

Trial by Public Opinion

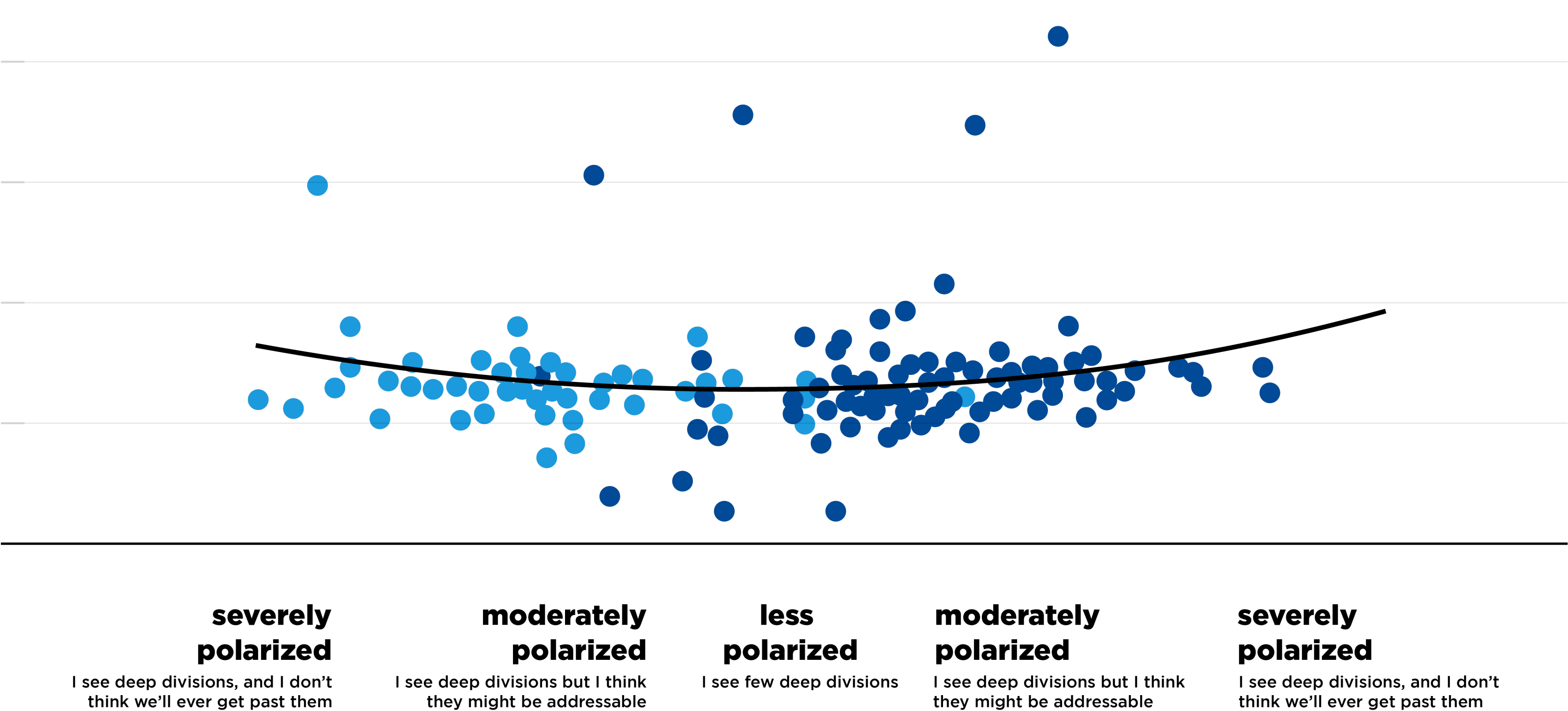
Examining the Rise of Reputation Laundering Cases

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Public Dialogue 2018

Presenting own viewpoint
Seeking for understanding

Societal Polarization Map 2018
Economic Anxieties / Institutional Imbalance /
Class Divide / Battle for Truth

