

Case study: Coca-Cola

1. Why Didn't Coca-Cola Patent Their Secret Recipe?
2. Coca Cola Patents – Key Insights and Stats

Understanding the Law of Patents

- Soft drinks have to be one of the most congested markets for any business selling a product.
- Titans like Coca-Cola, Pepsi, Dr. Pepper, and many other soft drink giants dominate the field.
- But none has the history or mystery quite like Coca-Cola.
- *Invented in 1886 by John Pemberton, Coca-Cola enjoyed early life as a health tonic sold in pharmacies in Georgia. It enjoyed meteoric rise in 1899 when the bottling rights were sold to a company with factories throughout the United States and in many countries throughout the world. Despite this, Coca-Cola never patented their secret recipe, which has remained one of the most guarded secrets in the world for over a century.*

Understanding the Law of Patents

But why did the recipe never get patented?

This may surprise you at first if you do not understand patent law.

However, the decisions by Coca-Cola are an excellent case study for inventors and businesses who are considering whether to patent their invention.

How a Patent Works?

Patents in USA are issued by the **United States Patents and Trademark Office** (USPTO) through an application process.

This application process is a public filing intended to “put the world on notice” of your invention.

There are several stringent requirements that an applicant must satisfy in order to obtain a patent.

The patent serves as an intellectual property right to the patent holder, which could be licensed or sold to another individual or business. It can also be defended in court, meaning that a patent infringer could be responsible for damages to a patent holder.

However, the protections from a patent are not infinite.

Generally, **a patent only protects an invention for a period of 20 years** (there are some rare exceptions that could extend this time period for pharmaceuticals during testing phases).

At the end of the 20 years, anyone else may use, sell, or create the patented product. The original patent holder will have no rights to enforce at that time.

The Obvious Patent Dilemma for Coca-Cola

Coca-Cola had to make a difficult decision whether to patent their product.

- On one hand, applying for a patent would place the secret recipe in the public market. This would allow other individuals and businesses to recreate and sell their own cola that tasted exactly like Coca-Cola after the patent expired 20 years later.
- On the other hand, if Coca-Cola did not patent the secret recipe it could have been stolen or misappropriated.

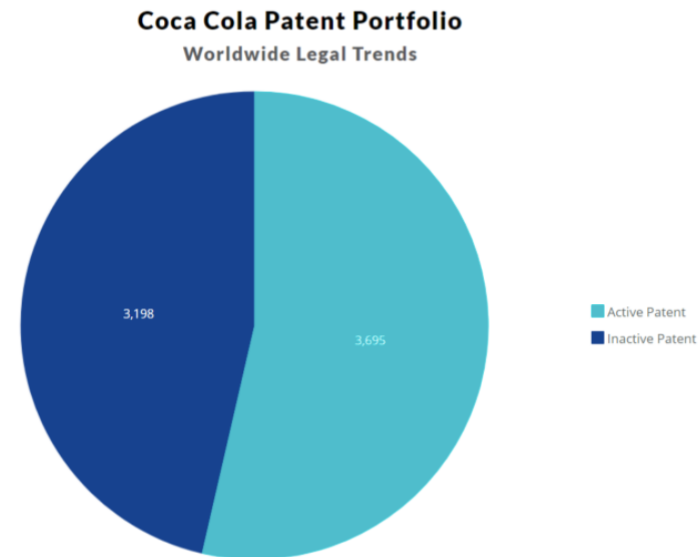
Using Contracts Not Patents to Protect the Secret Formula

Of course, the decision by Coca-Cola to not patent their product was the right one!

- It has been over a century and the secret recipe is still not out in the public. While many competitors and culinary experts have attempted to recreate Coca-Cola, the consensus is that the real recipe has never been matched in terms of taste.
- To keep this legendary secret, Coca-Cola has relied on the use of contract law to keep those who know the secret recipe (which is rumored to be no more than two people at a time) from divulging one of the best-kept secrets in the world.

