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April 7, 2010

Public Version April 14, 2010

BY E-FILE AND HAND DELIVERY

PUBLIC VERSION

The Honorable Leonard P. Stark
U.S. District Court for the District of Delaware
U.S. Courthouse
844 N. King Street
Wilmington, DE 19801-3556

Re: Leader Technologies, Inc. v. Facebook, Inc., C. A. No. 08-862-JJF(LPS)

Dear Judge Stark:

Leader Technologies ("Leader") submits this letter brief as an update to our February 11, 2010 letter and the February 16, 2010 telephonic hearing regarding the deposition of Facebook Inc.'s ("Facebook") founder and CEO, Mark Zuckerberg. During the February 16 hearing, Your Honor instructed Leader and Facebook [REDACTED]

The depositions have been completed, and in an effort to find a middle ground, Leader offered to forego the deposition of Mr. Zuckerberg in exchange for a joint stipulation regarding the following issues:

1. Mr. Zuckerberg's sworn testimony in two previous cases would be admissible and treated as if taken in this case;
2. Mr. Zuckerberg would not be permitted to "sandbag" Leader and appear live as a trial witness;
3. Certain Facebook and Mr. Zuckerberg's documents would be stipulated to be authentic and admissible; and
4. Statements attributed to Mr. Zuckerberg in published interviews are accurate, and admissible.

The Honorable Leonard P. Stark

April 7, 2010

Page 2

A copy of Leader's proposed stipulation is attached to this letter as Exhibit 1. We believe that this proposal, while not ideal for Leader, represents a fair balance between Leader's need to gather evidence necessary for trial while respecting Facebook's desire to protect Mr. Zuckerberg's schedule.

Unfortunately, Facebook rejected Leader's compromise proposal. Given the rapidly approaching trial date in the action, and the long course of Facebook's delays in responding to Leader's request to depose Mr. Zuckerberg (a deposition which was originally noticed for January 19 of this year) Leader respectfully renews its request that the Court order Facebook to produce Mark Zuckerberg for deposition.

As expected, Leader's depositions of Facebook's witnesses confirmed that

[REDACTED]

This is not surprising as Facebook freely acknowledges that Mr. Zuckerberg was the sole designer of the original Facebook.com website and for at least several years thereafter had the final decision-making authority over the design and development of the Facebook website. As discussed in our February 11 letter, Mr. Zuckerberg's position as the sole designer of Facebook's web site gave him possession of unique, personal knowledge relevant to Leader's claims of patent infringement, willful infringement, and damages calculations in this action.

Respectfully,

/s/ Philip A. Rovner

Philip A. Rovner (#3215)
provner@potteranderson.com

PAR /mes/960566

Enc.

cc: Steven L. Caponi, Esq. – By E-File and E-mail

Heidi L. Keefe, Esq. – By E-mail

Paul J. Andre, Esq. – By E-mail

EXHIBIT 1

**THIS EXHIBIT HAS BEEN
REDACTED IN ITS ENTIRETY**

Exhibit A

facebook

Search

Applications

- Facebook
- Facebook
- Facebook
- Facebook
- Facebook
- Facebook

Profile edit Friends Networks **Inbox (8)** home account privacy logout

Gina Bianchini
128 Friends

Home Feed
Discover what's new


What's on your mind?

Share photos, videos, links and more to help friends stay connected.

Share photos, videos, links and more to help friends stay connected.

Share photos, videos, links and more to help friends stay connected.

Stanford Flyer
Malaria Vaccine Study



The Stanford-led Malaria Vaccine Study is currently enrolling 15,000 children in a large-scale clinical trial in Kenya. The study is a partnership between the Center for International Programs at Stanford, the Kenya Medical Research Institute, and the Bill & Melinda Gates Foundation.

Stanford Events
13 Events



Handball Podcast Players
29 Players

Handball Podcast 0711s - Lauren F

- 1. Handball Podcast 0711s - Lauren F
- 2. Handball Podcast 0711s - Lauren F
- 3. Handball Podcast 0711s - Lauren F
- 4. Handball Podcast 0711s - Lauren F
- 5. Handball Podcast 0711s - Lauren F
- 6. Handball Podcast 0711s - Lauren F
- 7. Handball Podcast 0711s - Lauren F
- 8. Handball Podcast 0711s - Lauren F

Information

Contact Info

To fill out the rest of your profile, complete:

Education and Work

Education Info

Work Info

June 2004 - Present
Facebook - PA

Exhibit B

- Search
- My Profile
- My Friends
- My Photos
- My Likes
- My Groups
- My Events
- My Messages
- My Account
- My Privacy



Study where you want.

Earn a degree at **University of Phoenix Online.**

facebook home search browse invite help logout

Mark Zuckerberg's Profile Harvard



View More Photos of Mark (111)

View All Mark's Friends

Send Mark a Message

Request

Add Mark as a Friend

Request this Friend

Status

5 -- Mark isn't receiving Facebook feeds right now

Harvard Friends

146 Friends of 150 Harvard [See All](#)



Information

Account Info
 Type: Person
 Name: Mark Zuckerberg

Basic Info
 Gender: Male
 Birthplace: Menlo Park, California
 Birthdate: May 14, 1984
 Birthplace, ZIP: Palo Alto, CA

Contact Info
 Email: mzucker@fb.harvard.edu

Personal Info
 Bio: I like Facebook, education, the importance of quality education, medicine, driving, writing, making things, social sciences, animation, green tea, the internet, science, the sun, beer, chemistry, and love.
 Hometown: Menlo Park, California
 Website: www.facebook.com
 Favorite things that increase information flow between people.

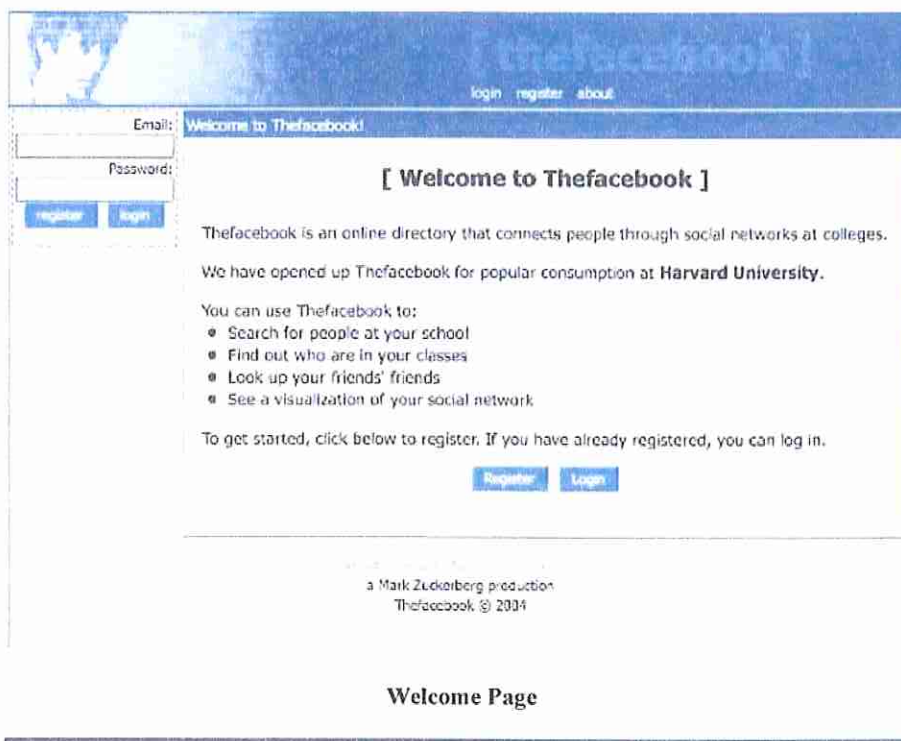
Education Info
 Harvard
 Psychology, Computer Science
 Undergraduate Student

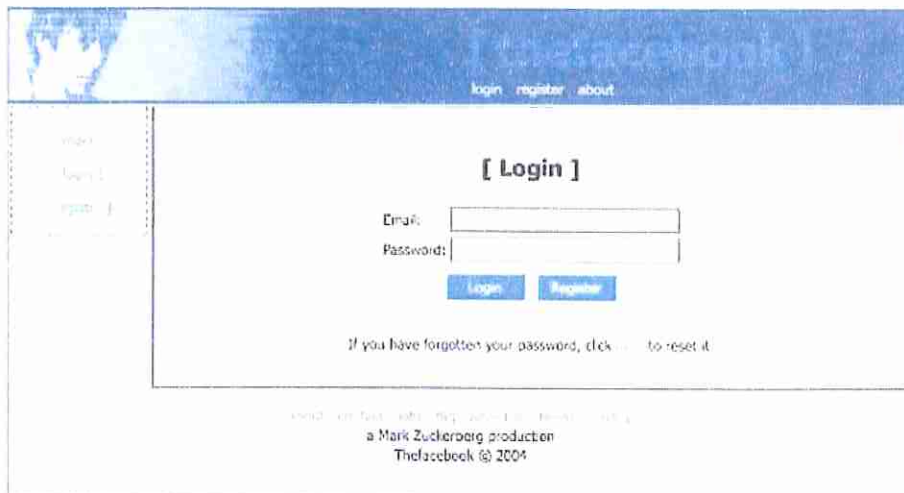
Work Info
 Facebook
 2004 - Present
 Like making things.