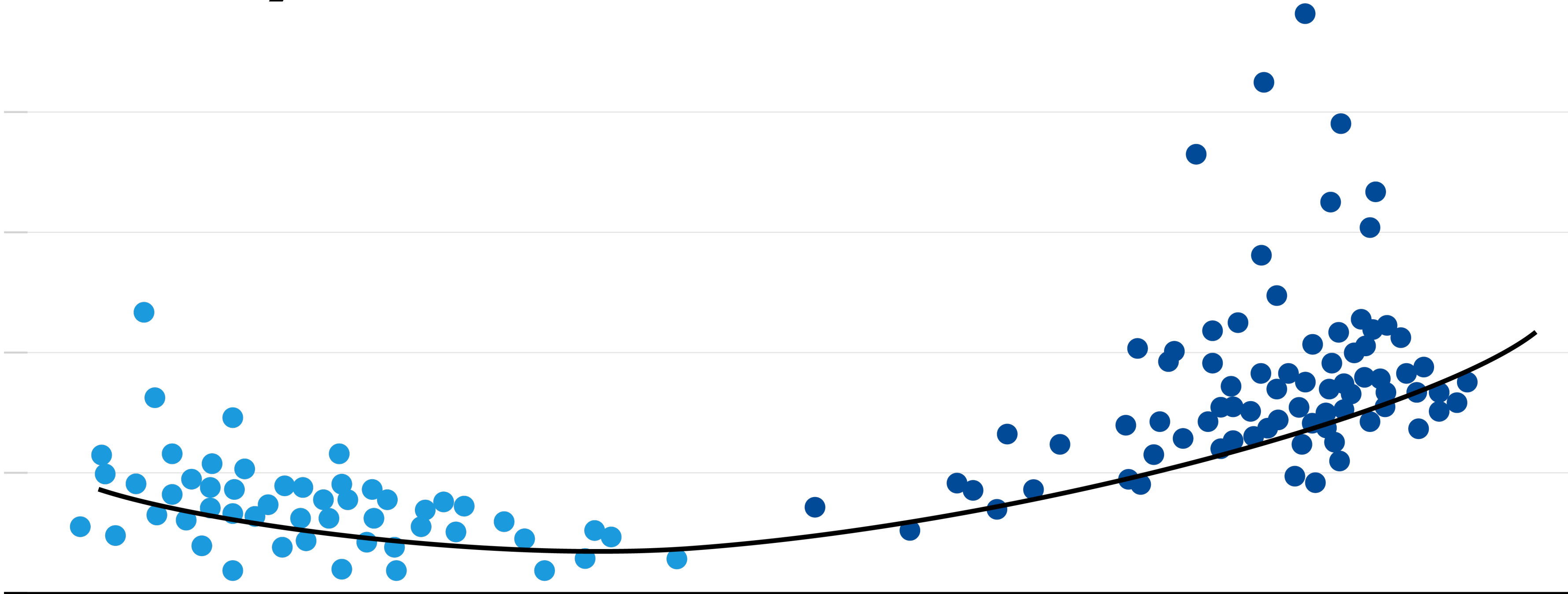


*Pew Research: Beyond Red vs. Blue: The Political Typology, 2021

Public Dialogue 2023

Shouting at each other from a distance
Punishing differences of opinion

Societal Polarization Map 2023
Economic Anxieties / Institutional Imbalance /
Class Divide / Battle for Truth



