

## Meta's Threads platform a direct challenge to Twitter

### Alleged misappropriation of Twitter's Trade Secrets and IP including scraping of Twitter data.

Meta's patent portfolio illustrates its invention ownership strength in the technology stack that underpins the Twitter platform.

"*Competition is fine, cheating is not*". This the tweet from Elon Musk in response to the launch of Meta's Thread platform. A letter sent to Mark Zuckerberg by Twitter accuses the social media giant of wilful misappropriation of trade secrets and confidential data. This IP infringement allegedly executed through the hiring of former Twitter employees.

Since acquiring Twitter for US\$44 billion in October last year, Elon Musk has cleaned out the company, replacing top management and firing more than 80% of employees. This itself not necessarily a bad thing to reposition the business for accelerated commercial success, but the impact of a significant reduction in content moderation raised concerns. Consequently, the company has come under pressure with many advertisers suspending campaigns on the platform. Musk said in June that almost all advertisers have come back or have said they will come back, but that 2023 revenue is on track to post US\$3 billion, down from US\$4.4 billion in 2022 and US\$5.1 billion in 2021. The New York Times reported in June that internal documents put Twitter's U.S. advertising revenue for the five weeks from beginning April to the first week of May at \$88 million, down 59% from a year earlier and that U.S. weekly sales projections continue to miss targets, sometimes by as much as 30%. Under the pressure of declining advertising revenue, launch of the Threads platform comes at a challenging time.

Meta's Thread platform was launched in the first week of July by Instagram in a rollout to over 100 countries. It is pitched as a text-based conversation App to rival Twitter. The launch has been a strong success for Meta with more than 30 million users reported as signing up within the first 24 hours of launch.

The letter sent by Twitter opens up a path to litigation around non-patent related IP infringement. But demonstrating invention ownership in the technology stack upon which the Threads platform is built is a potentially powerful defensive tool for Meta. Examining the technology overlaps across the two patent portfolios provides transparency on the invention ownership in technology areas of relevance. Using unsupervised machine learning we look specifically at Meta's positioning across Twitter's technology stack as represented by the patent portfolios of each.

### Key Messages:

- Twitter's invention ownership is weighted towards the two technology categories of:
  - Social networking, computer readable media, networking system, online system, machine learning
  - Program, online social network, software, graphical user interface, data processing system
- Meta demonstrates strength in invention ownership across Twitter's top technology areas, illustrating its in-house developed IP in the technology stack that underpins the Twitter platform. This strengthens its defensive position to IP infringement claims from Twitter.

Twitter vs Meta Invention Ownership as indicated by the patent portfolios of each, clustered by primary technology areas.

