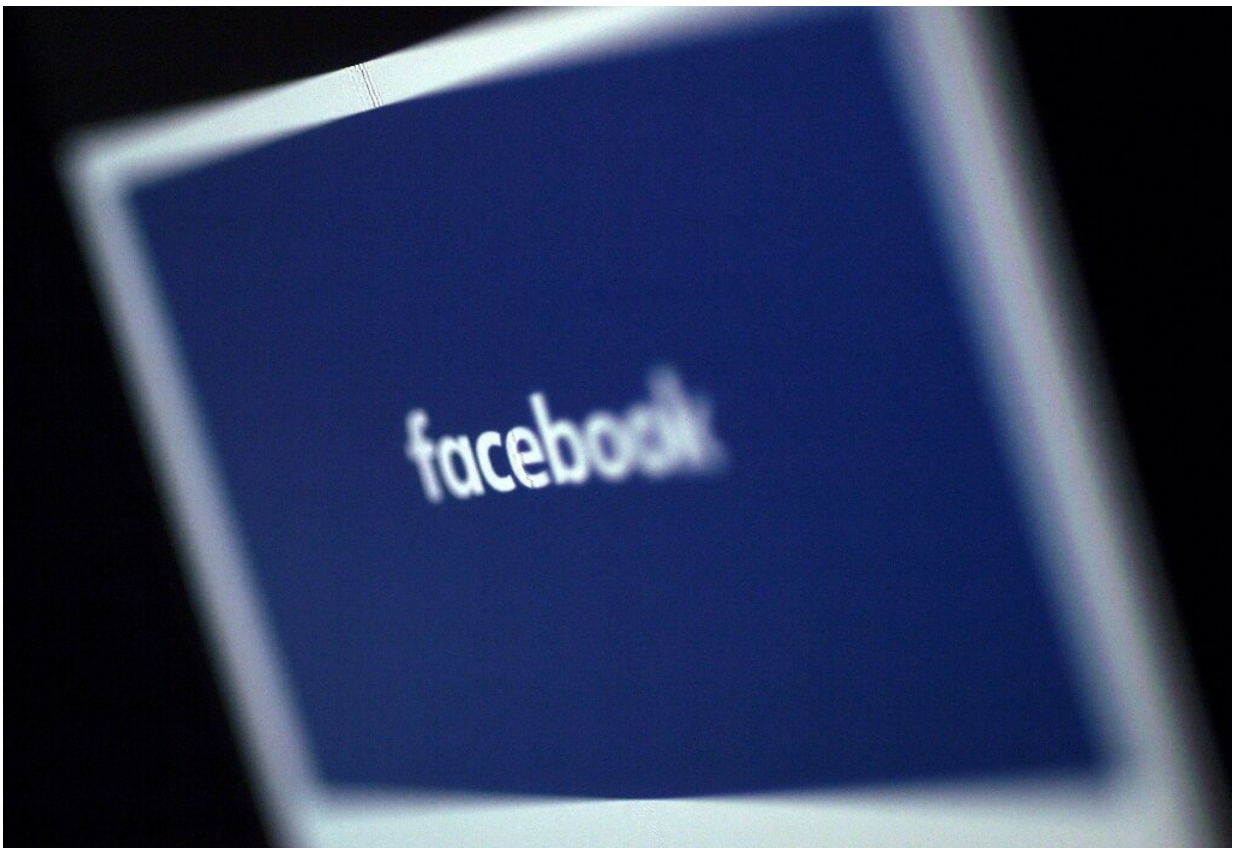


German court orders Facebook to rein in data collection

June 23 2020, by Carsten Hauptmeier



The court ruled that Facebook had to allow customers the option of opting out of the data sharing it was currently imposing on its users

A top German court on Tuesday ordered Facebook to stop merging data collected through its Whatsapp and Instagram subsidiaries or other

websites unless users explicitly agree, in a legal victory for competition authorities.

Germany's Federal Cartel Office (FCO) had told Facebook to rein in the data collecting in a landmark decision in 2019, but the social media giant appealed the order.

In a fast-track proceeding on Tuesday, Germany's Federal Court of Justice (BGH) sided with the FCO watchdog in finding that Facebook was abusing its dominant position to force users to consent to all their data being collected.

"Facebook does not allow for any choice," presiding judge Peter Meier-Beck said in the Karlsruhe courtroom.

The Silicon Valley company will have to comply with the order while its appeal is ongoing in a lower court.

It is a major setback for the social media giant, which has long been under scrutiny in privacy-conscious Germany.

The FCO criticised Facebook in February 2019 for making the "practically unrestricted" data harvesting part of the website's terms of use. That meant people had to tick the box or opt out of being on Facebook altogether.

The personal data picked up through Facebook's own platform, Whatsapp, Instagram and third-party websites serve to build up a user's profile for the purposes of targeted advertising, a key income source for the group.

The Federal Cartel Office ordered the tech giant to stop combining information from Facebook and non-Facebook sources unless users gave

"voluntary consent".

It also said Facebook was not allowed to exclude people from its services if they chose to refuse permission.

Facebook said at the time it disagreed with the decision, arguing the German anti-trust body was setting rules that applied "to only one company" and that it underestimated the competition it faced from rivals.

'Abuse of power'

The FCO however found that Facebook was by far the biggest social network in Germany, with over 23 million daily active users representing 95 percent of the market—meaning there was no viable alternative service for most people.

Rival services like Snapchat, YouTube or Twitter "only offer parts of the services of a social network" and are not directly comparable, the authority said.

Facebook lodged an appeal against the FCO ruling with the higher regional court in Duesseldorf, which is still pending.

But Tuesday's fast-tracked decision at the BGH settles the row, for now, about whether Facebook can keep combining data in the meantime.

FCO chief Andreas Mundt welcomed Tuesday's ruling.

"When data is collected and used illegally, an anti-trust intervention must be possible to prevent an abuse of market power," he said in a statement.

There was no immediate comment from Facebook.

The US firm led by Mark Zuckerberg has repeatedly come under fire in recent years over data protection and privacy.

In one major scandal in 2018, it emerged that data belonging to tens of millions of Facebook users had been harvested by consulting firm Cambridge Analytica, and used in part to support Donald Trump's 2016 election campaign.

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