

SUPPLEMENT - ASIA-PACIFIC IP FOCUS 2007 How Coca-Cola protects its rights in Asia

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Protecting the IP rights of one of the most valuable brands in the world is a daunting task. In few places is it more challenging than in Asia. Daniel Greif, trade mark counsel for Coca-Cola's Pacific Group, tells Emma Barraclough how he manages the company's regional portfolio of more than 5,000 trade marks

Would you explain how Coca-Cola structures its trade mark team?

Coca-Cola's entire legal function reports functionally to general counsel Geoff Kelly. Historically, all the trade mark lawyers were based in Atlanta. However, several years ago, the company placed some of its in-house trade mark lawyers in its group offices (North America, Latin America, the EU, Eurasia, Africa and the Pacific). This has allowed them to better serve Coca-Cola's client base because matters are addressed in real time.

In Atlanta, Bill Lummus, Coca-Cola's associate general counsel for marketing, strategy, innovation and customer, heads the company's trade mark function, which has three lawyers and four staff. They are responsible for overseeing Coca-Cola's global portfolio of 30,000 registered marks and the coordination of global projects. Lummus also heads Coca-Cola's patent function.

Together, all of the Coca-Cola trade mark lawyers work through the Trademark Practice Team. We have several face to face meetings each year, meet in virtual meetings periodically and communicate daily by email. For instance, we have met on a number of occasions to work out the logistics and workings of the Anaqua web-based IP management system.

The Pacific Group is responsible for all aspects of trade mark and related IP law such as searches, prosecution, renewals, licensing, education, enforcement and acquisitions. We also work with the

Coca-Cola's corporate legal teams in Shanghai, Beijing, Hong Kong, Sydney, Manila, Tokyo, Jakarta and Seoul. All of these operations lawyers are an integral part of our IP function in that they are on the ground on a day to day basis. Coca-Cola's China legal team is particularly impressive. Their work with our investigators, outside counsel, government authorities, our bottlers and our business and marketing clients has resulted in the cessation each year of many hundreds of counterfeits and infringements. And, of course, with the Olympics coming up next year in China, they are all actively involved in implementing our IP-related Olympic initiatives.

How do you work with external counsel?

With our outside trade mark counsels, we have a strong partnering relationship. We expect them to understand our business and industry and to not only provide us with sound legal advice, but also to provide us with sound commercial advice. Most of our outside counsel provide this service. Indeed, over the past 10 years or so, the quality of advice has improved tremendously. Also, the number of strong outside counsel has grown in the region.

In most countries in the Asia Pacific we generally have one firm handle all of the trade mark prosecution work (such as applications, registrations, renewals and licenses). We believe it is important – in most instances – to use one firm for prosecution work given that they inevitably develop good working relationships with trade mark office examiners.

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For trade mark searches, conflicts and high level legal advice for complex matters, we sometimes use a second or even third law firm in a country. For instance for searches and day to day advice, we have identified a number of smaller law firms in many of the developing countries that provide excellent searching services and day to day advice at competitive rates. Then, for some very complex matters or important litigation, we may use a firm that has a long-demonstrated expertise in IP law in the country. In addition, of late we have been exploring the concept of having certain law firms represent us in a cluster of countries that have legal, commercial, and cultural similarities. The aim is to build on our relationship with that firm to identify opportunities for greater cost savings and greater efficiencies.

We are also in the process of rolling out the Anaqua web-based IP system with our outside counsel around the world. This will allow us to communicate and coordinate our work more efficiently and cost effectively. When our information is added into Anaqua, tasks are automatically generated doing away with the necessity of outside counsel sending follow up communications. We see Anaqua as part of a revolutionary development of Coca-Cola's trade mark function.

Which firms or lawyers have you been particularly impressed by in the region?

Ella Cheong, Anne Choi at Wilkinson & Grist, Chris Vale and others at Rouse & Co, Tony Eccles, Dej-Udom & Associates in Thailand, Beijing Janlea in China, Yuasa & Hara in Japan, Chander Lall in India and Phillips Ormonde in Australia. One of Phillips Ormonde's attorneys even worked with our company to help us with multi-jurisdictional trade mark projects throughout Asia. This helped us handle large projects when our in-house workload was overburdened. It also provided the Philips Ormonde lawyer with a great opportunity to work on IP matters throughout Asia. There are times where we even have two of our law firms partner on matters where they both can bring their own unique talents and contributions to a matter. In the past, this wasn't happening very often.

