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WHAT IS THE MCLAW IN MALAYSIA?

Amy Moscato-Wolter

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According to its annual report for 2008, McDonald’s franchises and operates 31,967 restaurants worldwide.1 Clearly this enormous and well-known company is taking advantage of the global marketplace, and its goal is to expand its presence further in the 118 countries it occupied at the end of fiscal year 2008.2 According to McDonald’s in APMEA (Asia/Pacific, Middle East and Africa), “[o]ur goal is to be consumers’ first choice when eating out. To achieve this goal, locally-relevant strategies surrounding convenience, breakfast and branded affordability are essential in this diverse and dynamic part of the world.”3 This expansion of territory also comes with an obligation of litigation.

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2. Id. at 21.
3. Id. at 23 (emphasis added).
A large corporation such as McDonald's must feverishly police the reputation and goodwill of its company. A large part of that policing involves protecting its trademarks from dilution, "genericide" and misappropriation. This article will discuss the extent of protection given to McDonald's interest in the prefix "Mc" in the United States as a result of the case *McDonald's Corp. v. Druck & Gerner, D.D.S., P.C., d/b/a McDental* (hereinafter *McDental*), where it was determined that the "Mc" family of marks can even be protected when affixed to the name of a generic non-food item. Such success, however, has not been matched in other parts of the world. I will also discuss *McCurry Restaurant (KL) Sdn Bhd v. McDonalds Corp.* (hereinafter *McCurry*), where a Malaysian court determined that the "Mc" prefix coupled with a food-related word was allowable even when it was the name of a fast-food restaurant.

I. THE "MC" FAMILY OF MARKS IN THE UNITED STATES

In the 1993 decision *McDonald's v. McDental*, Drs. Druck and Gerner were enjoined from using McDental as their dental practice's name. The doctors first opened their doors on March 20, 1981, where the McDental name was displayed on an orange illuminated sign above the front office, along with a fee schedule sign on the window. The dental office was situated in a local mall in Plattsburgh, New York. At the time of this case, McDonald's and its franchisees operated over 8,000 restaurants in the United States, with over 400 in New York State.

The court used a two-step procedure for determining the existence of trademark infringement. The step which I will discuss first involved analysis of whether or not McDonald's held a valid and protectable trademark. Because McDonald's did not hold a registered mark in

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8. *Id. at 1129.*
9. *Id.*
10. *Id. at 1130.*
11. *Id.*
12. *Id.*
"Mc," they advanced to the second step and claimed protection for the prefix as a common component of a family of marks. In other words, if McDonald's can demonstrate that it has established a ‘family of marks’, the corporation may obtain trademark protection against one whose mark is thought to emanate from the same source as the plaintiff's family.

In particular, the McDental court’s first issue was whether McDonald’s owned trademark rights in a family of marks featuring the prefix “Mc” connected to generic non-food items. The first step in the court’s analysis of whether or not McDonald’s owned trademark rights in a family of marks featuring the prefix “Mc” connected to generic non-food items was an analysis of past courts’ treatment of McDonald’s family of marks in the prefix “Mc” when combined with food items.

II. THE PREFIX “MC” AS CONNECTED TO GENERIC FOOD-RELATED ITEMS

The McDental court focused on two cases when it discussed how the prefix “Mc” has been given protection as a trademark when connected to a generic food-related item. In McDonald’s Corp. v. J&J Snack Foods Corp. (hereinafter McPRETZEL), a snack foods company failed at attempting to register “McPRETZEL” and “McDUGAL McPRETZEL” for frozen soft pretzels. The McPRETZEL court found that there was a likelihood of confusion with the family of marks owned by McDonald’s. The court defined family of marks as “a group of marks having a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but the common characteristic of the family, with the trademark owner.”

14. Id. at 1272.
15. Druck & Gerner, 814 F. Supp. at 1130, 1133-35. The court considered three issues: whether plaintiff owns trademark rights in a family of marks featuring the prefix “Mc” connected to generic non-food terms, whether there is any likelihood that ordinary consumers are likely to be confused as to the source of defendant’s services, and whether defendant was entitled to an affirmative defense of laches. Id.
16. Id. at 1131.
17. Id.
19. Id. at 1462.
20. Id. at 1464.
21. Id. at 1462.
The court determined that "[r]ecognition of family marks is achieved when a pattern of usage of the common element is sufficient to be indicative of the origin of the family."\textsuperscript{22} The court had several factors it considered in its analysis including use, advertisement and distinctiveness of marks, along with the recognition and fame of this family of marks when associated with McDonald's.\textsuperscript{23} The court stated that the combination of the "Mc" prefix when combined with a generic food name created a fanciful word.\textsuperscript{24}