Exhibit C

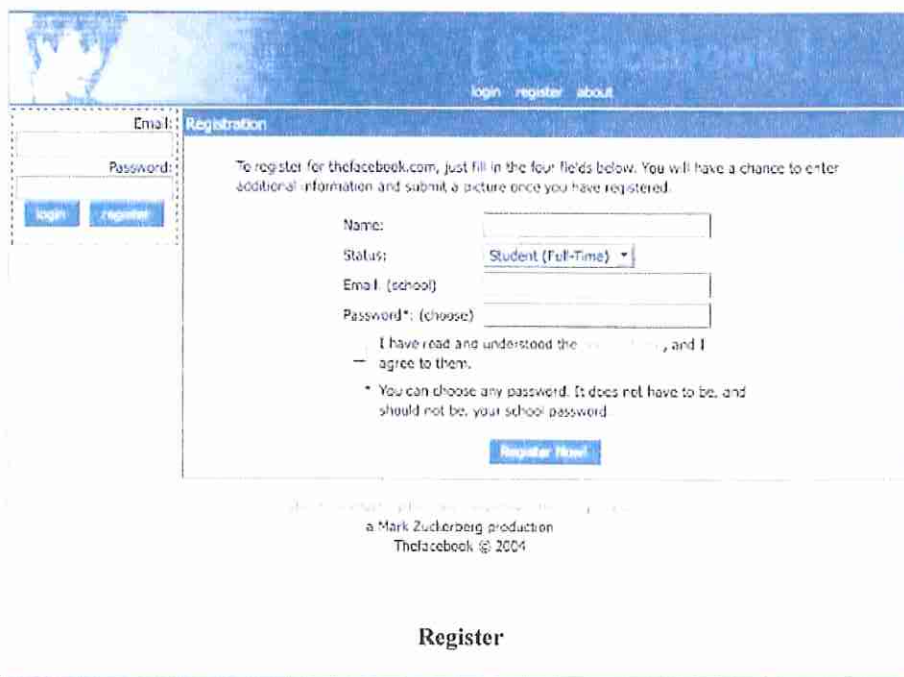
The screenshot shows a social networking profile for Scott Pearson. The page has a blue header with the name 'Scranton' and navigation links for 'Home', 'search', 'global', 'social net', 'invite', 'faq', and 'logout'. The profile title is 'Scott Pearson's Profile: (This is you)' with a 'Scranton' tag on the right. On the left, there is a 'quick search' box. The main content area is divided into several sections: 'Picture' with a photo of three men and an '[edit]' link; 'Information' with fields for 'Account Info' (Name: Scott Pearson, ES; Member Since: January 12, 2005; Last Update: February 5, 2008), 'Basic Info' (Email, Status: Alumnus/Alumna, Sex, Year, Concentration), 'Extended Info' (Phone, High School, Screenname, Looking For), and 'Interested In' (Relationship Status, Political views, Interest); 'Connection' showing 'This is you'; 'Access' with a note 'Scott is currently logged in from a non-residential location'; and 'Other Schools' with an '[edit]' link.

Exhibit D





Login Page



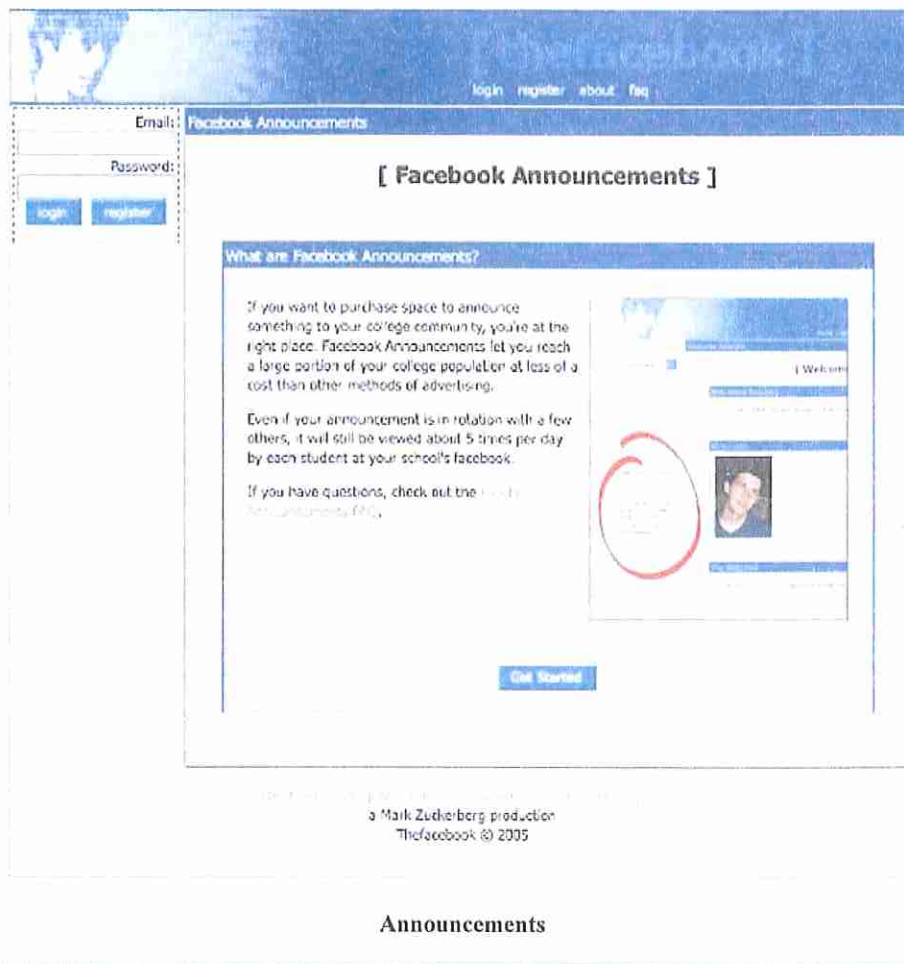
Register

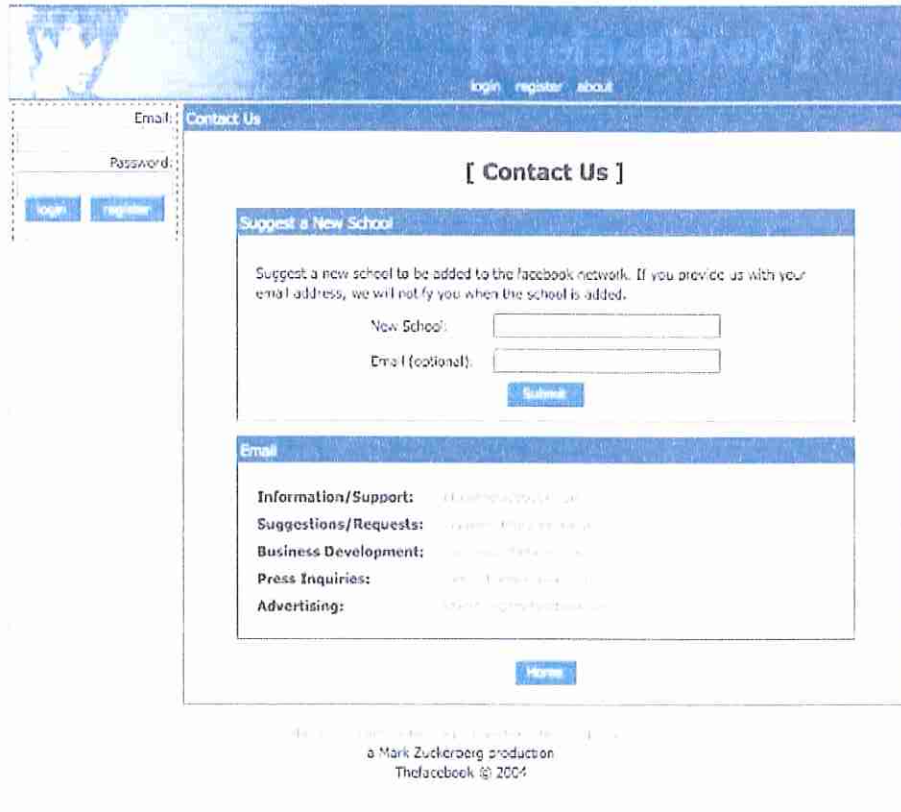
Facebook Circa 2004: WTF? [Screenshots] : COED Magazine



