

O-675-21

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3381199

BY CHILDRENS CANCER AID LIMITED

TO REGISTER AS A TRADE MARK:

McVegan

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 416972

BY MCDONALD'S INTERNATIONAL PROPERTY COMPANY, LTD

Background and pleadings

1. On 7 March 2019, Childrens Cancer Aid Limited (“the applicant”) applied to register as a trade mark the word “McVegan”, under number 3381199. The application for registration is made in respect of the following goods:

Class 29: Vegan sausages; vegan sausage rolls, vegan burgers; vegan ready meals; vegan and vegan milk substitute beverages.

Class 32: Alcohol free vegan drinks.

Class 33: Vegan alcoholic drinks and beverages including energy drinks; cocktails; liqueurs; spirits; low alcoholic drinks including vegan beers.

2. The application is opposed by McDonald’s International Property Company, Ltd (“the opponent”). The opposition is based upon ss. 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”). The opposition is, under each of these grounds, directed against all of the goods in the application. Under s. 5(2)(b), the opponent relies upon the registered trade marks shown in the table below: the goods and services relied upon are listed in full at annexe A to this decision:

Trade mark	Number	Filing date	Registration date	Classes/specification relied upon
McDONALD’S	UK1208244	30/11/1983	30/11/1983	29
McDonald’s	UK1208245	30/11/1983	30/11/1983	30
McDONALD’S	UK1208246	30/11/1983	30/11/1983	32
McDONALD’S	UK1285796	1/10/1986	4/10/1991	43

McCHICKEN	UK1144587	26/11/1980	26/11/1980	30: Edible sandwiches, all containing or flavoured with chicken.
McNUGGETS	UK1245121	29/6/1985	29/6/1985	29: Pieces of poultry; all for food for human consumption.
McMuffin	UK3342311	1/10/2018	28/12/2018	30
McFLURRY	UK3288699	8/2/2018	11/5/2018	30
McCafe	UK3341921	28/9/2018	11/1/2019	29, 30, 32, 43
McDelivery	UK3232297	19/5/2017	4/8/2017	39, 43
McVEGGIE	EU8730509¹	3/12/2009	2/6/2010	29: Preserved and cooked vegetables, eggs, cheese, milk, milk preparations, pickles, edible sandwiches, bread.
McSALAD	EU12162509	23/9/2013	8/6/2015	29, 30

3. As the difference in case makes no material difference, I will refer to the various “McDONALD’S”/“McDonald’s” marks comprehensively as “McDonald’s” marks.

4. The opponent submits that the contested mark is visually, aurally and conceptually highly similar to each of the earlier marks and that the goods and services are identical or similar. The opponent claims that its marks enjoy enhanced distinctiveness and that,

¹ Under the transitional provisions at paragraph 7(1), Schedule 5 of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, EU trade marks constitute relevant earlier rights in proceedings against applications filed before IP Completion Day (31 December 2020), notwithstanding the UK’s exit from the EU.

as result of all of these factors, there is a likelihood of confusion. Further, the opponent claims that its marks constitute a “family” of trade marks which share the distinctive element “Mc” and that there is a likelihood of confusion with the family of marks.

5. Under s. 5(3), the opponent relies upon the first nine marks in the above table and to the same extent; those shown in bold are not relied upon under this ground. It is claimed that each of the earlier trade marks has an extensive reputation and that the similarities between the respective marks will result in a link in the mind of the average consumer. The opponent claims that the consumer would think that there is an economic connection between the users of the marks. Further, it claims that the contested mark would gain an unfair advantage through free riding on the reputation of the earlier marks. It is said that there would be detriment to the reputation of the earlier marks because a lack of control over the goods sold by the applicant may result in tarnishing. The distinctive character of the earlier marks is said to be at risk of dilution through the loss of capacity to identify and distinguish the goods and services of the opponent from those of other undertakings in the eyes of the average consumer. The consumer is likely to perceive goods bearing the contested mark as emanating from the same or a licensed source of the goods and services of the opponent and may alter his economic behaviour by mistakenly choosing the applicant’s goods or by mistakenly assuming that there is a connection between the providers. The opponent also claims that all of the trade marks relied upon under this ground constitute a family of marks and that there would be the same mistaken assumption of a connection and the same damage as for the marks individually.

6. Under s. 5(4)(a), the opponent claims that it has a protectable goodwill in relation to which it has used the following signs throughout the UK:

- i) McDONALD’S (since October 1974)
- ii) McCHICKEN (since 1974)
- iii) McNUGGETS (since 1984)
- iv) McMUFFIN (since 1982)

v) McFLURRY (since 2000)

vi) McCAFE (since 2012)

7. The goods and services in respect of which the signs are said to have been used are detailed in full at annexe B to this decision. Broadly speaking, they are a range of foodstuffs, non-alcoholic beverages and food and drink services. The opponent also relies upon a family of marks argument for all of the signs relied upon under s. 5(4)(a). It claims that the similarity between the signs and the contested mark would give rise to misrepresentation and damage in respect of the signs both individually and as a family.

8. Under s. 3(6), the opponent's case is as follows:

- The applicant is well aware of "the Opponent's famous family of 'Mc' marks". The opponent has been using the identical mark "McVEGAN" for vegan burgers in other Member States of the EU since 2017 and that this use has been reported in the UK;
- The applicant either failed to conduct searches to ascertain others' use of the mark before the application or, if it did conduct searches, fell below acceptable standards of commercial behaviour by proceeding with the application regardless of the results of such searches;
- The applicant has suggested that it is a not-for-profit/charitable company and it is not clear why the applicant would apply for registration for food and drink products, especially when these are the primary goods of interest to the opponent;
- The applicant and its director, Philip Perseval, have applied for a number of other trade marks featuring the "Mc" prefix, namely "McTong", "McMafia", "McDracula" and "McBaileys";
- In February 2019, the applicant and Mr Perseval suggested in discussions with Bristows, the opponent's representatives, that the Opponent should collaborate with or make an offer to purchase the "McDracula" trade mark (filed on 28

December 2018) from the applicant. The opponent declined to enter into such a business relationship;

- That one week after the discussions regarding the “McDracula” mark ended, the applicant filed the application for the contested mark;
- That the applicant threatened to collaborate with commercial competitors of the opponent if the opponent did not comply with its requests.

9. The opponent thus alleges that the applicant’s conduct has fallen below the standards of acceptable commercial behaviour, that the application was filed speculatively, solely with a view to obtaining financial compensation and/or that there was at the relevant date no bona fide intention to use the contested mark.

10. Only the opponent filed evidence, though the applicant filed written submissions during the evidence rounds, which I will take into account. A hearing was held before me, by videoconference, on 29 July 2021, at which the opponent was represented by Charlotte Blythe of Counsel, instructed by Bristows LLP, and the applicant by its Company Director, Philip Perseval.

Relevance of EU law

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Case management

12. A case management conference (“CMC”) was held on 15 January 2021. At the CMC I directed that part of the opponent’s evidence be kept confidential, for the reasons given in my letter of even date.

