

MC DONALD'S CORPORATION  
Opposer,  
- versus -

IPC 14-2006-00093

Opposition to:  
TM Application No. 4-2004-008184  
(Filing Date: 3 September 2004)

GLOBAL PARTNERS, INC.,  
Respondent-Applicant.

TM: "McSpice"

x-----x

Decision No. 2007-36

## DECISION

For resolution is the Opposition filed by McDonald's Corporation (the "Opposer") against Application No. 4-2004-008184 filed by Global Partners, Inc. (the "Respondent-Applicant") on 03 September 2004 for the registration of the mark "McSpice" covering goods in Class 30, upon the ground that the mark "McSpice" is confusingly similar with food seasoning and flavor enhancer falling under its several marks using "MC" as a prefix namely, McDonald's, McDo, McSpaghetti., McFries, McPizza, McDip, McFlurry, McCafe, to name a few.

Opposer, MCDONALD'S CORPORATION (hereafter, the "Opposer") is a foreign corporation duly organized and existing under the laws of Delaware, U.S.A., with office address at One McDonald's Plaza, oak Brook, Illinois, U.S.A.

Respondent-Applicant, GLOBAL PARTNERS, INC. is a domestic corporation organized and existing under the laws of the republic of the Philippines with business address at General Milling Compound, Magsaysay Road, Barangay San Antonio, San Pedro, Laguna.

On 26 June 2006, Opposer filed the Verified Notice of Opposition against Respondent-Applicant's for registration of the trademark "McSpice" for goods under Class 30 Food Seasoning, Flavor Enhancer).

On 20 July 2006, this Bureau issued a Notice to answer, a copy of which together with the opposition was received by Respondent-Applicant on 01 August 2006.

Notice to answer required Respondent-Applicant to submit its Verified Answer within thirty (30) days from receipt thereof.

On 16 October 2006, this Bureau pursuant to order No. 2007-257 declared Respondent-Applicant to have waived its rights to file its Verified Answer. Consequently, the subject opposition will be decided on the pleadings, affidavits of witnesses and documentary evidence presented by the Opposer, pursuant to Sections 10 and 11 of Office Order No. 79 Series of 2005 9Amendments to the Regulations on Interpartes proceedings.

### Grounds for Opposition

Opposer filed the instant Opposition based on the following grounds:

1. "The Opposer is the owner and proprietor of the "MC" trademark and other trademarks using "MC" as a prefix in the United States of America as well as in other countries around the world.
2. "With respect to the Philippines, the Opposer is the owner and proprietor of the mark "MC" for Class 29 goods (meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; edible oils and facts; salad dressings; preserve) under Registration No. 051789 issued on December 12, 2002.

3. "The Opposer is also the owner and proprietor of several marks wherein the "MC" prefix is used or forms part of the mark.
4. "As can be gleaned from the foregoing, the Opposer has clearly established its exclusive right to the "MC" trademark. It is also quite clear from the foregoing that the Opposer has over the years, firmly established all over the world a distinctive method of identifying its goods and services apart from the goods and services of others, which is by affixing the prefix "MC" to a common word descriptive of the good or service it is offering. Examples of the application of this method are the use of the mark "McSpaghetti" to distinctly identify the opposer's spaghetti dish, the use of the mark "McChicken" to distinctly identify its chicken sandwich, the use of the mark "McMuffin" to distinctly its egg muffin, etc.
5. "Having established the widespread use of the "MC" mark as well as the other marks which uses the "MC" prefix all throughout the world for various classes of goods and services, it can be concluded that the "MC" mark and other marks using the "MC" prefix have established and obtained goodwill and general international consumer recognition as belonging to the Opposer.
6. "An analysis of the mark "McSpice" will show that it is composed of the prefix "MC" and the word "Spice". The word "Spice" is a common word defined by Encarta Word English Dictionary as "aromatic plant substance used as flavoring or any of various plant substances such as nutmeg and ginger used as flavoring.
7. "As evidence by its pending application before this Honorable Office, Respondent-Applicant intends to identify its product(s) by using the mark "McSpice" which is a result of the Respondent-Applicant adding the prefix "MC" to the common word "Spice". In coming up with the "McSpice" mark, not only did the Respondent-Applicant make use of the "MC prefix internationally associated with the Opposer, respondent-Applicant also employed the same distinctive method being used by the Opposer to distinctly its goods and services.
8. "Because the mark "McSpice" was developed through the Respondent Applicant's use of the "MC" prefix as well as Opposer's method of identifying its goods, it cannot be registered since it contravenes Sections 123.1 (f) of the Intellectual property Code (Republic Act No. 8293).
9. "It is the intention of the above-cited provision to protect a trademark owner and the public against the use of marks which can create confusion with respect to business, source and origin.
10. "The rationale behind the protection afforded by Section 123.1 (f) of the intellectually property Code was further explained by the Supreme Court in the case of Converse Rubber Corp. v. Universal Products, Inc.
11. "Similar to the above-cited case, the Opposer firmly believes that it will be Damaged by Respondent Applicant's use of the "McSpice" trademark since the use thereof will likely cause confusion or a mistaken belief by the public as to the origin of the said mark, that is, the public will likely confuse product with the mark "McSpice" as originating from the Opposer. In addition, such confusion that will be brought about by the use of the mark "McSpice" will also cause damage to the reputation and goodwill that the Opposer has established with the public over the years.
12. "That the "McSpice" mark is being registered for Class 30 goods and not for Class 29 goods is of no moment since the protection afforded by Section 123.1 (f)