The court was impressed by the large number of McDonald's franchises and the amount of money McDonald's had spent and continues to spend on advertising.\textsuperscript{25} In particular, McDonald's showed that in 1987 it operated 7600 outlets in the United States with sales of over 14 billion dollars.\textsuperscript{26} McDonald's also engaged in nationwide advertising spending over 405 million dollars in 1987 alone.\textsuperscript{27} In two of its restaurants it had actually sold pretzels.\textsuperscript{28} Therefore, the court concluded that McDonald's had promoted and used in commerce the "Mc" formative combined with a generic name for food items first.\textsuperscript{29}

Even when such a strong family mark exists, the court must take into account potential confusion of consumers, which is after all the ultimate factor when denying a trademark registration.\textsuperscript{30} According to the Lanham Trademark Act, a trademark can be denied registration only if it "consists of or comprises a mark which so resembles . . . a mark or trade name previously used in the United States by another and not abandoned, as to be likely when applied to the goods of the applicant to cause confusion, or to cause mistake or to deceive . . . ."\textsuperscript{31}

McDonald's presented consumer survey evidence in which 30% of the respondents stated that they thought a product marked McPRETZEL

\textsuperscript{22} \textit{Id.} at 1463.
\textsuperscript{23} \textit{Id.}
\textsuperscript{24} \textit{Id.}
\textsuperscript{25} \textit{Id.}
\textsuperscript{26} \textit{Id.}
\textsuperscript{27} \textit{Id.}
\textsuperscript{28} \textit{Id.}
\textsuperscript{29} \textit{Id.} at 1461 (giving examples such as McDonuts, McPizza, McMuffin, McChicken, and McRib).  
\textsuperscript{30} \textit{Id.} at 1463.
\textsuperscript{31} \textit{Id.} at 1462 (citing Lanham Trademark Act, § 2(d), 15 U.S.C. § 1052 (a)). The factors to be considered are the similarity or dissimilarity of the marks, the similarity or dissimilarity of the goods as described in the application, compared with the goods with which the prior mark is associated, channels of trade, conditions of sale and intended customers, extent and nature of advertising and promotion, the fame of the prior mark, the number and nature of similar marks in use on similar goods; and any evidence of actual confusion or absence thereof.
originated with McDonald’s. The court stated that the “newcomer has the clear opportunity, if not the obligation to avoid confusion with well-known marks of others.” The court also determined that the pretzels would reach the consuming public in a fast-food, ready-to-eat manner. These factors created a situation in which the court felt confident in upholding the denial of registration.

The *McDental* court also relied on *McDonald’s Corp. v. McBagel’s Inc.* (hereinafter *McBagel’s*) to further explain the family of marks concept. This case was brought before the court as a trademark infringement claim for Defendant’s use of McBagel’s as the name of its bagel bakery and restaurant located in Fishkill, New York. This restaurant was situated about one mile from one of McDonald’s franchises.

“The essence of plaintiff’s claim is that Defendants’ use of the phrase McBagel’s creates confusion among customers as to whether McDonald’s somehow sponsors or is otherwise associated with McBagel’s.” The *McBagel’s* court also determined that the existence of a family of marks was fact-based, and the factors to be considered were the distinctiveness of the common formative component, the extent of the family of marks’ use, advertising, promotion, and its inclusion in a number of registered and unregistered marks owned by a single party.

When the distinctiveness of the common formative component was analyzed, the “Mc” family of marks was determined to be very strong. Print advertisement and a substantial amount of news media using the “Mc” language in independently created articles about McDonald’s persuaded the court. The court also determined that a formative standing alone which was arbitrary and fanciful did not lose that characteristic as a trademark when added to a generic food term.