Relevant date and proof of use

13. The opponent's "McDonald's"/"McDONALD'S" trade marks, along with its "McCHICKEN", "McNUGGETS" and "McVEGGIE" marks, had all been registered for at least five years at the filing date of the contested mark. They are, in principle, subject to the use provisions at s. 6A of the Act. The applicant's form TM8 and counterstatement required some amendment, in the course of which the applicant confirmed on 27 May 2020 that it no longer required proof of use. The opponent can, therefore, rely upon all of the goods and services which it identified in its notice of opposition, without showing that it has used the marks.

14. Each of the grounds pleaded must be assessed at a particular point in time. In this case, as the applicant has not filed any evidence of the mark in use, nor has it made any claim to such use before the date of application, there is no need to consider the potential relevance of an earlier date of first use under s. 5(4)(a).² That being the case, the relevant date for the assessment under each of the grounds in this case is the date of application for the contested trade mark, i.e. 7 March 2019.

Evidence

15. The opponent filed evidence in the form of witness statements, with accompanying exhibits, from three individuals. The first witness is Andrew Butcher, who is a Senior Associate at Bristows LLP. He has been a professional representative of the opponent since at least 2012. He gives evidence about the applicant company and about dealings between his firm and the applicant/Mr Perseval, concerning other "Mc"-prefixed trade marks, as well as the contested mark.

16. Melinda Traxler is the Senior Marketing Manager for McDonald's Restaurants Limited, with responsibility for key brands in the EU. Ms Traxler provides some background about the opponent and gives evidence about the opponent's use of the earlier marks in the

² See *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, approving the decision in *SWORDERS Trade Mark*, BL O/212/06.

EU, particularly “McVEGGIE” and the sign “McVEGAN”, and about its development of vegetarian and vegan products.

17. Thomas O’Neill is the Head of Marketing – Food and Beverages for McDonald’s Restaurants Limited. He is responsible for many of his company’s “key” UK brands. He provided two witness statements and gives evidence about the opponent’s UK use of its brands. His evidence also includes information about the opponent and its origins. Save where specified, references to the exhibits filed by Mr O’Neill (marked “TON-”) are to the exhibits to his first witness statement.

18. None of the witnesses was cross-examined. I will return to the details of the evidence as necessary later in this decision.

Section 3(6)

19. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith”.

20. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal summarised the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. So far as it is relevant to this case, that summary reads:

“68. [...]”

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the

applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46]".

21. Whether it is bad faith to apply for a trade mark without any intention to use it in relation to the specified goods and services was considered in *Sky v Skykick*, Court of Justice of the European Union ("CJEU), Case C-371/18, EU:C:2020:45 ("*Sky CJEU*") and *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 ("*Sky CA*"). The law appears to be as follows:

- a) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- b) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that

applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.

- c) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- d) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- e) It is not possible for there to be bad faith in respect of an entire category of goods or services where there was an intention to use the mark in relation to some goods or services within that category (*Sky CJEU*; *Sky CA*).
- f) Each category of goods and services must be considered separately, taking into account legitimate use and factors such as an applicant's reputation, brand recognition and expansion which might justify a wide specification: *Sky CA*.

22. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

23. I remind myself that bad faith is a serious allegation which must be distinctly proved and that it is not enough for an opponent to prove facts which are also consistent with

good faith. The burden, and it is a heavy one, is on the opponent to show that the applicant acted in bad faith.

24. The evidence is that the nature of the applicant's business is "other social work activities without accommodation not elsewhere classified" and that it has two officers, namely Mr Perseval as Company Director, and a Secretary ("JD").³ The opponent has attempted to find the company's website but it is not present on the first page of Google results.⁴ The applicant does not appear to be a registered charity.⁵ The applicant or Mr Perseval applied for four other "Mc"-prefixed trade marks between December 2017 and March 2019, namely "McTONG", McMAFIA", "McDracula" and "McBaileys".⁶

25. The chronology as shown in the evidence of the opponent's contact, through Bristows, with the applicant or Mr Perseval is as follows:

12 February 2019: Bristows write to Mr Perseval, noting his applications for the "McDracula", "McMafia" and "McTong" trade marks and asking for information concerning his interest in "Mc"-prefixed marks;⁷

15 February 2019: A partner at Bristows emails Mr Butcher to record the content of a telephone call which he has "just" had with Mr Perseval.⁸ The telephone note states that "[Mr Perseval] suggested that all 'Mc Family' marks have been registered/applied for with a view to making money through licensing activity" and records Mr Perseval's links with a cancer charity, which he apparently said he was trying to assist. It is reported that Mr Perseval asked whether the opponent would be interested in taking a licence for non-alcoholic drinks and was informed that this was unlikely. Mr Perseval's explanation for the applications is given as:

"The 'Mc' element is important as he has good connection with a number of Scottish distilleries and for some time has been exploring the creation of

³ Exhibit AB-1.

⁴ AB-4

⁵ AB-5.

⁶ Exhibit AB-3.

⁷ AB-7.

⁸ Butcher, §11 and AB-8.

bespoke, whiskey-based cocktails. MCDRACULA is intended to be blood red and could prove popular around Halloween, MCMAFIA was intended to evoke thoughts of gangsters and bootleggers”.

On the same day, Mr Perseval emailed Bristows, thanking them for providing information “regarding sale/purchase proposal awaiting confirmation” and said:

“Further uses include pork blood-sausage (black pudding); also COLA and Italian plus Chinese burgers and ice creams; all using my 3 trademarks as designated by McDonalds further sales promotions.

I await their substantial [sic] offer and your drafted transfer document upon price agreement”.⁹

18 February 2019: Mr Perseval sent two emails to Bristows in which other “Mc”-prefixed “copyrights” are mentioned, apparently as an offer for sale.¹⁰

25 February 2019: Mr Butcher informs Mr Perseval that the opponent has no interest in entering into a business relationship with him.¹¹

28 February 2019: JD replies to Mr Butcher’s email thanking him for his “misguided reply” and saying that “[the] simplest and **most economic remedy** is to make your best purchase offer” [original emphasis].¹²

7 March 2019: JD emails Bristows as follows:

“I expect you saw this morning’s news. Greggs have overtaken McDonalds in UK due to their best seller Vegan Sausage Rolls.

⁹ AB-9.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

There is a simple solution: McVegan either Sausage Rolls; Burgers or Drinks. Trade mark filed and awaiting confirmation. So perhaps best to make an offer now before Greggs do”.¹³

29 April 2019: Bristows notifies the applicant of its intention to oppose the application for the contested mark, if it is not withdrawn. Mr Perseval responds as follows (aside from where indicated by square brackets, it is reproduced as written):

“1. Clearly my aim is to raise money for my independent charity: Childrens Cancer Aid Limited [...] CLEARLY WE HAVE ACTED IN GOOD FAITH to assist charitable fundraising for the Not For Profit Company.

