



OFFICE OF THE DIRECTOR GENERAL

ROSALINDA O. BONIFACIO,
Applicant-Appellant,

-versus-

McDONALD'S CORPORATION,
Opposer-Appellee.

Appeal No. 14-2010-0025
IPC No. 14-2007-00205
Opposition to:
Application No. 4-2001-006944
Date Filed: 17 September 2001
Trademark: McDOUGH
MIX & Device

X-----X

DECISION

ROSALINDA O. BONIFACIO ("Appellant") appeals the decision¹ of the Director of the Bureau of Legal Affairs ("Director") sustaining the opposition of McDONALD'S CORPORATION ("Appellee") to the Appellant's application to register the mark "McDOUGH MIX and Device".

Records show that the Appellant filed on 17 September 2001 Trademark Application No. 4-2001-006944 for McDOUGH MIX and Device for goods² under Class 30 of the Nice Classification.³ The application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 16 March 2007. On 12 July 2007, the Appellee filed a "VERIFIED NOTICE OF OPPOSITION" alleging the following:

1. It 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. In the Philippines, it is the owner and proprietor of the mark "Mc" for goods⁴ under Class 29 with Registration No. 051789 issued on 12 December 2002;

¹ Decision No. 2009-184 dated 22 December 2009.

² Bread namely: pullman, tasty, mongo bread, cheese bread, panderosa, hamburger bun, hotdog roll, hopia baboy, hopia hapon (hopia mongo) ensaymada butter toast; Pastries namely cakes, cinnamon, pianono cheese cup and mamon.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

⁴ meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; salad dressings; preserves

3. It is also the owner and proprietor of the mark "McDO" for Class 42 (restaurant service) with Registration No. 50987 issued on 24 July 1991;
4. It is also the owner and proprietor of several marks wherein the prefix "Mc" is used or forms part of the mark like "McDonalds", "McExpress", "McSpaghetti", "McEgg", "McFries", "McRib", "Chicken McNuggets", "McBurger", "McPizza", "McKids", "Egg McMuffin", "McSaver's", "McFlurry", "McCafe", "McDip", "McMuffin", "McChicken", and "Burger McDo";
5. It has clearly established its exclusive right to the "Mc" trademark and has firmly established all over the world a distinctive method of identifying its goods and services by affixing the prefix "Mc" to a common word descriptive of the goods or service it is offering;
6. "Mc" and the other marks using the "Mc" prefix have established and obtained goodwill and general international consumer recognition as belonging to it;
7. The similarity in the pronunciation of "McDough" and "McDo" underscores the Appellant's intent to ride on and use the goodwill which it has firmly established in the Philippines;
8. The Appellant's mark cannot be registered since it contravenes Sec. 123.1 (f) of the Intellectual Property Code of the Philippines ("IP Code"); and
9. It will be damaged by the Appellant's use of McDOUGH MIX and Device since the use of this mark will likely cause confusion or a mistaken belief by the public as to the origin of this mark; the public will likely confuse the products bearing this mark as originating from the Appellee.

The Appellee submitted the following evidence to support the opposition:

1. "MC Prefix Worldwide";⁵
2. Copy of Cert. of Reg, No. 51789 for "MC";⁶
3. Copies of certificates of registration of the Appellee's marks;⁷ and
4. Affidavit of Sheila Lehr executed on 18 June 2007.⁸

⁵ Exhibit "A".

⁶ Exhibit "B".

⁷ Exhibits "C" to "X".

⁸ Exhibit "Y".

The Appellant filed her "VERIFIED ANSWER" on 19 November 2007 alleging that:

1. She is the registered owner and proprietress of a business entity known as "Mc Dough Mix" in Mandaluyong City which is engaged in small scale production and sale of bread and pastries which are sold and distributed in the following outlets: Olivares Supermarket (Cavite City), Sta. Lucia Mall (Antipolo City), and Rich March Supermarket (Mandaluyong City);
2. She applied for the registration of McDOUGH MIX and Device on 17 September 2001; the words "Mc Dough Mix" is within the representation of a rolling pin; atop is the word "D' Original" inside an oblong shape, and a stylized man "MC Dough Mix and Device"; she disclaimed the exclusive right to use "Dough", "Mix", "D'Original", and the representation of a rolling pin apart from the mark as shown in the trademark application;
3. She first used her mark on 17 January 1989;
4. The lone issue raised by the Appellee in this case is that her mark is confusingly similar to the alleged registered marks of the Appellee; the Appellee is invoking Sections 123.1 (e) and (f) of the Intellectual Property Code of the Philippines ("IP Code");⁹
5. The opposition lacks any bases; a plain view examination of the Appellee's registered marks and her mark would immediately

