



TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH
REASONS

Re: Opposition by McDonalds Corporation to registration of trade mark application
859586(20)(29)(30) MCBABY filed in the name of David Bellamy.

DELEGATE:	Ian Thompson
REPRESENTATION:	Opponent Simon Williams of Spruson & Ferguson. Applicant James Maxwell of Peter Maxwell & Associates.
DECISION:	1. Section 52 Opposition; s60; opposition established. 2. Costs awarded against applicant.

Background

1. David Bellamy ('the applicant') of Tasmania, has filed application to register a trade mark, current details of which are:

App No: 859586
Priority Date: 29 November 2000
Services: **Class: 28** Games and play things; toys including build-it-yourself toys and toys made from kits
Class: 29 Meals for children sold as packs containing various items including fruits, vegetables and juices; beverages in this class; sauces
Class: 30 Confectionery; bread, bread rolls and buns; cakes; condiments; ice-cream; pies
Trade Mark: McBaby

2. After examination, the application was advertised accepted for registration in the *Australian Official Journal of Trade Marks*, on 29 November 2000. On 14 December 2001, McDonalds Corporation ('the opponent') filed Notice of Opposition to registration of the trade mark. Five of the available grounds of opposition were cited on the Notice, these being under sections 41, 42, 43, 44 and 60 of the *Trade Marks Act 1995*.
3. Evidence in support was served and filed; there is no evidence in answer. A hearing was held before me, as a delegate of the Registrar of Trade Marks, in Sydney, on 17 March 2004. Mr Simon Williams of Spruson & Ferguson, Patent and Trade Mark Attorneys,

Sydney, represented the opponent; James Maxwell of Peter Maxwell & Associates, of Sydney, represented the applicant.

Evidence

4. Evidence served and filed in this matter comprises a statutory declaration by Rhona Lea Lawson with exhibits RLL-1 to RLL-17.
5. Before discussing what the opponent's evidence shows, I will mention that in submissions for the applicant, Mr Maxwell made various statements about the applicant's coinage or derivation of the opposed trade mark and the nature of the applicant's intended trade and also sought to rely on the state of the Register, as regards registration of various trade mark incorporating the element 'Mc' or 'Mac'. At the hearing, I advised Mr Maxwell that as the applicant's use or intended use of the trade marks and the state of the Register had not been served and filed as evidence, I would have to give these factors very low weight as evidence.
6. My reasons for this are that, while it may be appropriate for a delegate of the Registrar to refer to the state of the Register if this evidence is straightforward and of ready interpretation, such is not the case here. There are a great many trade marks registered, lapsed or pending that contain the elements 'Mc' or 'Mac' (2181); some of these are registered in respect of the goods of interest – some are not; some form part of a surname; some are traditional Scots or Irish surnames; some incorporate the 'Mac' element along with a word which has no reference to the goods; some incorporate the 'Mac' element with a word which has slight reference to the goods and some incorporate the element 'Mac' along with the name of the goods. Some, indeed, consist only of the word 'Mac', or 'Mack'. In other words, the analysis is, or would be, a complex one. The relevance of what this analysis might show is debatable and, if I were to consider it, the opponent would be denied procedural fairness: it would thus constitute an ambush of the opponent with complex data which the opponent had no chance to consider or make submissions on, or answer with its own evidence. Additionally, what this evidence might show is, in the end, of questionable relevance where the main thrust of the opponent's arguments and evidence goes to section 60 and the reputation of the opponent's trade marks at the priority date of this opposed application. In other words, the relevance of the past state of the register is a lesser factor than the reputation of the

opponent's trade marks which is what I should be considering because many of the historical registrations that the applicant would have me consider may predate the use and reputation of the opponent's trade marks.