How much of your IP work is done in-house?

It depends on the work. As an in-house trade mark counsel, I can't actually practice before the courts and the trade mark offices in the many countries under my responsibility. So, for instance, we rely on our outside counsel to do the searches in the respective trade mark offices. I then analyze their reports and issue the final opinion to our business clients. More than a small amount of the time, my final opinion will differ from

Daniel GREIF



After graduating from law school in South Carolina, Daniel Greif worked as a clerk for Judge Emory Sneed of the US Court of Appeals for the Fourth Circuit. He then joined Washington, DC-based

IP specialists Ward Lazarus Grow & Cihlar. "That was the late 1980s before IP was seen as a hot area of law", he says. "I immediately took an interest in trade mark law and the firm had some great trade mark partners who mentored me so I was very fortunate."

In 1989, he joined Sony as IP counsel in Tokyo before moving back to the US to join Finnegan Henderson. Three years later Greif began working as a trade mark specialist with Coca-Cola in the US and later in, among other places, Vienna, Austria and Sydney, Australia, before taking on the Hong Kong-based role of trade mark counsel for the company's Pacific Group. He now oversees trade mark issues in more than 30 countries, including China, Hong Kong, Japan, Singapore, Indonesia, the Philippines and Australia. The company has more than 30,000 registered trade marks around the world, making enforcement a geographical challenge: during his time with Coca-Cola, Greif has traveled to almost 100 countries to protect the company's brands.

Working for a company with one of the most recognizable trade marks in the world makes Coca-Cola a popular target for counterfeiters and infringers, says Greif. But he enjoys the challenge of working for a company with such a valuable

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We have a detailed protocol on exactly how we want our trade mark applications filed and we lay this out in our instructions to outside counsel. Last year in our Pacific Group alone we had more than 1,500 full trade mark searches conducted, in addition to the many scan direct hit trade mark searches, and more than 1,000 trademark applications filed.

When it comes to litigation, we get the perspective of outside counsel as to our chances of success and our proposed causes of action. However, my in-house legal colleagues and I will discuss with senior legal and business management to decide whether to proceed and how to develop Coca-Cola's overall strategic perspective from a legal, public affairs, and other business perspectives.

We also do a lot of transactions such as purchasing businesses and trade marks. For those the Coca-Cola in-house business and trade mark lawyers lead the IP due diligence, drafting and other aspects of the transactions.

of working for a company with such a valuable brand: "To me, Coca-Cola represents many positive attributes. In particular, I would say it represents optimism. For instance, our Chinese characters for Coca-Cola mean tasty and happy. That says it all."

How many trade marks does the company have registered in Asia?

Coca-Cola has more than 5,650 registrations in the Pacific Group and the India Division (which includes India, Sri Lanka, Bangladesh, the Maldives and Nepal). In the same area we have approximately 2,000 pending applications. And because of Coca-Cola's many new product initiatives; we filed more than 1,050 applications and conducted more than 1,500 trade mark searches in this region in 2006. Coca-Cola has hundreds of products in numerous beverage categories. Of course, there is Coca-Cola, Fanta and Sprite, but we also have hundreds of other products including Bonaqua and Dasani water, Minute Maid orange juice, Powerade sports drink, many different types of teas and just recently we purchased Energy Brands Inc (which owns, among other brands, Glaceau Vitaminwater and Glaceau Energywater) for \$4.1 billion.

How do you protect your marks in Asia – do you use the Madrid system, for example?

As far as filing trade mark applications, we don't often use the Madrid system given our concerns with central attack and other issues. However, we often do file applications based on Paris Convention priority filings. This allows us to file a base application in one country when a new marketing proposition is being developed. Then, as time passes, we are able to determine whether it will proceed and which marks are preferred. As the six month Paris Convention priority date approaches, we work with our corporate and group marketing clients to determine in which countries applications should be filed and then file the Paris Convention applications. In many instances this allows cost savings as we are able to determine that certain proposed marks will not be used. Of course, for a company as high profile as

Coca-Cola, we consider in each circumstance whether to conduct trade mark searches, as well as design searches for bottles, for all aspects of our proposed trade indicia including word marks, secondary trade marks/flavour descriptors, slogans, designs, trade dresses, bottles and packaging.

