shown next to number 2). Sponsored Stories should not be mistaken for suggested posts or pages. Those are advertisements that appear in News Feed without any user-generated content attached to it (an example can be found next to number 1).

42

¹²¹ Clause 10 of Facebook's 2013 SRR contained identical wording



According to Facebook,

"Your profile picture or name may be paired with an ad to show your activity on Facebook (ex: if you follow the Starbucks Page). Keep in mind that your name and profile picture will only appear to the people who have permission to view your Page likes".¹²²

Sponsored Stories' and other advertisements (e.g. related posts, suggested posts) are **shown in the News Feed** of a user. The News Feed of a user typically contains status updates and new photos from friends, but also information about new applications, events, etc. For example, a user's News Feed

"may include <u>'status updates' from traders whom the user has 'liked'</u>. They may also include <u>messages indicating that the user's friends 'like' a particular trader</u>, information received because one of the user's friends has <u>'shared' information about a trader</u>, or messages indicating that a friend has <u>participated in a competition</u>". ¹²³

122 https://www.facebook.com/help/214816128640041#Does-Facebook-use-my-name-or-photo-in-ads?

¹²³ Nordic Council of Consumer Ombudsmen, "Position of the Nordic Consumer Ombudsmen on social media marketing – Appendix 1: The Consumer Ombudsmen's interpretation of Directive 2002/58/EC (Directive on Privacy and Electronic Communications) as amended by Directive 2009/136/EC relative to commercial messages on Facebook", 3 May 2012, p. 1, accessible at http://www.konsumentverket.se/Global/Konsumentverket.se/Bilaga%201-eng.pdf

1) Unsolicited communications

The question has been raised whether the "Sponsored Stories" of Facebook should be regarded as "unsolicited commercial communications" within the meaning of article 13(1) of the e-Privacy Directive. Article 13(1) provides that

"[t]he use of automated calling systems without human intervention (automatic calling machines), facsimile machines (fax) or electronic mail for the purposes of direct marketing may only be allowed in respect of subscribers who have given their prior consent."124

In a letter to Facebook, the Norwegian Consumer Ombudsman characterized the News Feed as a "direct marketing" channel which can be compared to e-mails and text messages:

"The Consumer Ombudsman is of the opinion that advertisements in the News Feed, and especially Sponsored Stories, are quite similar to electronic mail, and that these commercial messages are delivered to consumers through an electronic method of communication that permits individual communication."125

If Sponsored Stories may indeed be regarded as "unsolicited communications" within the meaning of article 13(1) of Directive, the <u>prior consent</u> from the users concerned is necessary.

The Nordic Consumer Ombudsmen, however, were "uncertain" as to whether commercial messages appearing in the News Feed fall within the remit of article 13(1).¹²⁶ Given this uncertainty, they argued that such messages should be considered as 'other unsolicited **communications'** as defined by Article 13 (3)¹²⁷ of the e-privacy Directive and that users must thus be able to opt out of receiving these kind of direct marketing messages.¹²⁸

Facebook currently offers neither an opt-in or opt-out with respect to receiving Sponsored Stories.

an misleading ads, 11 December 2012, accessible at http://www.forbrukerombudet.no/2012/12/working-to-stopspam-and-fake-brand-name-goods-on-facebook.

¹²⁴ Article 13 of the e-Privacy Directive has implemented in Belgian law by way of articles XII.13 and XIV.77 BCEL. 125 Forbrukerombudet (Consumer Ombudsman Norway), Letter regarding sponsored stories etc. in the News Feed

¹²⁶ Nordic Council of Consumer Ombudsmen, "Position of the Nordic Consumer Ombudsmen on social media marketing - Appendix 1: The Consumer Ombudsmen's interpretation of Directive 2002/58/EC (Directive on Privacy and Electronic Communications) as amended by Directive 2009/136/EC relative to commercial messages on Facebook", l.c., p. 1.

^{127 &}quot;Member States shall take appropriate measures to ensure that, free of charge, unsolicited communications for purposes of direct marketing, in cases other than those referred to in paragraphs 1 and 2, are not allowed either without the consent of the subscribers concerned or in respect of subscribers who do not wish to receive these communications, the choice between these options to be determined by national legislation." See art. XIV.78 BCEL.

¹²⁸ Nordic Council of Consumer Ombudsmen, "Position of the Nordic Consumer Ombudsmen on social media marketing - Appendix 1: The Consumer Ombudsmen's interpretation of Directive 2002/58/EC (Directive on Privacy and Electronic Communications) as amended by Directive 2009/136/EC relative to commercial messages on Facebook", l.c., p. 1.

2) Identifying commercial communications

Facebook indicates in clause 9 of its 2015 SRR that users "understand that we may not always identify paid services and communications as such." (cf. supra). According to article 6(a) of the e-Commerce Directive, however, **commercial communication must be clearly identifiable as such**.¹²⁹ This issue was also addressed by the Nordic Consumer Ombudsmen:

"All commercial communications need to be designed and presented in a way to make them <u>clearly identifiable</u> as such and must clearly identify <u>on whose behalf</u> they are made".¹³⁰

Also, they argue that if a commercial communication is shown in a place that is normally not reserved for advertisements such as a user's News Feed on Facebook, there are more severe information requirements.¹³¹

It is highly questionable whether Facebook properly identifies its Sponsored Stories as commercial communications. To illustrate, the following screenshot can offers an example of an actual Sponsored Story:



 $^{^{129}}$ European Parliament and Council Directive (EC) 2000/31/EC on certain legal aspects of information society services, in particular economic commerce, in the Internal Market [2000] OJ L178/1 (e-Commerce Directive). This provision is implemented in Belgian law through article XII.12 BCEL.