extends to registration for goods which are not similar to the goods of the established and internationally known mark. In truth, the fact that Respondent-Applicant intends to use the "McSpice" mark for a different class of goods (specifically food seasoning and flavor enhancers) only serves to highlight Opposer's argument that the Respondent-Applicant deliberately sought employ the same distinctive method being used by the Opposer to distinctly identify its goods and services, which is to affix the "MC" prefix to a common word descriptive of the good or service it is offering. Experience has demonstrated that when a well-known trademark is adopted by another even for a totally different class of goods, it is done to get the benefit of the reputation and advertisements of the originator of said mark, to convey to the public a false impression of some supposed connection between the manufacturer of the article sold under the original mark and the new article being tendered to the public under the same or similar mark.

13. "Clearly, therefore, Respondent-Applicant's use of the prefix "MC" and its adoption of the Opposer's method of identifying its goods and services was meant to take advantage of the fact that there can be no rational explanation for the use of the "MC" prefix by Respondent-Applicant other than to copy the distinctive method by which Opposer identifies its goods and services apart from other goods and services.
14. "Finally, a denial of the registration of Respondent-Applicant's "McSpice" mark is justified under Section 138 of the Intellectual Property Code, Which recognizes and applies the "expansion of business" rule. The said provision affords protection to the registered owner of a mark from the use by another of similar mark on the goods services related to those specified in the certificate of registration."
15. Considering that Class 30 goods are closely related to those classified under Class 29, the class of goods for which the "McSpice" mark is sought to be registered is clearly within the zone of potential or natural and logical operation of the Opposer. As such, the Opposer is clearly entitled to the protection afforded by section 138 of the intellectual Property Code.

The Notice to answer dated 20 July 2006 was sent to Respondent by registered mail on 01 August 2006 directing it to file their Verified Answer within a prescribed period from receipt. For failure of Respondent to file the required answer within the prescribed period, the Bureau in order No. 2007-257 dated 08 February 2007 declared respondent to have waived its right to file the Verified Answer and resolved to submit the case for decision.

#### Issues

The issues to be resolved in the instant Opposition case are:

- (a) Whether or not respondent-Applicant's mark McSpice is confusingly similar to opposer's several mark using "MC" as prefix such that Opposer will be damaged by registration of the "McSpice" mark in the name of Respondent-Applicant; and
- (b) Whether or not Respondent-Applicant's trademark application for "McSpice" should be granted registration.

In support of its prayer for the rejection of application Serial No. 4-2004-008184 for the mark "McSpice", Opposer's evidence consisted, among others, of the Affidavit of McDonald's Corporation Managing Counsel, Sheila Lehr, several Certificates of Registration of McDonald's Corporation issued by the then Bureau of Patents, Trademarks and technology Transfer for the following trademarks: "MC" "McDonald's", "McExpress", "Mcdo", "McSpaghetti", "McEgg", "MAC

FRIES”, “MCLUFFIN”, “McSaver’s”, “McFLURRY”, McaCAFE”, “McDIP”, “McMUFFIN”, “MCCHIKIN”, “BURGER McDO”.

