



# Vault with Coca-Cola Trade Secret Formula on Public Display



By **Gene Quinn**  
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Last month **The Coca-Cola Company** did something rather extraordinary. For the first time in history the vault containing the trade secret formula that makes up the Coca-Cola empire will be visible to the public in a permanent exhibit titled **The Vault of the Secret Formula**. The exhibit opened on December 8, 2011 at the **World of Coca-Cola**, which is a 60,000 square foot interactive Coca-Cola museum featuring more than 1,200 artifacts from around the world.

The secret Coca-Cola formula, perhaps the most famous of all trade secrets, has not been moved for 86 years, but the The Coca-Cola Company has moved the 125-year-old secret formula for Coca-Cola to a new home at the World of Coca-Cola in Atlanta. As the capstone to the 125th anniversary year of Coca-Cola, the Company decided to share the history of its secret formula in a new exhibit where visitors can experience one of the world's most recognized brands like never before.

After Dr. John S. Pemberton invented Coca-Cola in 1886, the formula was kept a close secret, only shared with a small group and not written down. In 1891, Asa Candler became the sole proprietor of Coca-Cola after purchasing the rights to the business.

Then, in 1919, Ernest Woodruff and a group of investors purchased the Company from Candler and his family. To finance the purchase Woodruff arranged a loan and as collateral he provided documentation of the formula by asking Candler's son to commit the formula to paper. This was placed in a vault in the Guaranty Bank in New York until the loan was repaid in 1925. At that point, Woodruff reclaimed the secret formula and returned it to Atlanta and placed it in the Trust Company Bank, now SunTrust, where it remained until its recent move to the World of Coca-Cola.

In preparation for the new exhibit The Coca-Cola Company transferred the secret formula to the World of Coca-Cola from a vault at SunTrust Bank in downtown Atlanta where it had been housed since 1925.

"The move of the Coca-Cola secret formula is a historic moment for the Company," said Phil Mooney, Director of Archives, The Coca-Cola Company. "The Company has always gone to great lengths to protect it and now by safeguarding it at the World of Coca-Cola, we can share its legendary legacy with people around the world."

Can you imagine the security employed in transferring the trade secret from the SunTrust Bank vault to the vault at the World of Coca-Cola? The Coca-Cola formula has been notorious with rampant rumors, creating its own urban mythology with respect to both the formula and efforts to protect the secret formula. All you have to do is Google "coke formula urban myth" and you will find all kinds of claims. Thus, it seems almost a virtual certainty that a new mythology will now be created and grow.

It has always seemed to me that Coca-Cola is very comfortable with the urban myths, relishing them and even using them by some accounts to feed into the power of the trade secret, not to mention using them to misdirect the public into thinking, rightly or wrongly, that Fort Knox like security has always been employed to protect the formula. Thus, it is not a surprise to learn that visitors to The Vault of the Secret Formula exhibit will be treated to an immersive multimedia experience that celebrates the history, mythology and intrigue around the secret formula.

"This is a special day in Coca-Cola history, and the perfect culmination to our 125th anniversary celebrations this year," said Muhtar Kent, Chairman and Chief Executive

Officer, The Coca-Cola Company said on the day the exhibit opened. “By sharing this secret formula experience with our consumers, we celebrate both the rich history of the brand’s beginnings and the moments of refreshment and happiness to come for future generations. This is yet another way we are recognizing and thanking everyone around the world who has made the Coca-Cola brand what it is today.”

“Sharing this secret formula experience” with the public is a far cry from publicly displaying the formula. A trade secret is defined as any valuable business information that is not generally known and is subject to reasonable efforts to preserve confidentiality. The Coca-Cola secret formula easily qualifies as valuable business information, with the value being derived from the fact that it is secret. As with any trade secret, however, the Coca-Cola secret formula can only be a trade secret for so long as it is actually secret.

Courts have identified a number of factors relevant to determining whether business information satisfies the secrecy requirement. These factors include:

1. The extent to which the information is known outside the business.
2. The extent to which the information is known by employees and others involved in the business.
3. The extent of the measures undertaken by an employer to protect the secrecy of the information.
4. The value of the information to the employer
5. The amount of effort or money expended by the employer in developing the information.
6. The ease or difficulty with which the information could be properly acquired or duplicated by others.

These factors are used by Courts to determine if the secrecy requirement is satisfied. These factors and similar considerations are necessary because insofar as trade secret law is concerned the term “secret” does not have the same meaning as one would attribute to the same term in everyday conversation. This is true primarily because the information does not have to remain absolutely secret in order to be deserving of protection. The definition requires that the information not be generally known by the public.

