

MCDONALD'S CORPORATION,
Petitioner,

-versus-

SUPERMAK FOOD CORPORATION,
Respondent-Registrant.

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IPC No. 14-2014-00012
Petition for Cancellation:

Reg. No. 4-2008-010873
Date Issued: 29 December 2008

TM: SUPERMAK BURGER & DEVICE

NOTICE OF DECISION

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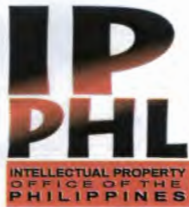
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GREETINGS:

Please be informed that Decision No. 2016 - 287 dated August 17, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 17 August 2016.

Zmpelin
Atty. Z'SA MAY B. SUBEJANO-PE LIM
Adjudication Officer
Bureau of Legal Affairs



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IPC No. 14-2014-00012

Petition for Cancellation

Registration No. 4-2008-010873

Date Issued: 29 December 2008

Trademark: **"SUPERMAK BURGER & DEVICE"**

Decision No. 2016- 287

DECISION

McDonald's Corporation¹ ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2008-010873. The contested registration, issued to Supermak Food Corporation² ("Respondent-Registrant"), covers the mark "SUPERMAK BURGER & DEVICE" for use on "*services for providing food and drinks*" under Class 43 of the International Classification of Goods³.

The Petitioner anchors its opposition on the provisions of Section 123 subparagraphs (e) and (f) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). According to the Petitioner, since its incorporation in 1948 as a self-service drive-in restaurant, it has grown to become the world's leading foodservice retailer. It has extensively promoted its products globally through various marketing and advertising campaigns, utilizing all forms of media communications. Currently, it has more than one thousand one hundred ten (1,110) registrations for marks include the "MAC/MC" formative, and its variations, in more than jurisdictions around the world.

The Petitioner avers that by reason of its worldwide, open and continuous use of "MAC/MC" trademarks, its numerous trademark registrations and its extensive promotional and advertising campaign, the public has come to associate trademarks with the "MAC/MC" element as belonging to it. It claims that even generic words such as "spaghetti" and "chicken" become automatically associated to it when the prefix "MAC/MC" is attached. It thus asserts that the Respondent-Registrant's mark "SUPERMAK BURGER & DEVICE" is confusingly similar to its registered marks. In support of its Opposition, the Opposer submitted the following:

¹ A corporation organized and existing under the laws of the State of Delaware, USA with office address at One McDonald's Plaza, Oak Brook, Illinois, USA.

² A Philippine corporation with address at Barangay Domoit, Diversion Road, National Highway, Lucena City, Quezon Province.

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

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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1. certified true copies of its certificates of registration;
2. affidavit of Ms. Sheila Lehr, with annexes;
3. samples of its promotional materials in different countries; and
4. data showing that it is consistently in the top ten best global brands.⁴

The Respondent-Registrant filed its Answer on 21 April 2014 alleging, among others, that "SUPERMAK" is a coined term referring to the son of Francis Dy named Mark Dy, whose nickname is Mak, and the latter's superhero. It explains that the depiction of Mark Dy forms part of the trademark and as such, no bad faith can be attributed by the parent's use of a trademark which is a tribute to his son. It denies that its mark "SUPERMAK BURGER & DEVICE" is confusingly similar with the Petitioner's "BIG MAC" trademark whether applying the Dominancy Test or the Holistic Test and also as to aural impression. It also contends that the Petitioner has not shown proof as to damage of its registration of "SUPERMAK BURGER & DEVICE". The Respondent-Registrant's evidence consists of the following:

1. affidavit of Francis B. Dy⁵;
2. labels and food containers bearing its mark;
3. letter consent allowing L.C. Big Mak Burger, Inc. to use "SUPERMAK BURGER & DEVICE";
4. pictures of L. C. Big Mak Burger, Inc.'s food stalls bearing its mark; and
5. decision in Civil Case No. 08-370.⁶

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. This Bureau's Alternative Dispute Resolution Services submitted a report that the parties failed to mediate. Accordingly, a Preliminary Conference was conducted on 15 September 2015. After termination thereof on the same date, the parties were directed to file their respective position papers within ten days. After which, the case is deemed submitted for resolution.

The issue to be resolved in this case is whether Respondent-Registrant's mark "SUPERMAK BURGER & DEVICE" should be cancelled.

Section 138 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

Sec. 138. Certificates of Registration. - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right

⁴ Marked as Exhibits "A" to "X", inclusive.

⁵ Marked as Exhibit "1".

⁶ Marked as Exhibits "6" to "10".

to use the same in connection with the goods or services and those that are related thereto specified in the certificate.

As a holder of a trademark registration, the Respondent-Registrant enjoys, among other things, the presumption of ownership of the mark "SUPERMAK BURGER & DEVICE". Thus, the party who seeks cancellation of this trademark registration has the burden to prove compliance with the requirements and existence of the grounds for the revocation as provided for in Section 151 of the IP Code, to wit:

"(a) Within five (5) years from the date of the registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer."

Records reveal that at the time Respondent-Registrant was issued registration of its mark "SUPERMAK BURGER & DEVICE" on 29 December 2008, the Petitioner already had valid and existing registrations of its marks bearing the prefixes "Mc" or "MAC" issued as early as 1983⁷. Now, it must be determined whether the contending marks are confusingly similar.

The Supreme Court in the case of **McDonald's Corporation vs. MacJoy Fast Food Corporation**⁸ has noted and upheld as characteristic the Petitioner's trend of adopting marks that appropriate either its "M" logo or the prefixes "Mc" or "MAC", to wit:

⁷ See Exhibit "A".