We have filed trade mark applications to create as broad a scope of protection as possible for our famous contour bottle. In fact, recently we were fortunate to get this bottle registered as a three dimensional mark in China and as a two dimensional mark in Thailand. These were the first such bottle registrations in those countries. We also have a pending application for a three dimensional mark in Japan that we have appealed all the way to the Court of Appeal. We are optimistic the Court will find the bottle capable as functioning as a trade mark. Also, in China, Sprite has been found to be a well-known mark.

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For conflict work, we protect our trade mark applications and registrations by filing oppositions and cancellations at trade mark offices and by challenging third parties through cease and desist letters, administrative actions, and – at times – in the courts and through assisting the authorities in criminal actions. Of course, China, Taiwan, and Hong Kong are among the countries where we have the greatest number of conflicts. In China, third parties have filed applications for our trade marks and variations of our marks for goods and services outside of the beverage classes. This has resulted in several hundred ongoing oppositions pending in China alone.

In China, we focus significant resources on stopping counterfeits and infringements. Our local in-house lawyers handle most of the day to day coordination of our anti-counterfeit and infringement programme and they are doing a great job. We have a team of outside investigators working for our two law firms that proactively look for and identify counterfeits and infringements throughout China. Then our investigators and local lawyers present the evidence they have gathered and work with the local Administration for Industry and Commerce (AIC) which conducts raids, confiscates the counterfeit and infringing products, and issues fines. We have also used the offices of the Technical Supervision Bureau (TSB) to address counterfeiting. All in all, we have been extremely pleased with the assistance of the AICs and TSBs in China. In addition, the China State AIC has conducted several special programmes where they have worked with the local AICs to stop counterfeits and infringements of trade marks. One very positive development we have seen is that, while the total number of counterfeits and infringements is rising, the numbers have decreased in the more developed areas of China such as in Beijing and Shanghai. We are optimistic that, as China further develops and progresses economically, the number of counterfeits and infringements will decrease.

What changes to the international IP system would you like to see in respect of trade marks?

More harmonization of procedures and practices at the trade mark offices would definitely be a positive development. Some offices conduct substantive evaluations of trade marks and some don't. But there can be inconsistency between the findings of the various examiners and from office to office. Obviously, what we as trade mark lawyers all want is consistency so that we can provide our business clients with the information they need to proceed with their business proposition. At Coca-Cola, many of our commercial propositions cover numerous countries – indeed many of them are virtually worldwide, so inconsistent findings by trade mark offices can result in situations where we can proceed with registering and using a proposed mark in many countries, but not all of them. This is less than ideal as there are certain marketing and operational benefits to being able to use a proposed mark in all of the target countries.

Which Asian country's IP office and Customs have particularly impressed you?

Hong Kong's trade mark office has impressed me greatly. Preliminary searching can be conducted online. That is helpful to us to save costs and do preliminary knock out searches. Also, although I don't always agree with the Office's position on the registrability, or should I say non-registrability, of slogans and other trade elements, I have found it to be efficient and consistent. The time from application to registration is also quick and the opposition procedures work smoothly. In addition, I would highlight the excellent work consistently accomplished by the offices in Japan and Australia.

We have found Australian Customs to be particularly helpful. We have registered all of our major trade marks with them and they quite often confiscate counterfeit items coming in from other countries and immediately ask us to confirm the items are counterfeit.

Are there any countries that cause you particular problems when it comes to the registration or enforcement of IP rights?

There are some countries where similar trade marks are found to be coexisting at the Trademark Office. Those offices could examine applications more closely to ensure that the marks applied for don't create a likelihood of consumer confusion with trade marks already registered.

In other countries, we have found it difficult to protect our proprietary trade dress for some of our trademarks that infringers have used on non beverage products. This is because the laws as practiced aren't sufficient to stop infringements of proprietary trade dress and to prevent the registration and use of marks similar to a well-known trade mark when the third party trade dresses are used on goods dissimilar to the goods upon which the well-known trade mark is applied.

In certain countries, it would be ideal if the IP laws provided for greater fines for infringement and counterfeiting. That would create a greater deterrent.

In some countries, there are concerns with the registration of what should be non-protectable terms. For instance, the word Isotonik was registered in one country even though that term is merely descriptive of a characteristic of beverage products. Ideally, this shouldn't happen, but – at times – it does.

