

The inside track — Coca-Cola

The recently appointed European trademark counsel for The Coca-Cola Company discusses moving from private practice, tightening budgets and poor customs legislation, among other things

Feature by **Véronique Musson**

Barry Gerber is European trademark counsel at The Coca-Cola Company. Originally from Cape Town, South Africa, he has been living in the United Kingdom since March 2000. "I came for one year, but one year became two, then three and before I knew it I had been in London eight years," he says. He obtained his BA from the University of the Witwatersrand, Johannesburg, and a postgraduate bachelor of laws degree from Rhodes University, Grahamstown.

When did you realise you wanted to be a trademark lawyer?

I had not taken intellectual property as a subject at university, but I came across it when I looked for a training contract; I looked into the topic and thought it would be exciting, especially as it seemed to attract people of very high calibre. I applied for a training contract at the South African specialist IP firm of DM Kisch and had to do a lot of preparation before my interview. It paid off as I was offered the contract. Trademark law is such a fluid, fast-changing field and you really have to make an effort to keep up with developments. We all come into contact with hundreds of different brands every day, and to be a part of the creation and protection of many of these brands is what makes me enjoy my job.

How long have you been in your current position and what does it entail?

I joined Coca-Cola in May this year and this is my first position in-house, so it is all very new. Before that, I was in private practice at SJ Berwin LLP in the City. The role at Coca-Cola attracted me because I thought that for someone interested in brands, working for the company that owns that most valuable brand in the world must be the best job in the world. It was also the right time in my career to move away from private practice because once you've become a partner in a firm, it is harder to make the move into business. The two sides are very different — in-house you are not so much a lawyer as a businessperson; you need to give your internal clients clear answers — without caveats. You have to make a choice and live with the consequences. It's a steep learning curve.

As to what my role entails: a lot! I deal with all aspects of intellectual property, apart from patents, which are managed out of Atlanta. I have responsibility for the company's trademarks in Europe, which in Coca-Cola geography translates into 46 countries. The area includes the European Union, the European Economic Area countries, the Adriatic region and all the smaller entities many people forget about, such as Monaco, Vatican City and the Channel Islands. This zone was recently redefined — previously, the European Union was a standalone region within the group. Because there are only four of us in London covering these 46 countries, each team member deals with a wide range of work. We have a very flat structure.

What aspects of the company's trademark management and enforcement are you most involved with?

I am involved with every aspect of our

Coke sets precedent in Japan

In a groundbreaking decision issued on May 29 2008, the Intellectual Property High Court, a division of the Tokyo High Court, ruled that The Coca-Cola Company's three dimensional (3D) contour bottle per se:

- Had acquired distinctiveness.
- Acts as an indicator of source.

Coca-Cola filed its trademark application before the Japan Patent Office (JPO) in 2003. The JPO rejected the application, finding that the contour bottle had not acquired secondary meaning as required for registration for configuration trademarks. The Appeal Board of the JPO sustained the examiner's rejection.

Through the law firm of Yuasa and Hara, Coca-Cola appealed the JPO rejection to the IP High Court, which held four hearings into the case in September and October 2007 and January and March 2008. Coca-Cola submitted over 130 exhibits demonstrating:

- Vast source-identifying use of the contour bottle over many years in Japan.
- The resulting strong immediate consumer associations between the contour bottle and Coca-Cola.

Among the exhibits submitted were:

- Many publications, including:

- "Study on Coca-Cola" (Kodansha Publishing).
- "50 Years of Upheaval: Visual History of Showa Era" (Coca-Cola Bottlers).
- "Creation of Business: Japanization of Soft Drinks" (Bunshindo).
- "True Histories of Hit Brands" (Tokyu Agency).
- "Legendary Management: Business History of Coca-Cola" (Mahoroba Shobo).
- "Open and You'll Find it America" (Ohbunsha).
- "Stories of American Brands" (Hannah Campbell).
- Information and samples of materials on websites.
- Coca-Cola's annual sales reports;
- Advertising materials.
- Titles and reproductions of television commercials.
- Consumer surveys conducted in 2003 and 2007.
- Books, including:
 - "Commentary of Unfair Competition Law" and "Commentary of Trademark Law" (Dr Shoen Ono).
 - "Overview of Unfair Competition Law" (Professor Yoshiyuki Tamura).
 - "Paris Convention Kowa (Lecture on Paris Convention)" (Professor Haruo Goto).

- Statements from university professors, the Japan Soft Drink Association and the Japan Foods and Biotechnology Intellectual Property Rights Centre.
- Registration certificates from foreign countries.

The decision of the IP High Court is final as the JPO did not file an appeal with the Japan Supreme Court. The contour bottle will thus be registered after re-examination by the Appeal Board of the JPO. This will be the first time that a 3D bottle configuration has been recognized as a trademark in Japan.