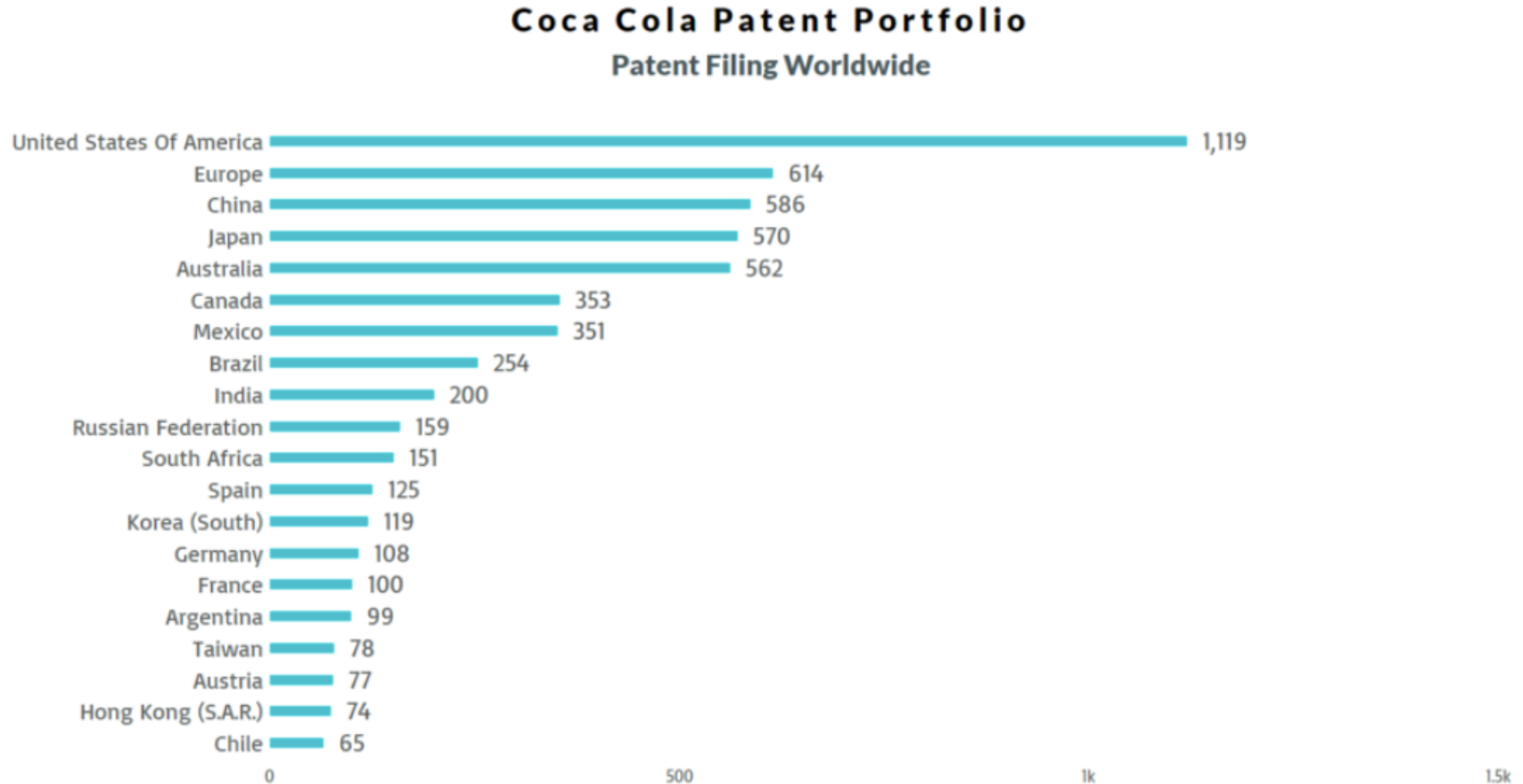
Coca Cola Patents – Key Insights and Stats

Coca-Cola has a total of 6893 patents globally. These patents belong to 1561 unique patent families. Out of 6893 patents, 3695 patents are active.