⁸ G.R. No. 116115, 02 February 2007.

"To begin with, both marks use the corporate 'M' design logo and the prefixes "Mc" and/or "Mac" as dominant features. The first letter 'M' in both marks puts emphasis on the prefixes 'Mc" and/or 'Mac' by the similar way in which they are depicted i.e. in an arch-like, capitalized and stylized manner.

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.

Besides and most importantly, both trademarks are used in the sale of fastfood products. Indisputably, the respondent's trademark application for the 'MACJOY & DEVICE' trademark covers goods under Classes 29 and 30 of the International Classification of Goods, namely, fried chicken, chicken barbeque, burgers, fries, spaghetti, etc. Likewise, the petitioner's trademark registration for the MCDONALD'S marks in the Philippines covers goods which are similar if not identical to those covered by the respondent's application.

Thus, we concur with the IPO's findings that:

In the case at bar, the predominant features such as the 'M,' 'Mc,' and 'Mac' appearing in both McDonald's marks and the 'MACJOY & DEVICE' easily attract the attention of would-be customers. Even non-regular customers of their fastfood restaurants would readily notice the predominance of the 'M' design, 'Mc/Mac' prefixes shown in both marks. Such that the common awareness or perception of customers that the trademarks McDonalds mark and MACJOY & DEVICE are one and the same, or an affiliate, or under the sponsorship of the other is not far-fetched.

The differences and variations in styles as the device depicting a head of chicken with cap and bowtie and wings sprouting on both sides of the chicken head, the heart-shaped 'M,' and the stylistic letters in 'MACJOY & DEVICE;' in contrast to the arch-like 'M' and the one-styled gothic letters in McDonald's marks are of no moment. These minuscule variations are overshadowed by the appearance of the predominant features mentioned hereinabove.

Thus, with the predominance of the letter 'M,' and prefixes 'Mac/Mc' found in both marks, the inevitable conclusion is there is confusing similarity between the trademarks Mc Donald's marks and 'MACJOY AND DEVICE' especially considering the fact that both marks are being used on almost the same products falling under Classes 29 and 30 of the International Classification of Goods i.e. Food and ingredients of food."

Perusing Respondent-Registrant's mark below,



inevitably leads this Bureau to the same conclusion reached by the Supreme Court in the above-quoted case. Although the Respondent-Registrant did not place the word "MAK" as a prefix, the pattern adopted by the Respondent-Registrant is notably the same as that of the Petitioner's marks wherein the word "MAK" is followed by a generic word "BURGER". This is especially true with respect to the Petitioner's mark "MCBURGER" registered under Certificate of Registration No. 4-2007-007181⁹. The addition of "SUPER" before the word "MAK" and the addition of a picture of the boy, notwithstanding, confusing similarity still subsists. After all, confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchased as to cause him to purchase the one supposing it to be the other.¹⁰

Moreover, the Respondent-Registrant's claim that the word "MAK" is coined from the nickname of Francis Dy's son, Mark, is baseless and therefore, self-serving. Noteworthy, in **McDonald's Corporation vs. L.C. Big Mak Burger, Inc.**¹¹, a similar defense was proffered wherein Francis Dy attempted to justify the use of the word "MAK" as coming from the first names of his parents. In the said case, the Supreme Court ruled that:

"Respondents' inability to explain sufficiently how and why they came to choose 'Big Mak' for their hamburger sandwiches indicates their intent to imitate petitioners' '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 using 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,

⁹ Exhibit "C".

¹⁰ Societe des Produits Nestle,S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

¹¹ G.R. No. 143993, 18 August 2004.

and derived letters from said names in that order. Or, he could have taken an equal number of letters (i.e., two) from each name, as is the more usual thing done. Surely, the more plausible reason behind Respondents' choice of the word 'M[ak] f, especially when taken in conjunction with the word 'B[ig]', was their intent to take advantage of Petitioners' 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."

Furthermore, since the Respondent-Registrant will use or uses the mark "SUPERMAK BURGER & DEVICE" on Class 43, which is also covered by the Petitioner's registrations, it is highly probable that the purchasers will be led to believe that Respondent-Registrant's mark is sponsored by, affiliated with or in any way connected with the Petitioner. Succinctly, it is settled that the likelihood of confusion would not extend not only as to the purchaser's perception of the goods but likewise on its origin. 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."¹²

Finally, 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.¹³ Based on the above discussion, the Respondent-Registrant's trademark fell short in meeting this function.

Accordingly, this Bureau finds and concludes that the Respondent-Registrant's trademark registration is proscribed by Sec. 123.1(d) of the IP Code which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, with respect to the same or closely related goods or services, or has a near resemblance to such mark as to

¹² Societe des Produits Nestle, S.A. vs. Dy, G.R. No. 172276, 08 August 2010.

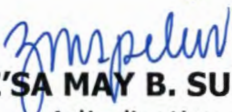
¹³ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

likely deceive or cause confusion.¹⁴ Hence, the presumption of validity of the Respondent-Registrant's certificate of registration was successfully debunked.

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Application Serial No. 4-2008-010873 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **17 AUG 2016**


ATTY. Z'SA MAY B. SUBEJANO-PE LIM
Adjudication Officer
Bureau of Legal Affairs

¹⁴ Great White Shark Enterprises, Inc. vs. Danilo M. Caralde, G.R No. 192294, 21 November 2012.