2. The original McMAFIA also McTONG Registered Trademarks were registered along with McDracula to write childrens adventure books and tv cartoons as a cross between The Simpsons and South Park. Still in progress with illustrator.

3. The McVEGAN brand is based upon Gregg’s best seller VEGAN SAUSAGE ROLLS which shows public desire. Our aim is to produce samples for Tesco/Iceland/Sainsburys etc. for trial sales plus a range of McVEGAN ready meals/health drinks/energy drinks. We would prefer to partner a large producer as Marketers but are open to offers on behalf of [the applicant]; whilst retaining the previous childrens book RTM’s.

4. As you appear to be unable or unwilling to negotiate, I suggest you have McDonalds contact us direct, asap- especially as Greggs Vegan Sausage Rolls have knocked McDonalds off of their top sales spot.

5. Time to take big positive steps, rather than be small minded to deny a worthy cause. A whole new health drink and food services awaits McDonalds if they have any marketing nous. If not others such as KFC and

¹³ AB-10.

SFC plus supermarket leaders, will prosper from it along with [the applicant].
A GREAT McDonalds OPPORTUNITY here & NOW AWAITS”.

This was followed by another email which simply reads “n.b. **A McVegan outlet next to every McDonalds would probably double sales turnover – let me know before I offer it to KFC please . . .**” [original emphasis].

26. Further exchanges followed between the parties on 30 April 2019, 14 May 2019, 23 May 2019 and 30 May 2019, in the same vein.¹⁴ Bristows reiterated the opponent’s concerns and its intention to oppose the application; the applicant encouraged the opponent to take advantage of a partnership arrangement, including an expressed willingness to enter into agreements with the opponent’s commercial rivals and to open “McVegan outlets alongside KFC and McDonald centres” if the opponent delayed its response. There is a reference to “McVegan” appearing “as a character in the [applicant’s] stories also featuring McMafia/McTong/McDracula etc.”. I note that Mr Perseval claims that he acted in good faith having seen “my opportunity to raise CCAL [the applicant] charitable funds” and that JD gives her title as “CCAL Secretary in joint unpaid CCAL control looking to ensure McVegal [sic] Product Range & Outlets via partnership”.¹⁵

27. The evidence of the use of the “McVegan” sign by the opponent is also of relevance. This shows that the sign was used in Finland and Sweden from 2017 to designate burgers in buns.¹⁶ Prints showing the product on the opponent’s website appear to be the Finnish and Swedish sites. The launch is reported in an article from the *Independent* in December 2017.¹⁷ There is also a print of Google search results for “mcvegan”, which show that peta.org.uk launched a campaign in November 2019 for the opponent’s “McVegan” burger to be offered in the UK, apparently reported on the *Metro* news site, and that in 2018 there was an article about the burger on bbc.com. None of these articles is provided, however.

¹⁴ AB-12, AB-13

¹⁵ AB-13.

¹⁶ Traxler, §§9, 19, exhibits MT-1, MT-6. See also TON-39.

¹⁷ TON-39.

28. The applicant filed no evidence but the counterstatement was signed by Mr Perseval under a statement of truth. The counterstatement refers to:

“[...] the hope of marketing McVegan copyrights name for readymeals, fast food outlets, frozen foods etc including use as a character in the McDracula including McMafia also McTong registered trademark and copyright including McHulk inclusive childrens stories and cartoon along the lines of the Simpsons but set in Scotland along with McBaileys copyright as a Scottish vegan version from nuts and scotch whiskey/whisky. Still looking for brewers and a major supermarket to partner all this to raise funds for the not for profit [applicant]”.

29. The “illustrated comical storybook” is said to be “conceived and awaiting illustration”.

30. The opponent submits that the applicant’s expressed intention is opaque and unsupported by evidence. It says that the applicant’s true intention is revealed not by its stated intentions but by its behaviour and that the application was “filed with the express intention of extorting money from the Opponent by forcing the Opponent to buy or licence the Contested Mark under threat of the Applicant selling the mark to one of the Opponent’s competitors”.¹⁸

31. There is no evidence at all that the applicant, or those in control of the applicant, had any specific knowledge of the opponent’s use of “McVegan”. Had the applicant conducted clearance searches, such use as has been shown is outside the UK. The evidence that the opponent’s use of “McVegan” had been reported in the UK is very thin, consisting of one article in a national newspaper in 2017 and a few search results. It is wholly insufficient to establish that the applicant knew of the opponent’s use of the sign. Even if the opponent’s use were known to the applicant, the case law makes it clear that mere knowledge of another party’s use of a sign in other territories is insufficient for a finding of bad faith: *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12. The claim to bad faith on the basis of knowledge alone must be rejected.

¹⁸ Opponent’s skeleton argument, §18.

32. The more general allegation is that the applicant's conduct shows that the application was made for reasons other than legitimate trade mark use. The fact that a party knew that a third party was using the mark or had reason to believe that it may wish to do so in future is a relevant factor in assessing the broader allegation. A trade mark application is likely to have been filed in bad faith where a party intended to use the trade mark registration to extract payment or other consideration from a third party, e.g. to lever a UK licence from an overseas trader: *Daawat Trade Mark*, [2003] RPC 11, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch). *Sky CJEU* makes it clear that there is no need for a specific third party to be targeted.

33. The purpose of a trade mark is to identify the origin of goods and services which are offered for sale to customers. It is entirely possible for a trade mark to be licensed for use on goods and services and that an application made with an intention that the mark be used under licence may constitute a bona fide intention to use. There is also no need for the trade mark already to be in use at the filing date and bad faith cannot be inferred from the mere fact that there was no existing trade or no more than a contingent intention to use the mark at the relevant date. Further, for an allegation of bad faith to be upheld, I must be satisfied that the only motivation for the application was an illegitimate one.

34. There is some evidence, not filed by the applicant, of a stated intention by the applicant to market goods such as ready meals with other parties. The counterstatement expresses the same intention, as well as the intention to use the mark in children's stories/cartoons. It also revives the suggestion contained in correspondence concerning the "McDracula" application that the contested mark would be used for Scotch whisky (and nuts). However, there is no evidence at all of any prior or subsequent activity by the applicant in any of these fields. It would have been easy enough for the applicant to show its progress in developing the products, such as its contact with distilleries or potential food manufacturers, or for it to provide a witness who could attest to the developments in sworn evidence, if documentation was not available. Yet there is no evidence that the applicant has at any time taken any steps to investigate the market in, for example, ready meals or vegan food and drink, or that it has sought to develop manufacturing capabilities,

whether on its own or in partnership with others. Insofar as the claim that the mark would be used in books/cartoons is concerned, registration is sought for foodstuffs and beverages. If the applicant did want to use the trade mark in books and cartoons, it begs the question, why would it need to register the mark in classes 29, 32 and 33? That question has not been answered. Nor is there any explanation for a registration for goods such as vegan ready meals if the applicant's interest was Scotch whisky or nuts.

