

McDonald's Corp v Future Enterprises Pte Ltd
[2004] SGHC 81

Case Number : OM 11/2003/C, 12/2003/G, 13/2003/L
Decision Date : 26 April 2004
Tribunal/Court : High Court
Coram : Belinda Ang Saw Ean J
Counsel Name(s) : Davinder Singh SC, Dedar Singh Gill and Penny Leng (Drew and Napier) for opponent; Tan Tee Jim SC and Low Pei Lin (Allen and Gledhill) for applicants
Parties : McDonald's Corp — Future Enterprises Pte Ltd

*Trade Marks and Trade Names – Registration – Opposition to registration of trade marks
– Whether proposed trade marks calculated to deceive or to cause confusion – Whether applicants proprietors of proposed trade marks – Whether proposed trade marks in respect of goods or description of goods identical with or nearly resembling trade mark belonging to opponents
– Sections 12, 15, 23 Trade Marks Act (Cap 332, 1992 Rev Ed)*

26 April 2004

Judgment reserved

Belinda Ang Saw Ean J:

1 These three originating motions, heard together, are brought by McDonald's Corporation ("the opponents") who are appealing against the decision of the Principal Assistant Registrar of Trade Marks given on 23 April 2003 dismissing their opposition to and allowing registration of the following trade marks in class 30:

- (a) "MacNoodles & device" (TM No 6229/95) in respect of "instant noodles";
- (b) "MacTea & device" (TM No 6230/95) in respect of "instant tea mix";
- (c) "MacChocolate & device" (TM No 6231/95) in respect of "instant chocolate mix".

The application trade marks are depicted below:

□ □ □

TM No 6229/95

TM No 6230/95

TM No 6231/95

2 *The applicants are Future Enterprises Pte Ltd. Their applications for registration of "MacNoodles & device" and "MacTea & device" in class 30 were filed on 8 July 1995 and advertised in the Government Gazette on 24 July 1998. Their application for "MacChocolate & device" in class 30 was filed on 8 July 1995 and advertised in the Government Gazette on 18 June 1999. The applications were all made before the new Trade Marks Act 1998 (Cap 332, 1999 Rev Ed) came into force on 15 January 1999. As provided for in the transitional provision of the Trade Marks Act 1998, the provisions of the Trade Marks Act (Cap 332, 1992 Rev Ed) ("the Act") continue to govern these oppositions.*

3 Mr Davinder Singh SC appeared with Mr Dedar Singh Gill for the opponents. Mr Tan Tee

Jim SC is for the applicants.

4 The applications for registration were opposed on a number of grounds. Three grounds were argued before the Principal Assistant Registrar, as appears from her decision. The first and main ground was the argument that the proposed trade marks were calculated to deceive or to cause confusion. This is the s 15 issue. The second ground was based on s 23 of the Act. Section 12 was also raised in opposition.

5 At the first session of the hearing of the originating motions, Mr Davinder Singh applied to admit additional evidence as well as for leave to cross-examine Tan Wang Cheow ("TWC") who had filed statutory declarations on behalf of the applicants. The application to cross-examine related to the issue of good faith in s 12 of the Act. I allowed the application to cross-examine TWC. As for the other application to admit additional evidence that is related to the issue in s 15 of the Act, I made no order on the application.

Section 12(1) of the Act

6 I propose to consider first the arguments under s 12(1) of the Act. The opponents' case is that the applicants cannot claim to be the proprietors of the application marks as they had copied the opponents' "Mac" mark and the so-called "McLanguage" of naming products with the prefix "Mc" followed by a fast food descriptive. Accordingly, the applicants' claim to proprietorship is made in bad faith. Section 12(1) of the Act provides:

Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it shall apply in writing to the Registrar in the prescribed manner for registration in Part A or B of the register.

7 The opponents have numerous registered marks in Singapore. Prior to 1995, the opponents had used the following registered trade marks containing the prefix "Mc" in class 30: "McNuggets", "McChicken", "Egg McMuffin" and "Sausage McMuffin". Since 1995, the following additional marks were used in relation to their food products: "Chicken McSpaghetti", "McPepper Burger" and "McSalmon Burger". Significantly, the word component of the application mark is "MacTea" for instant tea mix (and "MacChocolate" for instant cocoa mix and "MacNoodles" for instant noodles). All three application marks use the prefix "Mac" which is phonetically equivalent to "Mc".

8 The opponents assert proprietorship in the family of marks (i.e. "Mc" prefix plus fast food descriptive) in relation to fast food and beverage not only by registering them but through extensive use and advertising. In McDonald's, the names of meals have the word "Mc" or "Mac" contained somewhere. So, the word "Mc" and "Mac", either as a prefix or as a word by itself in their fast food products, is well known to the fast food trade and public who have come to associate products which contain the prefix "Mc" and "Mac" with those of the opponents.

9 On the subject of reputation, the opponents tendered as evidence of their international reputation, the history of McDonald's and the many advertisements placed throughout the world. The assistant general counsel of McDonald's, James Elgass, stated in his statutory declaration dated 30 November 1999 that the company operated more than 24,800 restaurants in more than 100 countries. In 1999, the company had 108 outlets in Singapore. Annual turnover for 1988 amounting to \$77.95m increased to \$230.89m in 1998. The McDonald's franchise has, over the years, become a recognised icon of the USA and epitomises something distinctly American.

10 There is evidence that large sums of money were spent on advertisements to advertise the

opponents' products and special promotions whilst keeping the brand name "McDonald's" and the two golden arches set on red background logo within the public eye. Advertising expenditure in Singapore alone in 1988 was \$3.47m. This increased annually to \$11.01m by 1998.