Nordic Council of Consumer Ombudsmen, "Position of the Nordic Consumer Ombudsmen on social media marketing of 3 May 2012", p. 4, accessible at http://www.konsumentverket.se/global/konsumentverket.se/st%C3%A5ndpunkt%20version-eng.pdf

the Directive on unfair commercial practices, which considers as misleading "using editorial content in the media to promote a product where a trader has paid for the promotion without making that clear in the content or by images or sounds clearly identifiable by the consumer (advertorial)." ¹³¹ European Parliament and Council Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive'), *OJ* 1.06.2005, L 149.

In the example, User X who liked Fab Europe is only aware of the following story, 'You liked Fab Europe', because this is the message that appears on user X's Timeline. The story is shown differently to his or her Facebook friends. The latter see 'User X liked Fab Europe', followed by a greyed out part that says "related post". This is then followed by promotional content. The greyed out text at the bottom right ("Sponsored") is the only indication that this message is commercial content. As a result, scrolling users are likely to see this Sponsored Story as usergenerated content produced by User X. This is deceptive. What is more, the commercial content is shown more prominently than User X's action. Furthermore, in case of a Sponsored Story User X's action will show up more often and to a bigger audience than in case of an "unsponsored" version of the same story. Lastly, the intended message of User X may also be changed or made invisible. In the example below, it seems someone endorsed the ad for a dubious fitness program. While in fact, this person is criticising the advert, which implies he is not endorsing it at all.



¹³² For example, if User X "likes" an unsponsored item and he shares it with an audience of 100, only 13 will have seen this. If the same item is sponsored, this may increase with more than 100%. Users are unable to control the possible reach of their message because they are unaware of the increase made by Sponsored stories.

3) Right to control the use of one's image

Individuals have the right control use of their image. As noted by the European Court of Human Rights:

"A person's image constitutes <u>one of the chief attributes of his or her personality</u>, as it reveals the person's unique characteristics and distinguishes the person from his or her peers. The right to the protection of one's image is thus <u>one of the essential components of personal development</u> and presupposes the <u>right to control the use of that image</u>. Whilst in most cases the right to control such use involves the possibility for an individual to refuse publication of his or her image, it also covers the individual's right to object to the recording, conservation and reproduction of the image by another person." ¹³³

In principle, anyone seeking to record or use the image of another person must first obtain that person's consent.¹³⁴ In legal terms, the right to control one's image is sometimes also referred to as the "right of personal portrayal" or "portrait right".¹³⁵ The term "portrait" should be understood broadly, as any reproduction of the image or likeness of a person, regardless of the technique or carrier used.¹³⁶ The only requirement to invoke the right of personal portrayal is that the individual is sufficiently identifiable, i.e. can be recognised by others.¹³⁷

On an international level, the right to control one's image is protected by several human rights instruments, such as the European Convention of Human Rights (article 8) and the International Covenant of Civil and Political Rights (article 16). In Belgium, the right of personal portrayal was originally developed through case law. A violation of the right of personal portrayal gives rise to extra-contractual liability (article 1382 of the Belgian Civil Code), but several courts have also recognised an autonomous liability ground in article 10 of the Belgian Copyright Act (now article Art. XI.174 BCEL). In addition, where the use of one's image constitutes the processing of personal data, the recording and use must comply with the provisions of the Belgian data protection act, which means that the use of one's image for commercial purposes will require the

¹³³ European Court of Human Rights, Reklos and Davourlis v. Greece, 11 December 2008, at paragraph 40.

¹³⁴ D. Voorhoof and P. Valcke, *Handboek Mediarecht*, Larcier, 4^e editie, 2014 p. 239-240.

The right of personal portrayal belongs to the category of 'personality' rights protecting the physical, psychological and moral characteristics of a person as well as the related external expression See E. Guldix and A. Wylleman, "De positie en handhaving van persoonlijkheidsrechten in het Belgische privaatrecht", *T.P.R.* 1999, 1594. ¹³⁶ Based on P. De Hert and R. Saelens, "Recht op afbeelding", *TPR* 2009, afl. 2, 867. The "likeness" of a person includes all external characteristics or the behaviour of a person, such as a special way of dressing, the general attitude of a person, his posture or even a memory of his habits. See also L. Dierickx, "Recht op afbeelding" in X., *Reeks 'Instituut voor Familierecht en Jeugdrecht KU Leuven*, nr. 89, Antwerpen, Intersentia, 2005, 62.

¹³⁷ See e.g. Court of Appeal of Antwerp, 26 March 2007, *Nieuw Juridisch Weekblad* 2007, afl. 170, 801, Voorz. Rb. Brussel 22 oktober 2009, AM 2010, afl. 3, 301. See also D. Voorhoof, "Facebook en de Raad voor de Journalistiek", *Nieuw Juridisch Weekblad* 2011, afl. 235, p. 39.

¹³⁸ See P. De Hert and R. Saelens, "Recht op afbeelding", *TPR* 2009, afl. 2, 869.