32. *Id.* at 1463.
33. *Id.* at 1464.
34. *Id.* at 1463; see also *id.* at 1461 (stating that defendant sells frozen pretzels in bulk to food service retailers, such as snack bars and amusement parks and stadiums). In 1984, defendant began to market a smaller soft pretzel, primarily to schools.
35. *Id.* at 1464.
38. *Id.* at 1269.
39. *Id.* at 1270.
40. *Id.* at 1271.
41. *Id.* at 1272.
42. *Id.*
43. *Id.*
44. *Id.* at 1274.
The court was also persuaded by McDonald's policing of its rights in the "Mc" formative.\textsuperscript{45}

The most impressive factor for the court was that of advertising.\textsuperscript{46} In the fiscal year 1984, McDonald's and its licensees spent over 300 million dollars in national and local advertising.\textsuperscript{47} The court was impressed by the "credible testimony as to the massive advertising expenditures" devoted by McDonald's to create recognition for marks beginning with "Mc" or "Mac."\textsuperscript{48} In fact, the court was persuaded by McDonald's 1976 television commercials which created an entire "Mc" language.\textsuperscript{49} In stark contrast was McBagel's meager advertising budget of 10,000-15,000 dollars a year.\textsuperscript{50} In addition, McBagel's advertising only involved newspaper, telephone directory ads, and radio commercials.\textsuperscript{51}

The extent of the use of "Mc" was substantiated with evidence of its inclusion in registrations.\textsuperscript{52} McDonald's had made a point of identifying each new product or service with the "Mc" or "Mac" prefix and had registered thirty-four marks with "Mc" or "Mac."\textsuperscript{53} The McBagel court found it most important that McDonald's was still interested in expanding the food items available in their stores.\textsuperscript{54}

Taking all of the evidence into consideration, the court determined that McDonald's had established enough customer recognition in its "Mc" and "Mac" family of marks that it could bar competing uses of these prefixes in connection with generic food items as long as consumer confusion was established.\textsuperscript{55} To determine the establishment of confusion, the court looked at equitable factors laid out in \textit{Polaroid Corp. v. Polaroid Electronics Corp.} (hereinafter "Polaroid" factors), which were the strength of the plaintiff's mark, the degree of similarity

\begin{itemize}
\item \textsuperscript{45} \textit{Id.}
\item \textsuperscript{46} \textit{Id.} at 1271 (stating that the court received in evidence more than one hundred McDonald's storyboards of television commercials, run nationally and locally between 1975 and 1986, a majority of which promoted one or more members of the "Mc" family of marks).
\item \textsuperscript{47} \textit{Id.} at 1271.
\item \textsuperscript{48} \textit{Id.} at 1272 (giving examples such as, Mayor McCheese, McChicken, Mchappy Day, and McSnack).
\item \textsuperscript{49} \textit{Id.} at 1272 (noting terms such as McFriendliest, McGreatest, McCleanest, McClown, McFavorite).
\item \textsuperscript{50} \textit{Id.} at 1271.
\item \textsuperscript{51} \textit{Id.}
\item \textsuperscript{52} \textit{Id.} at 1272.
\item \textsuperscript{53} \textit{Id.} at 1270 n.2 ("The following list includes some of McDonald's registered marks representing food items, and service: . . . McDonaldland, McFeast, McDonuts, and McPizza.").
\item \textsuperscript{54} \textit{Id.} at 1270.
\item \textsuperscript{55} \textit{Id.} at 1272.
\end{itemize}
between the two marks, the proximity of the products, the likelihood that
the prior owner will bridge the gap, actual confusion, the reciprocal of
defendant’s good faith in adopting its own mark, the quality of the
defendant’s product, and the sophistication of the buyers. 56

The court’s analysis of the strength of the family of marks has been
discussed in great detail infra. The court also considered the similar
manner in which the marks were displayed in print media and radio
advertising to the consumer public. 57 When discussing the proximity of
the products and the likelihood that McDonald’s will bridge the gap, the
court could not get past the fact that both of these companies were in the
restaurant business, and that was enough. 58 Unfortunately for the
defendant, McDonald’s offered survey evidence that stated that almost
30% of people questioned were confused that McBagel’s was sponsored
or promoted by McDonald’s. 59

The court also considered the intent of the defendant in choosing
McBagel’s as the name of his establishment. 60 The court did not believe
his testimony to be accurate when he denounced any mental affiliation
with McDonald’s when creating the name. 61 In considering the
sophistication of the buyers, the court stated that when going to a fast
food restaurant the consumer makes their decision “quickly and
casually,” therefore affording a greater likelihood of confusion. 62

The court weighed the factors above and enjoined the defendant
from using “Mc” as a prefix in the name of a restaurant when connected
to a food-related word. 63 But what about non-food-related words?
McDonald’s had expressly stated that it had no complaint with the
defendant in McBagel’s use of the prefix “Mc” in conjunction with a
word unrelated to a food product. 64

