



A Legal-linguistic-semiotic Perspective of Trademark Dispute in McDonald's vs. McCurry

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ABSTRACT

In 2009, a landmark victory was won by McCurry (a restaurant serving Malaysian food) over McDonald's (the famed American fast food chain) when the Federal Court, the highest court in Malaysia, ruled that McCurry could continue using the prefix 'Mc' in its name. This case brings to fore the growing body of trademark litigation, where trademarks are deemed as "proprietary language bits of linguistic or semiotic material that people, corporations and institutions in very real but limited sense own" (Butters, 2010, p. 352). The issue here is whether or not the commercial use of a bound form morpheme, *Mc*, like in McDonald's, has changed from its original meaning to the extent that it takes a new meaning in the public domain. When such a case comes to court, it is a practice in many developed countries to call upon experts, including linguists to assist. This was, however, not the case when the case was first heard at the Kuala Lumpur High Court, and later at the Court of Appeal. As such, there was no legal-linguistic-semiotic investigation into whether or not the use of *Mc* by McCurry could have led to an unfair advantage over McDonald's. Hence, this is the thrust of the paper. Can the trademark *Mc* be exclusive in referent to only McDonald's or can another similar business outfit use the prefix *Mc* without raising any confusion to consumers? In order to answer the question on the use of trademark or 'this bit of language', a classroom task was carried out in an undergraduate course, SKBE3013 Language and the Law. To collect the relevant data, a social media, the Facebook was employed as a research innovation. However, as the case has been decided by the Federal Court, this paper will take a retrospective approach that offers an insight into how an understanding of the use of language in a dynamic context could have assisted the court.

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INTRODUCTION

From the outset, this paper has been motivated by an interest, as succinctly put by Shuy (2002), about an authority that stems from:

Two very different sets of attitudes, values, and beliefs of fields involved - law and linguistics. Law is, by definition, prescriptive and autocratically final, asserting that once law is decided, everyone is subjected to it. In contrast, linguistics is by definition, descriptive and democratic, asserting that language behaviour is determined by the way it is used by the people who use it. These two different guiding principles sometimes face each other, head-on, when language issues are debated in the legal setting (p. 6).

This paper deals with an issue of trademark infringement heard in a Malaysian courtroom. As the case was heard purely as a legal matter, there was no linguistic inquiry despite the fact that the issue involved a ‘bit of language’. The question is, would the decision have been different if a legal-linguistic-semiotic inquiry was conducted? Would the presence of an expert witness, a linguist, who could inform the court of language and meaning-making, make a difference in the decision? Can our Malaysian courts move forward in tandem with the developments in legal inquiry as observed in many developed countries?

This paper thus attempts to show, albeit retrospectively, that issues such as trademark infringement, which straddle language and the law, may be heard with contributions from linguistics. Secondly, this paper will also attempt at offering an innovation in research methodology through the use of Facebook, a popular social media among the young, as a tool for inquiry with its wide reach and multiple channels (Lampe *et al.*, 2011).

When does law and language collide in the courtroom, and when will an expert linguist be relevant? In order to capture the role of expert linguists, Ainsworth (2006) states that “One type of case in which linguists routinely testify in the United States is trademark litigation, often with both sides offering linguistic testimony” (p. 262). This body of interest, as Butters (2010) reports (with an acknowledgment of the linguists involved), is developing actively in Canada, Australia, Chile, South Africa, United Kingdom, and Japan. However, Coulthard and Johnson (2010) pointed out that not all jurisdictions actually produce courtroom testimony. One notes that Malaysia has yet to be mentioned in either documentation, and hence the question is, what can trademark linguistics offer Malaysia, bearing in mind that trademark linguistics is about “language that one owns” (Butters, 2010, p. 351).

To contextualize this paper, let us refer to 2009, where a landmark victory was won by McCurry Restaurant (a restaurant serving Malaysian food) over McDonald’s (the famed American fast food chain), when an eight-year battle ended with the Federal

Court unanimously upholding the Court of Appeal's decision that McCurry could continue using the prefix *Mc* in its name. This trademark litigation began in 2001, when McDonald's filed an action against McCurry Restaurant for 'passing off' of its well-known prefix, *Mc*. The principle behind the traditional tort of passing off is that a person or persons cannot represent their goods or services as that of another. Hence, to prove that there has been a wrong committed against them, McDonald's must prove that they have goodwill or reputation, suffered losses in the goodwill, and also suffered from the misrepresentation. Such losses are deemed as economic loss and calculated in financial terms.