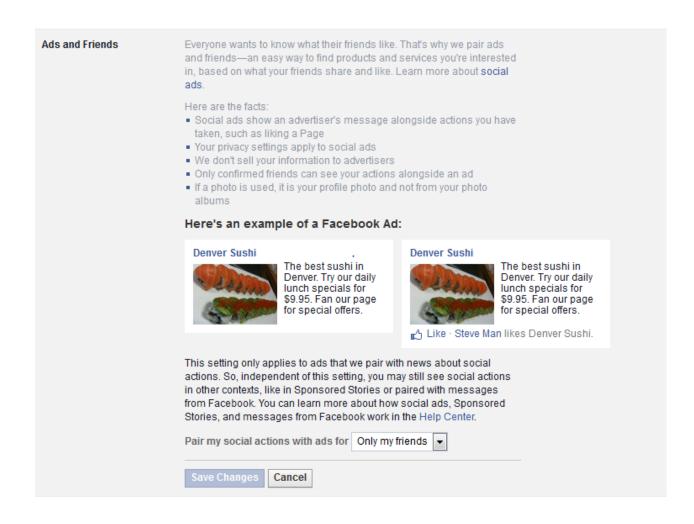
¹³⁹ *Id.* For more information see also B. Van Alsenoy and V. Verdoodt, "Liability and accountability of actors in social networking sites", SPION D6.3, December 2014, p. 7 et seq., accessible at www.spion.me.

require the unambiguous, free, specific, informed consent of the individual concerned (cf. supra; Chapter 2 "Consent"). 140

In our view, clause 9 of Facebook's SRR **does not lead to the unambiguous, free, specific and informed consent** of the individuals concerned. The clause stipulates that

"If you have selected a specific audience for your content or information, we will respect your choice when we use it.

The privacy settings of a user's account enable the individual to exercise certain controls, as shown in the following screenshot:



¹⁴⁰ See also Commissie voor de Bescherming van De Persoonlijke Levenssfeer, *Aanbeveling nr. 02/2007 van 28 november 2007 inzake de verspreiding van beeldmateriaal*, p. 7, accessible at http://www.privacycommission.be/sites/privacycommission/files/documents/aanbeveling 02 2007 0.pdf. In the context of the right to image, Belgian doctrine and jurisprudence generally argue that consent must be explicit, prior, and subject to restrictive interpretation. See D. Voorhoof, 'Commerciael portretrecht in België' [2009] http://www.psw.ugent.be/Cms global/uploads/publicaties/dv/05recente publicaties/VOORHOOF.finalversion.1 https://www.psw.ugent.be/Cms global/uploads/publicaties/dv/05recente publicaties/VOORHOOF.finalversion.1 https://www.psw.ugent.be/Cms global/uploads/publicaties/dv/05recente publicaties/VOORHOOF.finalversion.1

The default setting for the ad feature is "only my friends". In other words, the default setting is to allow Facebook to use a person's profile picture in advertising. So in fact, **an 'opt-out' system is used**: the user allegedly "agrees" that Facebook uses his picture for commercial purposes, unless he explicitly changes the privacy settings related to "Ads & Friends". It can be argued that such "consent" is insufficiently unambiguous and specific to legitimate such processing. Instead, individuals should be asked to consent freely and separately to the use of one's image for commercial purposes, meaning that **the default setting should be "no one"**.

Furthermore, Facebook states that:

"This settings only applies to ads that we pair with news about social actions. <u>So, independently of this setting, you may still see</u> social actions in other contexts, like <u>Sponsored Stories or paired with messages from Facebook</u>".

In other words, the user is given **no control** as to whether or not his or her profile picture might be used for **Sponsored Stories or other Facebook messages**. The only way to prevent a Sponsored Story is by simply stopping to "like" any page and refrain from any other type of "social action" (which is not clearly defined in any way). Instead, individuals should also be given the ability to control the use of their personal image for the purpose of Sponsored Stories (for which the default setting should also be "no one").

Finally, we note that there is a significant **lack of transparency** regarding the use of social ads. Users are left in the dark about their appearance in promotional content. For example, it is currently impossible to see one's own "Sponsored Story". Facebook should not only provide users with more options to control how their data is gathered, but also **show users how their name and picture is used in specific instances.**

8. Tracking

Facebook monitors its users in a variety of ways, both off and on Facebook. This section analyses three such tracking practices, namely:

- A. Tracking through "social plug-ins"
- B. Tracking through "fingerprinting"
- C. Tracking on mobile devices

A. Social plug-ins

Social plug-ins are website components designed to facilitate the sharing of third-party content within Online Social Networks (OSNs).¹⁴¹ Examples include: Facebook's "like button", Google+'s "+1" and Linkedin's "in share". While these tools offer benefits to both individuals and website operators, they also enable the OSN provider to monitor the browsing activities of its users beyond the context of the OSN.¹⁴²

Tracking through social plug-ins happens in much the same way as tracking in the context of third-party advertising: when a person visits a webpage in which a social plug-in is embedded, the user's browser will also query the domain of the OSN (plug-in) provider. As part of its response, the OSN (plug-in) provider will also send along a cookie which uniquely identifies the website visitor.¹⁴³ This means that:

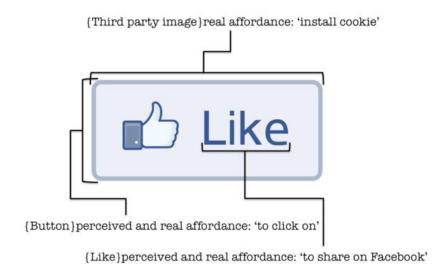
- the tracking capability exists even if the user does not actually click on the plug-in (it is sufficient that the plug-in has been embedded on the website in question)
- the tracking capability offered by plug-ins is not limited to OSN users.¹⁴⁴

 $^{^{141}}$ G. Kontaxis, M. Polychronakis, A.D. Keromytis and E.P. Markatos, 'Privacy-Preserving Social Plugins', *Proceedings of the 21st USENIX conference on Security symposium*, 2012, p. 30, available at https://www.usenix.org/system/files/conference/usenixsecurity12/sec12-final150.pdf.

