



## McCurry beats McDonalds fair and square – Update



**By Siti Munirah Maarof and Khairul Fazli bin Abdul Kadir**

As reported in our July/August issue of *Asian-Counsel*, local Malaysian Indian restaurant McCurry Restaurant (KL) Sdn Bhd had won a Malaysian Court of Appeal battle in April 2009 against McDonalds Corporation in respect to its entitlement to operate its restaurant under the name 'Restoran McCurry', after the High Court had found in September 2006 that McDonalds Corporation had the exclusive right over the prefix 'Mc'.

**Facts:** In 2001, McDonalds Corporation (the Plaintiff) brought a claim against McCurry Restaurant (KL) Sdn Bhd (the Defendant) on the grounds of passing off. Counsel for the Plaintiff argued, inter alia, that:

- The Plaintiff had an exclusive right to use the prefix "Mc", as the trade mark had been created with the intention of using it on all goods and services sold and provided by its fast food chain globally;
- The prefix "Mc" was created as a source or trade identifier, and the Plaintiff had secured numerous trade mark registrations of the prefix "Mc" (and the suffix "Mc") in many countries around the world; and
- The Defendant had misrepresented itself as being associated with the Plaintiff's business by using the prefix "Mc".

Following the decision of the High Court in 2006 that the Plaintiff had the exclusive right over the prefix "Mc", the Defendant subsequently lodged an appeal with Malaysia's Court of Appeal.

**Issue:** The issue before the Court of Appeal was whether the Defendant's use of the word "McCurry" amounted to a passing off by it of the Plaintiff's trade name.

**Decision and reasoning:** Having scrutinized the evidence presented before the High Court, on 27 April 2009 the Court of Appeal reversed the High Court's decision, ruling there was no proof of the tort of passing off committed by the

Defendant, owing to the following reasons:

- The Plaintiff's mark consists of a distinctive golden arched "M" with the word "McDonalds" against a red background; the Defendant's mark consists of the words "Restoran McCurry" in white and grey lettering on a red background, with a picture of a chicken giving a double thumbs-up and the wording "Malaysian Chicken Curry". When viewed as a whole, the Court found the two marks are distinctive of each other, and drew an inference that the Defendant's signboard would not result in reasonable person associating "McCurry" with the Plaintiff's mark.
- The Plaintiff's items of food all carry the prefix "Mc", whilst none of the food items served in the Defendant's restaurant carry this prefix;
- The fast food available at the Plaintiff's outlets, such as burgers, french fries and milkshakes, is very different from the typically Indian and local dishes served at the Defendant's sole outlet; and
- There is evidence to show that the types of customers who patronise the Defendant's outlet (adults and senior citizens) are very different from those who patronise the Plaintiff's outlets (mainly children).

### **UPDATE: Judgment by the Federal Court**

McDonalds Corporation chose to rely on its final right of appeal against the decision in the Federal Court, the highest court in Malaysia. In holding that the plea by McDonalds Corporation had no merit as it was unable to prove any fault in the decision made by the Court of Appeal, the Federal Court dismissed the application with costs in September 2009. By virtue of this decision, McDonald's Corporation has now exhausted all legal avenues for this case, which can be said to be a landmark judgment against the famous fast food chain's claim of exclusive rights over the prefix "Mc".

### **Azmi & Associates**

Corporate Commercial / IP Practice Group  
 14th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang,  
 55100 Kuala Lumpur, Malaysia

Tel: (603) 2118 5000

Fax: (603) 2118 5111

Email: [munirah@azmilaw.com](mailto:munirah@azmilaw.com)

[fazli@azmilaw.com](mailto:fazli@azmilaw.com)

[www.azmilaw.com](http://www.azmilaw.com)