An examination and evaluation of the records and evidence at hand would reveal that Opposer based its right to pursue this instant opposition on the strength of its ownership and prior use and registration of the prefix “MC” in all of its trademarks visa-vis respondent-Applicant’s mark “McSpice”.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (*Bert R. Bagano v. Director of patents, et.al.*, G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, the Respondent=Applicant has the burden of proving ownership (*Marvex Commercial Co., Inc.v. Peter Hawpia and Co.*, 18SCRA 1178).

From the evidence on record, opposer is the registered owner in the Philippines of the following trademarks (Exhibits “B, C, F-X”, Opposer), as follows:

Trademark	Registration Number	Nice Classification
MC	51789	30
McDONALD’S	51549	29&32
McDONALD’S	24919	30
McEXPRESS	4-1999-001936	42
McDO	50987	42
McSpaghetti	45583	30
McEGG	43045	30
MAC FRIES	39988	29
MCBIB	39924	30
Chicken McNuggets	39507	29
MC BURGER	4-1996-116052	42
MCPIZZA	4-1996-110243	30
McKids	54195	25
EGG MCMUFFIN	32385	29
McSaver’s	4-1997-126128	42
McFLURRY	4-1999-001937	29
McCAFE	4-2001-005078	42
McDIP	4-2002-000150	29, 30
McMUFFIN	4-2002-010668	30
MC CHICKEN	31966	29
BURGER McDO	64892	30

Opposer filed its application to registration to register the trademark “MC” n the Philippines on 01 June 1990 and was granted registration on 02 December 1991 under a duly issued Certificate of Registration No. 51789 for Class 30, the same class as Respondent’s application. Respondent-Applicant applied for the registration of the mark “McScpice” on 03 September 2004, or more than a decade after Opposer obtained its Philippine registration for the trademark “MC”.

A cursory reading of paragraph (d) of R.A. 8293 with emphasis on prior registration and/or Application of the same mark involving same or closely related goods stats that:

“Section 123. Registrability. -123.1 A mark cannot be registered if it:

xxx

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;”

xxx

The preceding section provides that the owner of a registered mark may bring an action to oppose an application for registration of another mark when he finds the same to be identical and/or confusingly similar with his registered trademark. From a plain reading of the trademark law (R. A. 8293) in point, what is there to suffice the requirement of the law and thus bar registration by subsequent user of identical or similar mark is confusing similarity between the subject trademarks, the likelihood that purchasers may confuse the goods of the Applicant and Opposer to come from the same manufacturer or source. The law does not require actual confusion, it suffices that confusion is likely to occur in the sale of the goods and adoption of both marks (Philips Export B. V., et. Al vs. Court of Appeals, et. Al G.R. No96161, February 21, 1992

In this particular case, the remarkable similarity of the prefix “MC” in both marks is noteworthy. The mark “McSpice” of Respondent-Applicant is the same in sound and spelling vis-à-vis the prefix “MC” in opposer’s several marks namely Mc, McDonald’s McExpress, McDo, McSpaghetti, McEgg, McFries, McRib, Chicken, McNuggets, McBurger, McPizza, McMuffin, McChicken, Burger McDo, McDip, McFlurry, McCafe, among others. The prefix “MC” can be found in all of Opposer’s several trademarks and is the dominant in almost, if not all, of Opposer’s trademarks. Opposer’s trademarks used that capital letter “M” and the letter “c” in lowerbox printed in horizontal and bold form. Respondent likewise used the same prefix “MC” and added a common word “Spice” to describe the goods it manufactures or offers for sale, all in the concept of food seasoning and/or flavor enhancer. Opposer is known for its famous “MC” trademarks, typically it would come up with marks affixing its famous “MC” prefix and combine it with the common word to describe the food it prepares or produces or the services it offers, an example is the McSpaghetti (*Exhibit “I”, Opposer*) trademark for Class 30 which uses it in the manufacture, sale, promotion and distribution of McDonald’s spaghetti or pasta food./ Respondent used the mark “McSpice” likewise to identify its flavor enhancer or food seasonings, which is a combination of the prefix “MC” and the common word “Spice”. One will readily see the similar approach in words combination hence, comparing both marks in plain view there certainly is striking similarity. It bears mentioning at this juncture that Opposer has a registration for the trademark “MC” alone without incorporating any common word for goods under Class 30, the same as respondent’s goods. The prefix “MC” for Opposer’s other trademarks as previously discussed still dominates the whole appearance of the labels, the same observation with Respondent-Applicant’s “McSpice” mark as well, thus, similarities in the dominant feature of both marks are not lost. It is noteworthy to cite at this juncture the ruling of the Supreme Court in the cases of *Co Tiong Sa v. the Direction of Parents* (95 Phil 1 (1954); *Sapolin Corp. vs. balmaceda* (67 Phil. 705); and *Forbes Nurma & Co. vs. And San To* (40 Phil 272) which applied the dominancy test in determining the existence or dominant feature of the trademark, despite some differences or variations in detail, there is infringement.”