56. Id. at 1273 (quoting Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir.
1961)).
57. Id. at 1275 (stating that in all the defendant’s print advertising, the mark McBagel’s is
featured in larger print than the words bagel bakery).
58. Id. at 1275-76 (stating that the fact that the services were not precisely the same was
immaterial and the fact that protection can be given to a closely related product).
59. Id. at 1277. The survey indicated 24.8% of people were confused in the total United
States sample and 36.4% in the New York State sample. Id.
60. Id. at 1278.
61. Id. at 1278 (noting McShea stated his sister suggested using Mc, meaning Irish and a
bagel which is an ethnic food).
62. Id. at 1279.
63. Id. at 1282.
64. Id. at 1271 (stating that plaintiff would not have objected had defendant called their
bakery McSheagels the name selected by the public in a name contest run by defendant’s after they
learned of McDonalds interest in their name choice).
III. THE PREFIX “MC” WITH A GENERIC NON-FOOD RELATED ITEM

However, in Quality Inns International Inc. v. McDonald’s Corp. (hereinafter McSleep), McDonald’s did object to the use of the prefix “Mc” in conjunction with a non-food-related word. In McSleep, McDonald’s asserted that “it is the owner of a family of marks each of which is formulated by combining the prefix ‘Mc’ with a generic word to form a fanciful trademark or service mark.” The defendant was enjoined from its use of the term McSleep Inn for a chain of economic hotels. McDonald’s insisted that confusion would arise because McDonald’s had been involved with gas stations which had lodging connected to them, called McStops.

The court determined that the name McSleep was so similar to McDonald’s family of marks that no matter in which clothing the name is dressed, the public would continue to believe McSleep was somehow connected to McDonald’s. The court stated that the “marks that are owned by McDonald’s and that were formulated by combining ‘Mc’ and a generic word are fanciful and enjoy a meaning that associates the product immediately with McDonald’s and its product and service.” The court determined that since the marks were fanciful they were to be given the strongest protection.

The McSleep court was persuaded by many factors. The court began its analysis with a historical account of the advertising and transformation of McDonald’s goodwill. The court spoke extensively of the popularity and magnitude of McDonald’s success in the United States, acknowledging that McDonald’s was a force to be reckoned with as it was serving over 18 million people daily. In fact, McDonald’s claimed within the last four weeks, 89% of all children between the ages of two and seven and 64% of adults had eaten at a McDonald’s restaurant. There was no evidence to suggest that anyone prior to

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66. Id. at 201.
67. Id. at 221-22.
68. Bruce Rubenstein, Knockoffs Are Generic For McDonalds General Counsel Confusion is What Draws Swift Attention From Legal Department, CORP. LEGAL TIMES, Mar. 1, 1994.
71. Id.
72. Id. at 216.
73. Id. at 203.
74. Id.
75. Id.
McDonald’s used “Mc” with a generic word.\(^{76}\) That use had not been limited to fast food items, and was still expanding.\(^{77}\)

The high recognition of the “Mc” mark is the result of extensive advertising done by McDonald’s Corp.\(^{78}\) In fiscal year 1987, McDonald’s spent over 400 million dollars on media advertising in the United States, making it the largest single brand advertiser in the United States.\(^{79}\) This created such a recognizable company that children ages two to eight recognized Ronald McDonald with 100% accuracy, matched only by Santa Claus.\(^{80}\)

The last factor which the court analyzed was the manner in which the defendant came to pick the name McSleep.\(^{81}\) The court determined that not only was the defendant aware of the risk that he might be infringing McDonald’s family of marks, but the defendant had good reason to believe that the public might actually be confused.\(^{82}\) The court was unimpressed by defendant’s account of how he had chosen the name McSleep.\(^{83}\) He stated that he had woken up at 2 AM to jot down McSleep, with no acknowledgment that it could be connected to McDonald’s.\(^{84}\) However, they uncovered defendant’s consistent mentions of McDonald’s three years prior when he began creating the hotel chain.\(^{85}\) The chairman also announced in jest that there would be a French fry on every pillow.\(^{86}\)

All of these factors led to the court’s conclusion that McDonald’s did have a family of marks in the prefix “Mc” when connected to a generic non-food term in this situation.\(^{87}\) However, the court’s analysis did not foreclose the option that the prefix “Mc” coupled with any generic word may be precluded by McDonald’s.\(^{88}\) Each allegedly