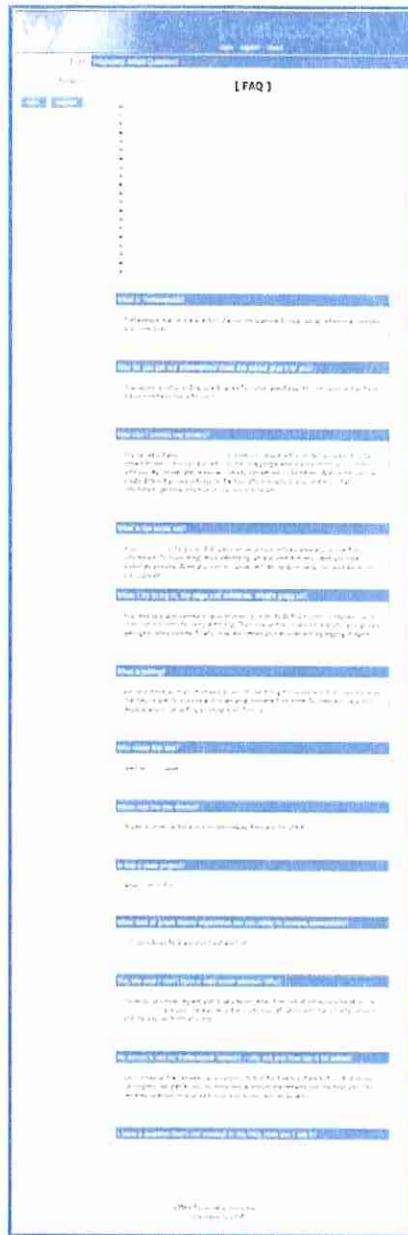
About

(click image to see full, expanded view)



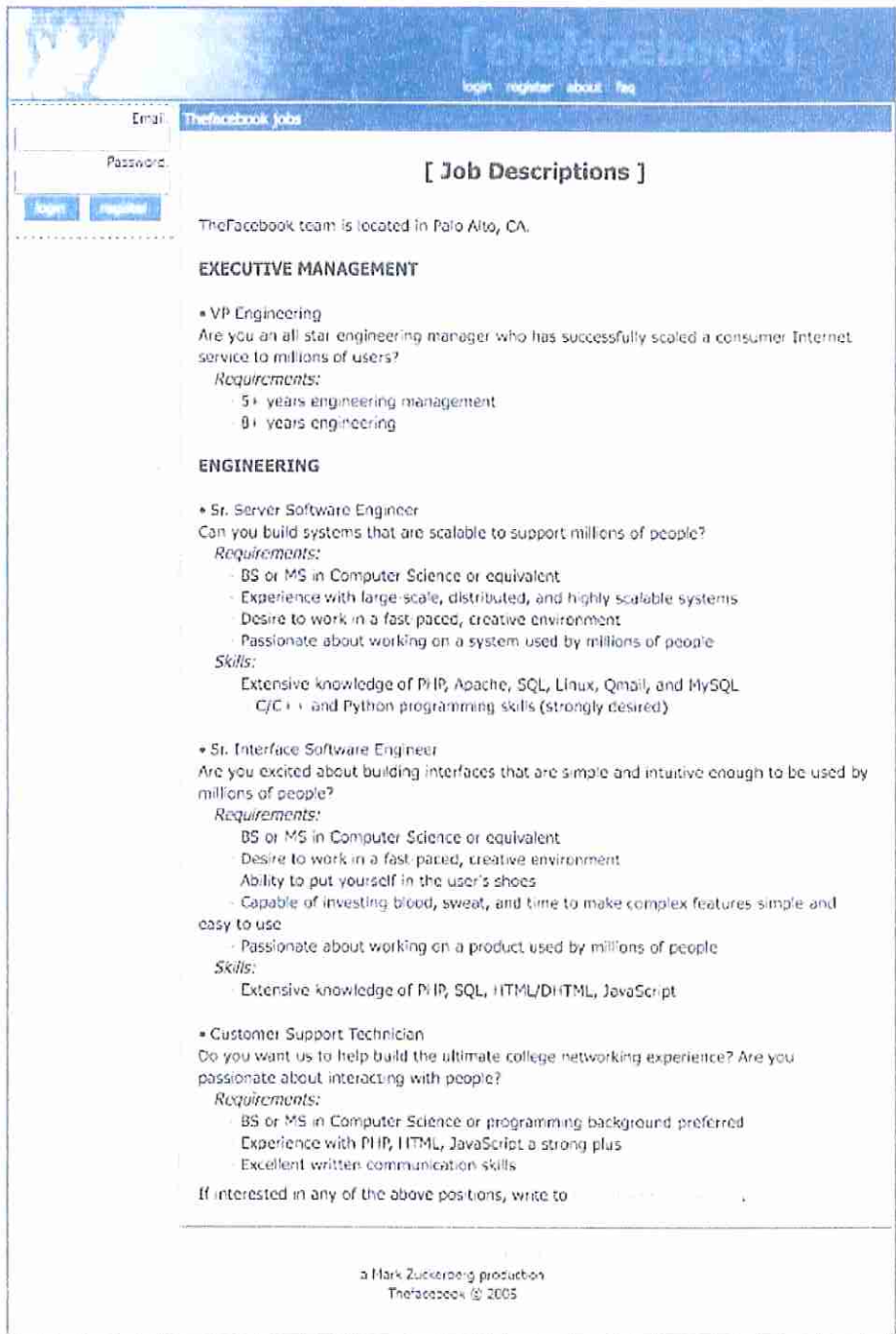


Contact



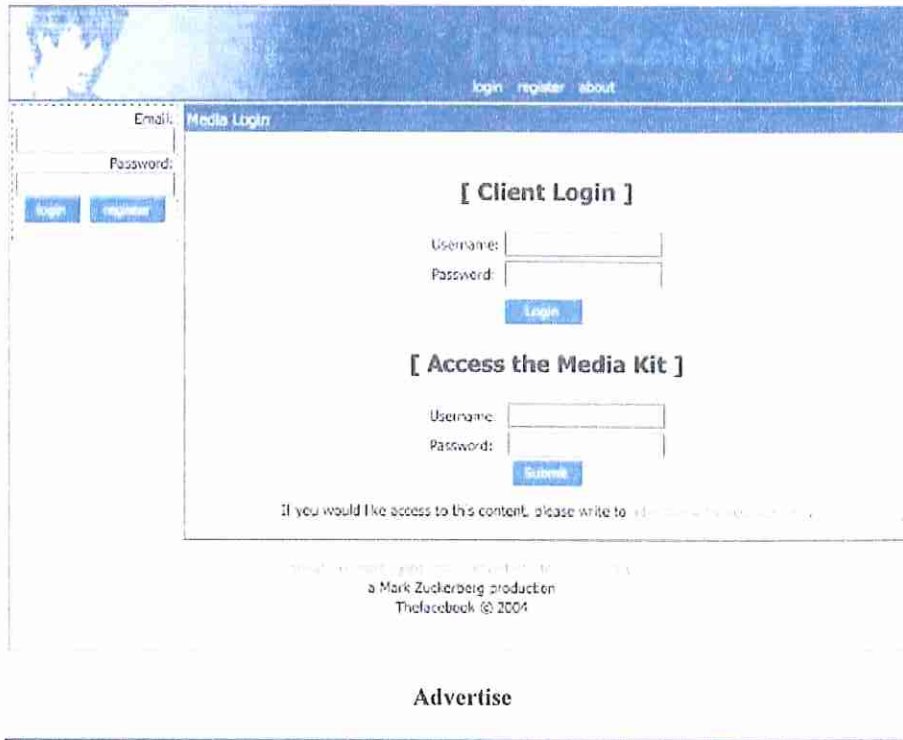
FAQ

(click image to see full, expanded view)

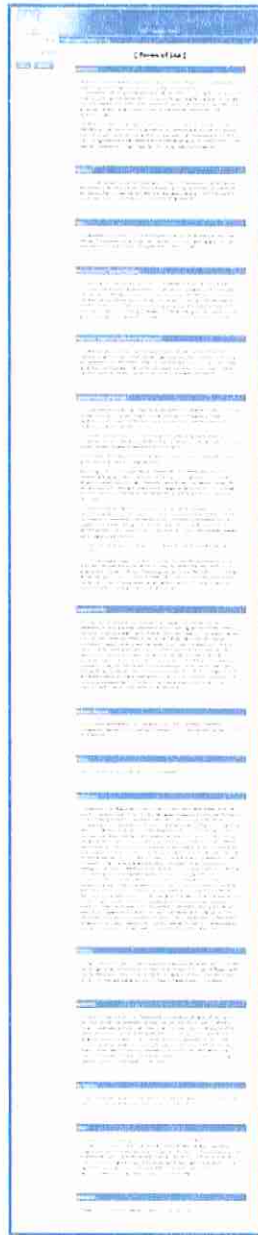


Jobs

(click image to see full, expanded view)