*Edelman Trust Barometer, 2023

severely polarized

I see deep divisions, and I don't think we'll ever get past them

moderately polarized

I see deep divisions but I think they might be addressable

less polarized

I see few deep divisions

moderately polarized

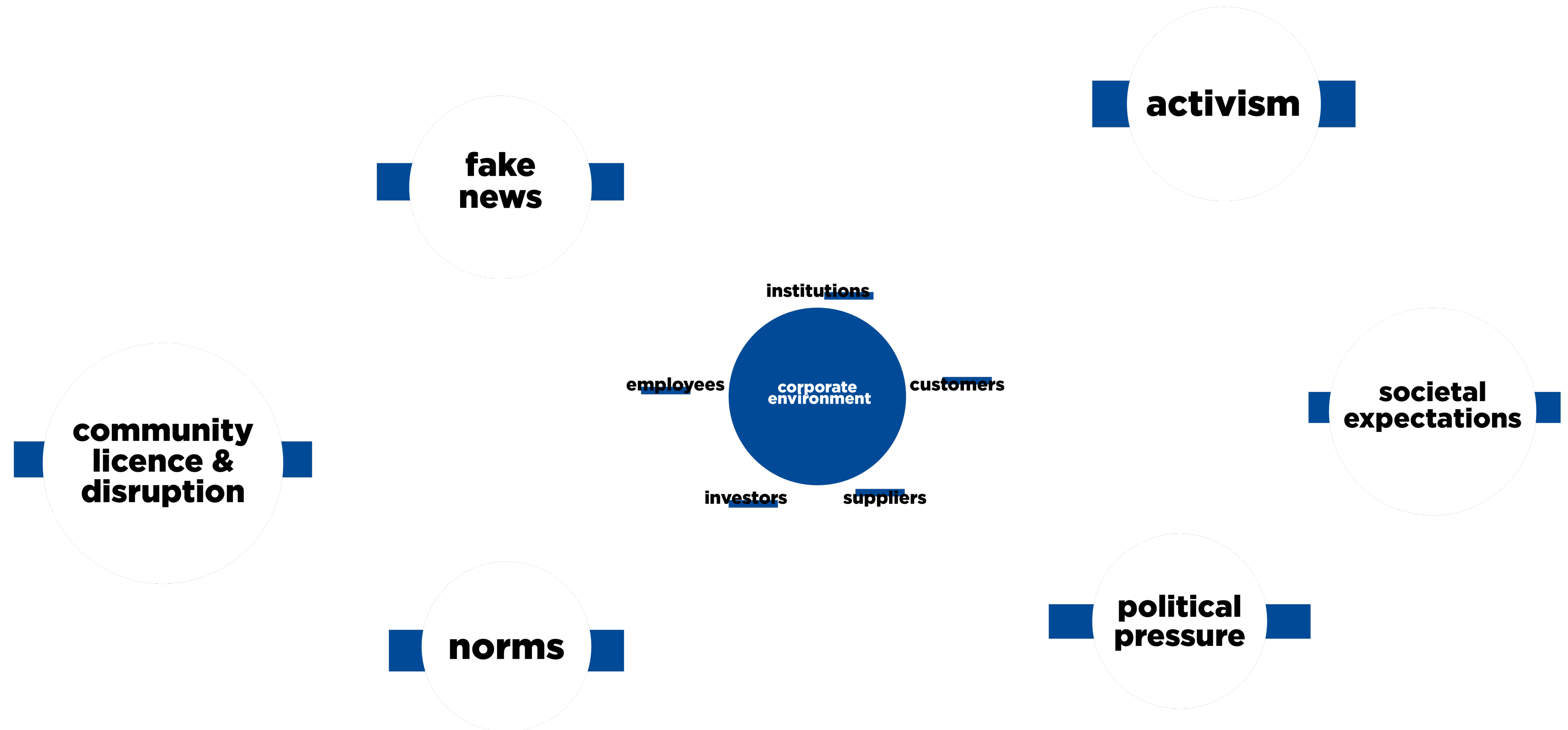
I see deep divisions but I think they might be addressable