11 The applicants claim to be the proprietors at common law of each of the application marks. The application marks were conceived and created by them and have been used by them for many years in a number of countries including Singapore before filing the applications for registration. In his statutory declaration, TWC explained that the applicants were incorporated on 16 September 1982. Between 1982 and 1994, the applicants were in the computer and computer-related business. But later in 1994, they changed business and concentrated on the "instant" beverages and foods business after noting the successful introduction of various brands of 3-in-1 and 2-in-1 type of beverages into the market. They then explored avenues to develop a product range that would appeal to consumers in emerging markets. After studying the trends and taste preference of the initial markets, namely Russia and Vietnam, the applicants adopted a product image that would convey a sophisticated and Western taste. The applicants chose the logo of the stylised American eagle to portray a Western and capitalistic image.

12 The applicants commenced manufacture of the instant tea mix and instant cocoa mix in October and November 1994 respectively. They started to export instant tea mix bearing the application trade mark in December 1994 to countries such as Russia, Kazakhstan, Ukraine, Uzbekistan, Hungary, Thailand, Vietnam, Pakistan, Middle East, Malaysia, Myanmar and Sri Lanka. There have been domestic sales of instant tea mix since December 1994. Export sales of instant cocoa mix started in December 1994. The applicants have been using the application mark "MacNoodles" in Singapore in since December 1994. Export sales of instant noodles started in January 1995.

13 TWC stated in his statutory declaration that the applicants have spent time, effort and expense in promoting their products bearing the eagle device by participating in exhibitions and overseas food fairs; advertising in local and foreign trade magazines, in yellow pages listings and on television. It is to be noted that the applicants first used the eagle device in conjunction with the word "MacCoffee" for 3-in-1 and 2-in-1 instant coffee mix. In 1994, the applicants spent \$94,000 on advertising and promotions. Advertising expenditure increased to \$1.36m in 1997.

14 TWC explained that in the computer trade, the Macintosh (a computer manufactured by Apple Computer, Inc), was well known and was always referred to as "Mac" or "the Mac". Macintosh users are called "Mac users". The applicants were inspired, according to TWC, to use the word "Mac" for their new line of products. Many of the applicants' previous purchasers of computer-related goods imported their instant food and beverage products. After final approval of the artwork, packaging for the instant mix was printed. The different package designs for the four different types of instant tea mix, cocoa mix and instant noodles were modified from the package design for the instant coffee mix.

15 TWC's explanation on how the applicants adopted the word "Mac" for their products on the face of it differs from their position in *Future Enterprises Pte Ltd v Tong Seng Produce Pte Ltd* [1998] 1 SLR 1012. TWC had testified, at the earlier proceedings, that the applicants used the prefix "Mac" in their marks for instant 3-in-1 coffee mix (MacCoffee), tea mix (MacTea) and chocolate mix (MacChocolate) as it was in Western English-speaking countries an informal term for addressing persons whose names were not immediately known.

16 Mr Davinder Singh submits that TWC had not in cross-examination satisfactorily explained how the applicants came to use the word "Mac". Not only was TWC evasive in his testimony, his contradictory answers have shown him up as an untruthful witness. Since the applicants wanted to

convey the impression of a sophisticated, Western, capitalistic "American" taste, it follows, so the argument runs, that the use of McDonald's well known "Mac" or "Mc" mark would be a perfect fit, given McDonald's worldwide reputation for being a Western capitalist fast food company and its international status as an American icon. The applicants, in adopting the word "Mac" plus a food product, are seeking to or are taking advantage of the opponents' reputation. The application marks were thus not chosen in good faith.

17 Mr Tan's position in argument is that both explanations are not inconsistent as they each convey the same Western and capitalistic image for the goods that the applicants are promoting and selling in communist countries. There was no copying or misappropriation of the opponents' mark by the applicants. Mr Tan raised a second argument: the parties' marks are clearly and distinctly different, applied on different goods and catered to different sectors of the public. That second argument, which I shall deal with shortly, is decidedly relevant to the operation of s 12 of the Act.

18 Section 12(1) of the Act only requires the applicant to have a claim to proprietorship. Generally, it will be difficult to object to registration on this ground as long as the claim of proprietorship is made in good faith and not rebutted on the ground that the proprietor was someone else: see *Kerly's Law of Trade Marks and Trade Names* (12th Ed, 1986), para 4-03, followed in *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 147.

19 The Court of Appeal in *Tiffany & Co v Fabriques de Tabac Reunies SA* held that the concept of "proprietor" in s 12(1) of the Act does not extend to a person who copies another's mark. Yong Pung How CJ, at [27] said, "The key ingredient in a successful opposition under s 12 of the Act is a misappropriation of the mark by the applicant." In that case, the challenge under s 12 of the Act was rejected. The respondents were able to show that they had a *bona fide* claim to proprietorship of the "Tiffany" mark for tobacco products as it was purchased by the respondents' parent company (Philip Morris) and the mark was registered in the Netherlands by its prior owner.

20 In many proprietorship cases, the dispute between the parties has been over the same mark or virtually identical marks where one or two letters in one mark are different. This was so in *In the Matter of Vitamins Ltd's Application* [1956] RPC 1; *Application by Brown Shoe Company Inc* [1959] RPC 29 and *Auvi Pte Ltd v Seah Siew Tee* [1992] 1 SLR 639. In *Brown Shoe*, the court found the marks "Naturalizer" and "Natlurizet" to be similar. In *"Genette" Trade Mark* [1968] RPC 148, the applicants sought to register "Genete" and "Genette". The court found that they had not copied someone else's mark ("Ginette") in that they had thought of the same mark and did not know of the other person's assertion of proprietorship of it.