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76. Id.
77. Id. at 204 (giving examples such as McKids for children’s clothing, McStop in interstate travel plazas, McJobs in job training programs, McLodge for its own hotel).
78. Id.
79. Id.
80. Id.
81. Id. at 203-04.
82. Id. at 204-06. The defendant had hoped to work with McDonald’s in a joint venture. He had also tried to register two other words McSleep and McBudget. His reasoning that the Mc from the Scottish surname conveyed thrift was of no avail.
83. Id.
84. Id.
85. Id.
86. Rubenstein, supra note 68.
88. Id.
offending use must be tested against the likelihood of confusion test, discussed infra. 89

IV. IS MCDONALD’S IN THE DENTAL FIELD?

As mentioned earlier, McDonald’s must also prove that the adoption and use by the junior user of the mark is likely to cause confusion that the goods or services emanate from the senior user. 90 The junior user cannot use the mark in a way that is likely to cause confusion, mistake, or deceive an appreciable number of typical consumers into believing that some sponsorship exists between the owner of the senior mark and the owner of the junior mark. 91 The theory underlying this concept is that the owner of a mark has an interest in protecting the business reputation for which it stands, even in markets that her business might later take her. 92

Accordingly, the McDental court decided that whether the family of marks possessed by plaintiff is entitled to protection from Defendant’s use of McDental turns on “whether there exists a ‘likelihood that an appreciable number of ordinarily prudent purchasers [will] be misled. Or indeed simply confused as to the source of the goods in question.’” 93 The court then considered many of the Polaroid factors discussed supra, 94 including the strength of the mark, the evidence of confusion, the similarity between the marks (including signage and advertising), the proximity of the markets for the products and services identified for the marks, the likelihood that plaintiff will bridge the gap, and the intent of defendant in choosing its mark and its good faith in doing so. 95

The court quickly concluded that based on all of the evidence the McDonald's family of marks is a strong one. 96 Arbitrary and fanciful marks which are non-descriptive and non-generic are by their nature stronger trademarks because they are easily identified solely with a particular product or service. 97 The court was impressed with the plaintiff’s offer at trial of numerous exhibits and testimony describing

89. Id.
90. Id. at 209.
95. Druck & Gerner, 814 F. Supp. at 1133.
96. Id.
the public's knowledge of the McLanguage. 98 The court next scrutinized the evidence of confusion presented. McDonald's offered evidence of two surveys which concluded that 30% of the population questioned associated McDental with McDonald's. 99 The court found "simply incredible" Dr. Druck's testimony that he never heard anyone, even in a joking manner, associate McDental with McDonald's prior to the commencement of this lawsuit, nor did he himself ever associate the name with that of McDonald's. 100

The next Polaroid factor to be considered was that of the similarity between the two marks McDental and Mc(add any other word here). 101 The court suggested that the word Dental in McDental did not make McDental "instantly recognized." 102 Instead, the court stated that, as in McSleep, it was the fancifully coined word that caused the infringement problem. 103

The only Polaroid factor that was found in favor of the defendant was the proximity of the product and the likelihood that plaintiff would bridge the gap. 104 The court determined that even if McDonald's provided dental floss with its French fries, it was not likely to bridge the gap in any appreciable manner. 105 The court stated that initially it would appear that dental services and fast food have nothing in common. 106 Therefore, it was unlikely that customers would mistakenly assume that McDental's services were somehow associated with McDonald's or were made by McDonald's. 107

The last Polaroid factor to be considered by the court was that of the intent of Drs. Druck and Gerner and their good faith in choosing the name "McDental." 108 The court was disenchanted with Dr. Druck's account of how the name had been created, stating that it had a "cute"

98. Druck & Gerner, 814 F. Supp. at 1133.
99. Id. at 1134. See also Rubenstein, supra note 68 (stating that if a survey shows 15-20% confusion they have a case).
100. Druck & Gerner, 814 F. Supp. at 1134.
101. Id.
102. Id.
103. Id. (discussing Quality Inns Int'l, Inc. v. McDonald's Corp., 695 F. Supp. 198, 220 (Md. 1988)).
104. Id. at 1134.
105. Id. at 1135.
106. Id. at 1134. The court reached this conclusion even with Dr. Cromie's testimony who worked with the Ronald McDonald charity house stating that they had provided toothbrushes in its happy meals in the past, had sponsored dental cleanings via a mobile van across the country and given money for a dental machine for children. Id.
107. Id.
108. Id. at 1135.
sound to it, and a quality of retentiveness.\textsuperscript{109} It was asserted by the defense that both Drs. Druck and Dr. Gerner never perceived or considered that there was any similarity between Mc Dental and McDonald's.\textsuperscript{110} However, contrary to this testimony was the testimony of an attorney who had advised the defendants regarding their name selection, having asked earlier if the doctors might have a conflict with the plaintiff.\textsuperscript{111}

The court weighed all of the factors and easily determined that the use of Mc Dental had to cease.\textsuperscript{112} The breadth and extent of McDonald's trademark protection in the prefix "Mc" seems absolute. The expansion of this protection in the United States is an account of what big money corporations can accomplish when they advertise and police their marks. However, in this global economy corporations must also put their goodwill at the mercy of foreign jurisprudence.

