

## Did Facebook Wag the Dog with Its New Name and Expansion into the Metaverse?

Facebook Inc. has rebranded as Meta in an effort to encompass its virtual-reality vision for the future known as the metaverse. Facebook CEO Mark Zuckerberg made the announcement on October 28 at the company's Connect virtual reality conference.<sup>i</sup> The company owns Meta.com, which now redirects to a landing page, “about Facebook”, that outlines the changes.<sup>ii</sup> The Verge first reported about a name change on October 19, citing a source with direct knowledge of the matter.<sup>iii</sup> In his Founder’s Letter, Zuckerberg explains how the company will report as two different segments: “one for our family of apps and one for our work on future platforms”.<sup>iv</sup> This move is akin to Google’s 2015 reorganization under a new holding company called Alphabet.<sup>v</sup> At the time, Google signaled it was much more than a search engine, but rather a conglomerate making driverless cars, healthcare technologies and much more. This new move coincides with mounting scrutiny by the US government over Facebook’s failure to deal with hate speech and misinformation on its platform. It is also at the heels of one the biggest scandals Facebook has had to face with whistleblower Frances Haugen, a former Facebook product manager, alleging the company put profits over the public good and a toxic place for teenagers.<sup>vi</sup> The timing may in fact be a diversion tactic, but changing a name requires at least six months to develop and would likely cost millions of dollars due to the legal leg work, according to Laurel Sutton, co-founder of the branding agency Catchword.<sup>vii</sup> It is therefore much more likely that this has been in the works for quite some time and that the name change was timed to alleviate the current PR nightmare. Facebook’s metaverse plans were in fact revealed during its second quarter earnings conference call on July 28, where Zuckerberg described the metaverse as a virtual environment in which one can be present with people in digital spaces using virtual reality (VR) and augmented reality (AR) technology, rather than laptops and cell phones.<sup>viii</sup> Zuckerberg expects people to know the Meta brand; he wants people to know the “metaverse-first, not Facebook-first.”<sup>ix</sup>

The new era of the metaverse will impact all aspects of our society, and it will also have legal implications. Facebook will have to contend with other technology companies, which may involve collaborative agreements to maintain interoperability among different creators. Video game companies have been leading the charge. Epic games, the maker of the popular Fortnite video game, has raised \$1 billion from investors to help with its long-term plans for building the metaverse.<sup>x</sup> However, in this new matrix-like world, a set of new issues will arise. As our avatars interact and play, they may in fact create, raising intellectual property ownership issues. On September 2, a Federal Judge ruled that only natural persons can be inventors.<sup>xi</sup> The metaverse could produce virtual creations by avatars with AI aspects built into them. If these are deemed AI creations and not human, they may not be allowed certain types of intellectual property protection. Also at issue will be the new data collected. The metaverse will have embedded sensors, cameras, and microphones, which will feed our data into their central system. This scenario carries even greater potential for abuse and misinformation. Facebook is already in hot water over failures to protect our personal data and has yet to fix those problems in its current platforms. Policymakers need to face these problems now, otherwise they will simply spill over into the metaverse.

Josh is a 2L at Vanderbilt Law School from Reno, Nevada. In his free time, he enjoys cooking, working out, and watching NFL and NBA games.

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<sup>i</sup> <https://www.npr.org/2021/10/28/1049813246/facebook-new-name-meta-mark-zuckerberg>

<sup>ii</sup> <https://about.facebook.com/meta>

<sup>iii</sup> <https://www.theverge.com/2021/10/19/22735612/facebook-change-company-name-metaverse>

<sup>iv</sup> <https://about.fb.com/news/2021/10/founders-letter/>

<sup>v</sup> <https://www.sec.gov/Archives/edgar/data/1652044/000119312515336577/d82837d8k12b.htm>

<sup>vi</sup> <https://www.wsj.com/articles/facebook-whistleblower-frances-haugen-says-she-wants-to-fix-the-company-not-harm-it-11633304122>

<sup>vii</sup> <https://time.com/6108867/facebook-new-name/>

<sup>viii</sup> [https://s21.q4cdn.com/399680738/files/doc\\_financials/2021/q2/FB-Q2-2021-Earnings-Call-Transcript.pdf](https://s21.q4cdn.com/399680738/files/doc_financials/2021/q2/FB-Q2-2021-Earnings-Call-Transcript.pdf)

<sup>ix</sup> <https://about.fb.com/news/2021/10/founders-letter/>

<sup>x</sup> <https://apnews.com/article/technology-business-lifestyle-games-mark-zuckerberg-f57e01cd5739840945e89fd668b0fa27>

<sup>xi</sup> Memorandum Opinion at 8-9, Thaler v. Hirschfeld, No. 1:20-cv-00903 (E.D. Va., Sept. 2, 2021).