

### 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 Massachusetts. 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 first opened in Des Plaines, Illinois in 1955. The letter stated as follows:

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

Mrs. McDonald has never eaten at the McDonald's®. Although she has seen commercials in her neighbor's home—she does not own a television—she has never conceived the use of her family's name in a family-owned restaurant would constitute an infringement of McDonald's® trademark. She is now very concerned that she will be dragged into a decade-long legal battle, the outcome of which she might not live to see. Nevertheless, she does not believe it is fair for her to surrender her family's name without putting up one last fight. After all, the restaurant (and its goodwill) is the only major property she owns. She would rather die than to lose her family's legacy (or to sell the restaurant to a large faceless corporation). She seeks your legal counsel. How would you assess the case?

2. Googoolagos is a small, self-sufficient island town in Hawaii. Rumors had it that the early inhabitants of Googoolagos were a group of Asian pirates who swam to the island after a shipwreck. Although the island is completely isolated from other parts of Hawaii and is sparsely populated, 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 Googoolagos 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 the visitor added the word "McD" with yellow spray paint, the name of her restaurant had only two words in red—"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 Pacific Ocean.) The Chief of Googoolagos—the island still has a chief!—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 United States. Woo, who opened his first restaurant in the Chinatown in San Francisco, 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 McLabel case. He thought he was the chosen David and it was now his turn to fight Goliath. Woo called you for legal ammunitions. What would be your response(s)?
4. The final letter went to George McDonald, the owner of the Internet domain name mcdonald.com. 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.mcdonald.com, harry.mcdonald.com, ronald.mcdonald.com, ally.mcdonald.com, and julia.mcdonald.com, among others.

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 Lanham Act defines a trademark as “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.” Does this definition include a sound mark (e.g., the exhaust sound of a Harley-Davidson motorcycle), a product shape (e.g., a coca-cola bottle), a domain name (e.g., mcdonalds.com), and a hologram containing an eagle with flapping wings?