21 In Australia, an opposition under s 40(1) of the Trade Marks Act 1955, which is similar to our s 12(1), can be made when a mark applied for and an opponent's mark are substantially identical: see *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 120 ALR 495. Gummow J's views on the issue of competing claims between non-identical marks were *obiter*; but nonetheless, they were applied by Drummond J in *Karu Pty Ltd v Jose* (1994) 30 IPR 407 directly to the matter before him. He noted a particular part of Gummow J's speech (at 513) which reads:

When the decision [*Shell Co of Australia Ltd v Rohm & Haas Co* (1949) 78 CLR 601] is understood in this way, it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical" as it appears in s 62 (which is concerned with infringement) was discussed by Windeyer J in *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between two marks. In a real sense a claim to

propriatorship of the one extends to the other. But to go beyond this is, in my view, not possible.

22 In Gummow J's view, there is no material distinction to be drawn between "Fun Ship" and "Funship" or between the addition of the definite article or the use of the plural. However, "Fun Ship" is, for the purpose of s 40 of Trade Marks Act 1955, a substantially different trade mark to "Sitmar's Funship" and "Fairstar the Funship".

23 Adopting the same course as the Australian cases, in my judgment, opposition under s 12 of the Act can only be made when the mark applied for and an opponent's mark is either identical or substantially identical. The test to determine whether or not the marks are substantially identical for the purpose of s 12 (which is a different test from the other provisions of the enactment), involves a comparison of the marks side by side: see Windeyer J in *The Shell Company of Australia Limited v Esso Standard Oil (Australia) Limited* (1963) 109 CLR 407 at 414:

[The two marks] should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.

24 Mr Davinder Singh argues that the opponents' marks are identical to the applicants' word marks in that the application marks not only adopted the "Mac" mark but are structured and formed in a manner identical to the opponents. They consist of the prefix "Mac" followed by a food or beverage descriptive closely associated with the opponents. Counsel's submission in relation to s 12 is focused on the part of the word mark "Mac" followed by the food descriptive. The complaint is not that the applicants had imitated in appearance their trade marks, namely "McChicken", "McNuggets" and "McMuffin". What the applicants have taken was the idea or business marketing practice of naming the various types of fast food products.

25 For the purpose of determining proprietorship, I must compare the application marks and the opponents' marks side by side and note the similarities and differences. Mr Davinder Singh's approach does not meet the test. It is wrong to look at the prefix "Mac" alone and without regard to the composite word "MacChocolate", "MacTea" or "MacNoodles". The word component of the application marks consisted of a composite word and it is the "total impression" of the composite word which must be considered in a side by side comparison with the opponents' rival marks such as "McChicken", "McNuggets" and "McMuffin". The composite word is undoubtedly seen as a different mark from that consisting of the word "Mac" alone.

26 In *PB Foods Ltd v Malanda Dairyfoods Ltd* (1999) 47 IPR 47, the application was to register "Choc Chill" as a trade mark. The opponent was the unregistered proprietor of the mark "Chill" by virtue of prior use in Queensland and the Northern Territory. At the time of the application, the applicant had used "Choc Chill" only in Western Australia. The court decided that in applying the test it should compare "Choc Chill" (and "Coffee Chill", "Strawberry Chill" and "Vanilla Chill") and "Chill" on the other. Having done that, the court said that the essential feature of the trade mark is the word "Chill". A material distinguishing feature of the case is that registration was sought on the basis that the description "Choc" will change with the flavour to "Coffee", "Vanilla", "Strawberry" and the like. The court therefore gave very little weight to the descriptors "Choc", "Coffee", "Vanilla", or "Strawberry". When seen and understood in this light, the comparison between "Chill" and "Choc Chill" does lead to a "total impression of similarity" to support the proprietorship claim.

27 In contrast, the applications for registration here are based on a disclaimer of exclusivity in respect of the words "Mac" and "Tea" (and "Chocolate" and "Noodles"). This is not a case where the applicants have chosen to file their mark as one which will be varied in use with a purely descriptive

variable food or beverage like tea, chocolate and noodles and in doing so has made it clear that the essential feature of their trade mark is the word "Mac". For the purpose of comparison, the word "Mac" cannot be ignored even if it is disclaimed on the registration as a non-distinctive word. When the word marks as they appear are compared side by side, by no stretch of the imagination can they be substantially the same as the opponents' marks. At the same time, the word "Mac" in question has been disclaimed in the present applications so that there is no way that "[i]n a real sense a claim to proprietorship of the one extends to the other" *per* Gummow J, ([21] *supra*).

28 There is another reason why the opponents must fail in their challenge to proprietorship for the purpose of s 12. Their argument ignores the fact that the applicants are not seeking to register, as their trade mark, the word mark alone in relation to instant cocoa mix, instant tea mix and instant noodles. They seek registration as their trade mark of an integrated design comprising an eagle device and word component in close proximity to each other. It cannot be said that the eagle device is a small device element that is nondescript and attracts minimal attention. The eagle device with a white flowing ribbon round its neck is conspicuous being significantly larger in size than the word mark placed immediately below its talons. The eagle is coloured with shades of orange, brown and black and is depicted clutching three arrows with green-coloured feathers and arrow tips in its left talon and in its right, an olive branch. Its beak and talons are yellow in colour. In the case of "MacChocolate" and "MacTea", the lettering of the respective word element is white on a brown background. The lettering of "MacNoodles" is black on a white background. The letter "M" differs in the application marks. The word marks are different visually from "McChicken", "McNuggets" and "McMuffin" in colour, font and typeface. In the case of the opponents, of significance is the ever-pervasive presence of their logo, the golden arches forming the letter "M" on a red background. The opponents' trade mark is "McDonald's".

