

McDONALD'S CORPORATION
Opposer,

Inter Partes Case No. 4011

-versus-

Opposition to:
Appl'n. Serial No. 69387
Date Filed: 19 Sept. 1989

L.C. BIG MAK BURGER, INC.
Respondent-Applicant.

Trademark: "L.C. BIG MAK
BURGER, INC. & DEVICE"

x-----x

Decision No. 2005 – 15

DECISION

On 18 May 1994, Opposer McDonalds Corporation (Opposer), a corporation duly organized and existing under the laws of the State of Delaware, United States of America, filed an opposition against the registration of the trademark application L.C. Big Mak Burger & Device for food service retailing filed by Respondent-Applicant L.C. BIG MAK BURGER, INC. (Respondent), a domestic corporation, on 19 September 1989. The application was published on Page 96, Vol. VI No. 6 Official Gazette of the Bureau of Patents, Trademarks, and Technology Transfer of the Department of Trade and Industry.

In its opposition, Opposer alleges that it would be damaged by such registration and, thus, opposes the application for registration of the mark Big Mak, L.C. Big Mak Burger, Inc, & Device in the name of L.C. Big Mak Burger, Inc., Opposer claims the following:

"1. Opposer is the owner and rightful proprietor of the internationally known McDonald's Tradename, Trademarks and Service Marks, including the mark 'BIG MAC' (hereinafter collectively referred to as the 'McDonald's Mark') which are used in connection with opposer's restaurant services and food products.

2. Being the owner and rightful proprietor of the McDonald's Marks, opposer effected the registration of the same in the United States of America and in many other countries as early as 23 June 1970. In the Philippines, the McDonald's Marks were registered with the then Philippine Patent Office as early as 4 October 1971.

To date, opposer is the recorded owner of the following marks, among others:

Reg. No.	Date of Effectivity	Mark	Class	Specification of Goods/Services covered
32009	23 June 1983	Big Mac		Sales of Sandwiches
34591	18 July 1985	'BIG MAC'	29	Hamburger Sandwich

x x x

3. By reason of opposer's prior and continuous use of the mark 'BIG MAC', the same has acquired a meaning exclusively identified with its goods and services such as to solely indicate opposer's goods and services.

4. To promote opposer's goods and services in the Philippines and ensure the quality thereof, opposer has since 1971, embarked on an extensive advertising campaign through all forms of media.

5. On 19 September 1989 respondent-applicant intentionally adopted, and fraudulently applied for registration of, the mark 'Big Mac[k], L.C. Big Mak Burger, Inc. & Device' for retailing, undoubtedly, to take advantage of the popularity and goodwill connected with the McDonald's mark 'BIG MAC'. There are limitless names and devices available to respondent-applicant, yet it has decided to adopt the mark 'Big Mak' which is identical to opposer's mark 'BIG MAC', except that the letter 'K' has been substituted for 'C' indubitably to confuse, mislead, or deceive purchasers into believing that the goods of respondent-applicant are those of opposer or sponsored by opposer.

6. The use and adoption in bad faith by respondent-applicant of the mark 'Big Mak, L.C. Big Mak Burger, Inc. & Device' would falsely tend to suggest a connection of affiliation with opposer and, therefore, would constitute a fraud on the general public, and further cause the dilution of the distinctiveness of the registered, and internationally recognized, McDonald's Marks, in particular, the mark 'BIG MAC' to the prejudice and irreparable damage of opposer.

7. The use and adoption by respondent-applicant of the mark 'Big Mak', which is identical to McDonald's mark 'BIG MAC', constitute an unlawful appropriation of marks previously used in the Philippines and not abandoned. Accordingly, Application Serial No. 69387 filed by respondent-applicant for the registration of the mark 'Big Mak, L.C. Big Mak Burger, Inc. & Device' is in violation of Section 4(d) of Republic Act No. 166, as amended."