7. The proposed or actual method of trading is not apparent on the opposed application, nor has the applicant served and filed evidence that addresses this. My consideration of the opposition must be in terms of all of the usages which are latent within the opposed application to which the applicant can put his trade mark: see, for example, *Re Smith Hayden and Co's Application* (1946) 63 RPC 97 at 101.8; *Berlei Hestia Industries Ltd v The Bali Company Inc* (1973) 129 CLR 353 at 362.
8. Rhona Lawson is General Counsel and Vice President of the opponent. She states that the opponent is the largest food-service organisation in the world: it operates, directly, or via franchise, 30,000 restaurants throughout the world, of which some 720 are in Australia. The first of the opponent's restaurants opened in Australia in 1971.
9. Ms Lawson attests that the opponent owns and has used a significant number of trade marks containing or comprising the word McDONALDS and variants coined using the 'Mc' or 'Mac' element that forms the first syllable of the word 'McDonalds'.
10. In particular, the Ms Lawson refers to trade mark registration 471603 and 541192, details of which are:

Reg Number	471603
Priority date:	26 August 1987
Goods/Services:	<u>Class 25:</u> Children's clothing including headgear and footwear
Trade Mark:	McKids

Reg Number	541192
Priority date:	30 August 1990
Goods/Services:	<u>Class 3:</u> Personal hygiene products; shampoos, hair conditioners, soap, deodorants for personal use, sanitary preparations being toiletries for children; all the foregoing goods being goods included in this Class

Trade Mark: 

11. The opponent owns a number of other registrations and common law trade marks which Ms Lawson says have been used in relation to goods sold by the opponent. These

include: "Big Mac"; "McFeast"; "McBacon Deluxe"; "McChicken"; "McRib"; "McBeefsteak"; "McBreakfast Burger"; "Chicken McDeluxe"; "McFish Deluxe"; "MacAmore"; "McMalibu"; "McFeast Deluxe"; "Son of Mac"; "McChick"; "McBLT"; "McOz"; "McChicken Deluxe"; "Mini Mac"; "MegMac"; "Massive McMuffin"; "McDonaldland Cookies"; "Chicken McNuggets"; "Shanghai McNuggets"; "McMuffin"; "Sausage McMuffin"; "Sausage and Egg McMuffin"; "McSalad Roll"; "McPavlova"; "McCafe"; "McShaker Fries"; "McFlurry"; "McDelicious"; and, "Mcwrap".

12. The expressions "McValue Meals" and "McValue Dinners" are used by the opponent in relation to combination meals of hamburger or muffin, French fries and soft drink.
13. The opponent distributes catalogues to its restaurants and franchises of products bearing trade marks of the opponent. The goods are apparently aimed at both employees of the opponent and, declares Ms Lawson, the public. The goods include sweatshirts, t-shirts, neck ties, watches, golf tees, golf balls and so forth. Catalogues spanning the years 2001 to 2003 are in evidence. Use of the 'Mac-' or 'Mc-' prefix is discernable in relation to, for example, McCafe 'scrunchies' (a hair retainer for females), McCafe ladies' neck ties and McDonaldland fun balls.
14. The opponent has run a number of promotions and games featuring the prefix 'Mc-' these being 'McMetric' (ruler), 'McLunch' (pencil case), 'McFavourite' (puzzle), 'McMenu Song' (puzzle), 'McSpin 'N' Win (Game) 'McDonald's Olympic McMatch & Win' (Game), 'McMillion\$' (Game), 'McMatch & Win' (Game) and 'McHatch – Match & Win' (Game). I understand that these last two games may, in fact, be a game run by the opponent in 1998 and 1999 called 'McMatch & Win Monopoly' which gained an additional exposure in the reporting of Federal Court proceedings.¹
15. The opponent especially promotes its restaurants and products towards children and includes in its premises a playground for children. Children are encouraged to request that their birthday parties be held at one of the opponent's premises. There are also a number of characters used by the opponent to promote its children's meals, McDonald's Happy Meals, since 1993; these are, 'Ronald McDonald', 'Grimace', 'Hamburglar' and 'Birdie'. Other promotional characters used by the opponent relevantly include,

¹ ie *Hurley v McDonald's Australia Limited* [2001] FCA 209 (9 March 2001)

‘McGlider’, and ‘McZoomers’. Ms Lawson estimates that 250 million McDonald’s Happy Meals have been sold in Australia between 1997 and 2002.