There is, however, another related concept that needs to be explained, i.e. the concept of 'extended passing off'. This concept was first developed in 1979 in the case of *Erven Warnick BV v. J Townsend & Sons (Hull) Ltd.* The difference between the traditional action for passing off and the extended passing off is that in the former, the following must be proven □ goodwill, misrepresentation leading to confusion and deception resulting in damages. Extended passing off, however, applies in any situation where goodwill is likely to be injured by a misrepresentation, and there is no need to prove confusion.

In the claim, McDonald's insisted that it had created the prefix *Mc* as a source trade identifier for its goods and services in Malaysia since 1982. As such, the use of the same prefix by McCurry and the

combination of the red, white and yellow signage would misrepresent, deceive and confuse the public into the false belief that McCurry Restaurant was somewhat associated with McDonald's. In order to illustrate this, the logos or marks of the two are shown below, with McDonald's on the top and McCurry on the bottom (Fig. 1).



Fig.1: The logos of McDonald's and McCurry

In its defence, McCurry denied McDonald's claim over the *Mc* prefix and argued that *Mc* is a common surname. Further, its food products were different, and that the McCurry trademark was created based on the abbreviation of 'Malaysian Chicken Curry'. The proprietors further claimed that it was never their intention to misrepresent or to profit from McDonald's goodwill and reputation.

The High Court in 2006 came to a 'creative' decision and accepted the concept of an *extended form of passing off*. In other words, there was misrepresentation even though it did not involve confusion. For the first time in the Malaysian trademark

law, the learned High Court judge held that McDonald's had proven all elements to show the existence of the act of passing-off in both the traditional as well as the extended form of passing-off. Firstly, the court found that McDonald's owned the goodwill and reputation developed out of the usage of the *Mc* prefix, and so McCurry Restaurant should not be allowed to take unfair advantage of the goodwill and reputation of McDonald's. Secondly, if McCurry was allowed to continue using the prefix *Mc*, its distinctiveness to McDonald's would be lost, a phenomenon known as dilution or erosion in trademark litigation. Finally, the court found that the visual image of McCurry is so similar to McDonald's that it seemed to create an association that the court found to be unfair and detrimental to McDonald's. Thus, the court held that where there is *erosion* or *dilution* to the distinctiveness of a reason of its degeneration into common use as a generic term, there is passing off without the necessity to prove confusion. In layman's terms, this means that McCurry has caused McDonald's to lose its unique branding to the effect that the prefix *Mc* has somewhat become common. The High Court decision is indeed a new development in the trademark infringement law.

When the case came to the Court of Appeal, the decision of the High Court was reversed on the ground that there was a 'misdirection of justice' as there was really no creativity on the extension of the tort of passing off. Gopal Sri Ram, JCA maintained the need to establish misrepresentation, and the Court further maintained that based on

the totality of the evidence, no reasonable persons would associate the business of McDonald's and McCurry. When the case was brought to the Federal Court, the Court of Appeal decision was affirmed.

The question arose here is, will the prefix *Mc* in McDonald's and McCurry not raise any confusion at all in the minds of reasonable persons as was the decision in the Court of Appeal and the Federal Court? In the absence of a linguistic explanation in court, this paper attempts to show how and what a linguist will do should such expert evidence be sought. To reiterate this, the paper is not intended to challenge or subvert the decision of the appellate court but to offer a legal-linguistic approach to the issue.

LITERATURE REVIEW

As a legal-linguistic analysis, this paper alludes to the literature documented from legal-linguistics, namely, Shuy (2002) and Butters (2008), as well as the work of Beebe (2004) in trademark analysis and semiotics. Lazar (2003) on social-semiotics has also informed this study.