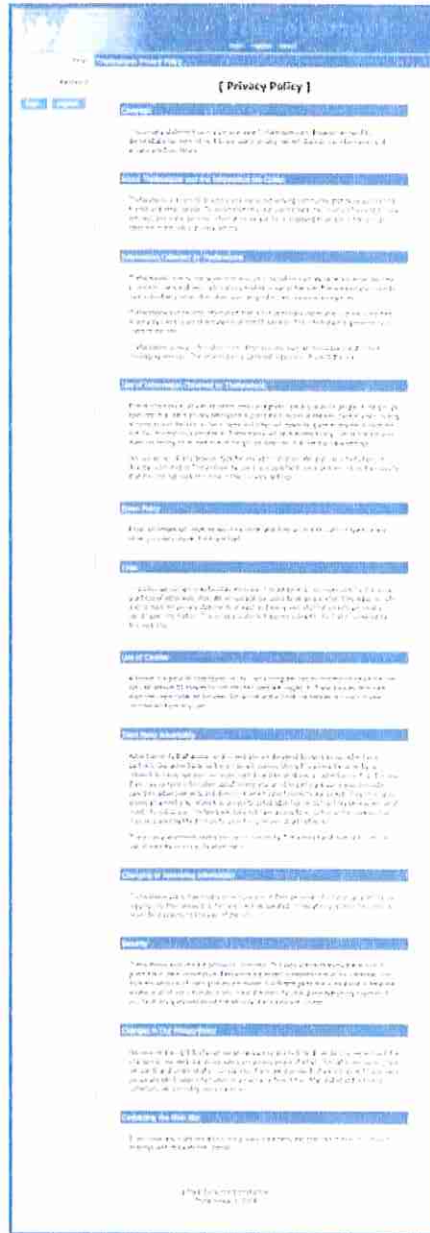


Facebook Circa 2004: WTF? [Screenshots] : COED Magazine



Terms

(click image to see full, expanded view)



Privacy

(click image to see full, expanded view)

Tags: [facebook](#), [facebook 2004](#), [facebook design](#), [facebook founding](#), [facebook harvard](#), [facebook movie](#), [facebook screen grab](#), [Mark Zuckerberg facebook](#), [Mark Zuckerberg harvard](#), [Mark Zuckerberg photo](#), [Mark-Zuckerberg](#)

36
diggs

[digg it](#)

Exhibit E

**THIS EXHIBIT HAS BEEN
REDACTED IN ITS ENTIRETY**

Exhibit F

TechCrunch

TechCrunch Disrupt Is Coming May 24-26 »

Liveblogging Facebook Advertising Announcement (Social Ads + Beacon + Insights)

by **Erick Schonfeld** on Nov 6, 2007

I am at Facebook's social advertising announcement in New York City, where Mark Zuckerberg is about to take the stage and tell us all what we **already think we know**: Facebook is getting into the advertising business in a big way. Much of what will be announced today, such as projects code-named **Beacon** and **Pandemic** have already leaked out. We'll see how much of that leaked information was correct, and what more there is to add. Facebook is certainly pulling out all the stops with this announcement, on the agenda later on is a panel with Microsoft's Kevin Johnson and Blockbuster CEO Jim Keyes that will be moderated by Charlie Rose (who charges a lot to do these things, or so I hear).

Facebook is announcing three things: Social Ads (ads targeted based on member profile data and spread virally), Beacon (a way for Facebook members to declare themselves fans of a brand on other sites and send those endorsements to their feeds), and Insight (marketing data that goes deep into social demographics and psychographics which Facebook will provide to advertisers in an aggregated, anonymous way). These three things together make up Facebook Ads. Here are the press releases for **Facebook Ads**, **Project Beacon**, and its **launch partners**.

Zuckerberg just took the stage (keep in mind that he is addressing advertising executives and press in the audience). The following notes are in reverse-chronological order:

A few extra tidbits from press conference with Zuckerberg afterwards:

Q: "Are you worried this will make Facebook too commercial?"

Z: "Actually I think this will make it less commercial because the ads now are [more generic]."

Big point: Microsoft won't be serving Social Ads. This will be controlled by Facebook. Zuckerberg clarifies: "Microsoft is the exclusive third-party provider of IAB standard ads. This is not going to go through Microsoft. We think it is a different kind of advertising."

"The pricing mechanism will be completely auction-based. People can either bid for a CPC or a CPM." You will also be able to buy non-social ads through this system as well, which should be turned on by tomorrow at this [link](#).

People will not be able to opt out of these social ads or turn them off, at least for now, unless they stop revealing information about themselves on Facebook. Says Zuckerberg: "It is an ad-supported service. It is a free service."

Zuckerberg doesn't think he is competing with Google ads so much as offering a better way to create brand advertising online. Social Ads are not so much about buying a digital camera right now because you are in the middle of your shopping research. They are about planting suggestions for things you may want but do not even know that you want. That is what brand advertising is, and it represents the majority of ad dollars spent today offline.

My thoughts: This could be huge if done right, but it could also backfire badly for Facebook. If I start to think that my friends are advertising to me, I may no longer trust *them* (and, in fact, try to avoid them . . . by not logging into Facebook anymore). So the trick is to make these appear to be genuine recommendations, and not ads. I am not sure how many people will be fooled by this, though. It risks turning something useful—the feed of my friends' activities—into something spammy.

Zuckerberg Presentation

3:06 PM: "Everything you have seen here is launching tonight." Launching with 40 partners [press release says 60] (including Blockbuster, CBS, Chase, The Coca-Cola Company, The New York Times, Sony Pictures, Verizon, Dove, and Zazzle). "This is something we have been working on for a long time. It is really good to share it with you guys." [Zuckerberg walks off stage]

3:03: Insights. Aggregates profile data. "We look at the people your ads are reaching and break it down by age, gender, interests, and a whole lot more we are adding soon." Says none of this will be personally identifiable. "We will be able to track how much people are talking about your brand in public forums across Facebook. As you run ads on Facebook you will be able to see the exact mind share you are getting."

2:57 PM: "Social Actions + Content = Social Ads." They spread your message virally through the social graph. These ads will appear both in people's feeds and as a personalized banner ad.

"Let's talk about targeting. With Facebook you will be able to select exactly the audience you want to reach, and we will only show your ads to them. We know exactly what gender someone is, what activities they are interested in, their location, country, city or town, interests, gender," work history, political views [Like what they've already done with Facebook Flyers].

2:52 PM: "Social distribution, now here is where it gets interesting. When somebody engages with your page, that is spread virally through the

Advertisement

network. When someone says they are a fan of your brand, that becomes a trusted referral. It goes right to their Mini feed. A strong trusted referral for your brand. You will be able to craft the types of social actions you want to spread across the social graph."

"We have created a product called Beacon that let's you do this. Beacon will let users send information to their page, we confirm it, and share it on Facebook. One partner is eBay." Can share listings from eBay on Facebook. So users can share social actions from other websites and share them on Facebook. "This will be completely free."

2:48: "the next hundred years will be different for advertising, and it starts today. As marketers pushing our information out is no longer enough. We are announcing a new advertising system, not about broadcasting messages, about getting into the conversations between people. 3 pieces: build pages for advertisers, a new kind of ad system to spread the messages virally, and gain insights."

Advertisers can build their own Facebook pages and design them any way they like: "We have photos, videos, discussion boards, any Flash content you want to bring to your page, plus any application a third party developer has made."

2:46 PM: Messages spread virally. All you need to do is get your friends to engage with it and add it to their profiles. Gives example of how causes are spread across Facebook. Support Breast Cancer, more than 2 million members.

2:44 PM: Zuckerberg is explaining the social graph. "Where Facebook really excels is in helping you keep up with all of your connections at the same time. It is making the cost of communication so low that information can be pushed out more efficiently than it ever could from a few big companies."

2:43 PM: Z: "More than 80 applications have more than one millions users."

2:37 PM EST: Zuckerberg: "Once every hundred years media changes. the last hundred years have been defined by the mass media. The way to advertise was to get into the mass media and push out your content. That was the last hundred years. In the next hundred years information won't be just pushed out to people, it will be shared among the millions of connections people have. Advertising will change. You will need to get into these connections.

"People influence people. Nothing influences people more than a recommendation from a trusted friend. A trusted referral influences people more than the best broadcast message. A trusted referral is the Holy Grail of advertising.

"Have already passed 50 million users, doubling once every 6 months. only active users who have used facebook last 30 days. More than 25 million people are using Facebook every single day. Each person is viewing more than 40 pages a day, more than 65 billion page views a month."

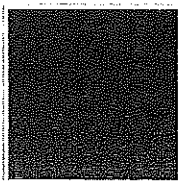
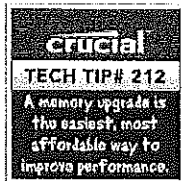
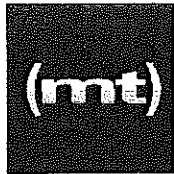
Notes:

Beacon Partners (Facebook advertising buttons that exist on other sites and when clicked are reflected in members' feeds as a brand endorsement—how many of these brands would you bother to explicitly endorse to your Facebook friends, or even identify with?):

eBay
 Fandango
 IAC brands (CollegeHumor, Busted Tees, iWon, Citysearch, Pronto.com, echomusic)
 Travelocity
 AllPosters.com
 Blockbuster
 Bluefly.com
 CBS Interactive (CBSSports.com & Dotspotter)
 ExpoTV
 Gamefly
 Hotwire
 Joost
 Kiva,
 Kongregate
 LiveJournal
 Live Nation
 Mercantia
 National Basketball Association
 NYTimes.com
 Overstock.com
 (RED)
 Redlight
 SeamlessWeb,
 Sony Online Entertainment
 Sony Pictures
 STA Travel
 The Knot
 TripAdvisor
 Travel Ticker
 TypePad

viagogo
Vox
Yelp
WeddingChannel.com
Zappos.com.