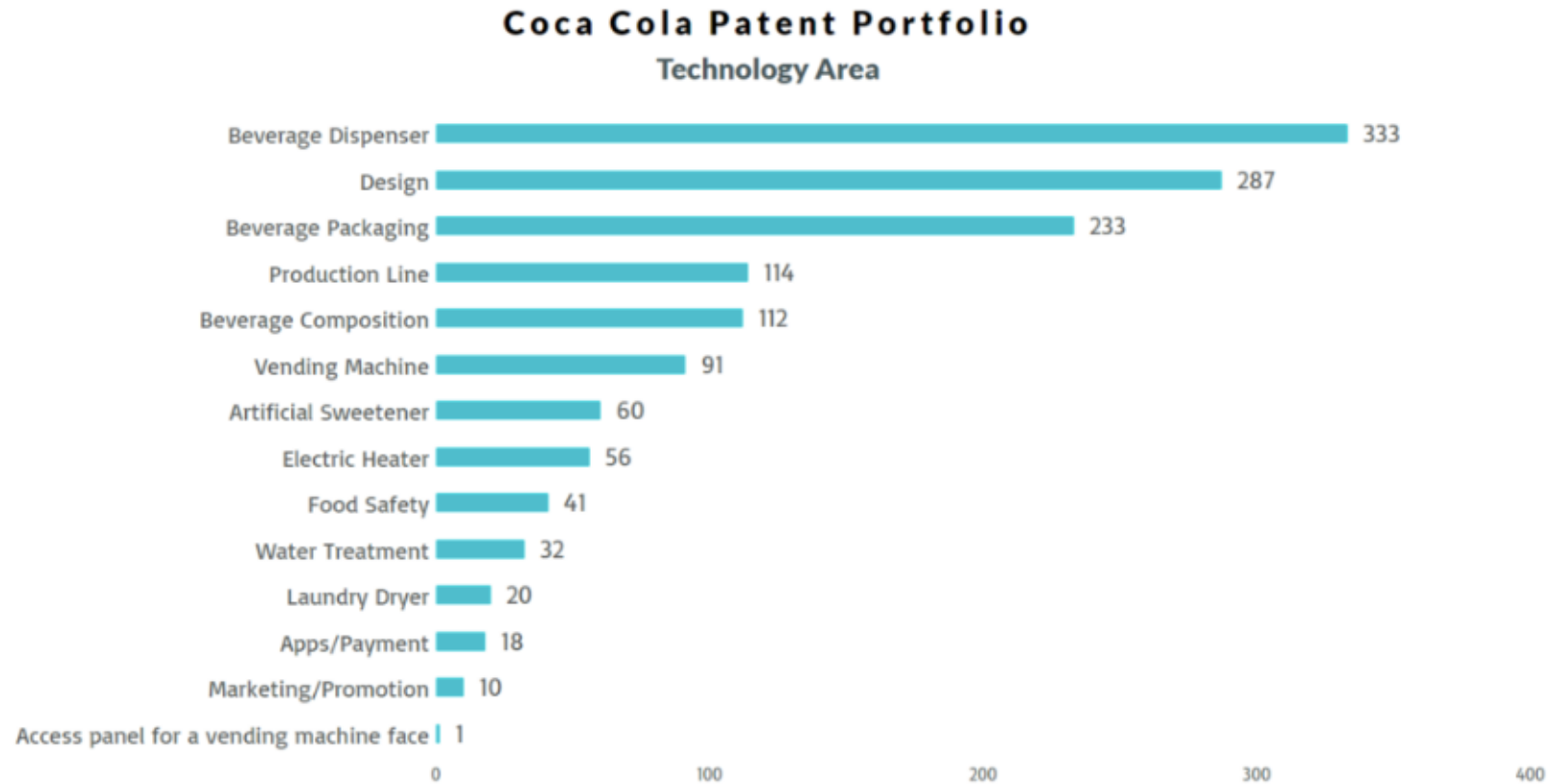
Note: The patent count is calculated by considering all patents in the portfolio.

How Many Patents did Coca Cola File in Different Countries?