35. In this case, the absence of a clear rationale for the intended use of the mark is coupled with what I consider to be distinct indications of bad faith. By the filing date, the parties had been in discussions, albeit seemingly perfunctory on the opponent's part, about a potential business relationship regarding the earlier "Mc"-prefixed marks filed by Mr Perseval and the applicant. Even if the applicant was not aware that the opponent was using "McVegan" in other territories, it is inconceivable that the applicant was at the relevant date unaware of the opponent's use of various "Mc"-prefixed marks or that the opponent had concerns about the registration of such marks by third parties, given (i) (here I anticipate somewhat the relative grounds) the opponent's huge reputation, (ii) that the opponent had contacted Mr Perseval to ascertain the purpose behind the filing of various "Mc"-prefixed marks and (iii) the offer of collaboration in respect of those marks from Mr Perseval. The application was filed within days of the decisive rejection by the opponent of a partnership agreement. The email sent by JD on the relevant date both indicates that the applicant was well aware of the opponent's potential interest in the mark and strongly suggests that the application was made in an attempt to register a trade mark in which the opponent was likely to have an interest and in relation to which it could be induced to part with money. As his email of 29 April 2019 shows, and as Mr Perseval accepted at the hearing, the application was intended to raise funds for the applicant, which is said to be a charitable organisation. Whilst raising charitable funds is a laudable aim, leveraging a trade mark for compensation, even for a good cause, is not an aim which falls within the functions of a trade mark. Given the timing of the application, immediately following discussions with the opponent, Mr Perseval's admission that the application was intended as a fundraising vehicle along with JD's email on the relevant date, and the absence of any clear evidence that the applicant genuinely intended to use the mark for another purpose, I do not find the alternative explanations of the use to which

the mark would be put to be credible. On the contrary, the multiple explanations for the application, concerning distinct areas (in the case of cartoons and books, radically different) with no evidence at all to support them, smack of rationalisation after the fact. The previous application for “McBaileys” by the applicant, for Scotch whisky and cream liqueur, subsequently successfully opposed on the basis of the earlier “BAILEYS” trade mark for alcoholic beverages,¹⁹ is a further pointer towards a propensity on the applicant’s part to file trade marks containing famous brands for less than honest purposes, though I stress that I have reached my conclusion without it. I find it implausible that the contested application was filed for any purpose other than to obtain financial benefit from the opponent. I agree with the opponent that the application constitutes a paradigm example of bad faith. The opposition under s. 3(6) succeeds.

Section 5(3)

36. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

37. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, EU:C:1999:408, *General Motors* [1999] ETMR 950; Case 252/07, EU:C:2008:655 *Intel*, [2009] ETMR 13; Case C-408/01, EU:C:2003:582, *Adidas-Salomon*, [2004] ETMR 10; and C-487/07, EU:C:2009:378, *L’Oreal v Bellure* [2009] ETMR 55; and Case C-323/09, EU:C:2011:604, *Marks and Spencer v Interflora*. The law appears to be as follows:

¹⁹ See BL O/297/21.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered: *General Motors*, paragraph 24;

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public: *General Motors*, paragraph 26;

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind: *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63;

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness: *Intel*, paragraph 42;

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors: *Intel*, paragraph 79;

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future: *Intel*, paragraphs 76 and 77;

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character: *Intel*, paragraph 74;

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark: *L’Oreal v Bellure NV*, paragraph 40;

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court’s answer to question 1 in *L’Oreal v Bellure*).

Reputation

38. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration

of its use, and the size of the investment made by the undertaking in promoting it”.

39. The first UK “McDonald’s” restaurant opened in Woolwich in 1974, selling burgers, French fries, apple pie and non-alcoholic beverages.²⁰ By 1997, there were 800 “McDonald’s” restaurants in the UK, which had risen to more than 1,300 by November 2020.²¹ About 90 per cent of UK restaurants are franchises.²² In 2019, the opponent served over 2.3 million customers each day.²³ Turnover is said to have been over £1 billion annually between 2006 and 2018.²⁴ That figure includes sales from company-owned restaurants and franchise revenue. This evidence is given under the heading “Use of Key Brands in the UK”.

40. All of the goods are said to be sold under the “McDonald’s” brand as well as individual product brands.²⁵ The restaurants and drive-through restaurants are branded “McDonald’s” and at least to 2018 there was a UK website at www.mcdonalds.co.uk; a new UK website www.mcdonalds.com/gb was launched in 2017.²⁶

41. The “McCHICKEN” mark is said to have been used in the UK since 1989, “McNUGGETS” since 1984, “McMuffin” since 1982, “McFLURRY” since 2000 and “McCafe” since 2012.²⁷ Unit sales for goods under the marks in the UK are provided, from 2011 to 2019 for the first three marks and from 2014-2019 for the latter two.²⁸ The “McCafe” sales figures relate to coffee of various descriptions. The precise figures are confidential but show impressive annual sales under each of the marks.

42. Menus, web prints and packaging dated between 2011 and February 2019 show meat and fish burgers, sandwiches and rolls of various types, salads, fries, chicken nuggets, wraps, pancakes, bagels, hash browns, sundaes, apple pie, ice cream, fruit bags, muffins,

²⁰ O’Neill 1, §7 and TON-4.

²¹ O’Neill 1, §§8-9.

²² O’Neill 1, §9.

²³ *Ibid.*

²⁴ O’Neill 1, §13.

²⁵ O’Neill 1, §11

²⁶ O’Neill 1, §§12, 46; TON-7; TON-10. See also TON-8, though the images are not dated.

²⁷ O’Neill 1, §§18, 20, 22, 24.

²⁸ Confidential exhibits TON-1 – TON-6 to O’Neill 2.

cookies and doughnuts for sale.²⁹ Also visible are milk, milkshakes, fruit smoothies, iced frappés and coffees. Other soft drinks are on sale but these appear to be third-party brands (e.g. Coke, Oasis, Buxton, Tropicana), as does porridge (Quaker/Oatso Simple). From 2011, “McCHICKEN” is visible for chicken sandwiches, “McNUGGETS” is used for chicken nuggets, “McMuffin” is used for both sausage and egg (it appears to be a sausage patty: TON-12) and bacon and egg sandwiches, and “McFLURRY” indicates what appear to be ice cream desserts. From 2013, “McCafé” is shown heading the hot drinks menu (coffee, hot chocolate and tea, though the tea is PG Tips). There is also some evidence of “McCafe” on iced frappés (2014-2016) and in advertising for iced smoothies and frozen strawberry lemonade (2015); it is said that the mark “is” used in respect of a range of hot and cold drinks.³⁰ An image of 2019 beverage packaging shows the word “McDonald’s”, though the syllables McD-on-ald’s are set vertically across three lines.³¹

43. Advertising spend is given.³² It is said to relate to all of the opponent’s brands but very significant annual sums are shown. Advertisements showing the “McNuggets” and “McMuffin” marks between 2011 and 2016 are provided.³³ Some of the advertising evidence appears to be proofs for approval and there is no evidence that they reached an external audience. These I disregard. Social media advertising from 2015-2016 from “McDonald’s (GB)” shows “McNuggets” and “McMuffin” in advertising for chicken nuggets and sausage and egg baps, respectively. McDonald’s has sponsored a range of sporting events from 1976, at both world and local levels.³⁴ Prints from the opponent’s social media channels are provided which show “McDonald’s” throughout.³⁵ They appear to have been active from at least 2016.³⁶ Its UK Facebook pages describes it as a burger restaurant/fast food restaurant and is said to have had over 1.7 million followers since December 2014.³⁷

²⁹ TON-6; TON-10 – TON-14.