The decision will allow Coca-Cola to protect the contour bottle in Japan more aggressively and effectively; it will also increase the value of what many consider the world's most valuable commercial configuration. Also, the decision may result in the JPO modifying its practice so it more readily accepts 3D configurations as trademarks. For many years, the JPO has been reluctant to find trademark significance for 3D configurations, even where applicants submitted extensive evidence of secondary meaning acquired through extensive use, marketing and advertising.

The IP High Court decision highlighted two important points at variance with past

trademark management and enforcement for the region – searching and filing, prosecution, enforcement in the registry and the various courts in Europe, including customs issues involving counterfeit goods or parallel trading, licensing, clearance of packaging and advertisements, trademark-related transactions and drafting of related agreements. In the short time since joining the team, I have seen some sub-brands cleared and registered, and the products find their way into the shops, which is very satisfying.

What aspects of your job do you find most challenging?

As I mentioned earlier, translating legal advice from outside counsel into commercially useful advice is difficult and my experience before joining Coca-Cola was limited to giving advice from the outside. I have had to learn, as well as teach our outside counsel, that what we need is a 'yes', not a 'no' or a 'maybe'. Being on the in-house side of the profession

divide makes me realise how few people come up with alternative solutions – we often have to ask for more. For instance, if counsel identify a mark that is identical to one we want to register, we often have to ask specifically "For which goods is it actually used?", "How long has it been in use?" or even "How big is the company using it" – in case we could consider buying that company. We need practical solutions and people who think outside the box. It may be a cliché, but being able to do so sets apart the average from the very good.

What aspects do you find the most rewarding?

Working for a company that truly recognises the commercial importance of the brands it owns. Many of our brands are iconic household names that we all grew up with, so there is a deep appreciation of the responsibility that this involves.

Whom do you report to and what sort of

arguments used by the JPO in its rejection of Coca-Cola's 2003 application. First, the IP High Court judgment stated that because bottles are used to display many different marks and logos, it is not fair to deny that a configuration has acquired secondary meaning just because a word mark is used in association with the shape. The JPO had argued that when consumers see the contour bottle, they primarily focus on the famous word mark COCA-COLA and not on the 3D shape of the contour bottle itself.

Second, the court found that because minor changes are frequently made to the size and configuration of goods, it is wrong to reject the registrability of a 3D shape just because the configuration used is slightly different from that applied for registration. The JPO had argued that some of Coca-Cola's evidentiary submissions did not support registration as the actual commercial use of the contour bottle differed from the shape of the contour bottle in the application. In particular, the JPO highlighted that Coca-Cola's specimen for the contour bottle application had grooves at the top for a screw cap, while the contour bottle appearing in the market did not have a screw cap. Also, the JPO highlighted that the contour bottle depicted in the

specimen was a different colour from the bottle in use.

The IP High Court found that the differences between the specimen and the actual use did not nullify the fact that the contour bottle as depicted in the specimens was, for purposes of consumer perceptions, the same configuration.

Also, the court identified the following main reasons for recognising the distinctiveness and registrability of the contour bottle:

- The contour bottle had been used extensively in Japan over many years.
- The contour bottle was used as a brand symbol in advertising in Japan.
- Coca-Cola's surveys demonstrated that consumers recognized the contour bottle as an indicator of Coca-Cola as the source of the contour bottle without any logo or word trademark.
- Expert witnesses effectively testified that the contour bottle acted as a 3D trademark.

Because of the contour bottle decision, the JPO will likely modify its practice and many other companies with valuable 3D configurations will seek registrations for such configurations in Japan as well. Given the importance and extent of Japan's commercial activity, the decision will be

highlighted by Coca-Cola and other companies when seeking to register 3D bottle configurations, as well as other configurations, in Japan and in other countries in the Asia-Pacific region – such as Hong Kong and Singapore, where 3D bottle configurations have not yet been recognized as trademarks by the relevant trademark offices.

Where Coca-Cola has been able to get 3D registrations for the contour bottle, as in the recent Japanese case, those registrations greatly assist Coca-Cola in stopping third-party infringements and act as a deterrent against potential infringers. The victory before Tokyo's IP High Court follows Coca-Cola's many successes in the Asia-Pacific region in establishing groundbreaking precedent by getting the contour bottle registered. The recent decisions to allow the registration of the contour bottle in China and Thailand were also the first-ever bottle configuration registrations in these countries.

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relationship do you have with the other key players in the company?

I report functionally to Chris Barnard, who is the Europe group general counsel. This means that for day-to-day matters, such as litigation within Europe, I would liaise with Chris. I also work very closely with Danise van Vuuren-Nield, who is the global managing counsel for trademarks and ensures close coordination and cooperation of all the group trademark counsel, who are arranged by region. We have regular discussions by phone, video link or face to face to ensure we are all aligned to the company's trademark policies and protocols, and to share best practice and legal developments with each other from our group perspectives as well as from a global perspective. Danise, whom I succeeded as European trademark counsel, also retains a close involvement in the European trademark strategy, particularly where global brands are concerned.

