

Heavy Meta

Is rebranding worth all this?

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October 28, 2021, was a big day for the “metaverse.” During the Facebook Connect Conference, Facebook CEO Mark Zuckerberg announced his decision to rebrand Facebook’s corporate name to Meta and reinvigorate its logo to an infinity loop or a droopy letter “M.” Zuckerberg claimed the rebrand aligns with the company’s plans to focus on the “metaverse” and goals to transition the public from perceiving the brand as a social media company to a metaverse company. (For those of us who haven’t been keeping up, metaverse is defined in popular media as a fully immersive online realm that looks similar to the real world but is computer generated.)

In addition to announcing the Facebook rebrand, Zuckerberg also mentioned plans to focus on futuristic alternative reality work. After all, in addition to the Facebook, Instagram and WhatsApp properties, Facebook now owns Oculus, which is said to redefine digital gaming and entertainment by translating movements into virtual reality.

While Zuckerberg’s statement may be technically accurate, there can be little doubt that the rebranding effort serves a dual purpose of moving the brand away from the intense backlash Facebook has recently received for its business practices on its social platforms. In September, a whistleblower leaked damning documents and testified before Congress

about Facebook’s awareness of Instagram’s toxicity for teenage girls’ mental health and the company’s decision to downplay the ill effects of the social media platform to the public.

Despite the leak, Facebook has disputed that Instagram exacerbates body issues in teenage girls. Further, over the past year, Facebook has been slammed with a series of antitrust lawsuits and privacy complaints. Facebook was also accused of spreading election misinformation.

The move to rebrand to “Meta,” which Zuckerberg says can also mean “beyond,” is perhaps an effort to indeed move “beyond” these recent scandals. Facebook is not the first brand to go down this prickly path; many arguably famous companies have also rebranded in the face of scandal.

For instance, Philip Morris, famous for producing the Marlboro and Virginia Slims cigarette brands, changed its name to Altria Group in 2003, after the negative health effects of smoking became undeniable. In 2010 Comcast rebranded to Xfinity after being associated with having poor customer service.

In 2016, Dunkin’ Donuts dropped the “donuts” portion of its name, at least partially over health concerns. Dunkin was clever in its rebranding announcement, stating that the company had “been on a first name basis with

its fans” for a long time, adopting the tag line “Our friends call us Dunkin’.”

More recently, Quaker Foods North America rebranded the syrup formerly known as Aunt Jemima to Pearl Milling Company, recognizing that Aunt Jemima’s origins were based in racial stereotypes. Similarly, former rice brand Uncle Ben’s recently rebranded to Ben’s Original.

Many companies make minor changes to their logos or give their promotional materials a refresh from time to time; however, undergoing a complete rebrand is relatively unusual—and for good reason. Undertaking a complete overhaul of a brand can be an expensive and risky undertaking, especially when a company provides goods and services worldwide. The rebranding process itself can be very costly, the company-wide effort required to inform the general public of the new brand is a hugely complex marketing task, but most importantly, and difficult to predict, is how loyal consumers will embrace the brand’s new identity.

The risk-laden rebranding blueprint goes something like this: after a company decides to rebrand, it first must select a new trademark to adopt and promote to the public. Before implementing a new mark, however, the company must ensure it’s available for use and that it, or a confusingly similar variant,

is not already in use by a company offering identical or similar goods or services.

This already complex process can become even more complicated if the company operates in multiple jurisdictions. To clear a potential mark, a company will likely engage a trademark attorney to conduct a search to assess whether the mark potentially conflicts with prior used or registered marks or prior-filed applications.

Clearance searches usually review trademark office records, business name databases, trade directories, social media sites, domain name records and the internet, and will search not only identical and confusingly similar trademarks, but also phonetic equivalents, alternative spellings, synonyms, anagrams, marks with similar words or components and foreign language equivalents.

If a company chooses the less-prudent path, and short-cuts the process by adopting a mark without first clearing it, it risks the embarrassment of being refused registration for the new mark (back to the drawing board), or worse, being accused of infringement from the prior user. If a clearance search is performed, and the potential new trademark is clear, the company has overcome the first major hurdle of a rebrand.

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The next step in a rebrand typically involves securing trademark protection for the new trademark. To protect a trademark, companies file applications for registration with trademark offices in the countries where they intend to offer goods and services under the mark. And here's where it gets tricky. For any rebrand, controlling the narrative marketing can dictate how well the new roll-out will go. If the public gets wind of the rebrand before the company is ready, disaster awaits.