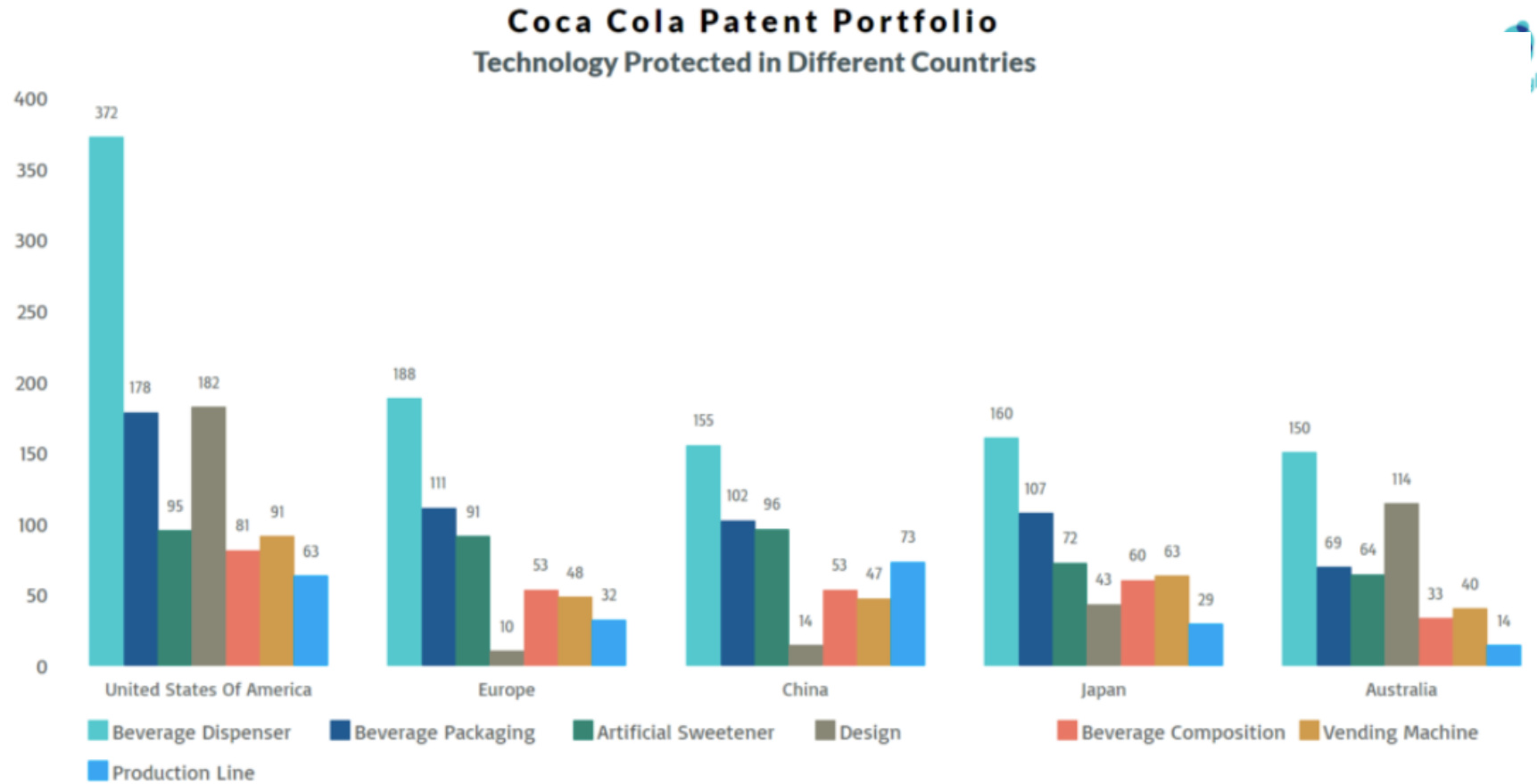
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What Technologies are Covered by Coca Cola Patents?