In its Answer, Respondent denies the allegations of the Opposer and maintains that:

"7. xxx

a) As early as October 23, 1984, the respondent-applicant's predecessor-in-interest was already engaged in the restaurant business operating under the business name 'Big Mak Burger'...

b) On March 21, 1985, the business name 'Big Mak Burger' was duly registered with the Bureau of Trade Regulation Consumer Protection (BTRCP, now bureau of Domestic Trade)...

c) That subsequently, said business name was included in the corporate name of 'L.C. Big Mak Burger, inc.' upon its incorporation and registration with the Securities and Exchange Commission on December 11, 1987...

d) Initially, or in 1984, the respondent-applicant's business was established in Lucena City only, but owing to the success of its operations, several branches consisting of snack vans or rolling vans were established in several other provinces in the Southern Tagalog Region.

e) From 1984 onwards, the respondent-applicant continued the unhampered operations of its business, with definite plans to expand the same in other areas, including Metro Manila. As a business concern, the customers/clients of the respondent-applicant come mostly from the ordinary income groups, classified as the Class 'C' and 'D' customers.

At present, respondent-applicant has sixty eight (68) existing food stall/vans all over Luzon.

f) The target market of the respondent-applicant continue to be the *common tao* inasmuch as most of its stores are mere mobile snack vans or rolling stores selling various types of food products, such as siopao, noodles, pizza pies and sandwiches, which include hamburger, chicken, adobo, ham and fish burgers.

g) Bu virtue of the registration with the BTRCP and the SEC, the respondent-applicant was able to use its trade/corporate name in its business signs, polybag wrappers, menus and even in the exterior and interior designs of its foodstalls, being entitled to the full protection of its property under the law.

h) The wrappers and the packaging materials of the respondent-applicant's food products are distinctly designed with the corporate name in orange and a mascot, a chubby child called 'MAKY', depicted thereon. The snack vans are peculiar in style and color with the corporate name 'L.C. Big Mak Burger, Inc.' prominently displayed in the signages."

Respondent also states that:

"10. xxx

a) There is no confusing similarity or colorable imitation of Opposer's mark 'BIG MAC' as compared to respondent-applicant's L.C. Big Mak Burger, Inc. & Device.' The trademark under application is distinctly different from and is obviously not an imitation of Opposer's mark 'BIG MAC', which appears in red block capital letters.

In the first place, only the word 'Big', a generic or descriptive word nor subject to appropriation is identical to the first word of the Opposer's trademark. The words 'MAC' and 'Mak' are NOT the same nor do they look the same. When demonstrated or seen in the manner they are presented – such as the make, color, design, type of letters, background – they are readily distinguished from one another.

More importantly, if one were to follow the claim of the Opposer that the trademark under application is identical with the Opposer's mark 'BIG MAC' under the theory of colorable imitation, would not the word 'MAC' be a colorable imitation of 'MAX', a business name or mark identifying another well-known food chain of restaurants?

b) The lettering, color combination, mascot and overall appearance of the trademark under application are so glaringly different and not confusingly similar with the Opposer's mark 'BIG MAC', and, therefore, there can be no confusion, as Opposer claims, with respect to the source, origin or affiliation of the same.

In fact, the number of dissimilarities in the dominant features of the Opposer's mark 'BIG MAC' and the respondent-applicant's trademark under application demonstrate that there is NO significant basis to impute confusing similarity between the two."

On 02 August 1995, the Pre-Trial Conference of this case was held. The parties submitted their respective Pre-Trial Briefs and agreed to explore the possibility of settlement. On 01 August 1996, the parties failed to settle the case and the Pre-Trial Conference was terminated.

On 31 October 1996, Opposer formally offered its evidence.

On 08 May 2000, Respondent filed a MOTION TO DISMISS AND/OR SUSPEND PROCEEDINGS alleging that a decision was rendered by the Court of Appeals in C.A. G.R. No. CV No. 53722 involving the same parties and the same subject matter.

On 06 July 2000, this Office issued Order No. 2000-349 denying the motion to dismiss filed by the Respondent but granting the motion to suspend proceedings. On 10 July 2003, this Office issued Order 2003-286 requiring the parties to inform the Office if they are still interested in pursuing the case.