⁹ Sec. 123.1 (e) and (f) of the IP Code provide that:

Sec. 123. Registrability.- A mark cannot be registered if it:

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use;

warrant a negative answer to the issue raised by the Appellee; Except for the prefix "Mc", these marks are absolutely distinct from each other and that there is hardly any similarity that can likely lead to any confusion among the consuming public whether as to the origin of or the business represented by these trademarks;

6. Whether the "dominancy test" or the "holistic or totality test" is applied, there is no similarity to the Appellee's "Mcdonald" mark and her mark that can lead to confusion; the only similarity is the prefix "Mc", which is just a sign, symbol or generic word and therefore cannot be appropriated by a single user; in terms of appearance, layout, and meaning, the likelihood of confusion between the Appellee's marks and her mark is clearly absent;
7. The Appellee does not have the exclusive right to monopolize the use of the prefix "Mc"; the right of the Appellee to exclusively use the prefix "Mc" extends protection only to its fast food restaurant business and products related to its fast food services;
8. The following are among the existing trademarks with the prefix "Mc" which were allowed registration not only in the Philippines but also throughout the world: Morelia's McKenzie, Mc Cool, Mc Home Depot and Device, Mc Jim, Mc Graw-Hill, Mc McCormick with Arch Design, Mc Ihenny, Mc Gregor;
9. The goods of the parties are non-competitive and non-related and the danger of confusion, mistake or deception among consumers as to the business, source or origin of the products is highly remote; her goods flow through different channels of trade and they have different target market while the Appellee's goods are only sold through its chain of restaurant throughout the Philippines; the buying public will not be misled into believing that her goods are those of the Appellee; the prospective buyer will not likely be misled into thinking that the Appellee has extended into the field or in anyway connected with her activities; the buyer is not likely to see their products or goods sold in the same venue or place;
10. She did not have the intention to ride on and use the Appellee's goodwill in the Philippines; she had used her mark since 17 January 1989 which is almost simultaneous with the date when the Appellee registered its marks in the Philippines and that she should not be faulted for being more creative and innovative than the others;
11. She is registering McDOUGH MIX and Device and not only "Mc Dough" as claimed by the Appellee, hence, no confusing similarity exists between the two marks; the two marks could not be likely mistaken to be the same, both in sound and appearance; under the principle of *idem sonans*, two names are said to be similar only "if

the attentive ear finds difficulty in distinguishing them when pronounced" which is not so in the case at hand;

12. The Supreme Court had ruled that In determining whether two trademarks are confusingly similar, the test is not simply to take their words and compare the spelling and pronunciation of said words; it is to consider the two marks, in their entirety, as they appear in their respective labels, in relation to the goods to which they are attached;
13. The Appellee's reliance on the "expansion of business rule" is misplaced; The "Business Expansion Rule" applies only if the same trademark is used for another goods or services which are related to the goods or services covered by the registered mark; this rule is not applicable to the case at bar because the subject trademarks are very much dissimilar to each other; and
14. The law and jurisprudence clearly support the conclusion that her trademark is not apt to confuse; the chances of being confused into purchasing one for the other or of being confused as to the source or origin of the product or good is very much far from possibility.

The Appellant's evidence consists of the trademark application for McDOUGH MIX and Device and print-outs of the existing trademarks with the prefix "Mc".¹⁰

After the appropriate proceedings, the Director rendered a decision sustaining the Appellee's opposition to the registration of McDOUGH MIX and Device in the name of the Appellant. She ruled that "MC DOUGH" sounds strikingly similar to the Appellee's registered marks. According to the Director, while the Appellant's mark also consist of other words and a stylized device, the dominant feature of the Appellee's marks was imitated by the Appellant and, hence, confusion is likely to result. She also held that the marks are applied on similar goods.

