

Mc DONALD'S CORPORATION,
Opposer,

INTER PARTES CASE NO. 3861
Opposition to:

-versus-

Appln. Serial No. 75274
Date Filed: March 14, 1991
Trademark: "MACJOY & DEVICE"

MACJOY FASTFOOD CORPORATION,
Respondent-Applicant,

Decision No. 98-31

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DECISION

On February 22, 1993, Mc Donald's Corporation, a corporation duly organized and existing under the laws of the State of Delaware, United States of America, with offices at Mc Donald's Plaza, Oak Brook, Illinois 60521, USA., filed its verified Notice of Opposition docketed as Inter Partes Case No. 3861 to Application No. 75274 for the trademark MACJOY & DEVICE for fried chicken and chicken barbeque, burgers, fries, spaghetti, palabok, tacos, sandwiches, halo-halo and steaks, which application was filed on March 14, 1991 by Macjoy Fastfood Corporation, a corporation duly organized and existing under the laws of the Philippines, with business address at 121 Juan Luna Street, Cebu City, which was published on Page 79, Volume 5, Number 5 of the Bureau of Patents, Trademark and Technology Transfer (BPTTT) Official Gazette and officially released for circulation on October 28, 1992.

The ground for opposition is that Opposer is the original and lawful owner of MC DONALD'S trademark, tradename and service marks and that Respondent's mark "MACJOY & DEVICE" so resembles Opposer's marks "Mc Donald's", "McChicken", "MacFries", "BigMac", "McSpaghetti", "McSnack", "Mc", as to be likely, when used on identical or related goods would confuse or deceive purchasers into believing that they originate from the same source of origin.

Opposer relied on the succeeding facts to support its Opposition:

- "1. Opposer is the owner and rightful proprietor of the internationally well-known mark McDonald's tradename, trademarks and service marks, which are distinguished, among others, by the prefix Mc and the Opposer's Corporate Logo otherwise known as the Golden Archers or M design (the McDonald's Marks). The "MC DONALDS" marks include among others, the marks "Mc Donald's", "McChicken", "MacFries", "BigMac", "McDo", "McSpaghetti", "McSnack", "Mc", and their corporate logo or M design), 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; In the Philippines, the "MC DONALDS" mark were registered with the Philippine Patent Office as early as 4 October 1971;
- "3. By reason of Opposer's prior and continuous use of the McDonald's marks, the same have acquired a meaning exclusively identified with its goods and services, such as to solely indicate Opposer's goods and service;
- "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 March 14, 1991, Respondent-Applicant intentionally adopted, and fraudulently applied for registration of the mark 'MacJoy & Device' for fried chicken and

chicken barbeque, burgers, fries, spaghetti, palabok, tacos, sandwiches, halo-halo and steaks in Classes 29 and 30, undoubtedly to take advantage of the popularity and goodwill connected with Opposer's restaurant services and food products under the McDonald's marks;

- "6. The use and adoption in bad faith by respondent-applicant of the mark 'MacJoy & Device' would falsely tend to suggest a connection or affiliation with the restaurant services and food products of 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 corporate logo or M Design and the marks Mc Donalds, Mc Chicken, McFries, Big Mac, Mc Do, Mc Spaghetti, and MC to the prejudice and irreparable damage of the Opposer;
- "7. The use and adoption by Respondent-Applicant of the mark 'MacJoy & Device', which is confusingly similar to the McDonald's marks constitute an unlawful appropriation of marks previously used in the Philippines and not abandoned."

On April 16, 1993, Respondent-Applicant filed its verified Answer denying all the material allegations made by Opposer in its Opposition.

Upon joinder of issues, a pre-trial conference was set. However, both parties failed to reach a settlement agreement in the scheduled ore-trial conference, thus, trial on the merits ensued.

There are two issues to be resolved in this case:

Firstly, is there a confusing similarity between the "Mc Donald's", "Mc Chicken", "Mc Fries", "Big Mac", "McDo", "McSpaghetti", "McSnack", "Mc" (hereinafter called McDonald's marks) of Opposer and the "MACJOY & DEVICE" trademark of Respondent-Applicant as applied to Classes 29 and 30 of the International Classification of Goods: and

Secondly, assuming the existence of confusing similarity between the two trademarks, which of the contending parties has the rightful claim of ownership of the subject mark/s.

