

Problem Set 1

1. Mrs. McDonald inherited McDonald's Family Restaurant from her grandfather-in-law. Aged seventy-six, she lives alone with no children in a small town in Scotland. Since her husband died ten years ago, she has devoted all her energy to making the restaurant the best in town. Her wish finally came true this Christmas, when the town's only newspaper featured her restaurant as the "Best Restaurant for Family Dining."

Shortly after the feature article was published, Mrs. McDonald received a cease-and-desist letter from a large, well-known restaurant chain, which was established in the United States in the mid-1950s and which did not transact business internationally until the early 1970s. The letter stated as follows:

We are instructed that the intended use of McDonald's trade mark, which is listed in the name of your restaurant, constitutes an infringement of our client's trade mark rights. We are sure you are aware that "McDonald's" is a registered trade mark in the United Kingdom. We therefore demand you stop using our client's registered trade mark or any other marks that are deceptively or confusingly similar to our client's registered trade mark.

Mrs. McDonald was shocked by the letter and was concerned about her being dragged into a decade-long legal battle (the outcome of which she might not live to see), but she was determined to put up a fight. After all, the restaurant (and its goodwill) is the only major property she has. She would rather die than to lose her family's legacy (or to sell the restaurant to a large faceless corporation). She sought your legal counsel. How would you assess the case?

2. Yamaland is a newly independent state in the mountainous region in Central Asia. Being self-sufficient and surrounded by mountains, Yamaland is completely isolated from other countries. Despite its location, the place has attracted occasional visitors, many of whom were adventurers who sought exotic places.

Last year, Jeff Mason, a retired marketing executive from McDonald's Corp. discovered Yamaland by accident. To his surprise, he found cheeseburgers and chicken nuggets served in a restaurant named "McD Western Food." He asked the owner where the word "McD" came from. The owner, who was frank and friendly, told Mason, in her broken English, that she did not know where the word came from. Nor did she know what the word "mcd" meant in English, although she fancied that "mcd" was the English word for Western food. Nonetheless, she told Mason that the word was suggested by an American visitor, who came to the restaurant five years ago. Before she added the word "McD," the name of her restaurant had only two words—"Western Food."

Upon return to Chicago, Mason called up his protégé, who has now become the General Counsel of McDonald's Corp. Within weeks, a cease-and-desist letter and a translated version of the letter were hand-delivered to the owner of McD Western Food restaurant. (The letter could have arrived earlier had the messenger not been lost three times in the

mountains.) The Chief of Yamaland was very concerned about the letter and called a townhall meeting to discuss possible responses. If you were in the townhall meeting, what *legal* defenses would you propose?

3. As usual, lawyers in a big corporation rarely write only one or two cease-and-desist letters. They write many more. The third letter went to Joseph Woo, the owner of the McHongKong fast-food chain, whose restaurants are located throughout the European Union. Woo, who opened his first restaurant in the Chinatown in London, believed the prefix “Mc,” which means “son of,” would remind customers of his national origin. Among the food served in his restaurants include shrimp dumplings, sweet and sour pork, beef and broccoli, shredded chicken in garlic sauce, and roast pigeon. Woo was outraged when he received the cease-and-desist letter, which reminded him of the infamous McLibel case. He thought he was the chosen David and it was now his turn to fight the Goliath. Woo called you for legal ammunitions. What would be your response(s)?
4. George McDonald, the owner of the Internet domain name mcdonalds.bb, received the fourth letter. Since he registered the domain name, George has set up third-level domains for his family and close relatives. Examples of accessible URLs (uniform resource locators) include george.mcdonalds.bb, harry.mcdonalds.bb, ronald.mcdonalds.bb, ally.mcdonalds.bb, and julia.mcdonalds.bb, among others. (.bb is the country-code top-level domain (ccTLD) for Barbados. Its domain name registry has yet to adopt the Uniform Domain Name Dispute Resolution Policy (UDRP), which requires mandatory procedures for resolving trademark disputes in the Internet domain name system.)

Interestingly, McDonald’s® was George’s most favorite fast-food restaurant before he received the letter. Of course, he now prefers Burger King®, Kentucky Fried Chicken®, and Wendy’s® (partly in memory of its recently-deceased founder, Dave Thomas). If you were George, what would be your response(s) to the cease-and-desist letter?

5. The final letter went to Denise Toeppen, who is not related to the notorious Dennis Toeppen. Toeppen is the owner of a large number of two-letter domain names, including fr.com, be.com, and es.com. (Obviously, this problem set is fictitious. Those of you who have worked in or interned with Fish & Richardson, P.C., probably know that fr.com belongs to a law firm that represented Thomas Edison, Alexander Graham Bell, and the Wright Brothers.)

Long before domain names became commercially attractive, Toeppen acquired these address locators under the belief that they eventually would become hot commodities in the changing economy (or the “New Economy” in digitalspeak). Today, two-letter domain names have become very popular, especially for companies that are transacting business in places that the domain names represent—for example, .fr for companies in France, .be for companies in Belgium, and .es for companies in Spain. By licensing an infinite number of third-level domains for \$10 per year, Toeppen’s forty-seven domain names have made her an instant multi-millionaire.

The only problem she has so far is that many of her customers have registered a well-known mark as a third-level domain under a highly automated registration system she created on her websites (e.g., mcdonalds.fr.com, ibm.be.com, nestle.es.com). McDonald’s® letter was the first cease-and-desist letter she received, but she is certain that that letter would not be the last. Toeppen consulted you for legal advice. What would be your response(s)?

6. Which of the following definitions includes a sound mark (e.g., four musical tones), a product shape (e.g., a coca-cola bottle), and a domain name (e.g., mcdonalds.com)?
- (a) “any word, name, symbol or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown” (United States)
 - (b) “any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings” (Great Britain)
 - (c) “any word, device, or their combination that is distinctive so as to be distinguishable” (China)
 - (d) “letters, figures or symbols or three dimensional shapes or any combination of these including their combination with colors . . . used by a person in respect of the goods it manufactures, certifies or sells as a part of its business or used by a person in respect of the services it offers or certifies as a part of its business” (Japan)
 - (e) “names assuming distinctive shapes, signatures, words, letters, numerals, designs, symbols, signboards, stamps, seals, vignettes, embossed engravings, and any other mark or any combination thereof, used or proposed to be used, either for distinguishing the products of any industrial, agricultural, forest or mining venture or any other goods, or for indicating the origin, quality, category, guarantee, method of preparation or performance of services” (Egypt)
 - (f) “designations capable of distinguishing accordingly the goods and services of legal or natural persons from similar goods and services . . . of other legal or natural persons” (Russia)

[Source: DORIS ESTELLE LONG & ANTHONY D’AMATO, A COURSEBOOK ON INTERNATIONAL INTELLECTUAL PROPERTY LAW 231-32 (2000)]