WhatsApp co-founder Jan Koum is leaving Facebook after ⁶ Zuckerberg says that Facebook will 'spy on anyone they want to'

The messaging app's CEO pushed back against Facebook's approach to user data, advertising, and encryption

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WhatsApp co-founder and CEO Jan Koum is leaving the company amid arguments with parent company Facebook over data privacy

and the messaging app's business model, according to a <u>report</u> from *The Washington Post*. Koum, together with his fellow cofounder Brian Acton, sold WhatsApp to Facebook in 2014 for an eyepopping sum of \$19 billion, \$3 billion of which consisted of Facebook stock granted to both Koum and Acton, who <u>left the company back in</u> <u>September</u>. Koum <u>confirmed his departure in a personal Facebook</u> post today.

Koum's Facebook post does not mention any inner turmoil at WhatsApp or address any of *The Washington Post*'s reporting, which suggests Koum took issue with Facebook's approach to data privacy and encryption:

It's been almost a decade since Brian and I started WhatsApp, and it's been an amazing journey with some of the best people. But it is time for me to move on. I've been blessed to work with such an incredibly small team and see how a crazy amount of focus can produce an app used by so many people all over the world.

I'm leaving at a time when people are using WhatsApp in more ways than I could have imagined. The team is stronger than ever and it'll continue to do amazing things. I'm taking some time off to do things I enjoy outside of technology, such as collecting rare air-cooled Porsches, working on my cars and playing ultimate frisbee. And I'll still be cheering WhatsApp on – just from the outside. Thanks to everyone who has made this journey possible. In response, Facebook CEO Mark Zuckerberg responded to Koum in a comment saying, "Jan: I will miss working so closely with you. I'm grateful for everything you've done to help connect the world, and for everything you've taught me, including about encryption and its ability to take power from centralized systems and put it back in people's hands. Those values will always be at the heart of WhatsApp."

Both Koum and Acton are devout privacy advocates, and both pledged to preserve the sanctity of WhatsApp when they announced its sale to Facebook four years ago, which meant the duo planned never to make integrating the product with a user's Facebook account mandatory and said it would never share data with the parent company. WhatsApp became <u>entirely end-to-end encrypted in April of 2016</u>, and the company has <u>resisted calls from government agencies</u> to build back doors into its product even for counterterrorism and law enforcement measures.

However, Facebook pushed WhatsApp to change its terms of service last year to give the larger social network access to WhatsApp users' phone numbers. Facebook leadership also pushed for unified profiles across its products that could be used for data mining and ad targeting, as well as a recommendation system that would suggest Facebook friends based on WhatsApp contacts.

The business model of the app also created contention between Koum and Facebook, with the latter company pushing for the elimination of the \$0.99 annual "FACEBOO K PUSHED WHATSAPP TO CHANGE ITS TERMS OF SERVICE subscription fee to increase user growth and looking to advertising and other methods, like letting businesses chat with customers. as potential sources of revenue. The plan to bring businesses onto the platform was especially thorny, as Facebook reportedly wanted to weaken WhatsApp encryption to let businesses read user

AND LOOK INTO **ADVERTISI** NG"

messages, The Washington Post reports.

Koum's departure is four years and one month since the acquisition, meaning he's been able to fully exercise all of his stock options under a standard corporate vesting schedule. But the reasons for his leaving seem to be more idealogical than financial. Acton, who has poured \$50 million of his own money into encrypted messaging app Signal, tweeted back in March, "It's time," along with the hashtag #DeleteFacebook, in response to the ongoing Cambridge Analytica data privacy scandal. So it seems both founders are fed up with Facebook