29 Both rival marks, in my judgment, are neither identical nor substantially identical. The marks are different marks leaving a total impression of striking dissimilarity between them. In which case, the objection to registration under s 12 cannot succeed. As a corollary to my decision, there can be no copying or misappropriation where the marks are found to be not substantially identical. The differences in the marks as I have found them would militate against any finding of copying.

30 TWC made no secret of the derivation of the range of the application marks. TWC, however, said that the applicants' range of products was produced after the successful introduction of the applicants' first product *ie* instant coffee mix. The statement in his statutory declaration has not been challenged. It cannot be suggested that by selecting and adopting the opponents' system of naming food products, the applicants hoped to gain the benefit of any publicity that they might have received by reason of the opponents' system. The product range was introduced and produced following the success of the applicants' first product, MacCoffee. In 1994, the applicants sold 31.38m sachets of MacCoffee amounting to US\$2m, of which 81% is to the Russian market. Sales increased by 350% to US\$9m in 1995, of which the Russian market accounted for 84% of sales.

31 Mr Tan submits that the adoption and use of the opponents' common marketing method or ploy cannot constitute bad faith. He referred me to the case of *Lifestyle 1.99 Pte Ltd v S\$1.99 Pte Ltd* [2000] 2 SLR 766. The view of the appellate court is that the concept of selling goods at a fixed price is something that the respondent cannot claim a monopoly on. There is support for Mr Tan's submission from D R Shanahan's *Australian Law of Trade Marks and Passing Off* (2nd Ed, 1990) where the author at 371 states that the weight of authority is against the recognition at common law of any right of property in ideas *per se*. The author at 369 cited *Lever Brothers, Ltd v Bedingfield* (1899) 16 RPC 3, where it was held not to be unlawful to adopt the attractive features of a rival's labelling nor a method of doing business as in *Compatibility Research Ltd v Computer Psyche Company Ltd* [1967] FSR 63. In any event, s 12 cannot be the right provision for safeguarding the rights of owners

if such a marketing concept can be protected in the first place.

Section 15 of the Act

32 I now move to the second ground of opposition. Section 15 of the Act provides:

It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

33 The applicable principles for determining whether an applicants' use of the mark would be likely to deceive or cause confusion under s 15 of the Act are set out in *Kellogg Co v Pacific Food Products Sdn Bhd* [1999] 2 SLR 651. Lai Kew Chai J (delivering the judgment of the appellate court) considered whether the likelihood of confusion and deception is to be determined with reference to reputation or user. He clarified the test in *In the Matter of an Application by Smith, Hayden & Coy, Ld* (1946) 63 RPC 97 which received some criticism in "*Bali*" Trade Mark [1969] RPC 472 and said at [30]:

On a plain construction of s 15, we are of the view that the likelihood of confusion and deception is to be determined with reference to the fair and normal user of the marks in question. This is not to say, however, that the reputation of the earlier mark is irrelevant. Far from it. In determining the impact which a proposed mark is to have on an audience, regard must naturally be had to the reputation of an earlier mark, in so far as it has arisen in the course of use. What we must guard against is transforming s 15 into a section that protects the reputation simpliciter of the earlier mark. Reputation is just one of the factors to take into account, together with the similarity of the marks, the goods to which they are applied, and their packaging.

34 There is also guidance as to how the court should go about the comparison between the two marks where the issue of likely confusion has to be determined. Lai J at [33] said:

The comparison of the earlier and proposed marks must be assessed taking into account the actual way and manner that the marks are used, and surrounding circumstances such as the similarities between marks and goods on which they are applied: *Pianotist* (1906) RPC 774 at 777. Specifically, the likelihood of confusion is to be determined, based on (i) the actual use of the mark (*Dustic TM* (1955) 72 RPC 151 at 156; *Thermos Prima TM* [1991] RPC 120); (ii) the "idea" behind the marks, (iii) similarity of the marks (*Thermos Prima TM*, [1991] RPC 120, *Bulova Accutron TM* [1969] RPC 102) and (iv) similarities of the goods to which they are applied (*Bali TM*, ...).

35 It is convenient to set out the context in which the matter is assessed, as per *In the Matter of an Application by Pianotist Company Ld* (1906) 23 RPC 774 at 777:

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

36 Dixon and McTiernan JJ in *Australian Woollen Mills Limited v F S Walton and Company Limited* (1937) 58 CLR 641 said at 658:

In deciding this question, the marks ought not, of course, to be compared side by side. ... 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, then 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. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

37 The relevant date at which these matters must be determined is 8 July 1995 (*ie* the date of application for registration) and the onus is upon the applicants to satisfy the court that there is no likelihood of deception or confusion.

38 This “caused to wonder” test is not the same as an actual probability of confusion leading to a passing off. Section 15 of the Act requires there to be a real tangible danger of confusion. A real tangible danger of confusion will result, if a substantial number of prospective or potential purchasers of instant cocoa mix, instant tea mix and instant noodles (who are “persons of ordinary care and intelligence, but who are endowed with general, but not perfect, recollection”) will infer or there will be cause to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt: see *Kellogg Co v Pacific Food Products Sdn Bhd* at [32]; “*Bali*” Trade Mark at 496–497.