Considering that the new Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines" was not yet in force and in effect at the time the instant Opposition was filed, the law applicable in the case at bar is still the Old Trademark Law, or Republic Act No. 166, as amended.

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

"Section 4. *Registration of trademarks, tradenames and service marks on the principal register.* – There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. The owner of trademark, tradename or service mark use 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:

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(d) Consists of or comprises a mark or tradename 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 mistake or to deceive purchasers; or

It should be noted that the two trademarks – MACJOY & DEVICE and MC DONALDS starts with the prefix “Mac” or “Mc”. At first glance, the indubitable impression is that these marks are sister or associate trademarks by virtue of the similarities in their prefixes coupled with the fact that they are both used under the same classes of goods, Classes 29 and 30 (please see Esso Standards Eastern Inc., vs. Court of Appeals, 116 SCRA 36 [1982] for related and similar goods).

As shown by Exhibits “M”, “1”, “1-A”, “2”, the prefix “Mac” in MACJOY & DEVICE” trademark, and the “M” design in “McDonalds” trademark figure out prominently in the facades of their fastfood restaurants. Although the “M” design is not spelled out as “Mac”, this nevertheless symbolizes the prefix “Mc” in McDonalds service mark which is an abbreviated connotation of the prefix “Mac”.

In identical rulings decided by the Supreme Court, particularly in the cases of Co Tiong Sa vs. the Director of Patents (95 Phil. 1 [1954]); Sapolin Corp. vs. Balmaceda (67 Phil. 705); and Forbes Munn and Co. vs. Ag San To (40 Phil. 272), where it applied the “Dominancy Test” in determining the existence of confusing similarity between trademarks the Supreme Court stated that if there is similarity with the essential or dominant features of the trademark, despite some differences or variations in detail, there is infringement.

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 fast food restaurants would be 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 and MACJOY & DEVICE are one and the same, or an affiliate, or under the sponsorship of the other is not farfetched.

The difference and variations in styles such as the device depicting a head of a chicken with cap and bowtie and wings sprouting on both sides of the chicken head, the heart-shape “M”, and the stylistic letters in “MACJOY & DEVICE”; in contract 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 McDonalds marks and “MACJOY & 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.

This brings us to the second question as to which of the parties herein, Opposer McDonald Corporation and Respondent-Applicant MacJoy Fastfood Corporation has the rightful ownership over their respective trademarks to the exclusion of the other.

This Office takes cognizance of the fact that the registration of Opposer’s McDonalds marks was made in pursuance of Section 37 of Republic Act No. 166, as amended, which provided, inter alia, that –

“Section 37. *Rights of foreign registrants* – Persons who are nationals or domiciled in, or have a bona fide or effective business or commercial establishment in any foreign country, which is a party to any international convention or treaty relating to marks or trade-names, or the repression of unfair competition to which the Philippines may be a party, shall be entitled and subject to the provisions of this act to the extent and under the conditions essential to give effect to any such convention and treaties so long as the Philippines shall

continue to be a party thereto, except as provided in the following paragraph of this section.

No registration of a mark or trade name in the Philippines by a person described in the preceding paragraph shall be granted until such mark or trade name has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

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Hence, by reason of above cited provisions, the registration of McDonalds marks were allowed by this Office despite the non-allegation by Opposer of the date of use in commerce in the Philippines on its trademark applications. Section 37 of R.A. 166, as amended, is a mandate of Paris Convention for the Protection of Industrial Property of which the Philippines and Opposer’s domicile, the United States of America, are members. This treaty creates a legally binding obligation on the part of the parties founded on the generally-accepted principles of pacta sunt servanda which has been adopted as part of the laws of our country.