Much like the Facebook rebrand to Meta, secrecy is often paramount, but the act of registering the new trademark with the United States Patent and Trademark Office ("USPTO") is anything but. Companies are often hesitant to file applications for registration of new trademarks with the USPTO, since new trademark applications instantly become a matter of public record, and there are a lot of eyes watching USPTO filings.

So how did Zuckerberg and Meta keep it under wraps? Companies often adopt a strategy to file in a foreign country first, where the trademark office records may not be easily searchable, then rely on the "right of priority" under the Paris Convention allowing them to file an application in other jurisdictions within six months of that filing. Pursuant to the Paris Convention, these subsequently filed applications would then be treated as if they had been filed on the same day as the first application; that is, they have priority over applications for the same or similar marks filed by others during that six-month period.

It appears this may be the strategy Facebook employed during its rebrand. A quick search of the USPTO records did not reveal any applications for registration by any company that seemed to be related to this new "Meta" entity. However, the search did show an application for registration of "META" filed by a company called Meta PC, LLC in August 23, 2021, for use in connection with computers and related products.

Perhaps coincidentally, Meta PC has publicly stated that they're willing to sell their "META" application and mark to Facebook for a mere \$20 million. And *voilà*, Facebook confirmed that it is confident it has the rights to move forward with its rebrand. Well played, Mr. Zuckerberg; Facebook was likely one step ahead.

Despite the negative press the company has received, it is notable that Facebook is not altogether discontinuing use of the mark Facebook; it is simply changing the corporate name. One issue that companies face when rebranding is that they cease use of the old trademark in which they have developed so much goodwill, abandoning the mark, and ultimately leaving it available for another company to start using.

When a company abandons a mark, it must understand that it is risking the possibility that a different company could adopt the mark for its own business. In such a case, the original brand-user would no longer have rights in that mark. However, in some cases, even where the prior owner has not actively used a mark for many years, the subsequent user's adoption and use of the mark can constitute trademark infringement.

To be protectable after what would otherwise be deemed abandonment, the mark must be considered well-known, recognizable mark. These marks have been cleverly deemed "zombie marks" because they rise from the dead. Zombie brands are described as "previously abandoned, newly revived trademarks that still enjoy a measure, and sometimes an extraordinary measure, of consumer protection and loyalty." Gilson on Trademarks § 3.05 [7] [b] (Matthew Bender) (2016).

Owners of trademarks that have widespread consumer recognition and considerable goodwill, like Facebook, often think very carefully about abandoning well-known trademarks and rebranding entirely. If it is determined that the original owner has actually abandoned a trademark, the owner no longer has rights in the mark to enforce the mark and the mark becomes fair game for another to adopt. This is just one consideration to consider in a rebranding, along with many others, including increased marketing expenditures, the loss of years of goodwill in the previous brand and potentially consumer confusion.

An alternative to a full rebrand is to dabble with a "fluid" mark. For example, Google, Inc., on its famous search engine page, frequently converts its logo into a design that celebrates a person or event. Over Halloween, the "Google doodle" celebrated with a Halloween-themed Google logo on its landing page. Because the Google logo is so familiar to consumers, it can not only tolerate the variation in presentation, but may help

maintain consumers' attention and interest in a way that strengthens the mark.

Before making a decision to rebrand, businesses should think long and hard about why the business is rebranding, what problem the business is attempting to solve, whether the business' needs have changed and whether the potential loss of goodwill in the old brand (and revenue) is worth the risk. Businesses will also want to look to future trends and consider whether this new solution will work five, ten or even fifteen years down the road, and whether rebranding is truly the steppingstone that helps the brand reach and meet the needs of their current and future customers.

The goal of rebranding is often to have consumers look at a brand again and bring renewed excitement to the brand. If a rebrand will reinvigorate the business, outweigh the potential risks involved, and help move away from a scandal, it may be worth stepping into the "metaverse."

Paul is a member of the Intellectual Property & Technology Group at Stites & Harbison. Her practice concentrates on litigation involving intellectual property infringement and trade secret misappropriation, prosecuting trademark and copyright registration applications, litigating trademark opposition and cancellation proceedings as well as negotiating and drafting licenses and other contracts that involve intellectual property or technology rights. ■



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