39 On the educational background of the ordinary person, the appellate court’s comments in *Super Coffeemix Manufacturing Ltd v Unico Trading Pte Ltd* [2000] 3 SLR 145 at [46] are instructive:

The law expects the consumers to use ordinary care and intelligence: see *Morecambe & Heysham Corp v Mecca* [1966] RPC 423. In the case of an educated consumer he would be able, without difficulty, to differentiate one from the other. In the case of an illiterate consumer, or a Chinese educated consumer... who goes by what he sees on the packaging, then as the graphic designs of the two packaging are quite distinct, it is doubtful that he is likely to be misled. We would further say that the fact that a consumer is Chinese educated does not mean that he does not possess the usual faculties to differentiate.

40 Counsel on both sides cited numerous authorities. I do not intend to traverse all of them. Ultimately, the inquiry under s 15 of the Act is a question of fact and each decision should be viewed accordingly.

41 The Principal Assistant Registrar had succinctly paraphrased the opponents’ argument in her decision in this way:

The reputation that the opponents have to establish to show that only they can use any mark with the prefix Mc plus descriptive word in relation to food is extensive. This is because they are not relying on the reputation of their mark McDonald’s to say that the Applicants’ marks MacNoodles, MacTea and MacChocolate are confusingly similar. They are using their reputation in the marks with the prefix Mc plus descriptive word in relation to food, to stop the Applicants from using MacNoodles, MacTea and Mac Chocolate on instant noodles, tea and chocolate mixes.

42 As it appears from the authorities, in taking into account all the circumstances of the case, I must consider whether as a whole the applicants' marks are substantially different from the opponents. I agree with the Principal Assistant Registrar that the initial comparison is between the opponents' three word marks "McChicken", "McNuggets" and "McMuffin" and on the other, the three composite marks that comprise a device of an eagle plus the words "MacTea", "MacChocolate" and "MacNoodles". I would add that besides the opponents' word marks, the ubiquitous golden arches in the form of the letter "M" appears on food wrappers for the meals and disposal cups. The list goes on.

43 As to the visual and aural similarities of the marks, I do not consider them to be confusingly similar. There are indeed significant visual differences between them – the depiction of an eagle as opposed to the golden arches forming the letter "M" – and aural differences – "McChicken", "McNuggets", "Egg McMuffin" and "Sausage McMuffin" compared to "MacTea", "MacChocolate" and "MacNoodles". Below the word component "MacTea", for example, the legend "3-in-1 Instant Hot Tea" appears. Other than the letter "M" in "MacTea", there is no mark similar to the opponents' "M" logo anywhere on the packaging. The word marks are also different in appearance in terms of colour, font and typeface. The second and third syllables of the application marks are different in sound from the opponents'. The differences leave different impressions on people's minds.

44 Is there a conceptual link between the two in that the common use of the first syllable "Mac" or "Mc" means that both are likely to be taken as indicative of a common identity? The use of the first syllable "Mac" in the applicants' range of products is not unlike the case of the opponents in that TWC has admitted to the use of the same naming system as McDonald's. But it does not, in my view, override the other differences mentioned earlier and, when viewed as a whole, I do not believe there will be confusion between the rival marks. Having found the dissimilarity in the marks, visually and aurally, the common idea conveyed by competing marks is not overriding or determinative. In *Sports Cafe Ltd v Registrar of Trade Marks* (1998) 42 IPR 552, the court at 557 observed:

[T]he fact that two marks convey a common idea becomes relevant only if the marks themselves look or sound alike. Commonality of idea might then tip the balance in favour of a finding that the likeness is deceptive.

45 The matter, however, does not end there. The opponents in submissions pointed out that it is not their case that the term "Mc" or "Mac" is the essential feature of all their marks. Their objection to registration is founded on their rights in a series of marks. The term "Mc" or "Mac" is the essential feature in the opponents' family of marks consisting of the prefix "Mc" plus a fast food descriptive. Mr Davinder Singh submits that the applicants' use of a mark having the common feature of the opponents' series of marks would likely lead to confusion amongst consumers. Consumers are likely to be misled into thinking that each of the application marks is a new mark in the series of the opponents' "Mc" marks. The opponents cite *Kerly's* ([18] *supra*) at para 17–14:

Where there are a "series" of marks, registered or unregistered, but in use, having a common feature or a common syllable and where all the marks in such a series belong to an opponent, these are generally circumstances adverse to an applicant for a mark containing the common feature, since the public might think that such a mark indicated goods coming from the same source ...

46 I agree with Mr Tan's analysis that the existence of a "series" of marks and the degree of recognition evoked therefrom is but one factor, which along with others, the court would have to take into account in the overall assessment of the likelihood of confusion or deception for the average consumer of the goods or services in question. The principles enunciated in the authorities cited above still apply. This was the case as is illustrated in *UNIMAX Trade Mark* [1979] RPC 469, *In the*

matter of an Application by Beck Koller & Company (England) Limited (1947) 64 RPC 76 and SEMIGRES Trade Mark [1979] RPC 330.

47 I pause here to comment on the opponents' submission that *Yuen Yu Kwan Frank v McDonald's Corporation* [2001] WL 1422899 (Chancery Division, unreported judgment dated 27 November 2001) is not in line with established authority such as *Wagamama Ltd v City Centre Restaurants plc* [1995] FSR 713. Firstly, this "caused to wonder test" is not as wide as a mere non-commercial association of the kind considered by Laddie J in *Wagamama*. Mr Tan quite rightly pointed out that *Wagamama* was decided under the new 1994 UK Trade Marks Act where "likelihood of association" will suffice. Secondly, Laddie J was concerned with artificial and meaningless names and the likelihood of word-of-mouth recommendations made the sound of the names particularly important. Laddie J took into account that imperfect recollection was likely both for the reason that the marks were entirely artificial and meaningless to the average British customer and because the marks were being used in relation to comparatively inexpensive eating places, where word-of-mouth recommendations were common.