16. The opponent also promotes its restaurants by reference to ‘third party’ promotional characters, films, sports entities and so forth. These include, Notre Dame Mugs, Mini Balls, "Indiana Jones and the Temple of Doom" video series, Hot Hit Tapes, "Zoom Balls" toys, "Batman" Gotham drink glass, Disney Plus Toys, NBA Thermo Reactive Cups, "Olympic" caps, Simba's Pride Plush Toys, Mini Footballs, Olympic Mascot Babies, "Wacky Adventures of Ronald McDonald" video, "Snoopy" toy characters and Legend of Grimace Island video.
 17. The opponent has also been involved in charities including Ronald McDonald House, Ronald McDonald House Charities, ‘McHappy Day’, the Variety Club, Gold Hearts, McHappy Time and Fight For Life Yellow Ribbons. Additionally, the opponent has operated the Internet website www.macyourcareer.com.au since 2001.
 18. A number of newspaper and magazine articles in evidence illustrate what might be termed the McDonaldisation of the English language; these include, *McShocking* – an article about the opponent’s introduction of the McSalad Roll in the Sun-Herald in 1992; an article about ‘McStyle’ – the opponent’s approach to restaurant décor in its marketing – in the Sydney Morning Herald in 1986; *McProtest* – an article about protests in Rome against the opponent’s restaurants – the Sun, 1986; *McScanning* – an article in CB Action in 1990 about the RF frequencies used for in-house communications by the opponent’s staff which also refers to McMonitors and McDX; *McDispute* – an article in Marketing Week about a trade mark dispute by the opponent (who runs or ran a chain of motels in the USA under the trade mark McStop) and a person using the trade mark McSleep for motels; *McNappers* – an article in the Brisbane Telegraph in 1986, about people seeking 8891 chicken McNuggets for the return of a statue of Ronald McDonald that they had stolen; *McBreakfast* – an article in Choice about the opponent’s introduction of breakfast meals; and, *The making of the McBosses* – an article about the opponent’s training methods in the Sydney Morning Herald Good Weekend Magazine
 19. There is a further trade mark (McBABY, detailed below) expressly relied on by the opponent in its submissions. There is no mention of this trade mark in the evidence but
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the Notice of Opposition relies on all registered or common law trade mark of the opponent. This trade mark is:

Appn Number 675154
Priority date: 13 October 1995
Goods/Services: Class: 25 Clothing, headwear and footwear

Trade Mark:



20. The applicant, as I have indicated, did not serve or file evidence in answer but Mr Mawell drew my attention to decisions of the Registrar in *Mark Euvrard v McDonald's Corporation* [1997] ATMO 63 (7 November 1997); *Sandy Gaye Cowley v Mcdonald's Corporation* [1997] ATMO 65 (10 November 1997); and the Courts in *McDonald's Corp. v. Coffee Hut Stores Ltd.*[1996] 3 F.C. 4, A-278-94, Date: 1996-06-05 (Canada); and *Yuen v. McDonald's Corporation*, 2001 All ER 384, 2001 WL 1422899 (United Kingdom).
21. Mr Williams, for his part, drew my attention to the decision of the Registrar in *McDonald's Corporation v Macri Fruit Distributors Pty Ltd* [2000] ATMO 37 (1 May 2000).
22. The submissions of the parties focussed closely on sections 42, 43, 44 and 60 of the Act. It is convenient for me to decide this matter in terms of section 60 of the Act.
23. Section 60 of the Act provides:

Trade mark similar to trade mark that has acquired a reputation in Australia

60. The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

24. In order to establish a section 60 ground of opposition the opponent must establish that the applied-for trade mark is substantially identical with, or deceptively similar to

another trade mark that enjoyed a reputation in Australia at the priority date of the applied-for mark and that as a result of that reputation, use of the applied-for trade mark would cause deception or confusion.

Reputation

25. At the priority date, the opponent had sold many hundreds of millions of dollars worth of food through its 720 restaurants throughout Australia. In *McDonald's Corporation v Macri Fruit Distributors Pty Ltd* [2000] ATMO 37, the Acting Hearing Officer, Mr Nancarrow, analysed the usage of the opponent's trade marks at some length. I do not think that it is necessary to repeat that analysis, or to separate the opponent's registered and unregistered trade marks into groups, as did Mr Nancarrow. The point, I think, is that the opponent has a wide range of registered and unregistered trade marks which it has used to a greater or lesser extent but the preponderance of these utilise the Gaelic stem 'Mac' or 'Mc' along with a descriptive word which describes either the nature of the goods, a quality of the goods, or the intended purpose of the goods.