In relation to grammar, *Mc* is a bound morpheme that does not exist in isolation and which Shuy (2002) has categorized as a "derivational prefix that is active and productive" (p. 7). On trademark issues, McDonald's has had to fight many suits, and as Shuy (2002) has succinctly stated, "...from the start, it should be recognized that trademark law is one about the right to monopolize the use of language" (p. 3). In its effort to monopolize the use of the prefix, McDonald's had, over the years,

endeavoured to create a 'McLanguage' by going on road shows and campaigns to add the prefix *Mc* on to many different words like McFries, McShakes and McBest. In the process, such dissemination created a community of users within communal spaces of interaction (Lazar, 2003), notable the fast food industry. In Malaysia, for instance, there was an effort to popularise McLanguage in the nineties through radio and television advertisements. A jingle that verbally articulated Mc-D-o-n-a-l-d-s in a catchy 'song' proven a hit with the young and established the brand as a household name.

Despite the campaigns, McDonald's still had to contend with civil suits arising out of the use of the prefix *Mc*, as documented by Shuy (2002). For instance, there was an issue of whether in using *Mc*, in combination with a generic food noun, did indeed constitute infringement' (Shuy, 2002, p. 96), and secondly, "whether or not conjoining a prefix found in another company's proper noun name with a different noun constitutes a trademark infringement" (Shuy, 2002, p. 95). Where food is the issue, the principle of Aunt Jemima Doctrine was applied by the court. In the case recorded in 1917, the proprietors of Aunt Jemima Mills Pancake Batter successfully claimed against Aunt Jemima Syrup for trademark infringement since syrup and flour are food items that are commonly used together. *Black's Law Dictionary* (p.127) states the doctrine as follows:

The principle that a trademark is protectable not only from an act of copying, but also from the use of any similar mark that would likely make the buyer think that the item bearing the similar mark comes from the same source as the trademarked item.

In short, the principle hinges on the issue of misrepresentation and the likelihood of causing confusion. On the other hand, McDonald's had also become embroiled in suits when the issue was a non-food item. Shuy (2002, p. 96) reported that in the case of McDonald's Corporation vs. Quality Inns International, the latter had announced its plans to introduce to the market, a new range of inexpensive hotels, McSleep. McDonald's, in response, contended that "even without an attached restaurant, the name of the hotel McSleep Inn, would cause confusion" (Shuy 2002, p. 96). McDonald's further alleged that Quality Inns had wanted to profit from their reputation and goodwill, a key issue in the tort of passing off, notably goodwill, misrepresentation and damage.

As trademark law is concerned with representation and misrepresentation of a product via its 'symbols or signs', it is thus useful to allude to semiotics for an understanding of the structure of the trademark. Charles Sanders Peirce (1934, cited in Beebe, 2004, p. 44) states that "a sign is something that stands to somebody for something in some respect or capacity". There is a triadic model with three sub-sign elements. Beebe (2004), in alluding to the

analysis by the U.S. Supreme Court in *Qualitex Co. v. Jacobsen Products Co.*, states that the requirements for qualification of a word or a symbol as a trademark can be broken down into three elements or a triadic structure: First, the trademark must take the form of a ‘tangible symbol’. This “word, name, symbol or device or any combination thereof” (Beebe 2004, p. 44) constitutes the trademark’s signifier. Some courts use the more general term symbol. Second, the trademark must be used in commerce to refer to goods or services. These goods or services constitute the trademark’s *referent*. The third and final point is that the trademark must be able to identify and distinguish with its referent. Typically, it does so by identifying the referent with a specific source and that source’s goodwill. This source and its goodwill constitute the trademark’s *signified*. Thus, in the case of a trademark such as NIKE, the signifier is the word “nike,” the signified is the goodwill of Nike, Inc., and the referent is the shoes or other athletic gear to which the “nike” signifier is attached. Thus, in the Saussurean sense, sign value describes a commodity’s *differential* value as against all other commodities, and thus, the commodity’s capacity to differentiate its consumers.

In short, the purpose of the trademark is to communicate a distinction between competitors and not to communicate information about the product. So, how do we apply the triadic structure to McDonald’s use of the prefix *Mc*? How exclusive is *Mc* to McDonald’s? Can McCurry

create a likelihood of confusion in targeted consumers?