¹⁴² *Id.* See also A.P.C. Roosendaal, "We Are All Connected to Facebook ... by Facebook!", in S. Gutwirth et al. (eds), *European Data Protection: In Good Health?*, Springer, 2012, p. 3-19. An earlier version of this paper is available on SSRN as A. Roosendaal, 'Facebook tracks and traces everyone: Like this!', *Tilburg Law School Legal Studies Research Paper Series*, No. 03/2011, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1717563

¹⁴³ For more detailed information see M.N. Ko, G.P. Cheek and M. Shebab, 'Social-Networks Connect Services', IEEE 2010, p. 38-39, accessible at http://www.profsandhu.com/journals/computer/computer1008.pdf and A. Roosendaal, 'Facebook tracks and traces everyone: Like this!', l.c., p. 4-8.

¹⁴⁴ Even if an individual does not have an account with a particular OSN provider, the presence of its social plug-ins may allow it to uniquely identify this individual and to keep track of its visits to other pages in which the plug-in has been embedded. (A. Roosendaal, 'Facebook tracks and traces everyone: Like this!', l.c., p. 4-8.)



1) Facebook's 2011 Audit

In 2011, the Irish Data Protection Authority investigated social plugins as part of its general audit of Facebook practices. It concluded that the collection of data through these plug-ins without consent was lawful as long as Facebook retained only the minimum information necessary for a limited period of time, and does not use these data for profiling purposes. Furthermore, Facebook Ireland (FB-I) committed itself to

"amending its data retention policy for social plugin impression logs to provide enhanced protection to the information of users and non-users. Specifically, under its revised policy, for people who are not Facebook users or who are Facebook users in a logged out state, <u>FB-I will remove from socialplugin impression logs the last octet of the IP address when this information is logged</u>. Second, FB-I will delete from social plugin impression logs the browser cookie set when a person visits Facebook.com. In addition, for all people regardless of browser state (logged in, logged out, or non-Facebook users), <u>FB-I will delete the information it receives and records through social plugin impressions within 90 days</u> after a person visits a website that includes a social plugin." 146

2) Facebook's 2013 DUP

Facebook's 2013 DUP described *collection of data* through social plug-ins as follows

"<u>We receive data whenever you</u> visit a game, application, or website that uses Facebook Platform or <u>visit a site with a Facebook feature</u> (such as a social plugin), <u>sometimes through cookies</u>. This <u>may</u> include the date and time you visit the site; the web address, or URL, you're

¹⁴⁵ Data Protection Commissioner, 'Report of Audit – Facebook Ireland Ltd.', 21 December 2011, p. 81-86, available at

http://dataprotection.ie/documents/facebook%20report/final%20report/report.pdf (last accessed 26 December 2014).

¹⁴⁶ Ibid, p. 85.

on; technical information about the IP address, browser and the operating system you use; and, if you are logged in to Facebook, your User $ID.^{147}$

Facebook's 2013 DUP refers to another page to describe some of the further usage of the data collected through social plug-ins:

"We record some of this info to help show you a <u>personalized experience</u> on that site and to <u>improve our products</u> [...] As our Data Use Policy indicates, we use cookies to show you ads <u>on and off Facebook</u>. We may also use the info we receive when you visit a site with social plugins to help us <u>show you more interesting and useful ads</u>." 148

The 2013 DUP also grants Facebook the permission to keep plug-in information for **90 days**.¹⁴⁹ Finally, the 2013 DUP contains a section regarding "Cookies, Pixels & Similar Technologies", which indicates that **cookies can potentially be put to any of the following uses**: (1) authentication; (2) security and site integrity; (3) advertising; (4) localisation; (5) site features and services; (6) performance and (7) analytics and research.

3) Facebook's 2015 DUP

Facebook's 2015 DUP contains identical information regarding how data is *collected* through social plugins.¹⁵⁰ Under the 2015 terms, all collected data can potentially be put to any of the following uses: (1) authentication; (2) security and site integrity; (3) advertising; (4) localisation; (5) site features and services; (6) performance and (7) analytics and research.¹⁵¹ The 2015 use classification corresponds to the 2013 use classification regarding "Cookies, Pixels & Similar Technologies". However, the **language corresponding with each use category has been modified**. Another notable difference between the 2013 and 2015 DUP is that **the retention limitation of 90 days for cookies collected through social plug-ins is now absent.**

¹⁴⁷ https://www.facebook.com/about/privacy/your-info

¹⁴⁸ https://www.facebook.com/help/social-plugins

¹⁴⁹ The 2013 DUP specifies that "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 and 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-plugins"

¹⁵⁰ "We receive data whenever you visit a game, application, or website that uses <u>Facebook Platform</u> or visit a site with a Facebook feature (such as a <u>social plugin</u>), sometimes through <u>cookies</u>. 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." (https://www.facebook.com/about/privacy/your-info#howweuse)

 $^{^{151}}$ As discussed earlier, these new uses correspond, by and large, to uses identified in the 2013 DUP in relation to "cookies, pixels and similar technologies". However, while the 2013 version of the DUP mainly listed potential usages "by way of example"; the revised to DUP now gives blanket permissions to use any type of information collected for any of the 7 uses.

4) Assessment

20 June 2006).

Pursuant to article 5(3) of the e-Privacy Directive, cookies placed via social plugins require **prior authorization** from the individual concerned. Neither the website operator (i.e., the "publisher" of the plug-in) nor Facebook can systematically avail itself of any of the exceptions contained in article 5(3). For a non-user of Facebook, the placement of the cookie is not "strictly necessary in order for the provider of an information society service explicitly requested by the subscriber or user to provide the service". The same applies to Facebook users who visit a website but do not wish to make use of the social plug-ins it contains. Website operators should therefore ask their visitors whether they wish to make use of social plug-ins before they become active.