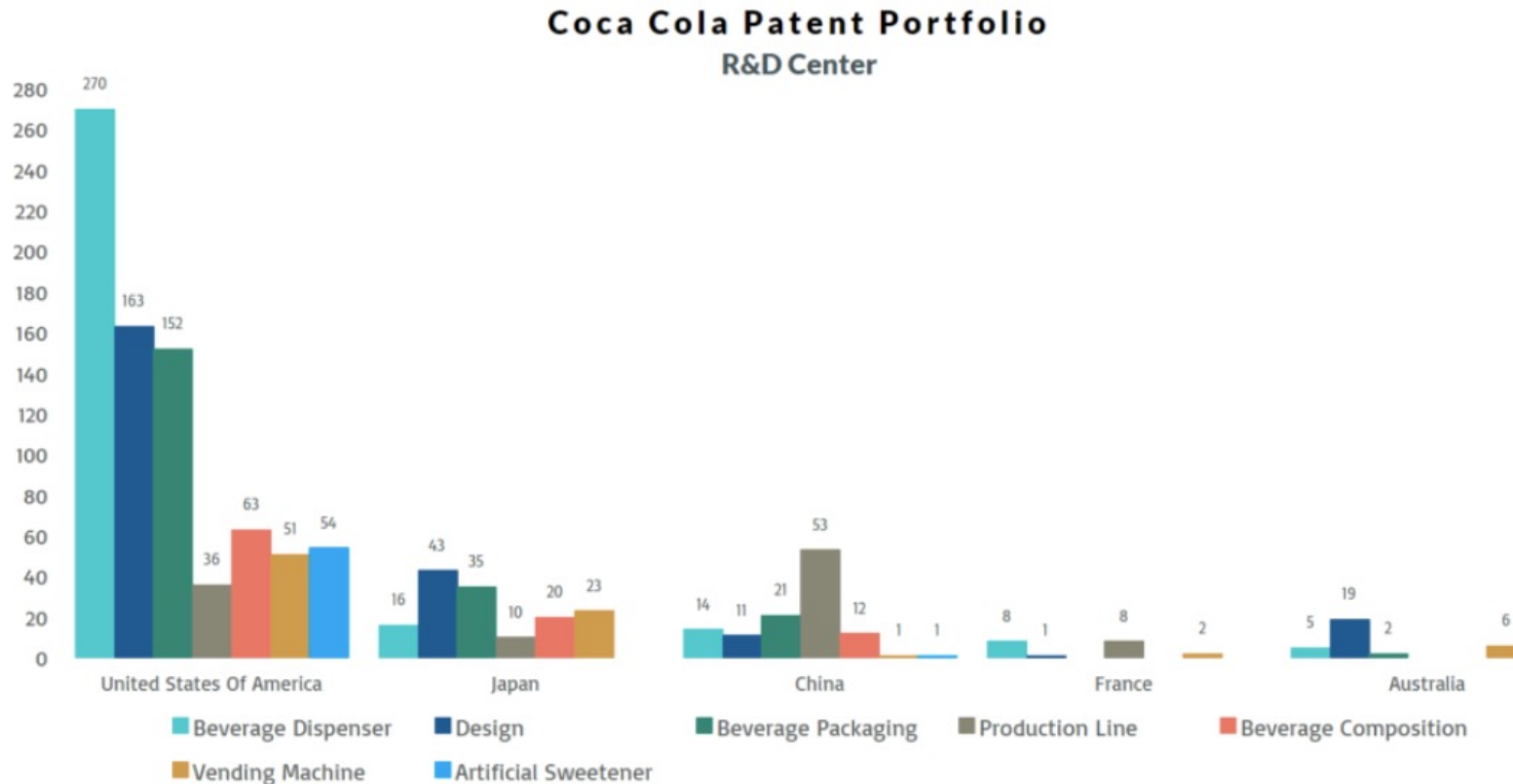
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What technologies are covered by Coca Cola Patents?