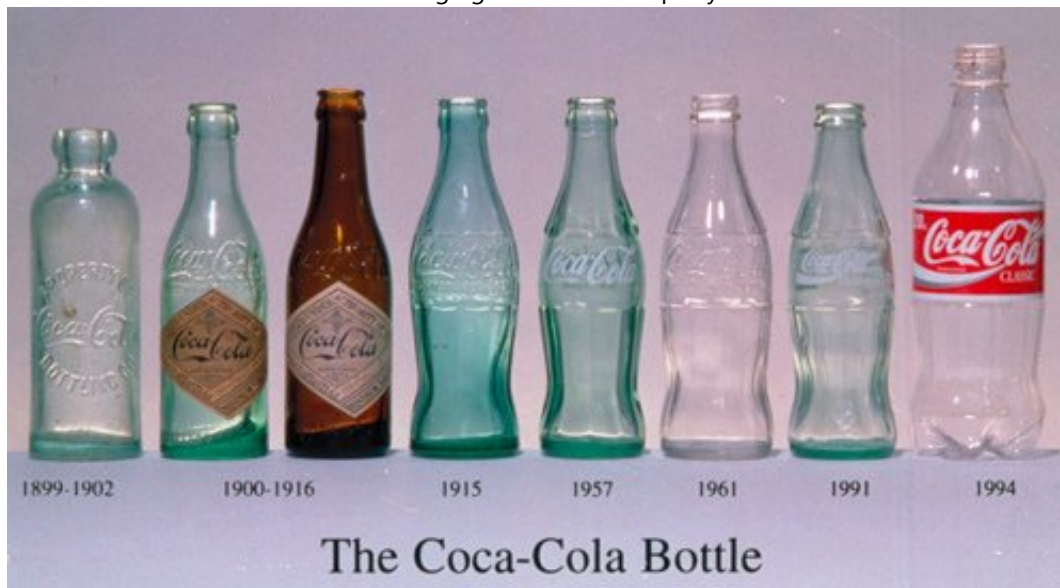
Although many Asian countries have made substantial strides in their national legislation by bringing their laws in line with TRIPs, in some countries there are fundamental deficiencies. These issues increase the cost and risk for companies operating in those countries. I believe that full compliance with TRIPs will benefit both multinational companies and local companies.

Do the kind of threats to Coca-Cola's brand/trade mark differ in Asia to the US or Europe?

In Asia, we face more counterfeiting and infringement than we do in other parts of the world, especially in China, but also in Taiwan, Indonesia, Vietnam, and India. We have been pleased with the work of the Chinese authorities in stopping counterfeits and infringements but we are hopeful that tougher laws and penalties will be promulgated. Also, as has happened in other parts of the world such as eastern Europe, Russia, and the former Soviet Republics (and before that in Japan and South Korea), we have seen the number of counterfeits and infringements decline as countries advance economically.

Like a number of other companies, we have faced problems from shadow companies (companies registered in Hong Kong using our trade mark as part of a company name to assist in their infringing activity in China). This is something that, to my knowledge, is unique to Hong Kong and China. So far, we have stopped most of these by either convincing the Chinese authorities the infringing entity had no relationship with Coca-Cola or by challenging the shadow company entity in Hong Kong.

What is your experience of obtaining trade mark protection for Coke's bottle shape in Asia?



As in other parts of the world, protecting bottle configurations by themselves in Asia presents challenges, given that, in many countries, the trade mark offices won't register bottles by themselves unless they have acquired secondary meaning. Indeed, it wasn't until relatively recently in many countries that even such secondary meaning evidence would be enough to get a bottle registered by itself. To protect the Coca-Cola Contour Bottle, we have registered the bottle with the word trade mark

Coca-Cola. And, after the laws in the various countries had further developed and after we had extensive use of the bottle, we have filed applications for the bottle by itself in two dimensions and, at times, in three dimensions. We have even filed applications for the silhouette of the bottle given that consumers immediately recognize its silhouette. Where we have been able to get registrations for the Coca-Cola Contour Bottle, those greatly assist in stopping third party infringements. However, as with all configurations, the courts and the enforcement authorities normally provide a relatively narrow scope of protection for bottles. Thus, we must carefully consider, in each instance, whether to challenge third party uses we see as close to the configuration of the bottle. We see it as important to get trade mark registrations in addition to using the pertinent unfair competition laws to stop infringements of the bottle.

Some highlights for us have been the recent registrations for the bottle by itself in China and Thailand, which – as far we know – are the first such registrations in those countries. And, just recently, the Indonesian Trademark Office accepted our application for the Contour bottle by itself. We now hope we can get the bottle registered in Japan.