By virtue of this law, Opposer was able to register the various McDonald’s marks in this Office as follows:

- a. Registration No. SR-1395, dated October 14, 1971 for the service mark “McDonald’s” (Exhibits “A”, “A-1” and “A-2”);
- b. Registration No. 24888, dated June 30, 1977, for the service mark “corporate logo” or arches design (Exhibits “B”, “B-1”);
- c. Registration No. 24891, dated June 30, 1977, for the service mark “McDonald’s” with ‘corporate logo” or arches design (Exhibits “C”, “C-1”);
- d. Registration No. 31966, dated June 24, 1983 for the mark “McChicken” (Exhibit “D” and “D-1”);
- e. Registration No. 34065, dated March 06, 1985, for the mark McDonald’s with corporate logo arches design (exhibits “E” and “E-1”);
- f. Registration No. 34065, dated July 18, 1985 for the mark “Big Mac” (exhibit “F” and “F-1”);
- g. Registration No. 39988, dated July 14, 1988 for the mark “Mac Fries” (Exhibits “G” and “G-1”);
- h. Registration No. 45583, dated July 14, 1988, for the mark “McSpaghetti” (Exhibits “H”, “H-1” and “H-2”);
- i. Registration No. 50987, dated July 24, 1991, for the service mark “McDo” (Exhibit 1);
- j. Registration No. 32009, dated June 24, 1983 for the trademark “Big Mac” and Circle Design (Exhibits “J” and “J-1”);
- k. Registration No. 48491, dated June 25, 1990 for the service mark “McSnack” (exhibit “K”);
- l. Registration No. 51789, dated December 02, 1991, for the trademark “mc” (Exhibit “L”).

On the other hand, on the basis of the records on file with this office, Trademark Application Serial No. 75274 of Respondent-Applicant for the mark MACJOY & DEVICE disclosed that the said application was filed on March 04, 1991, with date of first use in the Philippines on December 07, 1987. This trademark is used on fried chicken, and chicken barbecue, burgers, fries, spaghetti, palabok, tacos, sandwiches, halo-halo and steaks.

Upon a comparative study of the subject trademarks, it is very clear that the McDonalds marks were already registered and in commercial use by Opposer at the time the alleged first use by the Respondent of its MACJOY and Device trademark.

We cannot decipher the intent of the herein Respondent-Applicant in choosing the prefix "Mac" of all the various words available under its disposal other than to ride on the reputation and goodwill established by the herein Opposer in the fastfood chain business.

"A boundless choice of words, phrases and symbols is available to who wishes a trademark sufficient to itself to distinguish his products from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive." (III, Callman Unfair Competition, 2nd ed., pp. 1527-1528)

The statement of Respondent-Applicant's Counsel in its Memorandum that the word MacJoy is the petname of a certain Scarlett Yu Carcel, a niece of Respondent's president Mr. Victor Espina, is flimsy reasoning considering the fact that the prefix Mac is already a registered mark and thus cannot be appropriated by anybody other than the registered owner thereof.

Neither do we find merit in Respondent's contention that the mark MACJOY & DEVICE was already used in Cebu at the time the Opposer opened its branch in Cebu City sometime in December 1992. Under the Trademark Law, the phrase "actual use in commerce in the Philippines" pertains to the territorial jurisdiction of the Philippines and is not only confined to a certain region, province, city or barangay.

Be that as it may, the universal application of the McDonalds marks to the restaurant business and its food products is beyond question. By reason of the foregoing, this Office so holds that the herein Opposer has the rightful claim to appropriate the prefix "Mac", "Mc", or "M" logo to the exclusion of the herein Respondent-Applicant regardless of its combination with other words such as the word "Joy".

WHEREFORE, the Opposition to the registration of the mark MACJOY & DEVICE for use on fried chicken and chicken barbecue, burgers, fries, spaghetti, palabok, tacos, sandwiches, halo-halo and steaks is, as it is hereby SUSTAINED. Accordingly, Application Serial No. 75274 of the herein Respondent-Applicant is REJECTED.

Let the filewrapper of MACJPY subject matter of this case be sent to the Administrative, Financial and Human Resources Development Bureau for appropriate action in accordance with this Decision, with a copy to be furnished the Bureau of Trademarks for information and to update its records.

SO ORDERED.

Makati City, 28 December 1998.

ESTRELLITA BELTRAN-ABELARDO
Officer-In-Charge/Caretaker