On June, 2014, Facebook announced that

"If you don't want us to use the websites and apps you use to show you more relevant ads, we won't. You can opt out of this type of ad targeting in your web browser using the industry-standard Digital Advertising Alliance opt out, and on your mobile devices using the controls that iOS and Android provide". 154

In other words: **Facebook tracks its users across non-Facebook websites by default**, i.e. unless users take steps to opt-out. The current opt-out mechanism has been criticized extensively, as clearing one's cookies will "opt the user back in". ¹⁵⁵ In addition, it places the onus

152 Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications), *O.J.* L-201, 31 July 2002, 37-47, as amended by Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws, *O.J.* L-337, 18 December 2009. 11-36. Article 5(3) of the e-Privacy Directive has implemented in

Belgian law by way of article 129 of the (revised) Law of 13 June 2005 concerning electronic communication (B.S.,

¹⁵³ Article 5(3) contains two (narrow) exceptions to the requirement of prior consent, namely in case of (a) storage or access carried out for the sole purpose of carrying out the transmission of a communication over an electronic communications network, or (b) storage or access is strictly necessary in order for the provider of an information society service explicitly requested by the subscriber or user to provide the service.

¹⁵⁴ Facebook, "Making Ads Better and Giving People More Control Over the Ads They See", *Facebook Newsroom*, 12 June 2014, accessible http://newsroom.fb.com/news/2014/06/making-ads-better-and-giving-people-more-control-over-the-ads-they-see/

¹⁵⁵ V. Blue, "Facebook turns user tracking 'bug' into data mining 'feature' for advertisers", ZDNet 17 June 2014, accessible at http://www.zdnet.com/article/facebook-turns-user-tracking-bug-into-data-mining-feature-for-advertisers. See also K. Hill, "Facebook Will Use Your Browsing and Apps History For Ads (Despite Saying It Wouldn't 3 Years Ago)", Forbes 13 June2014, accessible at http://www.forbes.com/sites/kashmirhill/2014/06/13/facebook-web-app-tracking-for-ads. In an open letter, consumer and privacy advocates expressed their concern to both the FTC Irish Data Protection Commissioner. see Trans Atlantic Consumer Dialogue, Letter from BEUC and CDD to Chairwoman E. Ramirez and B. Hawkes, 29 July 2014, accessible at http://tacd.org/wp-content/uploads/2014/07/TACDletter-to-FTC-and-Irish-Data-Protection-Commissioner-re-Facebook-data-collection.pdf ("Facebook has now completely reversed its stance to the detriment of users of the service. Contrary to its prior representations, upon which users may have relied, the company will now

entirely with its users. As emphasised by the Article 29 Working Party, an opt-out mechanism "is not an adequate mechanism to obtain average users informed consent", particularly with regard to behavioural advertising. This means that **Facebook's current opt-out approach does not provide for legally valid consent**. 157

With regard to Facebook's tracking of non-users, the situation is currently somewhat unclear. In 2013, Facebook reportedly admitted to tracking non-users, "but only to boost the website's security and improve its plug-ins functions". Unless Facebook has introduced changes since then, it would appear that non-users may also still be tracked by Facebook. Facebook's 2015 DUP does not contain any explicit statement in this regard. One can only assume non-users are subject to the same opt-out regime as users, but further research is necessary to make a definitive statement.

It is worth noting that there are **several tools available** that make it possible for website operators to limit Facebook's tracking through plug-ins. The "Social Share Privacy tool", for example, enables website operators to de-activate social plug-ins until a visitor indicates a wish to use them.¹⁵⁹ By default, only a grey mock-up image of the social plug-in is shown. Only if a user clicks this image will the "real" plug-in be loaded (and information be sent to the OSN provider). With a second click the user can make then use of the plug-in (and "like" it, "+1" it, etc.).¹⁶⁰ The French Data Protection Authority (CNIL) has in fact endorsed this approach as a means to achieve compliance.¹⁶¹ In our view, Facebook also has a responsibility here, which exists independently of the responsibilities of website operators. Specifically, **Facebook should design its social plug-ins in way which are privacy-friendly by default**, so that website operators are able to provide users with the convenience of social plug-ins, but without unnecessarily leaking data to Facebook.

⁻

routinely monitor the web browsing activities of its users and exploit that information for advertising purposes.") The letter also states that Facebook has "misrepresented the amount of control users will be able to exert over their privacy settings. Facebook has stated that it will collect user data from third-party sites, but users will be able to "control which ads" they see. This is misleading; the new data collection policy is unrelated to users' control over Facebook's ability to collect browsing information. In fact, the extent to which users can "control the privacy of any covered information maintained by" Facebook is determined by their third-party opt-out cookie". (Ibid, p. 2-3)

¹⁵⁶ Article 29 Working Party Opinion 2/2010 on online behavioural advertising, *l.c.*, p. 15.

¹⁵⁷ See also Article 29 Data Protection Working Party, "Letter from the Article 29 Working Party addressed to Online Behavioural Advertising (OBA) Industry regarding the self-regulatory Framework", 23 August 2011, accessible at http://ec.europa.eu/justice/data-protection/article-29/documentation/other-document/files/2011/20110803 letter to oba annexes.pdf

¹⁵⁸ N. Subramaniam, "Facebook admits to tracking users as well as non-users", Tech2, 18 March 2013, http://tech.firstpost.com/news-analysis/facebook-admits-to-tracking-users-as-well-as-non-users-80484.html
159 For more information see http://panzi.github.io/SocialSharePrivacy/
160 Id.