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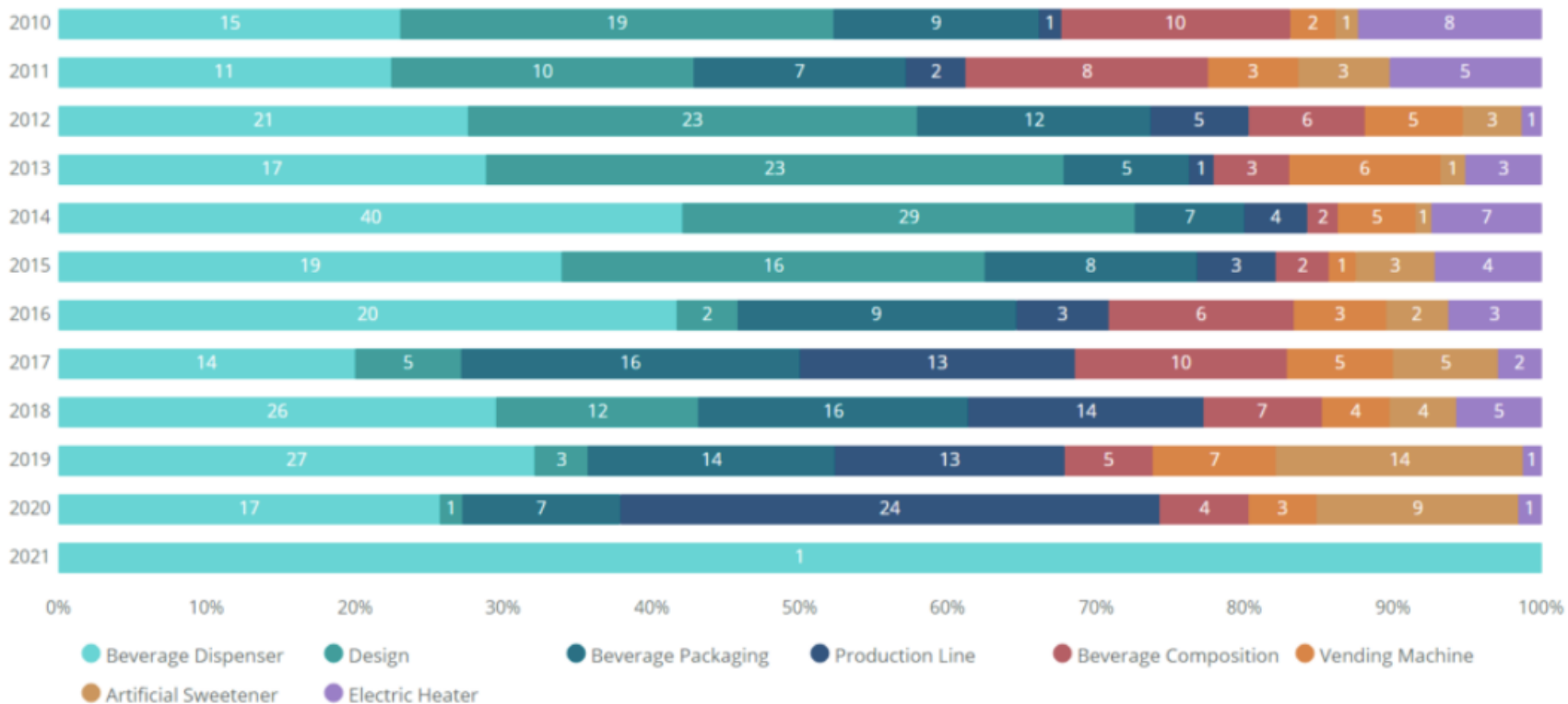
Where are Research Centers of Coca Cola Located?



Note: The patent count represents the number of unique patent families.

R&D Focus: How Coca Cola Research Focus Changed Over the Years?

Coca Cola Patent Portfolio
Technology Through the Years



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Which Companies are using Coca Cola Patents to Advance their Research?

If patents from a particular technology area of a company receive a lot of citations, it implies that the technology is being followed and incrementally innovated by the citing companies. It also indicates that citing companies are working on similar and closely related technologies.

The top-cited technologies in the Coca-Cola patent portfolio are Beverage Dispenser, Artificial Sweetener & Beverage Packaging:

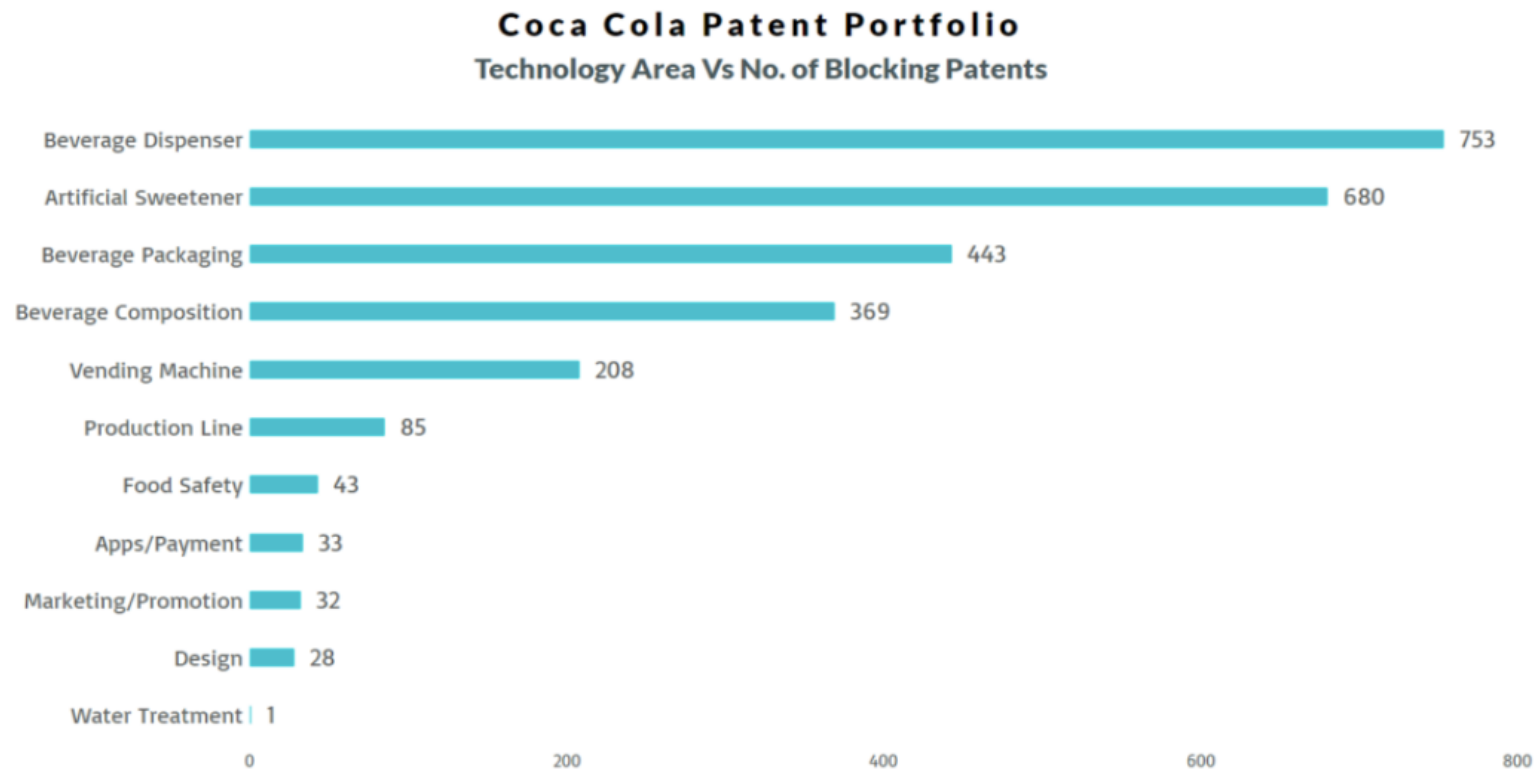
- **Purecircle,**
- **Pepsico,**
- **Sweet Green Fields**

Which Companies are using Coca Cola Patents to Advance their Research?

Company	Number of Patents
Purecircle	56
Pepsico	45
Sweet Green Fields	20
Nestle	19
Fairlife Llc	15
Cargill	14
Pinnacle Bank	14
Givaudan Sa	13
Douwe Egberts Bv	11
Cornelius Inc	10
Automatic Bar Controls Inc	10
Valio	10
Haier Us Appliance Solutions Inc	10
Tate & Lyle Ingredients Americas Llc	9
Cj Cheiljedang	9

How many inventions of other companies were rejected due to Coca Cola patents?

The statistics below share strategic R&D insights. It tells the companies that were trying to protect inventions similar to Coca-Cola. They couldn't because Coca-Cola had protected those before them.



Note: A blocking patent is a patent used by an examiner to reject another patent by citing it as a prior art.