V. THE McCURRY LOWER COURT

Echoing the David and Goliath story, one small Malaysian family-owned restaurant won an eight-year-long legal battle over McDonald's American-based powerhouse.\textsuperscript{113} The following will discuss the case as it progressed through trial along with an analysis of the cases that influenced it. In 2001, McDonald's commenced an action at the High Court of Malaysia against the owners of McCurry Restaurant, P. Suppiah and his wife Kanagewary.\textsuperscript{114} McCurry restaurant offers Indian and Malaysian cuisine and is promoted based on the concept of a fast food restaurant.\textsuperscript{115} At the time of this decision McDonald's had over 30,000 outlets worldwide, with 185 in Malaysia.\textsuperscript{116}

McDonald's had been present in Malaysia since 1982, while McCurry was established in 1999.\textsuperscript{117} McCurry has a "Western-style ambience."\textsuperscript{118} At the time of this suit, McDonald's had registered its trademark as having the said prefix "Mc" in countries around the world,

\begin{flushleft}
\textsuperscript{109} Id.
\textsuperscript{110} Id. at 1135.
\textsuperscript{111} Id.
\textsuperscript{112} Id.
\textsuperscript{114} Id.; see also James Hookway, McCurry Wins Big McAttack in Malaysia, THE WALL ST. J., Sept. 9, 2009.
\textsuperscript{116} Hookway, supra note 114.
\textsuperscript{117} Id.
\textsuperscript{118} Id.
\end{flushleft}
including Malaysia. The lower court acknowledged that McDonald's had created a family of marks in relation to its products and services. The court stated that by "reason of its established goodwill and reputation created and generated by the extensive trade and publicity campaigns the prefix 'Mc' is distinctive of the plaintiff in Malaysia and around the world in connection with food, beverage and restaurant business."

The court analyzed the case under the tort of 'passing off', under both the traditional classic form and the extended form. For the traditional form, McDonald's had to prove that they had acquired the necessary goodwill by their endeavors or those of their predecessors. Next, proof of acts by McCurry which were and are calculated to damage the goodwill and reputation of McDonald's had to be proved, along with a corresponding unfair advantage. For McDonald's to prevail under the extended form of passing off, all they had to show was that there was an "appropriation of their trademark resulting in loss and damage."

Among other defenses, the defendant stated that the defendant's trademark "McCurry" was created based on the abbreviation of "Malaysia Chicken Curry" which is distinctly a Malaysian concept. The defendant further asserted that McDonald's had no exclusive right to the prefix "Mc." The court concluded after hearing much testimony that the plaintiff had proven all elements to show the existence of the act of passing off both under the traditional and extended form. The court stated that it was their "duty to protect the goodwill and reputation of the plaintiff which has been legally recognized worldwide."

120. Id.
121. Id. at *3.
122. Id. at *8.
123. Id. at *8-9.
124. Id. at *9.
125. Id. at *6.
126. Id. at *6.
127. Id. at *29-30.
128. Id. at *30.
VI. THE MCCURRY COURT OF APPEALS

The Court of Appeals disagreed and reversed the decision.129 The Court of Appeals determined that the evidence did not support the conclusion that McCurry restaurant was passing off McDonald’s business as their own.130 The conclusion of the court was that the “irresistible inference to be drawn from the totality of the evidence was that the defendant’s signboard could not result in reasonable persons associating McCurry with the plaintiff’s mark.”131

In its claim, McDonald’s pled that McCurry had copied and adopted the distinctive “Mc” identifier for its own food and beverage outlet.132 McDonald’s said that this was done with full knowledge of the plaintiff’s proprietary rights in the goodwill and reputation of its trade and business in food and beverages conducted under the distinctive “Mc” identifier.133

In discussing the cause of action resting on the tort of passing off, the court analyzed the history of the tort and concluded that the defendant need not misrepresent his goods to be those of the plaintiff if he misrepresents his goods or his business as being in some way connected or associated with the plaintiff’s goods or business.134 The elements of passing off include a misrepresentation by the defendant made in the course of the trade, calculated to injure the goodwill and reputation of the plaintiff from which the plaintiff must suffer resulting damages.135

