By Eric Auchard

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SAN FRANCISCO (Reuters) - Most people missed the announcement about how Google Inc. wants to burrow inside your brain and capture your most intimate thoughts. That's because it never happened.

But Google, the world leader in Web search services, is the focus of mounting paranoia over the scope of its powers as it expands into new advertising formats from online video to radio and TV, while creating dozens of new Internet services.

True, the Silicon Valley company has millions of people telling it daily what's apparently on their minds via simple Web searches, generating mountains of information about consumer behavior.

The company uses this information to make money by selling advertisements, but people who are used to browsing anonymously around stores or channel-hopping on TV find it unnerving to realize that in a digital world, their every move is recorded.

As people spend more time online and realize just how much information Google is collecting about their habits and interests, the fear develops that true or false revelations of the most personal, embarrassing or even intrusive kind are no more than a Web search away.

The company mission statement reads: "Organize the world's information and make it universally accessible and useful" and, famously, "You can make money without doing evil."

With Google search a fact of life, some suggest our notions of privacy need to move with the times.

"We are in transition in our idea of privacy and we are still discovering ways to make sense of the implicit traces people leave behind," writes David Weinberger in a new book, "Everything is Miscellaneous: The Power of the New Digital Disorder."
Google’s breakneck changes stoke privacy fears -- Yahoo! News

INCONVENIENT TRUTHS

Nicole Wong, the Google attorney who oversees a team of lawyers who consider privacy and other policy issues that go into the making of each product, says she isn't surprised people are anxious or concerned about these innovations.

"The pace of change in technology is so much faster now," Wong said. "Instead of a generation, or even years, we are seeing breakthrough technologies emerging in the space of months." Social norms have a hard time keeping pace.

Privacy policy activists complain Google's $3.1 billion plan to acquire DoubleClick, which connects buyers and sellers of online advertising, would double the number of Internet users on which Google keeps tabs to upward of 1 billion.

For several years now, friends, enemies and first-time daters have had to face up to the inconvenient truths that turn up with a little Web snooping -- dubbed Google-stalking.

Just by searching on Google for the names of ex-lovers, schoolmates, or people they have just met, they can find out more about them than they bargained for.

Other services which stir concerns Google may know too much about us: its e-mail service, Gmail, which puts advertisements up alongside mails people receive based on a scan of their contents; Google Desktop, which helps users search the local contents of computers; and Google Earth -- satellite maps which go down to street level. Another map feature has produced random surveillance-like shots of individuals going about their days.

Also last month, Google took a big step to unify its different categories of Internet search -- for images, news, books, Web sites, local information, video -- in one service.

Unified Search offers no information not already available on Google, but by putting it all in one place, it is turning up sometimes disconcerting links between previously unconnected types of data.

And Google is testing various forms of personalized Web search, including Web History, a feature that allows individual users to look back at a chronological history of their search activity over several years.

Users learn what predictable creatures they are -- what good and bad habits they have -- when their entire Web search record is revealed, stretching back days, months, even years.

By offering a digital record of users' daily interests, Google is giving those who choose the service an unprecedented level of insight into their own thinking.

Computers have begun to play the confessional role once reserved for the local priest, or psychotherapist.

RULES NEED CHANGING

Modern privacy fears, and legal thinking on the topic, date back to the invention of aggressive flashbulb photography and the electronic distribution of tabloid news more than 100 years ago, historians say.

Every major privacy panic since then has occurred against a similar backdrop of rapid
technology change, and the psychological dislocations that inevitably follow until a new period of social adaptation and understanding evolves.

"A lot of these things are not about Google in particular but we've become the focus of that debate and as a leading company that's an appropriate role for us to play," says Peter Fleischer, Google's global privacy counsel.

Google has responded by calling for comprehensive legislation to harmonize laws of various governments, all of which want their say over the World Wide Web. Self-regulation by the Internet industry has not worked, the company says.

"Patchwork regulation is confusing for consumers because they don't know which privacy regulations should apply in different situations," Google attorney Wong says of U.S. privacy laws.

New rules are needed to fend off governments which might try to force companies to divulge customer data, Google argues. It fought off just such a court request by U.S. authorities last year and argues that for the limited purposes it keeps customers' data, it is a reliable custodian.

"Google is working with companies across an array of industries to get baseline privacy legislation that would be much closer to the comprehensive protections in Europe and some other countries," says Wong, whose title is associate general counsel. She also is working on laws with Asian countries.

Google has initiated a plan to limit the amount of time the company stores personal data to no more than two years across its massive collection of hundreds of thousands of computers.

The proposal spurred debate with privacy regulators in the European Union. Google last week agreed to scale back its data retention plans to 18 months.

It argues that everything from spell-checking on its Web search service to anti-fraud protections to government data retention laws won't work over any shorter timeframe.

Rivals have not set time limits on storing personal data.

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(Additional reporting by Reuters TV reporters Matt Cowan in Paris and Laura Wells in New York)