¹⁶¹ See Commission nationale de l'informatique et des libertés (CNIL), Solutions pour les boutons sociaux, http://www.cnil.fr/vos-obligations/sites-web-cookies-et-autres-traceurs/outils-et-codes-sources/les-boutons-sociaux

B. Fingerprinting¹⁶²

Tracking techniques evolve constantly. While cookies remain the dominant tracking mechanism of the Web, one can also observe an increased usage of "cookie-less" tracking techniques. ¹⁶³ One example is so-called "fingerprinting", which enables unique identification of a device or application (e.g., a Web browser) without the use of cookies. ¹⁶⁴

Fingerprints are generated by **combining different information elements** relating to a particular device or application instance (e.g., HTTP header information, operating system type and version, screen dimensions, installed plug-in information, etc.). While these information elements do not enable unique identification by themselves, combining them can provide a "fingerprint" which is sufficiently unique to track a device or application instance. The most well-known forms of fingerprinting are "device fingerprinting" and "browser fingerprinting".

1) Facebook's 2013 Terms

Facebook's 2013 DUP describes the *collection of device information* as follows:

"We receive data <u>from or about</u> 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 <u>network and communication information</u>, such as your IP address or mobile phone number, and other information about things like your <u>internet service</u>, <u>operating system</u>, <u>location</u>, the type (including identifiers) of the <u>device or browser</u> you use, or the <u>pages you visit</u>."

Facebook's 2013 DUP describes the *use* of device information as follows:

"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."

¹⁶² This section is based on B. Van Alsenoy, V. Verdoodt, A. Kuczerawy and G. Acar, "Evaluation of the legal framework applicable to Online Social Networks", SPION D9.6.3, January 2015, accessible at www.spion.me.

¹⁶³ See G. Acar, C. Eubank, S. Englehardt, M. Juarez, A. Narayanan and C. Diaz, "The Web Never Forgets: Persistent Tracking Mechanisms in the Wild", CCS'14, November 3–7, 2014, Scottsdale, Arizona, USA, accessible at https://securehomes.esat.kuleuven.be/~gacar/persistent/the-web never forgets.pdf. See also O. Tene and J. Polonetsky, "To Track or "Do Not Track": Advancing Transparency and Individual Control in Online Behavioral Advertising', *Minnesota Journal of Law, Science & Technology* 2012, vol. 13, no. 1, p. 288 et seq.

 $^{^{164}}$ Based on Article 29 Data Protection Working Party, "Opinion 9/2014 on the application of Directive 2002/58/EC to device fingerprinting", WP224, 25 November 2014.

¹⁶⁵ See Article 29 Data Protection Working Party, "Opinion 9/2014 on the application of Directive 2002/58/EC to device fingerprinting", *l.c.*, p. 4-5; N. Nikiforakis, A. Kapravelos, W. Joosen, C. Kruegel, F. Piessens and G. Vigna, "Cookieless Monster: Exploring the Ecosystem of Web-based Device Fingerprinting", *IEEE Symposium on Security and Privacy 2013*, p. 2-3, accessible at http://www.cs.ucsb.edu/~vigna/publications/2013 SP cookieless.pdf and O. Tene and J. Polonetsky, "To Track or "Do Not Track", *l.c.*,, p. 295.

 $^{^{166}}$ Article 29 Data Protection Working Party, "Opinion 9/2014 on the application of Directive 2002/58/EC to device fingerprinting", {\it l.c.}, p. 6.

Facebook's 2013 DUP contains a section regarding "Cookies, pixels and other similar technologies".¹⁶⁷ Device information (or device fingerprinting) is neither mentioned nor alluded to as a technology "similar" to cookies.

2) Facebook's 2015 Terms

Facebook's 2015 DUP describes the *collection* of device information as follows:

"We collect information <u>from or about</u> the computers, phones, or other devices where you install or access our Services, <u>depending on the permissions you've granted</u>. We may associate the information we collect from your different devices, which helps us provide consistent Services across your devices.

Here are some <u>examples of the device information</u> we collect:

Attributes such as the <u>operating system</u>, <u>hardware version</u>, <u>device settings</u>, <u>file and software names and types</u>, <u>battery and signal strength</u>, <u>and device identifiers</u>.

Device locations, including specific <u>geographic locations</u>, <u>such as through GPS</u>, <u>Bluetooth</u>, <u>or WiFi signals</u>.

Connection information such as the <u>name of your mobile operator or ISP, browser type, language and time zone, mobile phone number and IP address.</u>"

At first glance Facebook's 2015 DUP contains no specific terms on the *use* of device information. However, in the section regarding "Cookies, pixels and other similar technologies", **device information is alluded to as a being "similar" technology**. Moreover, there is a new subsection 169 in the cookie policy which states that

"We may place or <u>use these technologies</u> when you interact with our Services, our related companies, or with an advertiser or partner (<u>whether or not you are logged in</u> to the particular Service) using a browser or device that permits the placement or use of the relevant technology. For example, when you visit our site or use our app, we may place or read cookies <u>or receive information from your devices</u>. We may also place cookies through a pixel on an advertiser's or partner's site."

In addition, all device information now falls under the general use terms of the 2015 DUP, meaning that it can potentially be put to any of the following uses: (1) authentication; (2) security and site integrity; (3) advertising; (4) localisation; (5) site features and services; (6) performance and (7) analytics and research.

¹⁶⁷ https://www.facebook.com/about/privacy/cookies

¹⁶⁸ For example, the 2015 cookie policy, next to "advertising, insights and measurements" provides that "*Things like Cookies and similar technologies* (<u>such as information about your device</u> or a pixel on a website) are used to understand and deliver ads, make them more relevant to you, and analyze products and services and the use of those products and services."

¹⁶⁹ The title of this subsection is "When might we use cookies, *device identifiers*, local storage or similar technologies?"