48 The "caused to wonder" test is not limited to a consideration of the reputation of the opponents and its strength. In considering the likelihood of deception or confusion all the surrounding circumstances have to be taken into account. Essentially, I must consider the nature, uses and trade channels of the goods in question.

49 Applying the principles to all the circumstances of the case, can it be said that there is a real tangible danger that a substantial number of shoppers in the course of a normal shopping trip would suppose, or assume, or guess at a commercial association (in the form of a common source) between the application marks, which are used in the sale of 3-in-1 or 2-in-1 instant tea mix and instant cocoa mix and instant noodles and, on the other, fast food and beverage from the opponents? All things considered, where the products in the present case are clearly not the same, the additional factors, namely "series" of marks and TWC's admission as to the use of the same system of product-naming as McDonald's will still not be sufficient to tip the scales in favour of the opponents. I shall elaborate on this below.

50 The opponents' reputation at the relevant date in this country as that of a fast food restaurant chain with respect to their own registered marks serving uniform fast food is undisputed. The applicants accept that the opponents had substantial use and reputation in Singapore in July 1995 (and after) in respect of the mark McDonald's and the "M" logo for fast food sold to people "looking for reasonably cheap food which is provided fairly speedily on or off the opponents' restaurant premises where the food is sold". The applicants argue that the opponents have no reputation in the business of selling food and beverage through supermarkets.

51 The Principal Assistant Registrar decided that as the reputation extends only to the restaurant business, the opponents could only stop others from using the prefix "Mc" plus a descriptive name in relation to food in the restaurant business. And, as the opponents had no evidence establishing a reputation in selling food and beverage in their unprepared form either within or outside their premises, no issue or likelihood of confusion would arise. The Principal Assistant Registrar was right to have considered, as she must do in trade mark cases, the nature of the market the goods in question are sold. It stands to reason that if the opponents' mark is wholly unknown in the market in which the applicants' marks are used, the use of the applicants' marks would not lead to deception or cause confusion. Those purchasers or potential purchasers in that market for instant 3-in-1 or 2-in-1 instant beverages or instant noodles would not be misled into drawing any false inferences as to the origin of the goods.

52 It cannot, in my judgment, be said and there is no evidence that McDonald's have acquired a reputation so extensively in relation to tea, chocolate and noodles that the use of "MacTea" and "McChocolate" on 3-in-1 or 2-in-1 sachets of instant tea mix and instant cocoa mix respectively, and "MacNoodles" on instant noodles, would naturally lead purchasers to believe that there is a commercial connection between the goods bearing the application marks and those of the opponents. A point calling for special attention is the sale of third-party beverages (like Lipton tea, Milo and for soft drinks, cola from Coca-Cola) in the opponents' restaurants and that factor undoubtedly must militate against any claim to a reputation for beverages.

53 I also do not see how the sale of Chicken McSpaghetti in Singapore would assist the opponents. We are told that it was sold after 1995; but there is no evidence on exactly when and for how long it was sold in their restaurants. It is not a regular and standard fast food item on sale in the opponents' restaurants. In any event, it is possible to gather from its description, "Chicken McSpaghetti", that the meal would contain chicken, sauce and spaghetti. That, of course, is a far cry from the instant noodles sold in a dehydrated brick-form in individual packets. It would be for the consumer, if that were his or her preference, to add meat and vegetables to the instant noodles in the course of preparation.

54 The evidence shows that the subject goods of the applicants are not being sold in close proximity to those of the opponents. They are sold in very different outlets and not to the same kind of people. If someone decides to eat at McDonald's, one thinks of going to eat American-style fast food at the restaurant or to take away. The opponents advertised their products as cooked or prepared food; ready-to-eat meals. Each McDonald's outlet offers a substantially uniform menu, conforms to an identifiable restaurant image and delivers food at a uniform level of quality, service and cleanliness. The reputation of the opponents is that of a fast food restaurant chain and the way the fast food is sold. The customer places his order verbally at the counter where the menu of choices is prominently displayed. The packing of the meal is designed for consumption in the restaurant or to take away.

55 In contrast, the applicants' goods are 3-in-1 or 2-in-1 instant beverage or instant noodles that are sold in supermarkets such as NTUC Fairprice and Mustafa, and provision shops. The packing is designed for self-service shopping in a supermarket, convenience store or corner shop with no or little intervention by a sales staff. By way of an example, 3-in-1 or 2-in-1 instant tea is sold in powder form in airtight sachets. They contain a correctly balanced serving size mixture of tea and sugar, and sometimes creamer and fruit flavouring as well. All that is needed to complete the beverage is hot water.

56 Notably, the tea served at a McDonald's in Singapore is not a house brand but Lipton tea. Creamer and sugar are provided separately and added to the tea as matter of choice by the customer. Lipton tea served at McDonald's is in a disposal cup with the golden arches forming the letter "M" printed on it. As for chocolate drink, hot or cold Milo from Nestlé is available on the menu.

57 The case of *In the Matter of an Application to Register the Mark McIndians* (UK Patent Office, 16 August 1996) concerns the registration of the mark "McIndians" in Leicester, England, in respect of "restaurant, café and cafeteria services; preparing food and drink for consumption" in class 42. In *McDonald's Corporation v McBagel's Inc* (85 Civ 7868, 10 December 1986), McDonald's opposed the use of the name "McBagel's" in connection with a bagel bakery and restaurant in New York, USA. In those cases, surveys were done on the strength of the "Mc" mark. The reputation in the prefixes "Mc" and "Mac" was found to be in relation to fast food restaurants.