On the issue of ‘likelihood of confusion’, Butters (2008) has shown that courts do take into account consumers as witnesses. However, they do also take some characteristics of actual consumers into account and in trademark cases, courts will sometimes consider evidence of the reasonable consumer’s cognitive process, such as (confusion), expert testimony, or third-party uses such as media reports or dictionary entries. In this way, the reasonable person in the trademark law aims, at least, to be more descriptive than prescriptive; it attempts to reflect how consumers actually think about the marks in question. Thus, such consideration for the test of the likelihood of consumer confusion is essentially a substitute for empirical work.

Hence, in order to ascertain if the sign value is appropriate, a study was conducted on the prefix *Mc* with a group of consumers of the mark.

METHODOLOGY

This research employed a ‘survey’ method to determine what a group of consumers mean with the use of the prefix *Mc*. As this study is part of a classroom research project of a final year elective course (SKBE 3013), Language and the Law, Semester 2, 2010/2011 cohort, the students who registered for the course became obligatory ‘participants’ transforming themselves into network researchers. In this case, five female students had signed up for the course, and they were between the ages of

twenty one and twenty three. All of them are supporters and users of social media, are avid Facebook users (own a Facebook at all times), with a 'friend' list of between fifty and one hundred.

The students agreed to conduct the research and as the instrument used was the Facebook, the students were not constrained by time and space. The notion of network researcher was introduced and demonstrated by Quinnell (2011), who used the social media as her platform to access respondents for her study. She also managed to build a networking site to do further research with her respondents-cum-collaborators.

The choice for such a network research group was due to its impartiality or free from bias, as these students were not in any way employed by McDonald's, unlike earlier surveys conducted by McDonald's through advertising firms but based in the offices of McDonald's (Shuy, 2002). As this study involved the articulation of a word, it is imperative that the group must be the 'user' of it. In this respect, this group belongs to a generation of consumers that were born after McDonald's was introduced to Malaysia and hence, are very aware of fast-food and McDonald's. A study by the Malaysian Franchise Association in 2006 revealed that the top performers in fast-food retailing stores are KFC (46%), followed by McDonald's (25%), and Pizza Hut (14%). Further, where Malaysian undergraduates are concerned, a convenience sampling from two local universities showed that 84.5 percent of the respondents purchase and consume fast-food. Nevertheless, to ensure that these students are from that speech

community, the lead researcher conducted a brief interview to inquire into their familiarity and patronage of McDonalds.

So, during the seventh week of the semester, the students began posting on their status the following:

1. What is the first thing that comes to your mind when I say 'Mc'?
2. Have you heard of 'McCurry'? If you have, did you think of McCurry to answer the first question?
3. Can McCurry be a referent for Malaysian Chicken Curry?

The students were allowed to keep the post up for two weeks and also to answer any queries from their Facebook friends.

RESULTS AND DISCUSSION

As seen from the questions posted by the students on their Facebook, the emphasis was on the 'sound' articulated from the prefix *Mc* on the research questions presented above. The study did not refer to the visual images of both McDonald's or McCurry. The results provided interesting insights into the issues of trademark and its exclusiveness.

Firstly, the students (A, C, M, P, and Z) managed to get about one hundred respondents over a two-week's period. As many of the respondents were friends of the network researchers, they were of about the same age group, with the exception of family members. However, all of them admitted that they were fast food consumers and all have heard of McDonald's. In relation to trademark issues, this is a rather important fact to establish. Appendix contained a

sample of the data collected.

As the first question was structured in such a way that one could 'hear' the prefix, the sign value is not something tangible but highly psychological. It is thus a type of a memory trigger, and all the network researchers reported that the answer from the respondents was McDonald's. *Mc* to this community of consumers and users of the language referred to McDonald's.

In instances when the respondents did not 'hear' the prefix and thought that it was an abbreviated MC, the answer given was medical certificate, or master of ceremonies. Basic abbreviations are usually pronounced like the full word it represents and so *Mc* is pronounced as *Mac* in Malaysia. This is unlike the case reported by Shuy (2002), where *Mc* was pronounced as *muck*, which seemed to indicate a regional variation and could be an issue in contention. So, if a respondent had seen a visual image of an upper case *M* followed by the lower case *c*, it should be pronounced like 'Mac'. However, if one was asked about MC without referring to the visual image, the probability of answering medical certificate or master of ceremonies would be high. The fact remains, however, that when the prefix *Mc* was articulated, it was identified with McDonald's. The respondents described McDonald's differential value as against all others, as Beebe (2004) had articulated.