3) Assessment

In 2014, the Article 29 Working Party held that article 5(3) of the e-Privacy Directive also applies to device fingerprinting. Specifically, it reasoned that

"any processing which [a] third-party undertakes <u>which influences</u> the behaviour of that device <u>or otherwise cause it to store or give access to information on</u> that device, <u>or exposed</u> <u>by</u> that device is within the scope of Article 5(3)."¹⁷⁰

This means that any tracking of individuals (users or non-users) through fingerprinting must meet the requirements of article 5(3) of the e-Privacy Directive. It is highly questionable whether the envisaged collection or use of device information envisaged by the 2015 DUP will comply with the requirements of article 5(3) in practice. Third-party fingerprinting can intrude upon privacy in the same way as third-party cookies. It can be even more intrusive, as fingerprinting techniques enable trackers to avoid detection more easily and can be more difficult to counter by individuals (e.g., clearing out cookies from one's browser won't do the trick).¹⁷¹

C. Tracking on mobile devices

1) Recent developments

Recent technological developments and acquisitions of mobile advertising companies have enhanced Facebook's mobile tracking capabilities considerably. Facebook is able to track not only who installed which application, but more importantly what users do within applications installed on their mobile devices. From a mobile marketing perspective this is an important breakthrough because it allows targeting within apps and mobile devices. This was previously impossible because cookies did not work on mobile devices. When considering this new development, it is important to understand how data is shared between multiple "family" companies¹⁷² within Facebook and how tracking practices have expanded beyond Facebook own domains and companies.

The business case for mobile advertising & tracking

Mobile in-app advertisements are primarily used to drive app installs. This makes sense because they advertise a good that can be bought using a mobile device. This increases the relevance of advertisements on the one hand, but it also increases the ease to track conversions (because the

¹⁷⁰ Article 29 Working Party, "Opinion 9/2014 on the application of Directive 2002/58/EC to device fingerprinting, WP 224, 25 November 2014, p. 8.

¹⁷¹ N. Nikiforakis, A. Kapravelos, W. Joosen, C. Kruegel, F. Piessens and G. Vigna, "Cookieless Monster: Exploring the Ecosystem of Web-based Device Fingerprinting", l.c., p. 2; J.R. Mayer and J.C. Mitchell, "Third-Party Web Tracking: Policy and Technology", l.c., p. 9.

¹⁷² Facebook Payments Inc., Atlas, Instagram LLC, Mobile Technologies Inc., Onavo, Parse, Moves, Oculus, LiveRail and WhatsApp Inc.

purchase is made with the same device). The corresponding revenue is considerable for Facebook and Twitter: "*The ads contributed "real revenue" to its bottom line*" said Mark Zuckerberg, and helped total ad revenue from mobile jumped from 23% to 30%. Meanwhile, app install ads had helped Twitter file to IPO with over 65% of ad revenue coming from mobile. By late 2013, the world had proof that app install ads were poised to become a giant business."¹⁷³

In order to track mobile users similar to cookie-enabled tracking online, a new approach was required. Independent companies were already developing this technology, so both Facebook and Twitter have acquired such companies to create their own application development environment and advertising infrastructure.

Facebook acquired Parse¹⁷⁴ in 2013, a company that provides app developers with an environment to build their applications more easily (e.g., by offering them managing and testing possibilities). In addition, Parse also offers developers the ability to integrate with Facebook's API and News Feed, which increases organic sharing. But this is not the only benefit for application developers. In April 2014, Facebook launched its Facebook Audience Network which allows application owners to sell their advertising space to Facebook's audience network¹⁷⁵.

Audience Network

Monetize your mobile app with Facebook ads

Apply Now



Deeplinking

Deep linking allows application developers to add lines of code within applications that act as touchpoints. These touchpoints work in two directions; they can be used to refer a user to a particular location or they inform a party that a user came from a particular location. For example, before deep linking, it was impossible to refer to an application or a particular part of

¹⁷³ J. Constine, "Facebook, Google, and Twitter's war for app install ads", 30 November 2014, http://techcrunch.com/2014/11/30/like-advertising-a-needle-in-a-haystack.

¹⁷⁴ https://www.parse.com.

¹⁷⁵ Introducing Facebook's Audience Network. (2014, April 30). Retrieved January 27, 2015, from https://www.facebook.com/business/news/audience-network.

an application. So if someone wanted to show a hotel on Tripadvisor, it had to pass via the browser because an URL is able to refer to a particular location: tripadvisor.com/particularhotel1. Now application developers can tag parts of their app with similar URL's or deeplinks as shown in the table below. In this sense, deeplinking enables tracking similar to html cookies explained in the previous part about social plugins.

Developer	Deeplink - e.g.	Purpose
Twitter	twitter://timeli ne	Opens the Twitter app and links to the user's timeline
Facebook	fb://profile	Opens the Facebook app and links to the user's profile
Yelp	yelp://	Opens the Yelp app (note: this example does not include any routing parameters)

In conclusion, the integration of Parse and deep linking, implies that cookies and fingerprinting are no longer the only means for Facebook to track individuals. Deeplinking allows Facebook to track users through their mobile apps via every app that relies on Parse. This data is part of Facebook Audience Network, which is leveraged by another Facebook company, Atlas¹⁷⁶.

2) Assessment

Facebook does not provide separate privacy settings for mobile tracking. Mobile tracking presumably falls the same opt-out regime which Facebook employs for all forms of tracking. As indicated earlier (cf. *supra*; chapters 2 and 3), the current opt-out approach does not satisfy the requirements for consent as defined by article 2(h) of Directive 95/46. As emphasised by the Article 29 Working Party, an opt-out mechanism "is not an adequate mechanism to obtain average users informed consent", particularly with regard to behavioural advertising. This means that Facebook's opt-out approach for mobile tracking does not provide for legally valid consent. 178

¹⁷⁶ http://atlassolutions.com/

¹⁷⁷ Article 29 Working Party Opinion 2/2010 on online behavioural advertising, l.c., p. 15.