On 30 July 2003, Opposer filed a COMPLIANCE AND MANIFESTATION stating that the case previously pending with the Court of Appeals has been elevated to the Supreme Court and docketed as SC-G.R. No. 143993 entitled McDonald's Corporation, et.al. vs. L.C. Big Mak Burger, Inc., et.al. Opposer says that it is still very much interested in prosecuting the present case subject to the resolution of the issues presented in the Supreme Court in SC-G.R. No. 143993.

On 07 August 2003, Respondent filed a MANIFESTATION stating that it is still very much interested in this case and that the proceedings in this case be suspended pending resolution of the case in the Supreme Court.

On 18 October 2004, this Office issued Order No. 2004-638 requiring the parties to inform the Office within fifteen (15) days from receipt of the Order of any development in SC G.R. No. 143993 and if they are still interested in pursuing the case.

On 12 November 2004, Opposer filed a COMPLIANCE and MANIFESTATION stating that on 18 August 2004, the Supreme Court rendered a Decision in SC G.R. No. 143933 ruling that Respondent's Big Mak mark is confusingly similar to Opposer's Big Mac. Opposer, thus, manifested that the previous Order of this Office suspending the proceedings in the instant case should be, lifted and/or recalled.

On 19 March 2005, this Office set the hearing of this case on 19 April 2005 for the presentation of evidence by the Respondent. As the parties failed to appear during the scheduled hearing, the hearing was reset to 24 May 2005.

During the 24 May 2005, the Opposer appeared but Respondent was not present. Opposer, citing the frequent absences of the Respondent, and the fact that the Opposer has already completed its formal offer of evidence as early as 1996, moved that the Respondent be declared to have waived its right to present evidence.

In its Order No. 2005-304, this Office declared the Respondent as having waived its right to present its evidence and ordered the parties to submit their respective memorandum.

On 06 June 2005, Opposer submitted a certified true copy of the Entry of Judgment issued by the Supreme Court in the case entitled McDonalds Corporation and McGeorge Food Industries, Inc, vs. L.C. Big Mak Burger, Inc., Frances B. Cy, Edna A. Dy, Rene B. Dy, William B. Dy, Jesus Aycardo, Araceli Aycardo and Grace Huerto docketed as G.R. No. 143993.

On 11 July 2005, opposer filed its Memorandum. Subsequently, on 12 July 2005, Opposer filed a MANIFESTATION, attaching thereto a copy of a draft decision for consideration of this Office.

The main issue to be resolved in this case is whether or not Respondent's trademark application L.C. Big Mak Burger & Device is confusingly similar to the mark BIG MAC registered in favor of the Opposer.

The opposition is meritorious.

Respondent filed on 19 September 1989 its trademark application on L.C. Big Mak Burger & Device while Opposer filed on 18 May 1994 its verified opposition to the said trademark application. Accordingly, this case is to be decided under Republic Act No. 166, as amended, the trademark law in force and in effect during the filing of the trademark application and the notice of opposition.

Section 4(d) of Republic Act No. 166, as amended states that:

SEC. 4. Registration of trade-marks, trade-names and service-marks on the principal register. – There is hereby established a register of trade-marks, trade-names and service-marks which shall be known as the principal register. The owner of a trade-mark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business, or services of others shall have the right to register the same on the principal register, unless it:

x x x

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistakes or to deceive purchases; or.”

In this case, the trademark application of the Respondent clearly resembles Opposer’s registered mark BIG MAC for hamburgers sandwiches. Respondent stated in its Answer that its food products include sandwiches (hamburger, chicken, adobo, ham and fish burgers). Respondent’s trademark application of the mark L.C. Big Mak Burger & Device on food service retailing that includes hamburger sandwiches would, therefore, cause confusion with the Opposer’s registered mark. This fact of confusing similarity was in fact established by the Supreme Court in its Decision on G.R. No. 143993, which becomes final and executory on 30 September 2004.

It must be noted that Respondent itself, filed a Manifestation, stating that the proceedings in this case be suspended pending resolution of the case in the Supreme Court. This is because of the identity of the parties and subject matter in the two cases. With the decision of the Supreme Court holding Respondent liable for infringement and unfair competition, the arguments of Respondent have no leg to stand on.