³⁰ TON-14, p 176; O’Neill 1, §26.

³¹ TON6, p. 106

³² O’Neill 2, §9.

³³ TON-15

³⁴ O’Neill 1, §§35-45; TON-21 – TON-23; TON-25 – TON-26.

³⁵ TON-27.

³⁶ O’Neill 1, §49.

³⁷ Ibid.

44. The opponent is described in UK press articles as a “fast food giant” (2015) and “one of the most recognisable brands in the world” (2014).³⁸ It is said to be the fourth most popular and the most famous dining brand in the UK, though the print is only dated by the printing date in October 2020.³⁹

45. The turnover of the opponent, its longstanding presence on the UK high street and the quantities of goods sold leave me in no doubt that each of the earlier marks relied upon under this ground had a sizeable reputation at the relevant date; that of “McDonald’s” is enormous. However, I am not persuaded that the reputation extended to all of the goods and services relied upon. I accept that “McDonald’s” is used as the name of the opponent’s fast-food restaurants. It is not applied to all of the goods but the majority of the goods sold through its restaurants are not sold under third-party brands, certain soft drinks and porridge being the exceptions. Some of the goods are sold under other own-brand names, such as “McNUGGETS” chicken nuggets. However, many of the goods, such as cheeseburgers, fries, salads, wraps, bacon rolls and milkshakes do not appear to have a secondary brand name attached. In the absence of any other indicator of origin, the relevant public will link the goods to the restaurant service provider and will regard that provider as responsible for the quality of the goods under the “McDonald’s” marks.⁴⁰ Further, given that a good number of goods are not sold under different brands and that there is a visible stress on the provenance of its ingredients in the opponent’s marketing material, the relevant public is unlikely to think that “McDonald’s” refers only to the restaurant services and will perceive the other marks, particularly those which reference the overarching brand (“Big Mac”, “Mc”-prefixed marks) as sub-brands. In respect of “hot cakes” in the specification of UK1208245, the nearest goods are brownies but these goods appear to have been dropped from menus after 2012.⁴¹ I do not consider that apple pie, being pastry-based, would ordinarily be considered a cake. As regards the non-alcoholic beverages of UK1208246, other than milk and milkshakes, and contrary to

³⁸ TON-4, p. 63; TON17, p. 239

³⁹ TON-34.

⁴⁰ See, by analogy, *Cactus SA v OHIM*, Case T-24/13, EU:T:2015:494

⁴¹ TON-6. Brownies are shown at p. 88.

Mr O'Neill's statement, the documentary evidence suggests that third-party goods are provided, not own-brand products. I prefer the documentary evidence.

46. The other trade marks are used to designate individual products or a narrow range: "McMuffin", for example, is used to indicate sausage and egg or bacon and egg muffin sandwiches but there is no evidence of its use in relation to other types of sandwich or sweet muffins (cakes). In respect of the "McCafe" mark, which is registered for the widest range of goods and services, I have only sales figures for coffee. There appears to have been use in relation to other hot and cold drinks and, given the scale of the opponent's operation, that is likely to have resulted in a reputation which goes wider than coffee alone. However, Mr O'Neill's narrative evidence refers only to goods, not services, provided under this brand.⁴² The website evidence refers to "McCafe" goods as "our exciting range of delicious beverages [...]", which suggests that it is a trade mark used for goods, rather than for coffee shop services, and there is no evidence that the opponent operates standalone coffee shops. Other than the website information, the only evidence showing use of the mark is on menus and containers. It seems to me that the mere fact that coffee is available in a fast-food restaurant does not justify a finding that the mark was present on the market for café/coffee shop services just as an Italian restaurant, for example, would not in the normal course of events be considered to provide coffee shop services. With all of that in mind, I find that the reputation of the marks is as follows:

Trade mark	Number	Goods/service for which there is a reputation
McDONALD'S	UK1208244	Class 29: Hamburgers, cheeseburgers; chicken pieces (other than for animals); french fried potatoes; milk shakes being milk beverages; the milk predominating; milk, eggs; hashed brown potatoes; sausages.

⁴² O'Neill 1, §§26-27

McDonald's	UK1208245	Class 30: Sandwiches containing fish fillet, chicken or meat; sausage patties; fruit pies, muffins, coffee, tea; ice cream sundaes.
McDONALD'S	UK1208246	Class 32: Fruit flavoured milk shakes, the fruit predominating.
McDONALD'S	UK1285796	Class 43: Fast-food restaurant services; but not including any such services relating to alcoholic beverages.
McCHICKEN	UK1144587	Class 30: Edible sandwiches, all containing or flavoured with chicken.
McNUGGETS	UK1246121	Class 29: Chicken nuggets; all for food for human consumption.
McMuffin	UK3342311	Class 30: Meat sandwiches, pork sandwiches.
McFLURRY	UK3288699	Class 30: Ice cream desserts
McCafe	UK3341921	<p>Class 29: Milkshakes; milk beverages; milk-based beverages containing coffee; milk-based beverages containing fruit juice; milk-based beverages flavored with chocolate, strawberry or vanilla; milk, milk preparations.</p> <p>Class 30: Chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee-based beverages; coffee beverages with milk; tea-based beverages; iced coffee and other coffee drinks; iced tea; ice beverages with a coffee base.</p>

		Class 32: Fruit beverages; smoothies; lemonades; mineral water [beverages]; non-alcoholic beverages flavored with coffee; non-alcoholic beverages flavored with tea.
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Do the earlier marks constitute a “family”?

47. In my judgement, the opponent’s best case under this ground is that based upon its claim to a “family” of marks. I will consider that first. The leading case is *Il Ponte Finanziaria SpA v OHIM (“Bainbridge”)*, case C-234/06 P, EU:C:2007:514, where the CJEU said:

“64 [...] in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a ‘family’ or ‘series’, the earlier trade marks which are part of that ‘family’ or ‘series’ must be present on the market”.

48. In the earlier decision of the General Court, Case T-194/03, EU:T:2006:65, two conditions had been laid down for the establishment of a “family” of marks, neither of which was interfered with on appeal:

“126 Firstly, the proprietor of a series of earlier registrations must furnish proof of use of all the marks belonging to the series or, at the very least, of a number of marks capable of constituting a series'. For there to be a likelihood of the public’s being mistaken as to whether the trade mark applied for belongs to the series, the earlier marks forming part of that series must necessarily be present on the market. [...]