With respect to the Coca-Cola secret formula the amount of effort and resources devoted to keeping the information secret is considerable. That is the only way that Coca-Cola could keep the formula a trade secret. Trade secret law looks to the efforts to maintain the secret in order to help establish whether the trade secret has ever or still does exist. This is something of a sliding scale reasonableness inquiry. The more valuable the secret the more efforts that need to be undertaken. The less valuable the secret the fewer efforts that need to be taken to maintain the trade secret.

With the Coca-Cola formula being worth many billions of dollars to the company extraordinary efforts need to be employed. I suppose a vault in a museum is a safe place, but this type of public display seems rather out of character for Coca-Cola if you ask me. Notwithstanding, guests to the World of Coca-Cola can feel closer than ever before to the secret formula, perhaps adding to the mystery and intrigue.

**Tags:** [coca cola](#), [Dr. John Pemberton](#), [Ernest Woodruff](#), [Muhtar Kent](#), [Phil Mooney](#), [The Vault of the Secret Formula](#), [trade secret](#), [Trade Secrets](#), [World of Coca-Cola](#)

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**EG** January 6, 2012 8:29 am

“The Coca-Cola formula has been notorious with rampant rumors, creating its own urban mythology with respect to both the formula and efforts to protect the secret formula.”

Gene,

The fact that there are “rumors” about what this formula is (most likely the “rumors” are wrong as it appears Coca-Cola is “fanning the flames” of those rumors) may even enhance the “mystic” and thus the trade secret value of that formula.

**John Spevacek** January 6, 2012 11:43 am

What a pile of bunk.

I'm an engineer with lots of experience in manufacturing – there is no way that that formula is only known to a handful of people or whatever they claim. All the suppliers to Coke know what they are supplying, just as the purchasing departments know what they are buying, the QC department knows what it is testing...

**Gene Quinn** January 6, 2012 2:35 pm

John-

There is a big difference between suppliers knowing what they are supplying and having the recipe. Certainly the suppliers know what they ship to Coke, but it has been believed for years that Coke engages in counter-measures to keep the true underlying secrets hidden. Years ago they purchased 100% of the coco futures from Madagascar. Immediately some wondered whether it is the particular bean from Madagascar that would make up one of the missing pieces. Still others wondered if Coke did that just as part of their typical counter-measures.

I'm sure you are familiar with the fact that brand name products taste different than generic products even though they contain the same ingredients in the same proportions. There are a great many things that can influence taste, including behind the scenes processes wholly disassociated from the actual ingredients used.

-Gene

**John Roethel** January 6, 2012 2:57 pm

I wonder if:

1. The secret formula is the original formula that used cocaine and is no longer in use.
2. The secret formula uses ingredients or processing steps that are no longer permitted under law and therefore is no longer in use.
3. I hired Danny Ocean to steal the secret formula and then published it on the internet, how would the damages be measured if the secret formula was no longer in use.

4. Coca Cola has insurance to make it whole if someone reveals the secret formula.

Just wondering....

**Stan E. Delo** January 7, 2012 12:16 pm

John and Gene-

One story I heard was that there were 4 plants that each just made portions of the whole formula. Each location only had their own particular portion of the recipe, so that it was basically nearly impossible for anyone to get their hands on the whole formula. That's not even to mention Gene's point about not knowing how the ingredients are treated. Simple sugar when treated in a certain way becomes caramel, for instance, which is Way different in taste than it's precursor.

Perhaps just another urban myth, but the approach made a whole lot of sense to me. Here at the Kool-Aid West labs we use a similar approach, but I can't say more than that or my shareholders will probably get very upset with me.....

Stan~

**Stan E. Delo** January 7, 2012 6:30 pm

Gene-

Looks like your filter ate my homework for some reason. I usually use create mail to keep a copy, but not this time.

**Blind Dogma** January 8, 2012 9:44 am

*"Here at the Kool-Aid West labs we use a similar "*

Careful Stan, even what we keep as secret is secret in regards to our Kool-Aid production.

Loose lips sink ships...(the competition out there is fierce, you have brewed well and there are drinkers everywhere wanting what we provide).

**Stan E. Delo** January 8, 2012 2:19 pm

BD-

Roger that, and I will be more careful in the future. Part of my message that seems to have vanished into cyberspace was to announce that the brand name henceforth will be Kewl-Aid, to avoid any possible confusion in the marketplace.

I also mentioned that I believe that Trade Secrets are governed by state law, so I find it somewhat interesting that the PUR's in the AIA seems to be a Federal codification of Trade Secrets?, as they relate to escaping infringement responsibility of a valid patent.

**PCL** January 11, 2012 4:31 pm

I have to admit that I'm just fine with most store-brand diet cola, though there is some subtle quality in diet coke that's just missing from them. Maybe it's some certain specie of crushed beetles, or just the right brand of shoe polish. Guess we'll never know for sure.