On 25 February 2010, the Appellant appealed the decision of the Director contending that her mark is not confusingly similar to the Appellee's marks. According to the Appellant, the Bureau of Legal Affairs erroneously applied the cases of "McDonalds Corporation, et al versus L. C. Big Mak Burger, Inc." and "McDonalds Corporation versus Macjoy Fastfood Corporation". The Appellant maintains that its nature of business is distinct from the Appellant as she does not operate any fast food chain while the latter operates global fast food chains and restaurants. She, thus, argues that their goods flow through different channels of trade and target market, and, hence the danger of confusion, mistake or deception among consumers as to the business, source or origin of the products is remote.

The Appellee filed on 12 April 2010 her comment on the appeal contending that "McDough" is identical to, or at the very least, confusingly similar with "Mc" and "McDO". The Appellee claims that "McDough" is pronounced or vocalized in almost

¹⁰ Annexes "1" and "2" attached to the VERIFIED ANSWER.

the same way as "McDo" and that the prefix "Mc" visually catches the attention of the consuming public. The Appellee maintains that it has registered, promoted and established the "Mc" mark all over the world for its restaurants and products and that this mark has acquired a high level of distinctiveness. The Appellee asserts that "Mc" as well as the method by which it creates its marks by combining the prefix "Mc" and a descriptive word are internationally well-known. The Appellee argues that it has the exclusive right to use and has every right to object to the unlawful appropriation by others of its registered marks.

The issue in this appeal is whether the Director was correct in sustaining the Appellee's opposition to the registration of McDOUGH MIX and Device in the name of the Appellant.

Sec. 123.1 (d) of the IP Code provides that a mark cannot be registered if it:

- (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;

In this regard, the Appellee is the owner of the registered mark "Mc" and other registered marks bearing the prefix "Mc" such as "McDo", "McDonalds", and "Burger Mcdo". The Appellee uses these marks in connection with the operation of its restaurant business and for goods falling under Class 30 such as meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, eggs, milk and milk products, edible oils and fats, salad dressings, preserves, and hamburger sandwich. On the other hand, the Appellant is using and seeking the registration of McDOUGH MIX and Device for goods falling also under Class 30 namely breads and pastries.

The relevant question, therefore, is whether McDOUGH MIX and Device is confusingly similar to the registered marks of the Appellee which contain the prefix "Mc".

In trademark cases, particularly in ascertaining whether one trademark is confusingly similar to or is a colorable imitation of another, no set of rules can be deduced. Each case is decided on its own merits.¹¹ As the likelihood of confusion of goods or business is a relative concept, to be determined only according to the particular, and sometimes peculiar, circumstances of each case,¹² the complexities attendant to an accurate assessment of likelihood of such confusion requires that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined.¹³

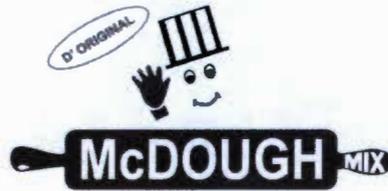
¹¹ *Emerald Garment Manufacturing Corporation vs. Court of Appeals*, 251 SCRA 600 (1995).

¹² *Esso Standard Eastern, Inc. vs. CA*, 116 SCRA 336 (1982).

¹³ *Societe Des Produits Nestle, S.A., et.al vs. CA, et. al.*, G.R. No. 112012, 04 April 2001.

Below are the illustrations of the Appellant's and some of the Appellee's marks:

Appellant's mark:



Appellee's marks:

Mc

McDONALD'S

McDo

BURGER McDO

In this regard, the use of the prefix "Mc" is common on all these marks. While it is true that McDOUGH MIX and Device has other features like the representation of a rolling pin, the words "D'Original" and "Dough", and the stylized man, the presence of the prefix "Mc" easily catches one's attention. In one case, the Supreme Court of the Philippines has ruled that:

For sure, it is the prefix "Mc," an abbreviation of "Mac," which visually and aurally catches the attention of the consuming public. Verily, the word "MACJOY" attracts attention the same way as did "McDonalds," "MacFries," "McSpaghetti," "McDo," "Big Mac" and the rest of the MCDONALD'S marks which all use the prefixes Mc and/or Mac.¹⁴

In addition, the Director correctly observed that:

The predominant feature of respondent-applicant's mark is the word MC DOUGH, not the word "D original" or "Mix" or the stylized man. When pronounced, DOUGH can be mistaken for DO. There is similarity in the aural aspect of the marks MCDOUGH and McDO in opposer's BURGER McDO mark (Exhibit "X") and Mc mark (Exhibit

¹⁴ McDonalds Corporation v. MACJOY Fastfood Corporation, G.R. No. 166115, 02 February 2007.