As stated in the Supreme Court’s decision:

“Applying the dominancy test, the Court finds that respondent’s use of the ‘Big Mak’ mark results in likelihood of confusion. First, ‘Big Mak’ sound exactly the same as ‘Big Mac’. Third, the first two letters in ‘Mak’ are the same as the first two letters in ‘Mac’. Fourth, the last letter in ‘Mak’ while a ‘k’ sounds the same as ‘c’ when the word ‘Mak’ is pronounced. Fifth, in Filipino, the letter ‘k’ replaces ‘c’ in spelling, thus ‘Caloocan’ is spelled in ‘Kalookan’.

In short, aurally the two marks are the same, with the first word of both marks phonetically the same, and the second word of both marks also phonetically the same. Visually, the two marks have both two words and six letters, with the first word of both marks having the same letters and the second word having the same first two letters. In spelling, considering the Filipino language, even the last letters of both marks are the same.

Clearly, respondents have adopted in 'Big Mak' not only the dominant but also almost all the features of 'Big Mac'. Applied to the same food product of hamburgers, the two marks will likely result in confusion in the public mind.

The Court has taken into account the aural effects of the words and letter contained in the marks in determining the issue of confusing similarity. Thus, in *Marvex Commercial Co., Inc. v. Petra Hawpia & Co., et al*, the Court held:

The following random list of confusingly similar sounds in the matter of trademarks, culled from Nims, *Unfair Competition and Trade Marks*, 1947, vol. 1, will reinforce our view that 'SALONPAS' and 'LIONPAS' are confusingly similar in sound: 'Gold Dust' and 'gold Drop'; 'Jantzen' and 'Jass-Sea'; 'Silver Flash' and 'Supper Flash'; 'Cascarete' and 'Celborite'; 'Celluloid' and 'Cellonite'; 'Chartreuse' and 'Charseurs'; 'Cutex' and 'Cuticlean'; 'Hebe' and 'Meje'; 'Kotex' and 'Femetex'; 'Zuso' and 'Hoo Hoo'; Leon Amdur, in his book 'Trademark Law and Practice', pp. 419-421, cites, as coming within the purview of the idem sonans rule, 'Yusea' and 'U-C-A', 'Steinway Pianos' and 'Steinberg Pianos', and 'Seven-Up' and 'Lemon-Up'. In *Co Tiong vs. Director or Patents*, this Court unequivocally said that 'Celdura' and 'Cordura' are confusingly similar in sound; this Court held in *Sapolin Co. vs. Balmaceda*, 67 Phil. 795 that the name 'Lusolin' is an infringement of the trademark 'Sapolin', as the sound of the two names is almost the same. (Emphasis supplied)

Certainly, 'Big Mac' and 'Big Mak' for hamburgers create even greater confusion, not only aurally but also visually.

Indeed, a person cannot distinguish 'Big Mac' from 'Big Mak' by their sound. When one hears a 'Big Mac' or "Big Mak" hamburger advertisement over the radio, one would not know whether the 'Mac' or 'Mak' ends with a 'c' or a 'k'.

Petitioners' aggressive promotion of the 'Big Mac' mark as borne by their advertisement expenses, has built goodwill and reputation for such mark making it one of the easily recognizable marks in the market today. This increases the likelihood that consumers will mistakenly associate petitioner's hamburgers and business with those of respondents'.

Respondents' inability to explain sufficiently how and why they came to choose 'Big Mak' for their hamburger sandwiches indicates their intent to imitate petitioner's 'Big Mac' mark. Contrary to the Court of Appeals' finding, respondents' claim that their 'Big Mak' mark was inspired by the first names of respondent Dy's mother (Maxima) and father (Kimsoy) is not credible. As petitioners well noted:

[R]espondents, particularly Respondent Mr. Francis Dy, could have arrived at a more creative choice for a corporate name by being the names of his parents, especially since he was allegedly driven by sentimental reasons. For one, he could have put his father's name ahead of his mother's, as is usually done in this patriarchal society, and derived letters from said names in that order. Or, he could have taken an equal number of letters (i.e., to) from each name, as is the more usual thing done. Surely, the more plausible reason behind Respondents' choice of the word 'M[ak]', especially when taken in conjunction with the word 'B[ig]', was their intent to take advantage of Petitioner's xxx 'B[ig] M[ac]' trademark, with their alleged sentiment-focused "explanation" merely

thought of as a convenient, albeit unavailing, excuse or defense for such an unfair choice of name.

