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Revisiting McCurry v McDonald's

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In 2009, the Federal Court upheld the Court of Appeal's decision in the landmark case of *McCurry Restaurant (KL) Sdn Bhd v McDonald's Corporation*. In a legal battle that went on for 9 years in a David v Goliath fashion, the little Malaysian company claimed the ultimate victory. More than a decade later, this case remains relevant for trademark owners to take heed of need have a robust trademark protection policy.

This alert recaps the essential principles from the *McCurry Restaurant* case and the key takeaways for brand owners.

Facts

The plaintiff/respondent (McDonald's) is a fast-food franchisor with outlets all over the globe. The defendant/appellant (McCurry) in turn, ran a fast-food outlet which offered Indian and other local Malaysian cuisine. Below is a comparison of the trademarks used by both parties:



McDonald's sued McCurry for passing off McDonald's business as its own. McCurry offered Indian and other Malaysian cuisine. It did not serve any of the kind of food available at the McDonald's outlets. McDonald's complaint was that, among others, McCurry copied and adopted the identifier 'Mc' for its own food and beverages restaurant.

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The essential issue to be determined was this: whether McCurry misrepresented to the public that its business was associated to McDonald's?

High Court Decision

The High Court decided in favour of McDonald's, where the court remarked:

*“When 'Mc' is used in conjunction with a food item, the first impression or the first thing that comes to mind is McDonald's and the plaintiff. **Any unauthorised use of the prefix 'Mc' could also lead to the conclusion that the products sold and the services offered with reference to the said prefix are an extension of the plaintiff's family of mark consequently creating an association with the plaintiff.***

*Customers familiar with the McDonald's trademark and corporate signage and the products found in the McDonald's outlets would only logically assume that 'Mc' in McCurry restaurant is associated in some way to the plaintiff or is an extension of the plaintiff's current range of products and services. **It is also not a coincidence that the defendant would have picked the font and colour scheme on its signage without referring to the signage and repute of the plaintiff.** I am of the view that this shows that the defendant seeks to obtain an unfair advantage from the usage of the prefix.”*

Unsatisfied, McCurry filed an appeal against the High Court's decision.

Decision On Appeal

On appeal, the Court of Appeal reversed the High Court's decision by taking a holistic approach in assessing the McCurry trademark. The Court of Appeal found that when features of the McCurry trademark were compared with McDonald's, they were different as a whole. Further, McCurry did not sell any food or beverage sold by McDonald's. Therefore, the public could not have associated McCurry's business with McDonald's.

The Court of Appeal's decision was upheld by the Federal Court.

Key Takeaways

It is interesting to note that trademark disputes over McDonald's use of the prefix 'Mc', is not limited to Malaysia only. The McDonald's trademark had been around for a long time, and McDonald's were involved with numerous trademark disputes over the 'Mc' prefix all over the world. McDonald's was successful in certain cases such as MacDonalds (South Africa); MacJoy (Philippines) and McIndian (UK), but unsuccessful in other cases such as McCurry (Malaysia), McAllan (Denmark), and Supermac (EU).

It is important to note that the 'Mc' prefix holds varying degrees of significance across jurisdictions. For example, it was held in the EUIPO case of SuperMac v McDonald's that the prefix 'Mc' had a very common use in Ireland. The same could not be said in Malaysia where the only connotation associated with 'Mc' in the public's mind, was McDonald's. However, as demonstrated in the McCurry v McDonald's case, significance of use was not the determining factor in an action of passing off.

Therefore, it is important for brand owners to have a robust trademark protection policy in each jurisdiction, and to make use of protection of well-known marks accorded by country to the fullest. For example, Section 24(3)(a) of the Trademarks Act 2019 accords a mandatory obligation on the Registrar to refuse a registration of a trademark if it is identical with or similar to a well-known trademark which is not registered in Malaysia and it is to be registered for the identical goods or services of the proprietor of the well-known trademark. This section is useful to invalidate registrations of trademark which are confusingly similar with well-known trademarks.

Further, it is prudent to employ surveyors and experts to do a market research prior to entry into the market. In general, if a country adopts a 'first to register' system such as China, Japan, Germany, it is crucial to secure trademark registration as early as possible. If a country adopts a 'first to use' system

such as Malaysia, Australia, India, and the United States, then it may be wise to establish use and presence of the brand in the market prior to registration.

The key is to manage and mitigate risks of losing monopoly of a trademark in foreign jurisdictions as shown in the McCurry case.

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How can we help you?

We are operating as usual and clients may pose any queries on intellectual property matters including those in relation to this alert via e-mail to:

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About RDS

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