¹⁷⁸ See also Article 29 Data Protection Working Party, "Letter from the Article 29 Working Party addressed to Online Behavioural Advertising (OBA) Industry regarding the self-regulatory Framework", 23 August 2011, accessible at http://ec.europa.eu/justice/data-protection/article-29/documentation/other-document/files/2011/20110803 letter to oba annexes.pdf

9. Data Subject Rights

Articles 10 and 12-14 of Directive 95/46 grant certain rights to individuals whose data are being processed ("data subjects"). Most relevant to our current analysis are (a) a right to information; (b) a right of access and (c) right to object and to erasure.

A. Right to information

Articles 10 and 11 of Directive 95/46 specify certain **types of information** data controllers must provide to data subjects with regards to the processing of their personal data.¹⁷⁹ As a rule, each data subject must be informed of at least the *identity of the controller* (and, if applicable, of his representative) and the *purposes* of the processing.¹⁸⁰ In addition, the Directive offers Member States the option to require data controllers to provide the data subject with supplemental information 'in so far as such further information is necessary, *having regard to the specific circumstances in which the data are collected*, to guarantee *fair processing* in respect of the data subject'. Such additional information can refer to the *recipients* or *categories of recipients* of the data, information with regard to the existence of the *right of access, the right to rectify inaccurate data*, etc.¹⁸¹

Facebook's DUP provides a broad overview of the purposes for which it processes personal data. This overview, however, is extremely generic and **encompasses all data** collected by Facebook. As a result, it is extremely difficult for any individual to ascertain to which uses specific data are actually being put. Moreover, the **list of potential recipients is not clear at all**. While the concept of "Facebook Services" is explicitly defined, other key concepts such as "partners" are not defined at all. Finally, other than in the manner and form described below, Facebook **fails to make any explicit mention of the data subject rights** of European users.

¹⁷⁹ At the outset, these provisions make a distinction between two scenarios: one in which the information is obtained directly from the data subject (art. 10), and one in which the information is collected indirectly (i.e. from an entity other than the data subject) (art. 11). The notice obligations of the controller in each scenario are largely similar; the main differences concern (a) the moment by which notice must be provided and (b) the exemptions to the notice obligation. Bothe provisions has been implemented into Belgium law through article 9 BDPA.

¹⁸⁰ The use of plural "purposes", in Articles 10-11, implies that the data subject has to be informed not only about the main purpose to be accomplished, but also about any secondary purposes for which the data will be used. See also D. Korff, 'Comparative study on different approaches to new privacy challenges, in particular in the light of technological developments: Country Study A.4 – Germany' (2010), p. 33, available online at http://ec.europa.eu/justice/policies/privacy/docs/studies/new privacy challenges/final report country report-A4-germany.pdf (last accessed on 23 March 2011), commenting on the relevant provision of the German Data Protection Act, which uses the term "purposes" as well.

¹⁸¹ Article 9 BDPA provides that controllers must provide such information "unless it is unnecessary" to ensure fairness of processing. In other words, the burden of proof lies with the controller to demonstrate why it would be unnecessary to provide information about recipients and/or data subject rights.

B. Right of access

Article 12 of the Directive grants data subjects the right to obtain certain information. This includes information on the (specific categories) of data that are being processed and for what purposes; where the data comes from; and how it is used for automated decision making. 182

Facebook provides a tool to its users for downloading their data. The information file generated through this functionality, however, only concerns the requestor's own profile (which only constitutes a fraction of the data Facebook holds on individuals). It also does not make explicit the actual purposes personal data has been used for; whom exactly the data has been disclosed to; nor the logic behind any automated decision making. Moreover, the information is communicated in one large pdf file. This practice further reduces the practical utility of the information. Is

C. Rights to object and erasure

As to **data subject's rights to object and to erase**, it is not clear to what extent they can effectively be exercised. At least with regard to the use of personal data for direct marketing purpose, Facebook's users should be free to object at any time.¹⁸⁵

Facebook offers users the ability to 'permanently delete' their account. The OSN specifies that this process might take up to 90 days and "some information (e.g. log records)" might remain in the database for technical reasons. According to Facebook's DUP, deleting your profile will only result in the deletion of "things you have posted, such as your photos and status updates". Information posted by others, cannot be deleted by the respective data subject. 187

In conclusion, Facebook fails to provide (sufficient) granularity in exercising data subject's rights. For example, the right to erasure can only be exercised with regard to the user's profile altogether and only relates to self-posted content. The right to object can only be exercised with regard to the visibility of certain content to third parties. Finally, all of these rights are only mentioned implicitly (and scattered out) in Facebook's DUP.

¹⁸² Article 12 has been implemented in Belgian law through article 10 BDPA.

¹⁸³ See Europe v. Facebook, "Get your Data! Make an Access Request at Facebook!", at http://www.europe-v-facebook.org/EN/Get your Data/get your data.html. Other data includes inter alia: "pictures, postings, videos, events, messages, relationships, data from external sources and an unknown amount of meta-data."

 $^{^{184}}$ A non-machine-readable pdf document of hundreds of pages makes it incredibly hard for individuals to understand the full scope of the information.

¹⁸⁵ See also supra; chapter 2, Consent'.

¹⁸⁶ https://www.facebook.com/help/224562897555674

¹⁸⁷ "Keep in mind that information that others have shared about you is not part of your account and will not be deleted when you delete your account."