58 In *Yuen Yu Kwan Frank v McDonald's Corporation*, the applicant sought to register the mark

"McChina" for Chinese-style food and restaurants. The respondents opposed the application pursuant to ss 11 and 12 of the UK Trade Marks Act 1938 on the basis of their established rights, both by registration and use, of their marks, including "McDonald's", "MacDonald's", "Mac" and certain other words having the prefix "Mc", in the fast food business. Neuberger J found that the respondents' survey was flawed by the nature of the questions asked. Having considered all the evidence anew, the court did not consider that there was any real prospect of confusion or deception.

59 No evidence was put either before the Principal Assistant Registrar or the court to show actual cases of deception or confusion argued for by the opponents. Neither was there survey evidence on consumer's perception that the use of prefix "Mac" to foodstuffs like instant tea mix, instant cocoa mix and instant noodles is somehow associated with the opponents. There is authority that for a case of this sort, a judge should be able to form his or her own view of the matter, especially where the goods or services in question are familiar and inexpensive (as opposed to specialised goods). See Richardson J in *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1979] RPC 410 at 423.

60 In my view, "MacTea", "MacChocolate" and "MacNoodles" used in a normal and fair way to instant tea mix, instant cocoa mix and instant noodles respectively would not evoke thoughts of the opponents in the mind of a substantial number of the average consumer. This case is not concerned with selling the same kind of goods in the same type of outlets. The further removed the applicants are from the other in the respective line of business or field of activities (to borrow and adapt the reasoning in *Harrods Limited v Harroddian School Limited* [1996] RPC 697 at 714), the less likely it is that any member of the public could reasonably be confused into thinking that the applicants' business is connected with the opponents. The opposite is probably true if both were used normally and fairly in the same field of activity. For instance, in *McBagel's*, both the applicant and McDonald's catered to consumers of fast food or other inexpensive restaurant services. Consumers in this market are known to make their decision quickly, and normally under the circumstances, there is a greater likelihood of confusion between the two marks of the goods or services.

61 My attention was drawn to the common practice of restaurants and cafés in Singapore like Haagen-Dazs (Haagen-Dazs ice cream), Starbucks (bottled coffee) and Delifrance (frozen rolls) in selling their products in supermarkets. There is also the common practice in Singapore for cafés serving tea and coffee to also sell packets of tea leaves and coffee beans under the café's trade name and mark. The cafés include Spinelli, Starbucks and Coffee Bean & Tea Leaf. The opponents submit that because of this common practice, the ordinary purchaser would, upon seeing or hearing the applicants' products in stores and supermarkets, naturally assume, given the similarity of their marks with the opponents' family of marks, that the opponents have diversified into selling "unprepared food products". Counsel has not persuaded me of a likelihood of confusion amongst the Singaporean public as to the source of the applicants' products. Firstly, there is no evidence of the opponents' established reputation for beverage and instant food and hence of the likely confusion. No survey was carried out. The arguments are founded on nothing more than mere speculative use of the "caused to wonder" test Lord Upjohn warned against in *"Bali" Trade Mark* ([33] *supra*). Secondly, third-party beverages such as Lipton tea and Nestlé's Milo are sold in the opponents' restaurants rather than their own house brand. That is a material point of distinction. Moreover, the beverages in question are 3-in-1 or 2-in-1 instant tea mix and instant cocoa mix and they are not like Lipton tea and Milo sold at the opponents' restaurants. Although third-party beverages like Lipton tea and Milo are sold openly in the opponents' restaurants, the drinks are served in disposal cups with the ubiquitous "M" logo printed on them. The public would not expect McDonald's to use a completely different mark in relation to third-party products. Their argument – McDonald's are closely associated with the goods in question (ie instant tea mix, instant chocolate mix and instant noodles), as tea and chocolate beverages and noodles have been sold at their restaurants – is unfounded. Thirdly, the

distinguishing feature in *Tiffany & Co* ([18] *supra*) is the common practice of luxury brand goods (eg YSL and Cartier) licensing their trade mark for use on cigarettes. In the case of McDonald's, it is different. The licence or franchise to a third party is for the overall fast food restaurant format and operating system, all of which give an identifiable image.

62 The reasoning of the hearing officer in *Opposition by McDonald's Corporation to the Registration of the Trade Mark McMint* (Australian Trade Mark Office, 7 November 1997) and *Opposition by McDonald's Corporation to the Registration of the Trade Mark McVeg* (Australian Trade Mark Office, 10 November 1997) is equally applicable here. This is despite the point raised by the opponents of the existence of a particular Australian Practice Direction peculiar to Australia. In *McMint* the mark in question was the word "McMint" in relation to confectionery. The hearing officer found that very few people would expect McMint confectionery to originate from McDonald's unless it was sold at the opponent's restaurants. It was rightly highlighted that the whole thrust of the opponent's business is otherwise.

63 In *McVeg*, the mark in question was the word "McVeg" in relation to vegetable burger. The hearing officer said that nobody but the abnormally naïve would believe that the opponent had suddenly authorised anyone but its own franchisee to sell a genuine McDonald's product given the reputation built up by the opponent, and the manner in which it has been built up. There was no risk that any member of the public might enter someone else's restaurant and think that they were in a McDonald's restaurant, whether a franchise or owned and operated by the opponent.

64 The opponents submit that the Principal Assistant Registrar erred in holding that the applicants' marks, "MacTea", "MacChocolate" and "MacNoodles" are descriptive of their goods. In taking this position, the Principal Assistant Registrar chose to ignore the "Mac" portion of the applicants' marks which transforms their marks from mere descriptive words to fanciful names. They referred me to decisions around the world where the prefix "Mc" was recognised as transforming mere descriptive words to fanciful names. *Opposition by McDonald's Corporation to Registration of Trade Marks McSalad and McFresh* (Australian Trade Mark Office, 1 May 2000) ("*McSalad*") was one of the decisions cited by them. I did not reach the same conclusion argued for by Mr Davinder Singh in my reading of that case. I was also not convinced by the reasoning of the hearing officer, which I found tenuous and contrived.