Advertisement



Actively Discussed Posts

Unvarnished: A Clean, Well-Lighted Place For Defamation
333 comments

Exclusive: Google To Go Nuclear
239 comments

Introducing The Do-It-Yourself CrunchPad Kit [Video]
194 comments

Topeka? Come On Google, You Can Do Better
93 comments

The Line For the iPad Starts Behind This Guy
89 comments

Advertisement



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Exhibit G

The Social

November 6, 2008 3:14 PM PST

Zuckerberg: Sometimes Facebook goes through 'painful changes'

by Caroline McCarthy

0 tweet

Share



Mark Zuckerberg (left) onstage at the Web 2.0 Summit with John Battelle
(Credit: Josh Lowensohn/CNET News)

SAN FRANCISCO--Two of the most commonly heard words in Facebook founder and CEO Mark Zuckerberg's talk at the Web 2.0 Summit on Thursday were "iteration" and "evolution." Facebook, he repeatedly

emphasized, is a company that attributes much of its growth and innovation to going through small changes and expansions.

The site launched in 2004 as a feature-light networking tool for students at Harvard, where Zuckerberg was an undergraduate at the time. It then gradually expanded to other colleges and then corporations before finally opening up to the public. Photo- and video-sharing was added. The "news feed" was incorporated. Then, last year, Facebook kick-started the Silicon Valley developer-platform craze by opening up its site to outside services--and now it's "iterating" again with **Facebook Connect**, an extension of the platform to allow Facebook credentials to be used on external sites.

"We just announced that anyone can now apply," Zuckerberg said. "We basically had a closed beta, and now we're opening it up."

"Opening it up" is key. Facebook, which is inaccessible without a user account, has come under fire for being too closed-off, as conference organizer John Battelle said as he led the onstage talk with Zuckerberg. The social network has declined to participate in **OpenSocial, an open-source developer standard** that Google organized and launched last year.

But going from closed to open is just part of the Facebook rollout, Zuckerberg said. "The main thing that I would say is that there's this very clear transition that normally happens from closed systems to open systems," the 24-year-old CEO explained. "In a mature environment, a lot of these technical systems end up being pretty open, but they also need to start somewhere."

"In a mature environment, a lot of these technical

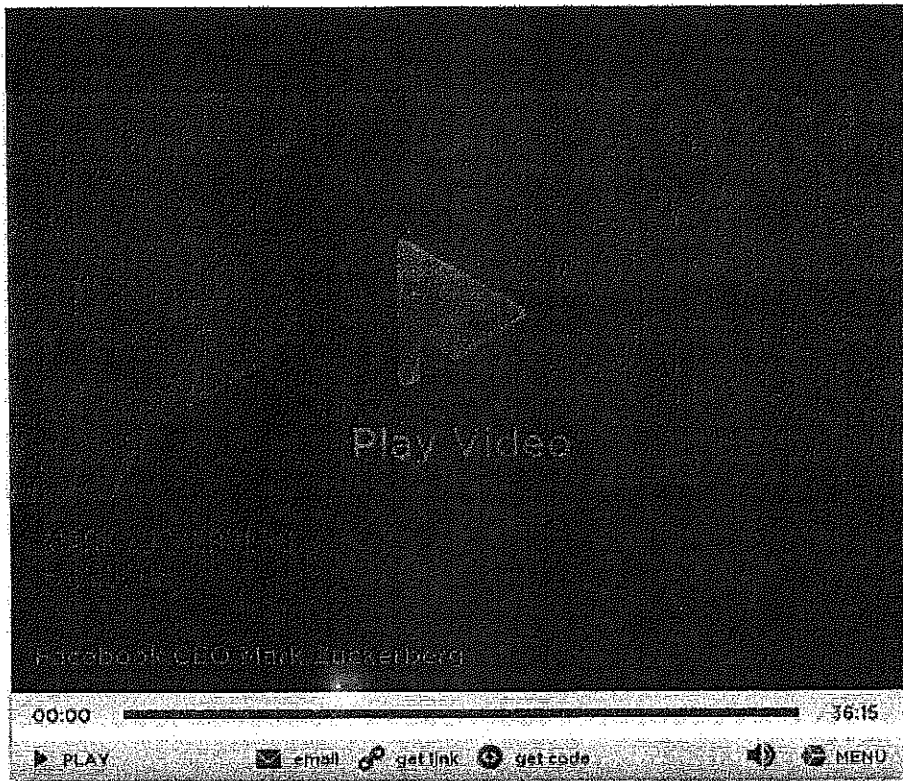
One of the key factors driving this evolution, Zuckerberg said--**as he's said before**--is the fact that Facebook deals with the bleeding edge of

systems end up being pretty open, but they also need to start somewhere." information sharing and that the site has had to gradually incorporate new features as its users become more comfortable with making more personal information available on the Web.

--Mark Zuckerberg, CEO, Facebook "The challenge that we have is to bring people along that whole path, first bring people along to Facebook and make people comfortable with sharing information online," Zuckerberg said. "We got people through this really big hurdle of wanting to put up their full name, picture, mobile phone number, (etc.)"

He added, "There's a rate at which this will happen, and if we aren't on the edge of pushing this out, then we aren't doing our jobs."

Sometimes the iteration process is difficult, Zuckerberg said. When the company first launched Facebook Platform, he said they let it out of the gates very quickly and didn't expect some of the repercussions. The ultra-viral nature of the original platform led to "app spam," something that Facebook curbed in a number of restrictions (and a redesign) that left many members relieved but some developers irked.



Video: Mark Zuckerberg at the Web 2.0 Summit (courtesy of Techweb)

The center of the problem, Zuckerberg said, was that there were a whole lot of static applications that offered no lasting interaction. "You (would) get this dynamic where there would be a lot of applications where people got to add them once and then the box would just be in the profile for a long time, acting as an advertisement for that program forever," he said. "Now, applications are incentivized based on how many people are going back and interacting with them again, Zuckerberg explained.

With Facebook Connect, things were different from the start. "The partners that are working with us on Connect are going to be very rich applications. We took a slightly slower wrap-up period with the closed beta just to enforce that," he said. "We learned from (the platform launch) that we want to do stuff in a slightly more controlled way just so we don't

have to make those painful changes that often."

Revenue strategy causes some impatience

Many pundits have been getting impatient, though, because Zuckerberg's mantra of slow but continuous evolution has also applied to the company's revenue strategy. Facebook Connect, for example, doesn't make any direct money for the company "in the first version," Zuckerberg said, and its "social ads" are still maturing a year after their debut.

There are success stories: a virtual-gift advertisement created by *The New York Times*, in which users could "give" one another a digital copy of the newspaper's headline proclaiming Barack Obama's presidential victory, was "gifted" 200,000 times in a single day, Zuckerberg said.

"Advertising on the Web and in social environments is less about just hitting someone with a message and more about a two-way dialogue," he explained.

One awkward subject was particularly unavoidable for Battelle to ask Zuckerberg: Last week, bloggers crunched some numbers and speculated--with varying conclusions--over whether Facebook's growth and hardware demands have thrown the company into financial jeopardy. The site now has about 125 million active users, having grown from 50 million at the beginning of the year. Battelle prodded the young CEO for answers on some of the speculation--is Microsoft regretting its \$240 million stake from last year? Is Facebook's chief financial officer really in Dubai trying to drum up more venture funding?

Zuckerberg, an expert in ambiguous answers, dodged the questions.

"Do you need money?" Battelle finally asked.

Zuckerberg responded flatly, "No."



Caroline McCarthy, a CNET News staff writer, is a downtown Manhattanite happily addicted to social-media tools and restaurant blogs. Her pre-CNET resume includes interning at an IT security firm and brewing cappuccinos. [E-mail Caroline.](#)

Topics: [Excursions](#)

Tags: [Web 2.0 Summit 2008](#), [Mark Zuckerberg](#), [Facebook](#), [developers](#), [Facebook Connect](#)

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[See more Web 2.0 Summit coverage.](#)

Exhibit H

Between the Lines

Larry Dignan, Sam Diaz, Andrew Nusca



October 17th, 2007

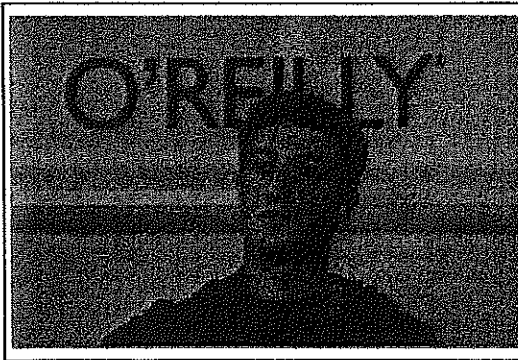
Web 2.0 Summit: Zuckerberg on Facebook

Posted by Dan Farber @ 4:02 pm

The Web 2.0 Summit kicked off with an interview with Mark Zuckerberg defining the term "social graph."