127 Secondly, the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That could not be the case where, for example, the element common to the earlier serial marks is used in the trade mark

applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content”.

49. For the reasons given at paragraphs 45 to 46, above, I am satisfied that each of the earlier marks was at the relevant date present on the market for the goods and/or services identified above. All of the marks begin with the prefix “Mc”. The precise construction of the marks is not uniform: “McDonald’s” indicates a surname, some of the marks include a descriptive second word (e.g. “CHICKEN”) and others have a second word unconnected with the goods (e.g. “FLURRY”). However, the extensive use of each of the marks will, in my view, have cemented the public’s perception of these “Mc”-prefixed marks as a family of marks indicating common origin.

Link

50. Whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors are identified in *Intel* at [42]. I will take these in turn.

The degree of similarity between the conflicting marks

51. “McDonald’s” will be seen as the possessive form of a surname and its overall impression is in the mark as a whole. All of the other earlier marks are composed of the prefix “Mc” attached to another known word. The average consumer will recognise both elements of these marks. While some of the second words are descriptive or non-distinctive, the combination is somewhat unusual. The contested mark also consists of the combination of “Mc” attached to a descriptive word. In my view, the overall impression of the earlier marks other than “McDonald’s” and that of the contested mark is in the combination of elements.

52. Whilst all of the marks share the same prefix, “Mc”, the second word in all of the marks is longer. None of the earlier marks’ second words really resembles “Vegan”. There is a low degree of visual similarity between the contested mark and the opponent’s family of marks.

53. All of the marks consist of three syllables, the first of which is identical. There is no aural similarity between the contested mark's "Vegan" and the second words in the opponent's family of marks. There is a low degree of aural similarity.

54. As I have indicated, "McDonald's" is the possessive form of a name. "McDonald's" and "McVegan", as wholes, have different concepts. That said, it is, I think, well known that "Mc" indicates Scottish origin. That prefix and meaning is shared by all of the marks in the opponent's family. The same goes for the contested mark. There is, therefore, a degree of conceptual similarity arising from the shared indicator of Scottish origin between the contested mark and the earlier family, despite the fact that the second part of the earlier marks (other than "McDonald's") conveys its own meaning. In the case of "McCHICKEN", "McNUGGETS", "McMuffin" and "McCafe", the second part of the mark is descriptive of the goods. The same is true of "McVegan". Whilst the meanings of the marks as wholes is not the same, it will not escape the average consumer that these marks are composed of the Scottish-sounding prefix "Mc" followed by a word which describes the food/drinks on which they are used.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

55. Some of the goods at issue are identical. The contested "alcohol free vegan drinks" is a very wide term and includes goods such as fruit flavoured milkshakes (UK1208246) and smoothies (UK3341921). There is a high degree of similarity between other goods, such as vegan burgers in the contested mark and the various meat burgers in the earlier family: the goods only differ in nature (one is meat, the other is not). However, not all of the earlier marks cover goods and services which are identical or similar to the contested goods. For example, the contested alcoholic beverages in class 32 are dissimilar to all of the earlier goods. The opponent's closest goods are its various non-alcoholic beverages but, although there is a very superficial level of similarity between all beverages, as they are liquids for consumption by the same users (the general public), that does not result in an overall finding of similarity. There are significant differences in nature (water-, milk- or

fruit-based on the one hand and distilled or fermented from grain and hops on the other) and purpose (the slaking of thirst as against the pleasurable drinking experience from alcoholic drinks). The goods do not share channels of trade to a meaningful degree (they may all be found in supermarkets but not in the same aisles) and are neither in competition nor complementary. Nonetheless, dissimilarity is a relative concept. The goods and services at issue are not strikingly dissimilar such as would be the case between, say, alcoholic beverages and telecommunications services. All of the respective goods and services are in the food and beverage sector.

56. There does not appear to be any dispute that the average consumer of the goods and services is a member of the public. The opponent says that the goods will be selected with a low degree of attention and the services with no more than a moderate level of care.⁴³ In my view, the level of attention for the goods will vary. The goods at issue are all food and drink items, which are relatively inexpensive and frequently purchased. However, there will be some care taken to factors such as dining environment, the flavour of the goods, portion size and, for alcoholic beverages, strength. I note that the opponent's evidence demonstrates increased public demand for vegetarian and vegan products and that the opponent has responded by obtaining Vegetarian Society accreditation for certain goods.⁴⁴ Consideration may be given to whether the goods are suitable for such diets, or indeed other specialist diets. Overall, the level of attention will range from fairly low to medium.

The strength of the earlier mark's reputation

57. For the reasons given at paragraphs 45 to 46, each of the opponent's marks and its family of marks had a strong reputation at the relevant date.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

⁴³ Opponent's skeleton argument, §23.

⁴⁴ See in particular Traxler, §§9-11 and MT-1.

58. In *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*, Case C-342/97, EU:C:1999:323, the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)”.

59. For the reasons given at paragraphs 45 to 46, above, the earlier marks are factually distinctive to a high degree.

Whether there is a likelihood of confusion

60. I have no doubt that, where used in respect of goods which are highly similar or identical, the contested mark would be taken to be an extension of the earlier family of marks and that there would be indirect confusion.

61. In the normal course of events, where there is no similarity between goods and services, there would be no confusion. However, some marks are so distinctive and well known that there is likely to be some confusion almost irrespective of the goods on which the marks are used. For example, use of “MICROSOFT” on a table lamp would probably cause consumers to believe that there was a connection with the software developer, such as a licence. Although the reputation of “McDonald’s” is huge, that of the remaining earlier marks is not quite so strong. The inherent distinctiveness of the earlier marks is also not comparable to that of “MICROSOFT”, particularly those which include a purely descriptive word, and there is plainly no case for saying that the opponent has the monopoly on every word beginning with “Mc”, even in the food and drink sector. In the case of s. 5(2)(b) a degree of similarity is required for a finding of confusion, which is based on the normal expectations of average consumers. The provisions of s. 5(3) offer additional protection which takes into account the repute and distinctiveness of the earlier marks and requires me to decide whether, in this particular case, the average consumer would be caused to believe that the user of “McVegan” for the dissimilar goods and services is connected to the user of the family of earlier marks for the goods and services outlined at paragraph 46, above.

62. In my view, the repute and distinctiveness of the earlier family would, particularly given the presence of several “Mc’ plus descriptor” marks in that family, result in a significant number of average consumers being confused. In respect of alcoholic beverages, although the opponent has no reputation of any sort for these goods and, whilst the consumer may be surprised at a foray into alcoholic beverages, the reputation of the opponent’s marks, and in particular the subset consisting of “Mc” plus (food/drink) descriptor, is likely to lead the average consumer to think that there is an economic connection between the users of the marks.

63. Even if it is not right that there would be confusion where dissimilar goods are concerned, when all of the above is taken into account I have no hesitation in finding that the earlier marks would be brought to mind. The extensive reputation of the earlier marks, their similarities with the contested mark and the fact that the respective goods and

services, even where not identical or similar, are in the same food and drink sector will create the necessary link across the contested specification.