Deceptively Similarity

26. Discussing deceptive similarity, Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v F.S. Walton & Co Ltd*, supra, at page 658 say:

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, their similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected.

27. This corresponds in large part to what was stated by Windeyer J in *The Shell Company of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1961) 109 CLR 407 at 415:

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence

and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's television exhibitions.

28. The opponent relies on the 'family' of trade marks cases; for example, *Beck Koller & Co Limited's Application* (1947) 64 RPC 76 at 83. While the consideration of reputation and deceptive similarity are separate and distinct in terms of the tests set out in section 60, the line of 'family' of trade mark cases provides a distinction from this general rule. In the 'family' of trade mark cases, the trade marks of an opponent have been found to have a common element, usually a prefix, which is so thoroughly associated with the opponent's goods or services that the use by another person of a trade mark incorporating that element, would deceive or confuse.
29. There is judicial support for the notion that, where a trade mark, or an element of it, has become notorious, notice can be taken of that in an assessment of the similarity of the trade marks as it relates to the imperfect recollection of the trade mark. In *C A Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539, Ryan, Branson and Lehane JJ said at paragraph 51:

His Honour's reference to the familiarity of the name 'Woolworths' in Australia was appropriate. Where an element of a trade mark has a degree of notoriety or familiarity of which judicial notice can be taken, as in the present case, it would be artificial to separate out the physical features of the mark from the viewer's perception of them. For in the end the question of resemblance is about how the mark is perceived. In the instant case the visual impact of the name 'Woolworths' cannot be assessed without a recognition of its notorious familiarity to consumers."

Woolworths was not an infringement case and, of course, the notoriety taken into account was not any notoriety attaching to marks already registered (or marks applications for which had been lodged before the Woolworths application); the notoriety attached to an element of the mark for registration of which Woolworths had applied. Nevertheless, in our view, Woolworths suggests a proposition for which the cases on which the appellants rely may be taken as authority. It is that, in assessing the nature of a consumer's imperfect recollection of a mark, the fact that the mark, or perhaps an important element of it, is notoriously so ubiquitous and of such long standing that consumers generally must be taken to be familiar with it and with its use in relation to particular goods or services is a relevant consideration. It is unnecessary to consider whether the cases are authority for precisely that proposition. All that is necessary for present purposes is to hold, as we would, that they are authority for no wider proposition in relation to the relevance, on a question of deceptive similarity in proceedings where it is alleged under s 120(1) that a registered mark has been infringed, of evidence as to the reputation attaching to the mark. A wider proposition would not, in our view, be consistent with the earlier, and binding, authority

to which we have referred. It is unnecessary, in order to decide this case, to go further.

30. Mr Williams submitted that the prefix ‘Mac-’ or ‘Mc-’, in a family of trade marks which are widely used, advertised and promoted by the opponent has achieved notoriety in relation to its products such that the use of the trade mark ‘McBaby’ by the applicant in relation to the goods included in the application would be likely to deceive or cause confusion.
31. Mr Maxwell argues that only some of the opponent’s trade marks are relevant to this opposition and that these trade marks have only been used on products sold within the opponent’s famous restaurants. I must admit to some confusion as to the thrust of Mr Maxwell’s submissions on this point – carried to the extreme they would mean that any other person could register and use the trade mark ‘McDonalds’ on pre-prepared frozen hamburgers sold from supermarkets on the premise that these are not to be sold inside a McDonald’s restaurant. Additionally, there can hardly be a person in Australia who has not been repeatedly exposed to the opponent’s advertising on television, on billboards and in other media. Further, the immediate question confronting me is not what the applicant intends to do with his trade mark: it is what he can do within the scope of the specification of goods and services.
32. In *Registrar of Trade Marks v Woolworths* [1999] FCA 1020 (29 July 1999), French J re-cast the tests from *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Limited* (1954) 91 CLR 592, thus:

In *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 at 594-5, which concerned the 1905 Act, Kitto J set out a number of propositions which have frequently been quoted and applied to the 1955 Act. The essential elements of those propositions continue to apply to the issue of deceptive similarity under the 1995 Act. Applied also to service marks and absent the imposition of an onus upon the applicant they may be restated as follows:

- (i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.
- (ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt. It may be interpolated that this is another way of expressing the proposition that the trade mark is

likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

- (iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.
- (iv) The rights of the parties are to be determined as at the date of the application.
- (v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

In respect of the last proposition, Mason J observed in *Berlei Hestia Industries Ltd v The Bali Company Inc* (1973) 129 CLR 353 at 362:

"...the question whether there is a likelihood of confusion is to be answered, not by reference to the manner in which the respondent has used its mark in the past, but by reference to the use to which it can properly put the mark. The issue is whether that use would give rise to a real danger of confusion."

