

# Who Is the Owner of “Mc-” under Trademark Law?:

## McDonald’s Dispute with McSleep Inn \*

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### 1. Introduction

McDonald’s has filed numerous lawsuits worldwide to claim the exclusive right to the use of “Mc-” formative trademarks. The other parties’ trademarks for foodstuffs and beverage include “McBagel’s” (US), “McAllan” (DK), “McCurry” (MY), “MacJoy” (PH), “McMunchies” (UK), “McBrat” (AU) etc. McDonald’s could not successfully preclude the use of “Mc-” in all cases; however, it appears that the giant worldwide fast-food chain has tried to enforce a monopoly on “Mc-” in trademarks despite its originally meaning, “son of”, is a common patronym prefix. This study applies semiotic analysis to examine the trademark infringement case against a large hotel chain, “McSleep Inn,” in which the court ruled in favor of McDonald’s claim based on the acquired “secondary meaning.” The aim of this article is to highlight some implications of this case over the mere “Mc-” prefix not only from a legal, but also from a linguistic perspective.

### 2. McDonald’s trademark dispute over the use of the prefix “Mc-”

#### 2.1. McDonald’s family of marks v. McSleep Inn

The dispute was whether McDonald’s had the exclusive right to use the prefix, “Mc-” when it is used before a common word for any kinds of retail services.<sup>1</sup> On September 21, 1987, a large hotel chain, Quality Inns International (QI), announced a plan to create a new chain of economy hotels under the name “McSleep Inn.” In response to this, the McDonald’s Corporation promptly sent a letter to QI demanding that they not use the name “McSleep” since it infringed on McDonald’s series of marks characterized by the use of the prefix “Mc-” affixed to a generic term such as muffin (“McMuffin”) or waffle (“McWaffle”) (hereafter, McDonald’s family of marks), thus trading on McDonald’s reputation and goodwill. This launched a “million-dollar trademark infringement suit” over the mere prefix “Mc-.”<sup>2</sup>

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<sup>1</sup> McDonald’s does not use or own “Mc-” by itself as a trademark.

<sup>2</sup> Quality Inns Intern., Inc. v. McDonald’s Corp. 695 F. Supp. 198 (D. Md. 1988).

QI's defense can be summarized in four points: 1) No likelihood of confusion, 2) Noncompeting uses, 3) Extensive third-party uses of "Mc-" formative marks, and 4) "Mc-" is generic. In a previous case where McDonald's sued a small restaurant in New York called McBagel's, the judge ruled in favor of the plaintiff: using "Mc-" in combination with the generic food noun did infringe on the McDonald's family of marks. In this case, however, QI was a hotel chain, and "McSleep Inn" did not intend to maintain restaurants. As such, QI argued in defense that there is no likelihood of confusion between "McSleep Inn" and McDonald's and their businesses could not pose any competition.

## 2.2. Genericness of "Mc-" prefix

The strongest defense drew on how common and generic the prefix "Mc-" is; this was the central issue of this case. A trademark often becomes a generic term in everyday language; examples include "escalator" (lift), "xerox" (photocopy), "google" (internet search), "kleenex" (tissue) and "hoover" (vacuum cleaner).<sup>3</sup> Once this happens, the original trademark owner sometimes is forced to surrender its trademark right since the trademark is assumed to lose the ability to distinguish its goods and/or services from those of others.

Linguistic experts, Lentine and Shuy (1990) were called on by QI's lawyers to testify the genericness of the prefix "Mc-." Their aim was to find out how the public used and understood the "Mc-" morpheme. They conducted corpus-based survey inductively, using LexisNexis (a computer search system) and a national clipping service which included magazines and (local) newspapers as well as technical publications to find words containing the "Mc-" prefix. Out of 150 articles collected, 56 were specifically about McDonald's restaurants and/or specific McDonald's products. The remaining 94 citations are analyzed to make clear the intended meaning "Mc-" formative words:

McArt, McBook, McCinema, McEconomics, McFashion, McHealthcare, McJobs, McLife, McLube, McMail, McMedicine, McNewspaper, McPaper, McPrisons, McRobot, McShopping, McStory, McSurgery, McTelevangelism, and McYear etc.

It was demonstrated that the range of meanings found in the 94 "Mc-" citations was narrowed down to the four basic meanings: *speedy*, *efficient*, *consistent* or *basic*.<sup>4</sup> Notably, while these meanings can be highly relevant to McDonald's process of preparing, selling, and advertising its hamburgers, none of them have connection with McDonald's (either hamburgers or fast

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<sup>3</sup> Some owners are still struggling to protect them from use by others.

<sup>4</sup> Not all the 94 citations carried all four meanings.

food business in general). Linguistic testimony showed that McDonald's claim that "Mc-" always means McDonald's is not true. The mere Scottish patronymic prefix has undergone processes of lexical change and generalization reflecting McDonald's characteristics.

Based on all evidence, QI contended that the prefix had become generic and entered the lexicon of everyday English. Notwithstanding the supportive linguistic testimony at trial, the court opined that the prefix "Mc-" had not become generic, and that there was a likelihood of confusion between "McSleep Inn" and McDonald's family of marks,<sup>5</sup> constituting an infringement.