Another argument forwarded by the counsel for McCurry is that *Mc* is not an uncommon prefix as it is a common surname. For a surname to be common and thereby not exclusive, one has to refer to the speech community and the context

of Malaysia. *Mc* is a patronymic surname common in Ireland but not in Malaysia as the Malaysian Registry will prove. If we refer to A's data, only one respondent actually stated McCartney. If it were a common surname in Malaysia as claimed, it would then appear repeatedly as a referent in the data, but this is not true here. Malaysia's population comprising Malays, Chinese and Indians do not have such surnames.

Next, could it be possible for McCurry to claim that McCurry is an abbreviation for Malaysian Chicken Curry? To the researchers' knowledge, in the Malaysian context, the abbreviation for Malaysia has for all intents and purposes, been 'MSIA' and 'MY', as evidenced from Abbreviations®. com. Further, *McCurry* had also claimed that their food items were typically Indian and local food. As such, why did they not use the upper case 'C' as in 'MCCURRY' or come up with other options like 'MSIA CHIC KARI' or 'MYc Curry'. It would seem that the prefix '*Mc*' may have been too irresistible.

Now, let us turn to the second question that referred to McCurry. An example from the Appendix of Student A is referred to here. Two respondents stated that they have heard of McCurry as they were studying law and that the cases had entered their repertoire of cases. A close perusal of the response revealed a connection with the issue of erosion of the trademark. For instance, take Alagnari who wrote:

"I never hear about it, do they serve curry with burger nowadays?"

Here, despite the poor English that was written, we can deduce that Alagnari is asking if McDonald's is serving curry, a deduction from the addition of the prefix to a food item like McFries, etc. Such a response shows that there has been a likelihood of confusion. It reveals that for an ordinary member of the public, the signifier may have more than one referent. As such, McCurry has 'succeeded' to misrepresent its business outfit as if it is associated with McDonald's. This is thus detrimental to McDonald's.

CONCLUSION

The application of a legal-linguistic-semiotic inquiry focusing on meaning-making and the triadic relationship of signifier, signified and referent are thus useful tools that may have eluded the counsel of this Malaysian case. While the discussion here remains academic due to the finality of the decision, it is nonetheless important to note that the straddling of language and law should be promoted with parties from law and linguistics talking to each other, to see how, where and to what extent collaborative work can be developed.

Secondly, this paper offers an innovative way of conducting classroom research by tapping on a social media that has very quickly 'taken' over the lives of many people regardless of age. It is indeed a powerful tool with a very wide reach.

Finally, this paper marks the beginning of an understanding of how such trademark infringements may be dealt with, and the way forward would be through a larger corpus for a more distinct empirical goal.

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APPENDIX

AN ONLINE FACEBOOK SURVEY OF STUDENT A



Dear beautiful/handsome Family & Friends, I'm conducting a survey for an assignment. PLEASE do RESPOND to this status. I would highly appreciate everyone's participation in answering these following questions:

(1) What is the first thing that comes to your mind when I say 'Mc'?

(2) Have you heard of 'McCurry'? If you do, did it ever come across your mind when I asked my first question above?

March 3 at 8:18pm ·  · Like · Comment



McDonalds.....

March 3 at 8:31pm · Unlike ·  1 person



MC Value Lunch Meal.. I never hear bout McCurry..

March 3 at 9:41pm · Unlike ·  2 people



1) McDonalds or medical chechup... i like the second one better~
2) I never heard about it, do they serve curry in burgers nowadays?

March 3 at 9:45pm · Unlike ·  1 person



1.Mc cartney, as jessie mccartney
2. Nope it didnt cross my mind.

March 3 at 9:45pm · Unlike ·  1 person



MC- 1.Medical certificate.

2. Master of ceremony

3. McDonalds

McCurry- no idea

March 3 at 10:32pm · Unlike ·  1 person



1. Medical Cert
2. The court case between McCurry Rest with McD few years back. That's the McCurry I know. Nope,it didn't came across my mind.

March 3 at 11:24pm · Unlike ·  1 person



(1) Answer: Mc.Donald
(2) Yes, I have about McCurry but it didn't cross my mind when you asked me the 1st question.

March 5 at 1:52pm · Unlike ·  1 person