Having shown the resemblance between the labels or marks involved, we now delve on the matter of confusion of goods which certainly has decisive effects in the adjudication of the case.

Opposer’s products are classified under the Nice Classification and for the most part Opposer’s goods are in the category of food or food ingredients specifically under Classes 29 and 30, the same as Applicant’s goods belonging to or under Class 30 which are mainly flavor enhancer. Opposer’s business and services and applicant’s goods are admittedly not in actual competition but they have direct relations in that Opposer’s various food products such as ice

cream, burger, pasta, coffee drinks, chicken, among others and Respondent's food seasoning fall in the category of food or food ingredients or seasoning. By their being basically food items, both products are classified as common day-today consumer or household items may be marketed similarly. Opposer may one day expand the business by selling their products outside their stores which would likely place both Opposer and Respondent in actual competition. Hence, considering that opposer and Respondent's goods are in the classification of food products, clearly their goods are in the classification of food products, clearly their goods are closely related. The Supreme Court in *ESSO Standard Eastern, Inc. vs. Court of Appeals, et. al*, 201 Phil 803, defined what are essentially closely related goods under the trademark law as:

"Goods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. Thus, biscuits were held related to milk because they are both food products."

Applying this principle clearly etched in the above-cited case, this Bureau has seen a connection between herein Opposer's goods and those of respondent or to a large extent that would apropos place the goods in the same category or fall them within the normal or zone of potential business expansion of Opposer. For now Opposer's products are being sold exclusively in its chain of McDonald's restaurants but Opposer's may in the near future sell their food products outside the confines of their stores, like selling their processed foods or seasoning in groceries or convenience stores, the same as Barrio Fiesta Restaurant's experience these days.

It is worth mentioning at this juncture to bolster Opposer's exclusive right over its trademarks using the prefix "MC" and accord protection henceforth against any subsequent user is the established good will and reputation McDonalds trademark have earned over the years. McDONALDS trademarks are widely and popularly used by Opposed especially on its burger, pasta and chicken. The use and adoption by Applicant of the mark "McSpice" with the prefix "MC" as subsequent user can only mean that Applicant wishes to reap on the goodwill, benefit from the advertising value and reputation of Opposer's McDONALDS trademarks.

By appropriating a word which closely resembles that of a widely used and popularly known trademark, and taking into account the evidence submitted by Opposer, this bureau holds that indeed there was a deliberate intent by Respondent-Applicant to ride on the popularity of the mark of the Opposer generated through extensive use and advertisement without the Respondent-Applicant having incurred any expense to gain such goodwill and/or reputation.

In case of *American Wire & Cable Co. vs. Director of patents*, 31 SCRA 544, it was observed that:

"Why of the million of terms and combination of letters and designs available the appellee had to choose a mark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark"

As the rightful owner and prior user of the marks "MC", "McDONALDS", "MCCRIB", "chicken McNuggets", "MC BURGER", "MCPIZZA", "McKids", "EGGMCLUFFIN", "McSaver's", "McFLURRY", "McCAFE", "McDIP", "McMUFFIN", "MC CHICKEN", "BURGER McDO" and their variants, Opposer should be given protection against entities that merely wish to take advantage of the goodwill its marks have generated.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Consequently, Application bearing Serial No. 4-2004-008184 filed by GLOBAL PARTNERS, INC. ON September 03, 2004 for the registration of the mark "McSpice" used on goods under Class 30 is, as it hereby, REJECTED.

Let the file wrapper of "McSpice", subject matted of this case together with a copy of this Decision be forwarded to the Bureau of trademarks for appropriate action.

SO ORDERED.

Makati City, 19 March 2007.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office