33. I consider that the opposed trade mark is deceptively similar to the opponent's trade mark for the following reasons:

- The 'Mac/Mc' prefix trade marks owned and/or used by the opponent are ubiquitous and of some long standing. They are widely and immediately recognised, as is the opponent's practice of coining additional trade marks which incorporates this prefix.
- The opponent does not restrict its coinage of trade marks to 'MacFood' trade marks but owns and/or uses trade marks which include an indication of the intended consumers as the 'suffix' – for example the trade marks 'McKids' and 'McBaby', the latter of which is at least deceptively similar to the opposed trade mark, albeit for different goods.

- The opposed trade mark is not a surname incorporating the element ‘Mac’ or ‘Mc’ such as the word McManus, which would be in all likelihood be seen as being unconnected with the opponent, nor is the ‘suffix’ entirely unconnected with the goods as it denotes the intended consumers of the goods. It is very much a member of the family of trade marks coined by the opponent and, indeed, the opponent has a McBaby trade mark which it has registered.
- Mr Maxwell at the hearing conceded that the derivation of the opposed trade mark was by reference to the surname McDonald, albeit that the applicant sought to make reference to the nursery rhyme “Old MacDonald had a farm ...” I am quite certain that a great portion of the consumers of goods under the opponent’s trade mark (who are also intended consumers of the goods under the applicant’s proposed trade mark) are young children who do not have the capacity or sophistication to make this distinction; nor is the distinction apparent in the opposed trade mark..

34. I further consider that use of the opposed trade mark would be likely to deceive or cause confusion because of the reputation of the opponent’s trade marks for the following reasons:

- The opposed goods mirror those in respect of which the opponent has registrations and in fact uses its trade marks. It is unrealistic, in the light of this, to suppose that the presentation, marketing and promotion of the applicant’s goods is not in the same manner as that of the opponent: it is an option open to the applicant and inherent in the application – it is one of the ‘notional use’ potentials latent in the application which I must consider: *Berlei Hestia*, above. It is not apparent on the application that the applicant does not wish to open a restaurant or restaurants. The Canadian case to which Mr Maxwell refers me (*McDonald's Corp. v. Coffee Hut Stores Ltd.*) is predicated upon the fact that it was quite apparent from the opposed specification

of goods that the applicant would not be selling foodstuffs from a restaurant. Such is not the case here.

- A very high percentage of the opponent's marketing, promotion and advertising is directed towards children. While children are not necessarily the ultimate arbiters of where they eat, children do influence parental choice.
- The opponent has a range of 'Mac-' or 'Mc-' prefix trade marks which have achieved notoriety. While the newspaper articles showing the McDonaldisation of language are old, and illustrations of sub-editorial humour, I am satisfied that these articles demonstrate that reporters and editors believe that they can use 'McLanguage' and be immediately and widely understood, without further explanation, as referring to the opponent and its operations. There is a strong likelihood that the applicant's McBaby trade mark will be similarly understood.
- The prior decisions of the Registrar to which Mr Maxwell referred me predate the decision of Mr Nancarrow in *Macri*, above. It is natural that the owner of a trade mark whose reputation is growing might expect to enforce those rights more readily with the growth of that reputation.

35. I am satisfied that the opponent has established its opposition under section 60 of the Act.

Decision

55. Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

- (a) to refuse to register the trade mark; or
- (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application; having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For *limitations* see section 6.

36. As the opponent has established its opposition in terms of section 60, I refuse to register application 859586.

Costs

37. Both applicant and opponent sought their costs should they be successful in these proceedings. Costs may follow the event and I order costs against the applicant at the official scale.

Ian Thompson
Hearing Officer
Trade Marks Hearings
28 May 2004