Instagram Hit With Class Action Lawsuit

After Instagram announced revised terms of service last week, the Facebook [1]-owned photo-sharing service caused many users to suspect the company was going to begin selling user photos without compensation. It also announced a mandatory arbitration clause, forcing users to waive their rights to participate in a class action lawsuit except under very limited circumstances.

As a result, Instagram has now been been hit with what appears to be the first civil lawsuit [2] to result from these changed terms of service. In a proposed class action lawsuit filed in San Francisco [3] federal court on Friday, a California [4] Instagram user leveled breach of contract and other claims against the company.

Although Instagram almost immediately changed some of the terms of service, it still kept language indicating “that we may not always identify paid services, sponsored content, or commercial communications as such.” While Instagram did keep the mandatory arbitration clause, there is no longer a liability shield against class action lawsuits.

“We believe this complaint is without merit and we will fight it vigorously,” said Facebook spokesman Andrew Noyes.

The lawsuit, in U.S. District Court, Northern District of California, is Lucy Funes, individually and on behalf of all others similarly situated vs. Instagram Inc., 12-cv-6482, and was filed by San Diego [5]-based law firm Finkelstein & Krinsk. The firm says customers who do not agree with Instagram’s terms can cancel their profile but then forfeit rights to photos they had previously shared on the service.

“In short, Instagram declares that ‘possession is nine-tenths of the law and if you don’t like it, you can’t stop us,’” the lawsuit says. [6]

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