Unfair advantage

64. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

65. Where the consumer is mistaken as to the origin of the goods and buys them believing that they are the goods of or are connected with the owner of the earlier marks, an unfair advantage accrues to the later mark: it has obtained sales which it would not otherwise have achieved. However, even if there were no likelihood of confusion at all in this case, the applicant's intentions are relevant. It says that it wished to partner with third parties in order to sell the goods for which registration is sought. I have rejected that argument but, for the purposes of this claim, I will proceed on the basis that that was the applicant's intention. Even supposing that the applicant's intention was to use the marks, the negotiations which took place prior to the application will have ensured that the opponent

and its interest in “Mc”-prefixed marks were at the forefront of the applicant’s mind. The contested mark has a similar construction to that of the earlier marks, which is particularly striking for the “McCHICKEN”, “McNUGGETS”, “McMuffin” and “McCAFE” marks. The goods and services are in the same food and drink sector. Even if I were to accept that the applicant did wish to market goods under the brand, itself or under licence, I find that its intention was to profit unfairly from the repute of the earlier marks, by riding on the coat tails of the earlier marks’ reputations. In any event, whether there was subjective intention to benefit or not, I find that there is an objective benefit to the same effect and that the applicant would gain an advantage by avoiding any of the costs normally associated with launching a brand, instead benefiting from the familiarity aroused in the consumer’s mind from a connection with the earlier marks and the promotional efforts made by the opponent in acquiring that brand recognition. That is an unfair advantage. This head of damage is made out. The opposition under s. 5(3) succeeds.

66. In light of this finding, there is no need for me to consider whether the contested mark would damage the reputation or distinctive character of the earlier marks.

Other grounds

67. Having reached what I consider to be very clear conclusions under two grounds, I see no need to consider the grounds of opposition based upon ss. 5(2)(b) and 5(4)(a). In theory, the opponent may have a better case under s. 5(2)(b) because there is no request for proof of use and the opponent could, therefore, rely upon a notional comparison of the contested goods against the full width of the earlier marks’ specifications, as relied upon. However, Ms Blythe indicated at the hearing that the opponent’s primary case under s. 5(2)(b) was based on its “family” of marks. Consequently, the opponent’s avowed best case is dependent on a finding that the marks have been present on the market for the goods and services claimed. I have found the evidence insufficient for such a finding across the specifications. Further, as s. 5(2)(b) is reliant on similarity between the respective goods and services even where the claim is based upon a family of marks, and not all of the contested goods are similar to the goods/services in relation to which the marks were on the market, there is no obvious advantage in considering that ground.

As for the ground under s. 5(4)(a), Ms Blythe accepted at the hearing that it offered no advantages over the ss. 5(2)(b) and/or 5(3) grounds. I decline to consider it.

Conclusion

68. The opposition has been successful. The application will be refused.

Costs

69. The opponent has been successful and is entitled to an award of costs. There is no request that I depart from the normal Registry scale (Tribunal Practice Notice 2/2016 refers). Mr Perseval asked that I take into account that the applicant is a charity. However, whatever the applicant's status, it must take responsibility for its actions. It filed the application, defended it against the opposition and it has lost. It is right that the opponent receives some award. That said, there is nothing in the applicant's conduct which would warrant an enhanced award to the opponent. By contrast, my view is that the opponent's case was not proportionately made. Although I recognise that the "McDonald's"/"McDONALD'S" marks have limited specifications, there was no need for the opponent to rely on twelve marks under s. 5(2)(b), or nine under s. 5(3), even with a "family" of marks in issue: it is well established that a family may be formed from as few as three marks. The over-pleading contributed to the amount of evidence required but, even there, my view is that there was no need for the evidence to exceed the usual 300-page amount. Showing the same thing repeatedly is a law of diminishing returns, and for example, information concerning products launched after the relevant date, and screenshots of YouTube videos and industry advertising awards rather than the advertising material itself are all of little or no assistance. With that in mind, I award costs to the opponent as follows:

Official fee:	£200
Preparing the notice of opposition and considering the counterstatement:	£200
Filing evidence:	£600

Preparation for and attendance at a hearing: £600

Total: £1,600

70. I order Childrens Cancer Aid Limited to pay McDonald's International Property Company Ltd the sum of **£1,600**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of September 2021

Heather Harrison

For the Registrar

The Comptroller-General

ANNEXE A: Marks and goods/services relied upon under s. 5(2)(b)

UK1208244 McDONALD'S

Class 29: Hamburgers, cheeseburgers; chicken pieces (other than for animals); french fried potatoes; milk shakes being milk beverages; the milk predominating; milk, eggs; hashed brown potatoes; sausages.

UK1208245 McDonald's

Class 30: Sandwiches containing fish fillet, chicken or meat; sausage patties; fruit pies, muffins, hot cakes, Danish pastries, coffee, tea; ice cream sundaes.

UK1208246 McDONALD'S

Class 32: Cola; orange squash and root beer, all being non-alcoholic beverages; fruit flavoured milk shakes, the fruit predominating; orange juice for use as beverages.

UK1285796 McDONALD'S

Class 43: Restaurant services; but not including any such services relating to alcoholic beverages.

UK1144587 McCHICKEN

Class 30: Edible sandwiches, all containing or flavoured with chicken.

UK1245121 McNUGGETS

Class 29: Pieces of poultry; all for food for human consumption.

UK3342311 McMuffin

Class 30: Edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, biscuits, bread, cakes, cookies, chocolate, coffee, coffee substitutes, tea, mustard, oatmeal, pastries, sauces, sugar.

UK3288699 McFLURRY

Class 30: Frozen confections, dairy based dessert products, namely ice cream and frozen confections.

UK3341921 McCafe

Class 29: Meat, fish, poultry and game; Meat extracts; frozen and dried fruits and vegetables; Jellies, jams, compotes; snack foods; fruit snacks; vegetable-based snack foods; prepared meals; cooked chicken; cooked meat dishes; pieces of chicken for use as a filling in sandwiches; dishes of fish; fish cakes; burgers; hamburgers (and other beef products); chicken nuggets; beefburgers; bacon; sausages; omelettes; baked beans; vegetable burgers; french fries, baked potatoes and other potato products; potato fries and potato chips; salads (vegetable -); potato salads; prepared vegetable dishes; whipped milk; cream, being dairy products; milkshakes; milk beverages; cheese; yoghurt desserts; artificial milk based desserts; beverages made from yoghurt; cheese dips; chilled dairy desserts; coffee creamer; dips; milk-based beverages containing coffee; milk-based beverages containing fruit juice; milk-based beverages flavored with chocolate, strawberry or vanilla; candied fruit snacks; cooked fruits; fruit- and nut-based snack bars; fruit desserts; fruit snacks; foods prepared from meat, pork, fish and poultry products, preserved and cooked fruits and vegetables, eggs, cheese, milk, milk preparations, pickles, desserts, yogurt, yogurt based beverages.