"We don't have a social graph. It's just a thing we model and map out," he said. The reason Facebook doesn't have a social graph, he explained, because it's simply mapping connections people have in the real world and exposing those connections, with the permission of users, to application developers. He added that the mapping out social connections can help decrease the cost of communications and help people learn more about their world

"We will be working on this for years...for 30 or 10 years before it is a mature platform, to map out all the edges on the social graph," Zuckerberg said. So, maybe there is a social graph. He expects the company to grow from 300 to 700 employees in the next year.



Zuckerberg was asked if Facebook needed a "grownup" to run the company. The 23-year-old CEO said, "We have thought about developing a good team rather than hiring a CEO with experience in this space, and I'm not convinced that exists. Instead we are focused on building a strong team."

Battelle asked Zuckerberg about Facebook's tough talking terms of service for developers. It's really clear the product is evolving very quickly. A year ago we didn't even have the newsfeed and it's such an integral part of the site. We needed to make sure we have enough flexibility in the platform so we could build the next thing," Zuckerberg said.

Battelle asked about Facebook colonizing the platform, in terms of areas developers should stay away from because Facebook could easily own it. Zuckerberg said, "Ads," and in three months he would have more to say about the subject. "We reserve the right to build anything and compete with any of the developers, but do it on fair ground," he said regarding how Facebook views competing its developer community.

Zuckerberg was asked about the kinds of Facebook applications. "It's still fairly early. Some of initial stuff is great. Just looking at what we have built—photos, videos, and what others have built. Facebook has 6,000 applications and 100,000 developers, he said. He noted some applications in health.

In reference to MySpace and its media focus, Zuckerberg said, "We are not a media company." He explained that Facebook is focused on solving deeply technical problems, such as developing the newsfeed, which looks at data and determines what is of interest to users.

How is the deal with Microsoft going, Battelle asked. "Pretty good I think," Zuckerberg said.

Marc Canter asked Zuckerberg about allowing users to export their Facebook data. "It's a flaw in the system right now," Zuckerberg said. He didn't offer any time frame for fixing the "flaw." He also said that Facebook's privacy controls give people lots of granularity for information sharing. "It's why the [Facebook] system works, and why more information is shared on the Web than ever before."

Dan Farber, editor-in-chief of CNET News.com, has more than 20 years of experience as an editor and journalist covering technology. See his full profile and disclosure of his industry affiliations.

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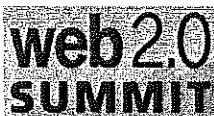
Exhibit I



Web 2.0 Summit 2007: Mark Zuckerberg

Written by Richard MacManus / October 17, 2007 4:33 PM

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I'm here at the Web 2.0 Summit 2007 in San Francisco, the third year I've been to the conference. Tim O'Reilly and John Battelle started out with an overview of web 2.0 now, and one thing they noted is that social networking has moved from an 'edge' technology to a center technology. John Battelle then invited founder and CEO of Facebook, Mark Zuckerberg, onto the stage to discuss this topic. Mark came across as an awkward young man (and to be totally fair, he is very young), so the first 5 minutes didn't offer much insight. Eventually though Zuckerberg warmed up, especially when Battelle asked him to define 'social graph'. Zuckerberg said "It's the set of connections that a person has in the world" and that Facebook is simply trying to map this. He said it's about exposing peoples connections, but respecting peoples privacy.

Battelle asked about the Facebook platform. Zuckerberg said that "it's incredibly humbling to see all these people build on top of a platform that's still early stage". He said it might take "lens of years" before the platform is mature, so launching the platform this year was a "quick start" (i.e. they just wanted to get it out there and iterate). Battelle asked how can developers be sure that their apps won't be taken offline in the future? Zuckerberg said that the site is evolving very fast, so they need to make sure there's enough flexibility in the system. That didn't answer the question, so Battelle persisted with the topic - noting that Microsoft essentially built a platform too, but they went on to "colonize" it. So will Facebook do the same? Zuckerberg said maybe with ads (!) He said that Facebook "reserves the right to build apps on the platform".

Like a dog with a bone, Battelle asked what kind of advertising system Facebook will build - will they compete with Microsoft and Google, outside the FB ecosystem. Zuckerberg didn't bite and had no answer.

Battelle asked: what about media? Zuckerberg said "we're not really a media company", so it's unlikely they'll build media apps. He said they'll stick to social networking functionality.

Later, Marc Canter got in the first question - he asked will Facebook release APIs that allow users to export their social graph and other personal data. Marc says Facebook isn't "all the way open" - will that change? Zuckerberg says "we want to get there" and that's their goal. He cited how FB started off just being for US college students, then opened up to world, then to the platform for apps inside FB. He says "we realize this is a flaw in the system", but he didn't give a timeframe (despite Marc's questions around exactly that).


Charlene Li asked: many of the FB apps today are "frivolous", so is Mark happy about that? Zuckerberg reiterated that it's still very early, but that many verticals have been filled in already. He says it's amazing to him that they have 6000 apps already. The other part of Li's question was what kind of apps does he want built? Zuckerberg said that he hopes more apps that go outside personal and social media will be built - e.g. health.

Battelle's last question is "at some time or another you've got to bring in a grown-up", so will FB do that? Zuckerberg says they're focusing on "building a really good team" (great side-step).

Exhibit J

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Facebook's Mark Zuckerberg opens up

- Story Highlights
- Facebook CEO Mark Zuckerberg talks about the evolution of his company
- You should be able to connect to business like you do a person, Zuckerberg says
- Zuckerberg: It's easy to have philosophy but moving people there is harder
- Value of site is that it "opens up communication channels and builds relationships"

By Fred Vogelstein

(WIRED) -- Back in April, I interviewed Mark Zuckerberg as part of my research for Wired's Great Wall of Facebook piece.

Here is an edited transcript in which the Facebook founder and CEO talks about the limitations of walled gardens, the evolution of privacy online and why Home Depot should "humanize" itself.

Wired.com: What is your vision for Facebook?

Mark Zuckerberg: When I started Facebook from my dorm room in 2004, the idea that my roommates and I talked about all the time was a world that was more open.

We believed that people being able to share the information they wanted and having access to the information they wanted is just a better world: People can connect better with the people around them, understand more of what's going on with the people around them, and understand more in general.

Also, openness fundamentally affects a lot of the core institutions in society -- the media, the economy, how people relate to the government and just their leadership. We thought that stuff was really interesting to pursue.

I think it turns out that the best way to do that is to build a company and an organization. We've learned a lot along the way about how to do that.

One of the things we learned was that there were two ways to get to this place of more information access. There was the top-down way, right -- you can kind of characterize that by the Google, or search approach -- where you have a bunch of machines and algorithms going out and crawling the web and bringing information into them.

But we figured that over time that wouldn't actually be the best approach. We figured it wouldn't get the most information. It would only get stuff that was publicly available to everyone, and it wouldn't give people the control that they needed to be really be comfortable. No one wants to live in a surveillance society, which, if you take that to its extreme, could be where that's going.

And there's (Facebook) -- a kind of a ground-up approach -- where people choose to share all this information themselves.

It's a slower approach, right, because what it means is that people need to move through this process of realizing that sharing information is good, and slowly sharing more and more information over time.

But by doing that you get a lot richer information; you get information that people don't want to share with everyone, but they just want to share with some people around them.

You get personal information, like photos from my vacation, or a trip that I want to share with people. And it just ends up being a richer web, and it's more democratically controlled by the people who are sharing stuff, as opposed to by some central entity that's going out and indexing all this information, right?

And that's the path we've been on, and it's really interesting just watching the rate of information production change.

I think at this point there are probably more people who are sharing stuff either privately or semi-privately on social networks (than just letting it be crawled by search engines). When I use that word, I mean sharing with 100 or 1,000 or 10,000 people. It's not e-mail that you're sending to one or two people, but it's also not something that you're making available to everyone.

I think there's a lot of information that people are sharing like that now, and that's probably growing a lot quicker than the volume of blogs, or other completely open sites on the web.

There's something like a billion new photos a month (on Facebook), and that's just one type of media on the site (Facebook) where there is over a billion new pieces of information shared each week.

Wired.com: Let's be a little bit more specific. You just gave us a 30,000-foot view. Maybe we should do it now from 5,000 or 10,000 feet.

Zuckerberg: So I think there are two big themes: One is just the trend that Facebook is taking for the next couple years, and then there's more structural stuff that's underlying that in terms of the platform that we're building.

First, think about how the Facebook platform has evolved. We started off as this platform inside Facebook; and we were pretty clear from the beginning that that wasn't where

It was going to end up.

A lot of people saw it and asked, "Why is Facebook trying to get all these applications inside Facebook when the web is clearly the platform?" And we actually agreed with that. It's just that we were just getting started. And now as time goes on, we're shifting away from Platform inside Facebook and shifting more towards Connect (outside of Facebook).

And Connect has just a lot of advantages that I think developers will gravitate towards. So, the ability for developers to have their own website with all the same functionality in it that they could've built inside Facebook allows them to build their own brand, allows them to have their own users more than just getting Facebook users inside the site. So, I just think it ends up being a stronger system than the first Facebook platform we had.

The structural change comes from this point of openness. We talk about this concept of openness and transparency as the high level ideal that we're moving towards at Facebook.

