

## ANOTHER FACEBOOK SCAM

*EARLY NOW —*



tisers allege Facebook hid the  
that no one watches video ads

atches Facebook video ads, then advertisers won't spend them.

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s allege Facebook hid the fact that no one watches

According to a newly public filing in an ongoing lawsuit, a group of advertisers now says that Facebook has been willfully withholding

information about how much time its users spend watching paid ads—if more people spend more time watching ads, then those ads can command higher rates.

#### FURTHER READING

Facebook opens the door wide for video advertisers

The case of *LLE One LLC et al. v. Facebook*, as first reported by *The Wall Street Journal*, was filed two years ago and is currently pending in federal court in Oakland, California. In it, the plaintiffs say that, as part of the discovery from their lawsuit, they have learned that Facebook's "action rises to the level of fraud and may warrant punitive damages."

As the plaintiffs' attorneys continued:

In addition to Facebook knowing about the problem far longer than previously acknowledged, Facebook's records also show that the impact of its miscalculation was much more severe than reported. The average viewership metrics were not inflated by only 60-80 percent; they were inflated by some 150-900 percent.

...

Facebook did not wish to draw scrutiny to its viewership figures because it knows that the majority of video ads on its platform are viewed for very short periods of time—users scroll right past. If advertisers were more widely aware of this fact, and in particular, if they knew that their advertisements were among those that were not drawing viewers' attention, they would be less likely to continue buying video advertising from Facebook.

Facebook did not immediately respond to Ars' request for comment. But on Tuesday, the social media giant told *The Wall Street Journal* that the allegations were "false."

In September 2016, Facebook announced that it **noticed** the error in August 2016 and had moved quickly to correct it.

"About a month ago, we found an error in the way we calculate one of the video metrics on our dashboard—average duration of video viewed," David Fischer, a Facebook vice president, **wrote**. "The metric should have reflected the total time spent watching a video divided by the total number of people who played the video. But it didn't—it reflected the total time spent watching a video divided by only the number of 'views' of a video (that is, when the video was watched for three or more seconds)."

An October 5, 2018 filing by one of Facebook's attorneys, Michelle Ybarra, reiterated the company's argument that the case should be dismissed, as the advertisers did not adequately demonstrate that they "**actually relied on the metrics at issue.**"

The two sides will appear before US District Judge Jeffrey White in Oakland on December 14, 2018 at 9am.