Class 30: Cocoa and artificial coffee; Rice; Tapioca and sago; Flour and preparations made from cereals; pastries and confectionery; Edible ices; honey, treacle; Yeast, baking-powder; Salt; Mustard; Vinegar, sauces [condiments]; Spices; Ice [frozen water]; bread; buns; wrap sandwiches; filled rolls; edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, biscuits, bread, cakes, cookies, chocolate, coffee, coffee substitutes, tea, mustard, oatmeal, pastries, sauces, sugar; bakery goods; waffles; brioches; cereal bars; cereal-based snack foods; cereal preparations; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee-based beverages; coffee beverages with

milk; frozen yoghurt; tea-based beverages; iced coffee and other coffee drinks; iced tea; nugget sauce; chili sauce; tomato sauce; mayonnaise and ketchup-based spreads; relishes [condiments]; salad dressings; breakfast sandwiches; fruit pies; ice cream; soft-serve ice cream and other frozen desserts; croissants; custards [baked desserts]; dessert mousses [confectionery]; frozen ices; ice beverages with a coffee base; ice cream desserts; ice cream drinks; sorbets; aerated beverages [with coffee, cocoa or chocolate base].

Class 32: Beers; Mineral and aerated waters and other non-alcoholic beverages; Fruit beverages and fruit juices; Non-alcoholic beverages, syrups and other preparations for making beverages; fruit juices and apple juice; bottled drinking water; smoothies; aperitifs, non-alcoholic; cider, non-alcoholic; cocktails, non-alcoholic; essences for making beverages; fruit nectars, non-alcoholic; ginger beer; isotonic beverages; lemonades; mineral water [beverages]; aerated water; non-alcoholic beverages flavored with coffee; non-alcoholic beverages flavored with tea; non-alcoholic fruit extracts; smoothies; soft drinks; soya-based beverages, other than milk substitutes; syrups for lemonade; tomato juice [beverage]; vegetable juices [beverages]; lemonade and cola drinks; carbonated soft drinks; cordials; fruit squashes; energy drinks; flavored waters; protein-enriched sports beverages; slush drinks; non-alcoholic beer; non-alcohol wines; beverages containing vitamins; whey beverages; energy drinks containing caffeine; honey-based beverages.

Class 43: Services for providing food and drink; temporary accommodation; restaurant services; food and drink preparation services; fast-food restaurant services; takeaway food and drink services; cafe services; coffee shop services; tea room services; bar services; ice cream parlors; juice bar services; snack-bar services; self-services restaurant services; information, advisory and consultancy services relating to all the aforesaid services.

UK3232297 McDelivery

Class 39: Food delivery services.

Class 43: Restaurant services.

EU8730509 McVEGGIE

Class 29: Preserved and cooked vegetables, eggs, cheese, milk, milk preparations, pickles, edible sandwiches, bread.

EU12162509 McSALAD

Class 29: Potato, antipasto, garden, Caesar, fruit and vegetable salads.

Class 30: Pasta salads.

ANNEXE B: Signs and goods/services relied upon under s. 5(4)(a)

McDONALD'S

Foods prepared from meat, pork, fish and poultry products, meat sandwiches, fish sandwiches, pork sandwiches, chicken sandwiches, prepared and cooked fruits and vegetables, eggs, cheese, milk, milk preparations, pickles, desserts, burgers; beef burgers; chicken burgers; fish burgers; vegetarian burgers; hamburgers; cheeseburgers; sandwiches made from wraps; salads; chicken pieces (other than for animals); French fried potatoes; French fries; potato fries' milk shakes being milk beverages, the milk predominating; milk; eggs; hashed brown potatoes; sausages. Edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, biscuits, bread, cakes, cookies, chocolate, coffee, coffee substitutes, teas, hot chocolate, mustard, oatmeal, parties, sauces, seasonings, sugar, sandwiches containing fish fillet, chicken or meat; sausage patties; fruit pies, muffins, hot cakes, Danish pastries, coffee, tea; ice cream sundaes; doughnuts; bagels; pancakes; porridge; prepared fruits; prepared vegetables; pieces of chicken, battered and deep fried; muffins containing eggs, bacon, sausage and cheese; ice-cream based desserts; ice-cream based desserts containing chocolate; ice-cream based desserts containing biscuits; ice-cream based desserts containing sweets.

Non-alcoholic beverages, syrups and other preparations for making beverages. Cola; orange squash and root beer, all being non-alcoholic beverages; fruit flavoured milk shakes, the fruit predominating; orange juice for use as beverages.

Services rendered or associated with operating and franchising restaurants and other establishment of facilities engaged in providing food and drink prepared for consumption and for drive-through facilities; preparation and provision of carry-out foods; restaurant services; drive-through restaurant services.

McCHICKEN

Chicken sandwiches. Edible sandwiches, all containing or flavoured with chicken.
Burgers; chicken burgers.

McNuggets

Food prepared from poultry products. Pieces of poultry all for food for human consumption. Pieces of chicken, battered and deep fried.

McMUFFIN

Food prepared from pork products, eggs and cheese. Pork sandwiches, egg sandwiches, muffins. Muffins containing eggs, bacon, sausage and cheese.

McFLURRY

Frozen connections, dairy based dessert products, namely ice cream and frozen confections; ice-cream based desserts; ice-cream based desserts containing chocolate; ice-cream based desserts containing biscuits; ice-cream based desserts containing sweets.

McCAFE

Milkshakes; milk beverages; chilled dairy desserts; coffee creamer; milk-based beverages containing fruit juice; milk-based beverages flavoured with chocolate, strawberry or vanilla; cocoa and artificial coffee, pastries and confectionery; edible ices; biscuits; bread, cakes, cookies, chocolate, coffee, coffee substitutes, tea, oatmeal, pastries, bakery goods,; chocolate-based beverages; chocolate beverages with milk; cocoa-based beverages; cocoa beverages with milk; coffee-based beverages; coffee beverages with milk; frozen yoghurt; tea-based beverages; iced coffee and other coffee drinks; iced teas; croissants; frozen ices; ice beverages with a coffee base; ice cream desserts; ice cream drinks; sorbets; aerated beverages [with coffee, cocoa or chocolate base]; mineral and aerated water and other non-alcoholic beverages; non-alcoholic beverages, syrups and other preparations for making beverages; smoothies; non-alcoholic beverages flavoured with coffee; non-alcoholic beverages flavoured with tea;

non-alcoholic fruit extracts; soya-based beverages, other than milk substitutes; hot chocolate; flat white coffee; lattes; cappuccinos; black coffee; white coffee; espresso; frappé coffee; frozen lemonade; doughnuts; muffins.

Services for providing food and drink; restaurant services; food and drink preparation services; fast-food restaurant services; takeaway food and drink services; café services; coffee shop services; tea room services; bar services; ice cream parlors; juice bar services; snack-bar services; self-service restaurant services.