The way that we get there is by empowering people to share and connect. The combination of those two things leads the world to become more open. And so as time has gone on, we've actually shifted a bit more of a focus not just on directly making it so people can use Facebook and share and be open on Facebook, but instead on making it so that the systems themselves have open properties.

So, one analogy that we think about is a government or a nation. If you want to be free, or you want to preserve freedom for people, you both need to have laws that make it so people have freedom of speech and all the freedoms that they need. You also need to have an open governance system where people can vote and people have representation.

And we think that over the long-term the way that we actually create the most openness and transparency in the world (at Facebook) is both by creating the most powerful applications ourselves and creating a platform that is fundamentally moving more in the direction of being an open platform itself, right?

So we're aiming for openness on two levels: One on the fact that there's more sharing, and another on the fact that by having these open standards, you're constantly moving towards a place in the industry where there will be more and more sharing, right? So people can bring their information anywhere they want. Anyone can use the platform.

Wired.com: Does that mean every Facebook user will have control over how public his/her information is and be able to decide whether or not it can be crawled by search engines?

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Now they can do that. They can say it's open to everyone. And what I would just expect is that as time goes on, we're just going to keep on moving more and more in that direction.

We launched stuff like Platform, and we get a lot of praise for that. We also get a lot of people saying "But this isn't as open as it needs to be." And in a lot of ways I think they're right, but this stuff takes time.

We're moving a community of 200 million people along this spectrum trying to tell people to share information and be comfortable with that.

Just from the launches that we've had, it's pretty clear that we haven't mastered the art of moving people along in terms of change, making these changes; but I think we're getting better at it. And there's a long way to go, but I think that's kind of the direction that we're moving in.

Wired.com: Why not pursue this strategy from the beginning? Why did you wait until now to do all the things that we're talking about?

Zuckerberg: So this is a really important point. It's really easy to have a nice philosophy about openness, but moving the world in that direction is a different thing. It requires both understanding where you want to go and being pragmatic about getting there.

In politics you get this all the time. It's easy for people to have a point of view on how things should be, yet the people who are actually in the Senate or Congress or White House need to balance on a daily basis where they want to go with how they actually get stuff done.

Wired.com: So would you agree with the statement, then, that you can't succeed on the Internet by putting up walls?

Zuckerberg: I think it's not quite that black and white. What I think is true is that over time things trend towards becoming more open, right. I think early on they tend to start closed. And that's important, right? It's an important phase.

One analogy and example that I look at is personal computers and how they evolved. You started off with people who just built the whole thing themselves. Then as time went on the platforms either for hardware or software became more open, and that has produced a much better outcome in terms of the types of machines that people can use.

But it had to start somewhere, right? It couldn't start off as this open platform. Someone had to put the idea of a computer out there first.

So I think you generally want to move towards more openness. I don't think anything ever gets completely open. Is there an open format for keyboards? I guess so. There are multiple different keyboard layouts. But basically everyone uses one, right?

Wired.com: Except many believe that the rules that drove the PC industry don't apply to the rules that are evolving around business on the Internet. They say that you actually need to start open and continue to be open.

Zuckerberg: So I think one thing that's really important is that the rules are constantly changing. I think a lot of the issues that some of these other companies have had is they define themselves too narrowly as a company in a specific medium.

Like e-mail could have easily moved into being what social networks are today. I think a lot of e-mail companies now are actually trying to move in that direction. But I feel like because they defined themselves as just e-mail companies, they didn't adapt quickly enough.

We define ourselves more broadly, as a company that's trying to bring innovative things to people that help them share more and make the world more open. And I think that that mindset allows us to change very rapidly.

Sometimes it's so rapid that our community isn't ready for it or isn't happy about it when it initially happens. But I feel like our approach of just being focused on understanding this trend (of openness and sharing) and moving very quickly along it has been a stronger approach than anyone who's tried to build a medium for where the world is in any given point in time.

Wired.com: How do you envision what you're doing today enabling other companies and Facebook to make money?

Zuckerberg: Openness and transparency affects how people and businesses relate to each other. So it used to be the case where only really big companies could do advertising on the web, and then Google came along. And they made it so anyone can do basic direct response advertising. Now they have millions of advertisers.

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Zuckerberg: I think that there could be even a more dramatic change with Facebook. If you look at the space of the people who do brand advertising, which is basically advertising that's more for the long-term -- not to sell something today, but instead to build a relationship -- I think that that's going to be something that's not only accessible to the largest brands, but accessible to everyone.

If you take that idea a step further you might conclude that not only will it be something that's accessible to everyone, but something that everyone feels they have to participate in.

Think about what people are doing on Facebook today. They're keeping up with their friends and family, but they're also building an image and identity for themselves, which in a sense is their brand. They're connecting with the audience that they want to connect to. It's almost a disadvantage if you're not on it now.

If you carry that thinking over from people to things like stores and brands you realize that everyone's trying to do the same thing, which is communicate, build a reputation, build relationships with people, and just have more information out there.

Wired.com: So give me an example. A year or two from now, what might you be able to do on Facebook that would be an example of what you're talking about -- if you're a small business. Or a large business, for that matter?

Zuckerberg: You should be able to connect to a business in the same way that you connect to a friend, or a person on the site, and then that business should be able to publish things in the same way that that happens for people you care about.

So, that was a big part of this whole streams release on the homepage that we just did. Now, it's not completely there yet, right? People are still bi-directional confirmed relationships while Facebook Pages (those for businesses and celebrities) have to be these one-directional relationships. People can send messages to each other. Facebook Pages can only send these updates to all their fans.

Over time we're going to see that those things are just going to converge completely, right? So a business or celebrity Page will be able to send a message to all their fans. At the same time they'll be able to send messages to individuals that they're connected to.

So no matter who you are -- a person on the site or a store, or a big brand -- you'll be able to have the same options for how you connect to people. You could make it bi-directional, so you have to confirm each one, or you could make it so people can just connect you.

Wired.com: The part that makes sense to me is the small business part because I can understand wanting to have a relationship with my local butcher or dry cleaner.

It's harder for me to envision how that works with, say, The Gap, or any other big brand out there, because almost by definition people perceive those interactions as not being about relationships, but being about just pure commerce. You can make the case that your local butcher really cares about you and your relationship, but you can't really say that anymore about your local Home Depot or your bank.

Zuckerberg: Actually I think this is one of the most profound changes that more openness and transparency brings: it puts more weight and importance on building better social relationships and being more trustworthy.

So, I actually do think you're seeing this trend towards organizations just caring more about their brand and engaging. And so I think Home Depot will want to humanize itself. I think that's a lot of why companies are starting blogs, are just giving more insight into what's going on with them.

I think it's actually a big reason why a lot of companies are embracing the green movement, for example.

It's really easy to portray people running companies as only caring about money, but they care about real things too. And I think part of this trend is that there will be more visibility into that, right?

So the Home Depot will have a brand that is about what they sell -- different tools and things. But it will also have a brand that is based on their staff and how they relate to customers. And I think that that ends up being really important.

Look at the way celebrities and politicians are using Facebook already. When Ashton Kutcher posts a video, he gets hundreds of pieces of feedback. Maybe he doesn't have time to read them all or respond to them all, but he's getting good feedback and getting a good sense of how people are thinking about that and maybe can respond to some of it, right? And that's still really valuable. And I would expect a similar dynamic to evolve with businesses.

Wired.com: People have been trying for years to make money selling ads on IMs, selling ads on e-mail, selling ads in all forms on communication mediums, but the reality is that when you're in communication mode, you're not particularly receptive to advertising. Why is that not an issue for Facebook?

Zuckerberg: Yeah, I agree with that. And I think the difference is that this isn't a pure communication medium. People use it to share information, but sharing is a bit different than communicating, right? Sharing is putting something out there, and then people are going and getting it asynchronously, right?

So a lot more of what we do is trying to surface the right information to the right people, which gives us leverage and opportunities to surface other information, like interesting advertisements that they might want to see as well.

But yeah, I agree that like when people are IM-ing on Facebook, which is one of the behaviors, it wouldn't make sense for us to have an ad in the IM, right? But when people go to their homepage in the morning to see what's going on, one of the things that's going on could be a sponsored thing.

I think a lot of the value that Facebook creates is that it opens up communication channels and builds relationships. I think that that's just a really valuable thing, and it has probably been undervalued to this point.

Wired.com: Facebook's focus on real-time streams reminds me a little bit of TV before Tivo. If you're a business and you want people to see your brand and have a relationship with your brand in peoples' stream, you have to be looking at the stream at specific times. Doesn't that mean you have to start selling ads like networks do -- based on the size and type of audience at different times of the day?

Zuckerberg: There are different modalities. One is a real time element. There's also the highlights and news feeds components. And then you have search or behaviors where the person's actively seeking out some information.

We want to make that available to them very, very clearly. So, if I type in tools, then, I think that there's a good opportunity to show you things that your friends are connected to.

Wired.com: And you're going to build the search stuff yourself, I would suspect.

Zuckerberg: Yes, or at least we'll try.


