

### **The Coca-Cola Company v Pepsico Inc & Ors (VID 876/2010)**

Who owns the bottle that your soft drink is sold in???

Coca-Cola Company ("Coke") recently brought an action in the Federal Court against Pepsico Inc, its Australian holding company Pepsico Australia Holdings Pty Ltd, and Schweppes Australia Pty Ltd, the manufacturer and distributor of Pepsico Inc products in Australia (collectively referred to as "Pepsi").

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#### **Claims**

In its Statement of Claim, Coke alleges that a glass bottle sold by Pepsi in Australia since 2007 infringes on the intellectual property of Coke, especially in respect of the registered trade mark of its famous "Contour Bottle." Coke has been selling the bottle in Australia since at least 1938.

Coke also alleges that Pepsi engaged in conduct which was misleading and/or deceptive, that Pepsi falsely represented that it was authorised by or associated with Coke and that Pepsi passed off its products as those of Coke. Through these proceedings Coke seeks to have the Court restrain Pepsi from its use of the bottle shape.

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#### **Issues**

In respect of the trade mark infringement, in order to be successful Coke will need to prove the following elements:

**1. Use as a mark:**

The threshold question Coke must prove is that Pepsi is using the Contour Bottle as a mark, or an indicator of the product's origin. In defence, Pepsi will no doubt rely on the fact that the products are clearly labelled with the Pepsi logo and that consumers do not look at the bottle solely without looking at the logo. Given that Pepsi states that the labelling of its Products and its webpage "speak for themselves", as far as identifying the products as those of Pepsi, this issue is likely to be hotly contested in the Court.

Pepsi will also likely seek to rely on the position that its 3D bottle shape is purely a functional object and therefore does not constitute infringement of the registered mark. This defence has been successfully raised in similar cases, such as in *Chocolaterie Guylian N.V. v Registrar of Trade Marks* [2009] FCA 891, where Guylian failed to prove the 3D shape of its sea-horse shaped chocolates to be a trade mark because of issues of functionality.

**2. Deceptive similarity:**

Should Coke get over the threshold question above, it will then need to prove that the bottle shape used by Pepsi as a mark is *substantially identical with or deceptively similar* to Coke's Contour Bottle. One indicator of deceptive similarity is where use of the mark causes consumers to wonder about the source of the products. Coke will need to prove that the Pepsi bottle is deceptively similar to the Coke Contour Bottle when looking from a consumer's perspective. In this respect Coke will seek to rely on their substantive reputation with the iconic contour bottle.

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#### **What this action means for you**

Trade mark use and infringement is a contentious area of the law, and this action is one

to watch with interest. The strength of Coke's case here relies upon its constant use of the Contour Bottle shape in its advertising, packaging and products. This highlights the importance of protecting your business' intellectual property by registering the essential elements of your brand and continuing to use your registered marks in trade and commerce, in order to strengthen the protection that registration provides. Having a registered trade mark protects your branding and image from unwanted and damaging infringement.

Should you require further information regarding this article, or the protection and enforcement of your intellectual property rights, please contact Mrs Emily Weir.

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