The court determined that the defendant did not represent his business to be that of the plaintiff.136 The court of appeals looked at the mark or get-up or logo as a whole and not merely an element in the whole.137 McDonald’s get-up consisted of a distinctive golden arched ‘M’ with the word McDonald’s against a red background.138 McCurry’s signboard carried the words ‘Restoran McCurry’ with the lettering in

130. Id. at *14.
131. Id. at *11-12.
132. Id. at *2.
133. Id. at *2 (giving examples such as McChicken, McMuffin, McRendang, McEgg, McMonday, McTwist, McWings, McSaudage, McSpaceship, McTeddy Bears, McCafe, McWatchables, McWednesday and McNews).
134. Id. at *4
135. Id. at *4-5.
136. Id. at *10.
137. Id.
138. Id.
white and grey on a red background with a picture of a chicken giving double thumbs up along with the words ‘Malaysian Chicken Curry.’

Therefore, the defendant’s presentation of its business is a style and get-up which is distinctively different from that of the plaintiff.

The Court of Appeals was also persuaded by the fact that the items of food available at the McDonald’s outlet all carry the prefix “Mc” but none of the food items served at McCurry’s restaurant carry the prefix “Mc.” The third factor the court discussed was that the type of food available in the plaintiff’s outlet and the defendant’s restaurant were very different in that the former served fast-food, where the later catered only typically Indian and local food.

Lastly, the court determined that the type of customers who patronize the plaintiff’s outlets are very different from those who eat in defendant’s outlet.

The Court of Appeals believed that just because the defendant chose the name McCurry, this cannot by itself lead to the inference that it sought to obtain an unfair advantage from the usage of the prefix “Mc.” It would have been different if the defendant had offered to its customers items that were labeled either the same as or similar to those sold by the plaintiff, for example McFish or McLamb. Criticizing the lower court’s decision, the Court of Appeals stated that it was an error to assume that the respondent had a monopoly in the use of the prefix “Mc” on a signage or in the conduct of business. McDonald’s of course appealed this decision to the Malaysian Federal Court, the country’s highest court, which then ruled that McDonald’s could not appeal against the lower court’s verdict.

VII. THE “MC” FAMILY OF MARKS IN MALAYSIA

The Court of Appeals did not go into an elaborate discussion as to how the “Mc” family of marks is treated in Malaysia. It did however cite two cases supporting its opinion that McDonald’s does not have a

139. Id.
140. Id.
141. Id.
142. Id. at *10-11 (stating that one is a typically Indian restaurant selling Indian and local dishes with just its one outlet while the other is a multinational vendor of fast food such as burger, French fries and milkshakes).
143. Id. at *11.
144. Id. at *13.
145. Id. at *14.
146. Id. at *13.
147. Hookway, supra note 114.
monopoly on the prefix "Mc" on signage or in conduct of business. The first case I will discuss is a Singapore Court of Appeals decision known as McDonald's Corp. v. Future Enterprises. In Future Enterprises, McDonald's opposed the application of the names MacTea, MacChocolate, and MacNoodles in connection with instant beverages and noodles. In Singapore, there were 108 McDonald's inside city borders at the time of this suit. McDonald's advertised extensively and had registered Big Mac, Mac Fries, McChicken, and McNuggets as trademarks.

McDonald's opposed the application based on the theory of deception and confusion. The court stated that McDonald's arguments were based on the conclusion that they had established a reputation of goodwill in the prefix "Mc" as their mark on any product of a food or beverage nature. The court stated that they accepted that McDonald's had, through extensive use and advertisement in Singapore, acquired a substantial reputation and goodwill in the mark McDonald's and in those other marks as menu items. It was also clear that the common feature that linked its family of marks was the prefix "Mc."

However, the court also stated that other factors must be considered to establish the likelihood of confusion or deception for the average consumer of the goods in question. The court looked at the marks as a whole when considering the similarity of the marks; it also considered the similarity of the products, the differences in consumers, and any evidence of actual consumer confusion. The opponent also had to prove that any confusion was brought about by the wrongful conduct of the applicant.

The court determined that there was no proof of actual confusion. The court also determined that the marks were quite different because the people would see the product without the McDonald's logo or mark.