severely polarized

I see deep divisions, and I don't think we'll ever get past them

Litigations & Reputational Sanctions

”Reputation building” and/or
”Competitor defeating” tactics



Oxford University Centre for Corporate Reputation

Why Focusing on law

**Norms & Laws: Legal vs Rightful Communication.
Clashes of Legal Positivism and Natural Law in
Corporate Environment.**

68.6%

**Of businesses have
experience at least 1 crisis
in the past 5 years**

19.2%

**Of Crisis cases in business
result in litigation.**

4 years

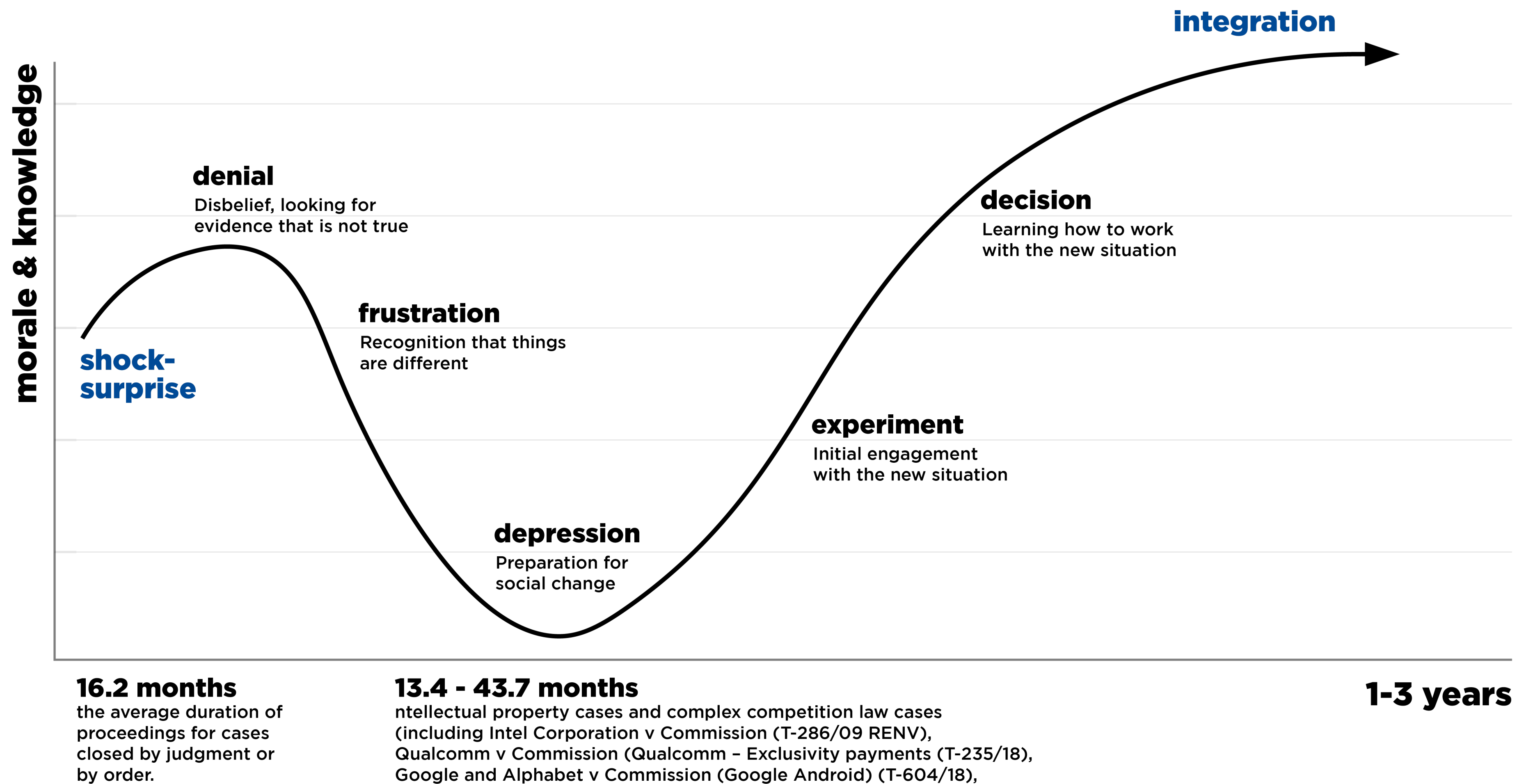
**16% of businesses that
experienced past crises
said their reputations
recovered in four years or
more.**

PwC Global Crisis Survey/ 43 countries, 2,084 respondents

The majority of business disputes are settled outside a court of law. The vast majority of cases— from 80% to 92% do settle. However, the likelihood of cases involving reputation getting to court is more than 70%. Once in Court, it's the case of crisis communication with a “healing the wounds” agenda.

The Kübler Ross Change Curve

For Reputational Litigation
1,5 to 3,5 years to construct and/or destroy reputation.



Statistics concerning the judicial activity of the General Court, 2023
THE COURT OF JUSTICE OF THE EUROPEAN UNION

Reputational Laundering

The market overreacting to certain misbehaviors and underreacting to others.

Public Relations Litigation

It is no secret that litigation can harm a defendant's reputation. However, litigation is often used by plaintiffs to enhance their own reputations and protect/enhance their corporate assets even when they know they cannot win.

Public Relations Litigation
Vanderbilt Law Journal, 2019

Reputational Regulation

Indirect reputational effects of litigation often act as a more powerful alternative to formal legal sanctions when seeking to improve corporate behavior.

Reputational Regulation
Duke Law Journal, Vol 67, February 2018

Reputational Theory of Corporate Law

The main impact of corporate law is not in imposing financial sanctions, but rather in producing reputational information.

A Reputational Theory of Corporate Law
Stanford Law & Policy Review, Vol 26, 2015

Reputational Litigation

Do companies buy or
earn reputation?

Google vs Uber

Patent litigation to protect
reputation and prevent employee defection

Walgreens vs theranos

Post crisis litigation as sense making
around allocation of blame



Product litigation to attack reputations of
others and gain competitive advantage

Also Litigation as a means to lower the stock market valuation of companies

How to thrive

Our roles as Leaders & Servants of Public Dialog

Start recognizing the reputational laundering and its new frames

Support earning and never the case of “buying” or “defeating” reputations, at least in your organizations. The faster the world gets, the slower and harder it becomes to earn reputations. We respect choices of “infinite” game, but “finite” is still legal.

Start identifying risks for your organizations

Likelihood of you having to make a decision to continue with your supplier or no and/or you become part of reputational sanctions is getting higher each year*.

Promote Ethical Use of Communications Tools

When the event happens in your court, please encourage ethical usage of communications tool. Remember the legal vs rightful debate.

**Thank
you**

**For Questions & Enquiries
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