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Exhibit K

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The Wired Interview: Facebook's Mark Zuckerberg

By Fred Vogelstein  June 29, 2009 | 3:29 pm | Categories: Advertising, Media, People, Search, Social Media



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I think it turns out that the best way to do that is to build a company and an organization. We've learned a lot along the way about how to do that. One of the things we learned was that there were two ways to get to this place of more information access. There was the top-down way, right — you can kind of characterize that by the Google, or search approach — where you have a bunch of machines and algorithms going out and crawling the web and bringing information into them.

But we figured that over time that wouldn't actually be the best approach. We figured it wouldn't get the most information. It would only get stuff that was publicly available to everyone, and it wouldn't give people the control that they needed to be really be comfortable. No one wants to live in a surveillance society, which, if you take that to its extreme, could be where that's going.

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And that's the path we've been on, and it's really interesting just watching the rate of information production change. I think at this point there are probably more people who are sharing stuff either privately or semi-privately on social networks (than just letting it be crawled by search engines). When I use that word, I mean sharing with 100 or 1,000 or 10,000 people. It's not e-mail that you're sending to one or two people, but it's also not something that you're making available to everyone.

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So no matter who you are — a person on the site or a store, or a big brand — you'll be able to have the same options for how you connect to people. You could make it bi-directional, so you have to confirm each one, or you could make it so people can just connect you.

Wired.com: *The part that makes sense to me is the small business part because I can understand wanting to have a relationship with my local butcher or dry cleaner. It's harder for me to envision how that works with, say, The Gap, or any other big brand out there, because almost by definition people perceive those interactions as not being about relationships, but being about just pure commerce. You can make the case that your local butcher really cares about you and your relationship, but you can't really say that anymore about your local Home Depot or your bank.*

Zuckerberg: Actually I think this is one of the most profound changes that more openness and transparency brings: It puts more weight and importance on building better social relationships and being more trustworthy.

So, I actually do think you're seeing this trend towards organizations just caring more about their brand and engaging. And so I think Home Depot will want to humanize itself. I think that's a lot of why companies are starting blogs, are just giving more insight into what's going on with them. I think it's actually a big reason why a lot of companies are embracing the green movement, for example.

It's really easy to portray people running companies as only caring about money, but they care about real things too. And I think part of this trend is that there will be more visibility into that, right? So the Home Depot will have a brand that is about what they sell — different tools and things. But it will also have a brand that is based on their staff and how they relate to customers. And I think that that ends up being really important.

Look at the way celebrities and politicians are using Facebook already. When Ashton Kutcher posts a video, he gets hundreds of pieces of feedback. Maybe he doesn't have time to read them all or respond to them all, but he's getting good feedback and getting a good sense of how people are thinking about that and maybe can respond to some of it, right? And that's still really valuable. And I would expect a similar dynamic to evolve with businesses.

Wired.com: *People have been trying for years to make money selling ads on IMs, selling ads on e-mail, selling ads in all forms on communication mediums, But the reality is that when you're in communication mode, you're not particularly receptive to advertising. Why is that not an issue for Facebook?*

Zuckerberg: Yeah, I agree with that. And I think the difference is that this isn't a pure communication medium. People use it to share information, but sharing is a bit different than communicating, right?

Sharing is putting something out there, and then people are going and getting it asynchronously, right? So a lot more of what we do is trying to surface the right information to the right people, which gives us leverage and opportunities to surface other information, like interesting advertisements that they might want to see as well.

But yeah, I agree that like when people are IM-ing on Facebook, which is one of the behaviors, it wouldn't make sense for us to have an ad in the IM, right? But when people go to their homepage in the morning to see what's going on, one of the things that's going on could be a sponsored thing. I think a lot of the value that Facebook creates is that it opens up communication channels and builds relationships. I think that that's just a really valuable thing, and it has probably been undervalued to this point

Wired.com: *Facebook's focus on real time streams reminds me a little bit of TV before Tivo. If you're a business and you want people to see your brand and have a relationship with your brand in peoples' stream, you have to be looking at the stream at specific times. Doesn't that mean you have to start selling ads like networks do – based on the size and type of audience at different times of the day?*

Zuckerberg: There are different modalities. One is a real time element. There's also the highlights and news feeds components. And then you have search or behaviors where the person's actively seeking out some information. We want to make that available to them very, very clearly. So, if I type in tools, then, I think that there's a good opportunity to show you things that your friends are connected to.

Wired.com: *And you're going to build the search stuff yourself, I would suspect.*

Zuckerberg: Yes, or at least we'll try.

See Also:

- [Great Wall of Facebook: The Social Network's Plan to Dominate the](#)
- [Facebook Tests Message Controls, Hopes Users Publish to Everyone](#)
- [Facebook URL Madness: I Got Mine, But So Did Haywood Jablome](#)
- [AP Issues Strict Facebook, Twitter Guidelines to Staff](#)
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Comments (12)

Posted by: TheTonic | 06/29/09 | 11:57 pm |

Fascinating ideas, right?

Posted by: creepy_rob | 06/30/09 | 12:20 am |

Zuckerberg is not a very well spoken guy.
He should not be the spokesman for facebook.
He is no Steve Jobs.
Zuckerberg ends far too many sentences with "right?", it's bizarre.

Posted by: bugmenot | 06/30/09 | 2:31 am |

Twat.

Posted by: petej | 06/30/09 | 6:08 am |

Zuckerberg has to be making this shit up as he goes along, remember a year and a half ago when he thought we'd all be happy to add Coca Cola as a 'friend' to receive their updates? I have a feeling he really has no idea how either advertising or (more ironically) social interaction works, which has to doom his plans to combine the two from the start, right? I love the service that FB provides, but maybe I just have to make the most of it before it collapses.

Posted by: covex | 06/30/09 | 9:26 am |

So this is what it's all about behind the famous social networking site, right?

Posted by: maniark | 06/30/09 | 9:28 am |

I cannot in any way tie up what Zuckerman says and what Facebook actually is and who it works. How does anything get easier with Facebook? Have you looked at Connect? It is a frankenstein monster of

cobbled together ideas. This is not the universal communications platform of the future. If it is, we are DOOMED!!!

Posted by: Fitzzzgerald | 06/30/09 | 11:02 am |

I think Zuckerberg is running up against the limits of his abilities and leadership skills. His vision is rather weak and poorly-articulated and it certainly doesn't look like he truly understands how to make money from Facebook. Perhaps Facebook would do well to bring in some new leadership. Or at the very least Zuckerberg needs to hire people smarter than him to lead the ship.

Posted by: SirSindi | 06/30/09 | 2:31 pm |

More corporate-speak! More social media jargon in empty out-of-the context metaphors! Yeah, we need those visionaries instead, right? I think we have those a lot and none of them has done nothing close to building the Fb. But I agree, spokesman for Facebook would be good idea, as it is near impossible for media to contact Facebook staff nowadays.

Posted by: MJZimmer88 | 06/30/09 | 4:00 pm |

Zuckerberg is describing, in an essence, that he wants to make Facebook into a multi-"behavioral" version of Twitter.

For example: Celebrities like Aston Kutcher send out a tweet and get feedback from a hundred of his (million or so) followers. Then companies like Delta, or Dunkin Donuts, tweet their deals of the day and things like that, and are friends with individual customers, and can receive feedback from (and retweet and respond to) individual people who "friended" the company. And then there are simply people, who tweet to all of their friends, but the tweets are visible to everyone.

Zuckerberg wants to take all of this, and make his Facebook an expanded version of these 140 character tweets, instead having Facebook's tweets include the billions of "pieces of information" posted every day... including photos, comments, chats, drawings, and everything else.

And then he wants to be able to search through all of that for up-to-the-minute news based upon what your "friends" have been posting. And then he wants to add highly-personalized ads to every customer in order to start generating a profit.

You cant forget that he's only a 25 year old CEO of a 5 year old company... and you cant forget that he's a twat...

Posted by: RON04 | 06/30/09 | 9:14 pm |

Following the same subject TheTonic mentined "fascinating ideas" here is what i think:

Im not a google or facebook fanboy or however you want to call it but this is interesting.

First Idea: (google)

"No one wants to live in a surveillance society, which, if you take that to its extreme, could be where that's going."

Second Idea:(facebook)

"you get information that people don't want to share with everyone, but they just want to share with some people around them."

And by "some people around them" he means Facebook database..Right?

Funny, right?

Posted by: bornean | 07/19/09 | 3:06 am |

You people are just jealous of his intelligence.

Facebook is definitely a revolutionary site. It's an establishment. People are gonna get facebook at birth.

Zuckerberg is an inventor. He's not like Bill gates, we know. He's more like Einstein mixed with a hint of Picaso, plus an MBA, and professor, at only 25 too.

Facebook is going to be the center of the universe.

And if you think I'm being sarcastic, you can go straight to hell.

Posted by: pinoytutorial | 12/2/09 | 2:17 am |

Apart from what Mark Zuckerberg said, I guess individual facebook users should practice security measures on their own in order to avoid attacks and other privacy issues. Hackers will always be around and it would be an enormous undertaking for facebook to manage 350 million subscribers 24/7.

<http://bit.ly/avoid-facebook-hacking>