65 In *McSalad*, the argument was similar to that put forward here. It was argued that the applicant's marks, "McSalad" and "McFresh" were deceptively similar to the opponent's family of marks and they would cause deception or confusion if registration were permitted. The confusion was founded on a perception that the applicant's marks were seen as being an extension of the opponent's registered trade marks due to the common element in the marks.

66 The hearing officer decided that any food or quality or characteristic of that food which would be expected to form a normal or usual part of the opponents' fast food operation and business would qualify. In the present circumstances, "McSalad" and "McFresh" both meet these requirements. The opponent does make use of "salad" ingredients and the word "fresh" describes a laudatory characteristic or quality that would also be expected to be used in relation to the opponent's goods. The hearing officer found that the two trade marks "McSalad" and "McFresh" were deceptively similar in a contextual sense to each of the trade marks owned by the opponent.

67 The applicants pointed out that none of the opponents' registered trade marks consist of the prefix "Mac" or "Mc" alone. In other words, there is at the date of the applications, no trade mark "Mc" or "Mac" registered under the opponents. In *SEMIGRES Trade Mark* ([46] *supra*), the prefix "Sem" was a registered trade mark. Mr Tan says *Re Application by Soldan Holding +*

Bonbonspezialitaeten GmbH (Singapore Trade Marks Registry, 20 July 2001) ("the *Kinder* case") is distinguishable because there was an earlier trade mark registration of the word "Kinder" unlike the present case where there was no separate registration for "Mc" except in its own unique font in Part B. The parties' goods in the *Kinder* case were similar if not identical. "Kinder" was the only feature of the opponents' marks.

68 Moreover, there are several other words and names bearing the prefix "Mc" or "Mac" which are commonly used, registered or pending registration as trade marks in Singapore. There is one trade mark "Mc" registered under McCormick & Co for sauces, spices and seasonings. This is a known brand and I am familiar with it.

69 The name "Mac" or "Mc" has been used by other companies and business in Singapore operating under names beginning with "MC" or "Mac". These include "MC NONYA", "MC CONFECTIONERY" "MC BURGER CAFE", "Mac's Cafe", "Mac's Ice-Cream Manufacturing Pte Ltd" and so on. I agree with Mr Davinder Singh that the evidence is of limited value as there is no indication that the various names are in use and whether they have a reputation. I therefore give them little weight.

70 Even though registered as trade marks, McChicken, McNuggets and McMuffins are menu items. They identify the food items on offer in the opponents' restaurants where customers place their orders at the counter verbally. Since the food items are sold only in McDonald's, the use of the prefix "Mc" to indicate the origin or source of the food is of limited value and I give it little weight. They are nonetheless product names and sold under their trade mark "McDonald's" or the "M" logo. To that extent, I agree with Mr Tan's submission that the addition of the prefix "Mac" or "Mc" does not transform the descriptive words such as "Chicken", "Muffins" and "Nuggets" into fanciful or inventive words having no reference to the character or quality of the goods in question.

71 In my judgment, it is not so much the word "Mc" or "Mac" in the opponents' "series" of marks but the golden arches forming the letter "M" on a red background logo that the public in Singapore are likely to associate such marks with McDonald's. The letters "Mac" in the application marks based on their overall impression would not be perceived as a variation of the opponents' goods or services in the minds of the average consumer. If the application marks are used in a normal and fair way including the way they are presently used in relation to ordinary shoppers buying generally in supermarkets, provision, convenience or corner stores there will not be deception or confusion arising from that use.

72 I am satisfied on the basis of the material before me, that the applicants have discharged the onus that the application marks are not calculated to confuse or deceive. The opposition therefore fails.

Section 23 of the Act

73 Section 23(1) of the Act provides:

Except as provided by section 25, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a trade mark belonging to a different proprietor and already on the register in respect of —

- (a) the same goods;
- (b) the same description of goods; or

(c) services or a description of services which are associated with those goods or goods of that description.

74 The opponents say they have a registration for "Mc" (TM No T92/03866G) in class 42 in respect of restaurant and catering services. Section 2(3) of the Act provides:

For the purposes of this Act, goods and services are associated with each other if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business, and a description of goods and a description of services are associated with each other if it is likely that the description of goods might be sold or otherwise traded in and the description of services might be provided by the same business.

75 The opponents go on to argue that their mark in class 42 services (*ie* restaurant and catering services) are associated with the goods of the applicants (*ie* instant tea mix, instant chocolate mix and instant noodles) citing Christopher Morcom, *Services Marks – A Guide to the New Law* (ESC Publishing Limited, 1987) at 31 where the author's view is that "food or beverage" might be regarded as associated with "hotel or restaurant services". This argument is unsustainable for the reasons discussed earlier under the s 15 point.

76 In argument, Mr Tan pointed out that the registration for "Mc" is in respect of the opponents' design. This is confirmed in the statutory declaration of James Elgass where he stated that the opponents have obtained their own registration for "Mc" (design) in class 42.

77 In any event, the opposition based on s 23 also fails for the same reasons explained earlier in respect of s 15 of the Act. The goods covered by the applicants' and opponents' trade marks are not the same nor of the same description.

Conclusion

78 The opponents have failed on all the grounds relied upon. Accordingly, the originating motions are dismissed with costs to the applicants.