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150. Id. ¶ 5.
151. Id. ¶ 2.
152. Id. ¶ 7.
153. Id. ¶ 52.
154. Id.
155. Id.
156. Id. ¶ 57.
157. Id. ¶ 50.
158. Id. ¶ 71.
159. Id. ¶ 67.
on it, along with an eagle device on it.\textsuperscript{160} Also, the court concluded that the products were quite different.\textsuperscript{161} When discussing consumer perception the court quoted the trial judge as saying, "In my view, 'MacTea,' 'MacChocolate,' and 'MacNoodles' used in a normal and fair way . . . would not evoke thoughts of the opponent in the minds of a substantial number of the average consumer."\textsuperscript{162}

The court referred to two Canadian cases when reaching its conclusion.\textsuperscript{163} In \textit{McDonald's Corp. v. Silicorp Ltd.} it was "ruled that McDonald's could not claim a monopoly over the use of 'Mc' or 'Mac' syllables either alone or in combination with other words."\textsuperscript{164} Secondly, in \textit{McDonald's Corp. v. Coffee Hut Stores Ltd.}, the Federal Court of Canada, in an application to register the mark McBeans in respect to gourmet coffee, noted that McDonald's had "established a reputation in the business of fast-food restaurants."\textsuperscript{165} The court also stated that "there was nothing inherently distinctive about the marks once one looked outside that area of business."\textsuperscript{166}

\section*{VIII. MCCHINA VS. MCDONALDS}

\textit{McCurry} also referred to \textit{Yuen Yuk Wan Frank v. McDonald's Corp.} (hereinafter \textit{McChina}).\textsuperscript{167} The \textit{McChina} court considered and ultimately disregarded McDonald's objection to the use of 'McChina' and allowed the registration of the mark.\textsuperscript{168} This resulted in McDonald's loss of a nine-year legal battle against Frank Yuen, the owner of McChina Wok Away, which was a small chain of Chinese take-away outlets in London.\textsuperscript{169} The court ruled that the McChina name would not cause any confusion among customers, and McDonald's had no right to the prefix "Mc."\textsuperscript{170}

The defendant asserted that in Scotland surnames that begin with Mc or Mac are commonplace.\textsuperscript{171} The judge replied that any tribunal must obviously be careful before reaching a conclusion that involves
giving an effective monopoly to a common prefix of a surname, in the context of a common type of business. The judge stated that the opponent in the case, i.e., McDonald’s, was virtually seeking to monopolize all names and words with prefix “Mc” or “Mac” at least in relation to food or restaurant services. The court also took into account other circumstances including the lack of similarity in the marks, the fact that McDonald’s was not associated with oriental food, and the lack of evidence of confusion.

IX. CONCLUSION

These decisions could chill the expansion of McDonald’s and other American companies from moving across borders and into uncertain legal terrain. Although it has increasingly become more popular to cheer for the little family owned company in these types of disputes, one must remember that about 75% of McDonald’s restaurants operate as independent franchises and are staffed by local residents. This larger-than-life corporation was founded in the mid 1950s when Ray A. Kroc opened a single restaurant in Des Plaines, Illinois. Kroc paid Richard and Maurice McDonald several million dollars for the right to use the mark. Therefore, at one time, McDonald’s was the small family-owned business; the difference is that McDonalds has since created in itself a mark matched by none other.

When questioned about the McCurry decision, a McDonald’s spokesperson said the company respects the court’s decision, and “will continue to vigorously defend our trademarks and brand around the world as we always have.” The corporation has a network of volunteer informants in every city and hamlet in the country searching for any possible trademark violations. McDonald’s has asserted that one of the reasons they have policed so heavily is a response to the fate of trademarks that were not properly protected, such as Xerox, Windbreaker, Thermos, and Kleenex. After all, according to

172. Id.
173. Id. at *67.
174. Id. at *71.
175. Hookway, supra note 114.
176. MCDONALD’S CORP., supra note 1.
178. Id.
179. Hookway, supra note 114.
180. Rubenstein, supra note 68.
181. Id.
Merriam-Webster, "McJob" now has the meaning for a dead-end job. Others have even gone so far as to suggest that the prefix "Mc" has become "shorthand for anything generic."

In closing, I suggest that corporate counsel continue their respect for the local culture when expanding into new populations. However, they also must prepare themselves to take a gracious bow when met with an unfavorable trademark infringement decision. Differences in the laws come from differences in cultures, and perhaps there is no other culture and country in the world that protects their trademarks with so much vigor.

182. McDonald's Upset Over Mcjob Title, ABC News Online (Nov. 12, 2003), http://www.abc.net.au/news/newsitems/200311/s987302.htm; see supra note 4.
183. Rubenstein, supra note 68.