### **2.3. Secondary meaning of "Mc-" prefix**

Shuy (2002) pointed out that the judge weighed on the fame of McDonald's, taking into consideration the millions of dollars it spent on marketing and advertising, which includes the promotion of their name joint with prefix "Mc-." In trademark issues involving generic marks, "secondary meaning" is the most influential concept. Even a generic mark can be eligible for protection, insofar as it acquires special significance: that purchasers have come to recognize the word to mean that a certain product is produced by a particular manufacturer. McDonald's emphasized that they did achieve this secondary meaning through immense expenditures on advertising and marketing. McDonald's conducted a consumer survey, hiring an advertising firm, to support their claim that upon seeing "Mc-" formative the vast majority of consumers habitually associate them with McDonald's.<sup>6</sup> Furthermore, in one of advertising campaigns, McDonald's icon, Ronald McDonald taught children around the country to coin words using "Mc-" such as "McFries," "McShakes" and "McBest" in order to create a "McLanguage" exclusively associated with McDonald's. In the end, while the judge did not agree with the genericization of the prefix "Mc-," they put more value in the secondary meaning acquired by fame.

## **3. Semiotic analysis of trademark infringement over the "Mc-" prefix**

### **3.1. The internal structure of the trademark**

This section will analyze the McDonald's infringement case as discussed so far from the semiotic perspective. Semiotics, the study of signs, begins by clarifying a theory concerning the internal structure of the sign to explain how signs and sign systems operate (Beebe 2004).

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<sup>5</sup> The court opined that the public mistakenly believed that the chain of inexpensive hotels named "McSleep Inn" were owned and run by McDonald's.

<sup>6</sup> Some of the survey was carried out at the McDonald's office.

In the dyadic model represented by Saussure (1916), the sign consists of two elements: the signifier (the perceptible form) and the signified (the particular mental idea for which the perceptible form stands). On the other hand, a trademark is traditionally conceived as a three-legged stool, consisting of “a signifier (the perceptible form of the mark), a signified (the semantic content of the mark, such as the goodwill or effect to which the signifier refers), and a referent (the product or service to which the mark refers)” (Beebe 2008).<sup>7</sup> “Trademark,” when discussed in court or in the course of business, refers to the tangible form of the mark, such as a logo (signifier). It must designate and distinguish the goods or services associated with it (referent), typically by specifying the source, i.e., the producer, together with its goodwill (signified).

### **3.2. Trademark infringement**

Turning to the McDonald’s case, trademark infringement is not infringement of a “trademark” (i.e., signifier) which simply refers to the perceptible form, but a trespass on goodwill (i.e., signified) (Beebe 2008). In other words, trademark infringement is infringement of the signified, one which is accomplished by means of a confusingly similar signifier (and referent). This is however different from the infringement of the signifier (including copying, imitating and counterfeiting), which is prohibited by copyright law (Beebe 2004). Trademark infringement will not occur unless signifiers (and referents) are confusingly similar. Considering this, it can be assumed that “McSleep Inn” as applied to a hotel chain, does not infringe on McDonald’s family of marks for fast food since they are not confusingly similar in appearance, sound or connotation (simply they share the prefix “Mc-”), and also used in completely different markets.

### **3.3. Secondary meaning**

Nevertheless, it is still necessary to overcome the powerful rationale of “secondary meaning” by which the court eventually enhanced the commercial monopoly of the prefix “Mc-.” Secondary meaning does not refer to the dictionary definition, but the public’s association of the word with a brand. Concerning trademark language, Pulos (2006) defines the remarkable distinction between a “public signified” and “commercial signified”:

The interaction between human language and trademark language requires some attention. Unlike words in a language, signifiers borrowed from the human language for use in the trademark system already carry a signified (a meaning). We can therefore distinguish between a signifier’s “public signified,” as it exists in

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<sup>7</sup> The triadic structure is apparent in the definition of a trademark formulated by McCarthy (2002).

everyday language, and a signifier's "commercial signified," the meaning attributed to a company's goodwill.

He explains this distinction using the word "silk": SILK, for soy milk, borrows from English vocabulary, relying on the word's public signifieds (an English speaker's associations with the term "silk") to reinforce the company's commercial signifieds (the company's goodwill and the product's appeal). He continues that the trademark law should protect commercial signifieds and not public signifieds (lexical associations) because the latter belong to the public. Coupled with the trademark doctrine, "secondary meaning," which refers to the public's association of a word with a particular brand, corresponds to the "commercial signified," which is developed by investment (specifically advertising and marketing) to ensure the protection and control of the trademark. Secondary meaning (i.e., commercial signified), however, does not relate to the "public signified."

Turning to the McDonald's case, instead of agreeing with the genericness of the prefix "Mc-," the court was in favor of the prefix's secondary meaning acquired through McDonald's substantial efforts (expenses). However, ironic though it is, the "Mc-" prefix's secondary meaning (i.e., commercial signified), unanticipatedly developed new public signifieds identifying it as *speedy, efficient, consistent or basic* as revealed in the linguistic testimony. Thus, the "Mc-" prefix lost the strong association it had with McDonald's, and actually failed to reinforce the commercial signified for its goodwill. It is reasonable to assume that McDonald's reputation and extensive promotion of "McLanguage" contributed to the emergence of new public signifieds concerning the prefix "Mc-."

#### **4. Conclusion**

McDonald's achieved the right to exclusive use of the mere prefix "Mc-" with a generic word thanks to the doctrine of "secondary meaning." On the other hand, the new public signifieds of "Mc-" have emerged by means of secondary meaning (i.e., commercial signified) of "Mc-" in McDonald's family of marks. The outcome of this trademark dispute provides some significant implications not only from a legal, but also from a linguistic perspective. Firstly, as Shuy (2002) concerns, it is possible to say that a monopoly on the natural language usage exists under trademark law. Further, secondary meaning acquired through massive promotion and advertisement can trump a generic claim defense. Lastly, trademark language as a designation of source can contribute to the emergence of the lexicon, embracing characteristics of the products or services it designates.

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