I also work very closely with the legal counsel at each of the company's business units around Europe, the marketing counsel

for Europe and the various marketing managers and directors. This company is all about its brands and everyone understands that they have a role to play in developing and safeguarding the company's brands.

What kind of relationship do you have with outside counsel and who are they?

We have an excellent team of outside counsel in all 46 jurisdictions and some of our relationships go back many decades. Most are the recognised leaders in their territories and are IP specialists. There are too many to name them all, but they include David Stone of Howrey LLP in the United Kingdom, Laura Alonso Domingo of Howrey Martinez Lage in Spain, Charles Guilen and Florence Verhoestraete from NautaDutilh in Benelux, Charlotte Protmann from Howrey LLP in France, Claus Eckhardt from Bardehle Pagenberg Dost Altenburg Geissler in Germany and Jeppe Brogaard Clausen of MAQS in Denmark.

What are the main protection/enforcement problems the team encounters, and where?

Like most other brand owners, we have issues with unlicensed merchandise bearing many of our famous brands, such as t-shirts bearing the Coca-Cola name in our trademark Spencerian script. We also have a problem with a wide range of lookalike products and in some territories, in particular some Eastern European countries, we have had issues with counterfeit products. We take a fairly robust approach to this type of infringement. Enforcement can be problematic in some territories – mostly those outside of the European Union or in the newer member states of the European Union – that do not have a very well-established practice or much experience of dealing with counterfeit goods.

What key deals or court actions has the team been involved in over the past couple of years?

Last year Coca-Cola acquired Glacéau, the maker of VitaminWater, in a deal worth over \$4 billion. Glacéau is run as a separate business within the Coca-Cola group and had a dedicated trademark team to supervise the acquisition. But all Coca-Cola trademark lawyers were also involved to make sure that the brands were available for use in each particular region.

How are licensing and internet issues managed?

Key facts

The Coca-Cola trademark team is made up of only 15 attorneys worldwide, split into a global team based in Atlanta and six regional teams (Brazil, Eurasia/Africa, Europe, Latin America, Pacific and North America/Canada), with paralegal and admin support.

- The Coca-Cola Company has registered around 30,000 marks globally. The IP portfolio also includes patents and a significant number of designs (in particular for bottle shapes).

- Coca-Cola is considered the most valuable single brand in the world. It was valued at \$67 billion in 2005 by Interbrand and \$43 billion by Brand Finance in 2006.
- Some brands are region or even country specific (eg, Lilt in the United Kingdom and Ireland, Appolinaris Vio in Germany and Oasis, which is used only in part of Europe).
- The head of marketing has the final say as to the choice of a particular brand in a specific country/region.

We have a licensing team in London and another in Atlanta, but I would be involved in reviewing agreements, for instance. Domain names are managed by an external agency in the United States, but complaints against third parties are handled by the relevant trademark team depending on the location of the respondent.

What is your department's budget?

I can't provide you with actual figures, but our trademark budget reflects the importance of our trademarks to the company. The IP budget is separate from the rest of the legal function's budget. It is allocated globally and then broken down by region. The rise of the euro against the dollar means that we have to be clever about how we use that budget. Luckily, we are big users of legal services and so can negotiate





discounted rates and ask for value for money. Internally, we are tasked to perform our functions in an optimal way in order to reduce our costs at every level. It is a simple reality that tightening belts in the current economic climate means budget cuts and a constant need to work smarter with whatever resources we have available.

If you could make one change to the law at this time, what would it be?

Amending the laws that do not allow brand owners to use information provided by Customs in later civil proceedings. This is a problem in most European countries and particularly the United Kingdom, where most of our problems have arisen. This is not an issue for Coca-Cola only – most brand owners have raised the issue too and the Anti-counterfeiting Group has been trying to change the law for years. The IP Rights Enforcement Directive (2004/48/EC) has clarified how brand owners can use information gathered by trading standards departments, which enforce the criminal trademark laws within the UK territory, but not with regards to customs information.

What are the current main areas of change and development in your work?

One area of change is the increased demand

for healthy products from customers. Coca-Cola has identified within its portfolio the products that would meet that demand and is now developing the relevant brands of water and fruit juices.

Another area of change is the economic slowdown, which is going to have an impact on how we work. On the one hand, there are increasingly high expectations of productivity and standards of work, and on the other, increasingly limited resources. This is going to be a problem for everyone, including law firms.

What would you say are the main challenges facing the trademark community as a whole at this time?

Again, tightening budgets, given the current economic climate.

If you could change one thing about your job, what would it be?

In an ideal world, we would have longer lead times for the launch of new products. Our marketing department tries to give us 14 to 18 months' lead time before a product launch, but this may be considerably shorter if it turns out that the original brand cannot be used. Extended lead times are unlikely to happen, however. In fact, given the speed of innovation within our industry, lead times are likely to be shortened even further. **iam**