"B"), McDONALD's mark (Exhibit "E" and "F") all registered for goods under Class 30.¹⁵

Therefore, McDOUGH MIX and Device resembles the Appellee's marks as to likely deceive or cause confusion. Significantly, the Appellee has used and secured the registration of the mark "Mc" as early as 1991¹⁶ and has continuously registered other marks bearing the prefix "Mc" in connection with its restaurant business and fast food services. The prefix "Mc" gives the impression that all these marks are owned by the Appellee and are just variations of its registered marks.

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. 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.¹⁷

When the Appellee instituted the opposition proceeding to the registration of McDOUGH MIX and Device in favor of the Appellant, the latter should have explained how he arrived in coming up with a mark that uses the prefix "Mc". However, there is nothing in the records which show that the Appellant created the mark independently and without the knowledge of the Appellee's existing marks for "Mc" and other marks bearing the prefix "Mc". The Appellee's "Mc" mark and its other marks with the prefix "Mc" are highly distinctive visual signs that distinguish the Appellee's goods and services.

There is no merit to the Appellant's claim that her goods are different from those of the Appellee and flow through different channels of trade. The Appellant's and Appellee's goods both fall under Class 30 indicating that their goods are related. The Appellee's hamburger sandwiches which are covered under Class 30 are closely related to the bread and pastries of the Appellant. Moreover, the goods of the Appellant are still within the zone of potential or natural expansion of the Appellee's goods.¹⁸

Nonetheless, even if this Office would consider the differences in the goods of the parties, the Appellant's use and registration of McDOUGH MIX and Device would still create a likelihood of confusion to the consuming public. In the case of *Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, and Allied Manufacturing and Trading Co., Inc.*,¹⁹ the Supreme Court ruled that:

¹⁵ Decision No. 2009-184, dated 22 December 2009, page 16.

¹⁶ See Exhibit "B".

¹⁷ *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 114508, 19 November 1999.

¹⁸ See *Sta. Ana v. Maliwat*, G.R. No. L-23023, 31 August 1968.

¹⁹ G. R. No. L-19906, 30 April 1969.



Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

Neither would the Appellant's claim that there are other proprietors that registered marks containing the prefix "Mc" justify the registration of the Appellant's mark. The Appellant is using "McDough" not as a proper name but as a word combining the prefix "Mc" with a common word like the "dough". This combination is similar to the practice of the Appellee which combines "Mc" with a common word descriptive of the goods or services it is offering. As pointed out by the Appellee:

4.14. In her Memorandum of Appeal, Respondent-Applicant-Appellant cites a list of registered trademarks as proof that other marks with the prefix "Mc" were allowed registration in the Philippines. Note that the aforesaid marks "Morelia McKenzie", "McJim", "McGraw-Hill", "McCormick", "McIlhenny", and "McGregor" are all proper names.²⁰

It cannot be disputed that the Appellee as the owner of the mark "Mc" and other marks with the prefix "Mc" has developed a reputation and identity through its products, service, marketing, and presence in the market. It has an interest in protecting its business and reputation which might be damaged by the registration of the Appellant's mark. The Appellant has in her disposal "millions of terms and combinations of letters and designs" to come up with a mark to distinguish her goods or services. The Appellant's adoption of McDOUGH MIX and Device without any explanation implies its intention to take advantage of the goodwill generated by "Mc" or the Appellee's registered marks and products. As aptly stated by the Supreme Court in *American Wire & Cable Company v. Director of Patents*²¹:

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Appellant 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.

²⁰ COMMENT TO RESPONDENT'S MEMORANDUM OF APPEAL, dated 12 April 2010, page 16.

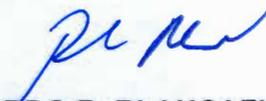
²¹ G. R. No. L-26557, 18 February 1970.

To allow the registration of McDOUGH MIX and Device in the name of the Appellant is to undermine the rationale for trademark registration. The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others.

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

SEP 25 2012 Taguig City


RICARDO R. BLANCAFLOR
Director General 