Absent proof that respondents' adoption of the 'Big Mak' mark was due to honest or was fortuitous, the inescapable conclusion is that respondents adopted the 'Big Mak' mark. This saves respondents much of the expense in advertising to create market recognition of their mark and hamburgers.

Thus, we hold that confusion is likely to result in the public mind. We sustain petitioner's claim of trademark infringement."

The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product. To allow Respondent to register the BIG MAK for its food retailing services of products that includes hamburger sandwiches would defeat the very rationale of having a trademark registration. It would dilute the exclusive right of the Opposer to use the mark BIG MAC in hamburger sandwiches.

As provided in Section 20 of Republic Act No. 166, as amended:

"A certificate of registration of a mark or trade-name shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or trade-name, and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein."

Respondent argues that the trademark under application L.C. Big Mak Burger, Inc. & Device is distinctly different from and is obviously not an imitation of Opposer's mark 'BIG MAC', which appears in red block capital letters. Respondent contends that in the first place, only the word 'Big', a generic or descriptive word not subject to appropriation is identical to the first word of the Opposer's trademark. The words 'MAC' and 'Mak' are NOT the same nor do they look the same. When demonstrated or seen in the manner they are presented – such as the make, color, design, type of letters, background – they are readily distinguished from one another. Respondent further maintains that the target market of the respondent-applicant is the "*common tao*" inasmuch as most of its stores are mere mobile snack vans or rolling stores selling the various types of food products.

As we have pointed out, with the recent decision of the Supreme Court holding Respondent liable for infringement and unfair competition in a case involving similar trademarks, Respondent's arguments cannot be sustained. It is now the law of this case that the subject mark application is confusingly similar to the Opposer's registered mark. Under the applicable trademark law, a person cannot register a mark that is likely when applied to or used in connection with the goods, business or services of the applicant, shall cause confusion or mistakes or deceive purchases. In this case, the conclusion is inevitable. There is likelihood of confusion.

As correctly argued by the Opposer in its Memorandum:

"...Therefore, among all of other elements of Respondent-applicant's 'L.C. BIG MAK BURGER, INC. & DEVICE', what clearly stands out as the most prominent element of the said mark and furthermore, is immediately recalled by an ordinary purchasers' mind, are the words "BIG MAK". Secondly, not only do the words "BIG MAK" appear within the square device of Respondent-applicant's mark. They also appear in the word component of the said mark, namely "L.C.

BIG MAK BURGER, INC.” Thus, the words “BIG MAK” appear not once, but twice in Respondent-applicant’s mark. This only proves that Respondent-applicant intended to make the words “BIG MAK”, as it actually is, the dominant portion of its “L.C. BIG MAK BURGER, INC. & DEVICE” mark.

25. It is obvious that the dominant element of the said mark is the words “BIG MAC”, similar to the dominant portion of Respondent-applicant’s mark. Thus, from a purely visual standpoint, it cannot be denied that Respondent-applicant’s mark is confusingly similar to Opposer’s well-known “BIG MAC” mark under the Dominancy Test.”

WHEREFORE, the opposition for the registration of the mark “L.C. BIG MAK BURGER, INC. & Device” is hereby GRANTED. Accordingly, Application Serial No. 69387 filed last September 19, 1989 under Class 42 by the Respondent is hereby REJECTED.

Let the filewrapper of L.C. BIG MAK BURGER, INC. & DEVICE, subject matter of this case, be sent to the Administrative, Financial and Human Resources Development Services Bureau (AFHRDSB) for appropriate action in accordance with this Decision, with a copy to be furnished the Bureau of Trademarks for its information and the updating of its records.

SO ORDERED.

Makati City, 17 August 2005.

Atty. EDWIN DANILO A. DATING
Assistant Director, Officer-in-Charge
Bureau of Legal Affairs