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STAFF WRITER

It's hard to believe a billion-dollar corporation is picking a fight with an independent health-food restaurant, but that's exactly what's happening in Santa Cruz County.

McDharma's, a Live Oak fast-food restaurant serving up soy — not beef — patties, has been challenged by the hamburger giant McDonald's. At issue is the "Mc" in front of Dharma's.

Bernie Shapiro and Dan Prather selected the name when they opened their 50-seat restaurant at 1700 Portola Drive 5 years ago. They chose the "Mc" to denote fast food and "Dharma" to represent their philosophy. The word means "living in balance with the world, living honestly with the highest ideals," Prather said.

McDonald's, however, is acting like it owns "Mc."

The corporation recently wrote Shapiro and Prather telling them they wanted the two owners to drop the "Mc" and offered them \$2,000 as compensation.

The token amount would not cover the cost of changing the restaurant's name, Prather said. So the two hired a big time San Francisco lawyer specializing in trademarks and set him to work against the big business. The negotiations are expected to end in about two weeks.

It's not that Shapiro and Prather are married to "Mc," it's just that they want to be fairly compensated for the costs of changing the name. In fact, acting territorially over a trademark goes against what they stand for, Prather said.

"We're in the business of making fast health food," Prather said, "and not in the business of fighting corporate giants."

McDonald's action, he said, "is a symbol of the world right now. It's a way of thinking that's very possessive. It's different than our philosophy. We want people to be free."

Prather said his lawyer has advised him that there has been no violation of trademark laws.

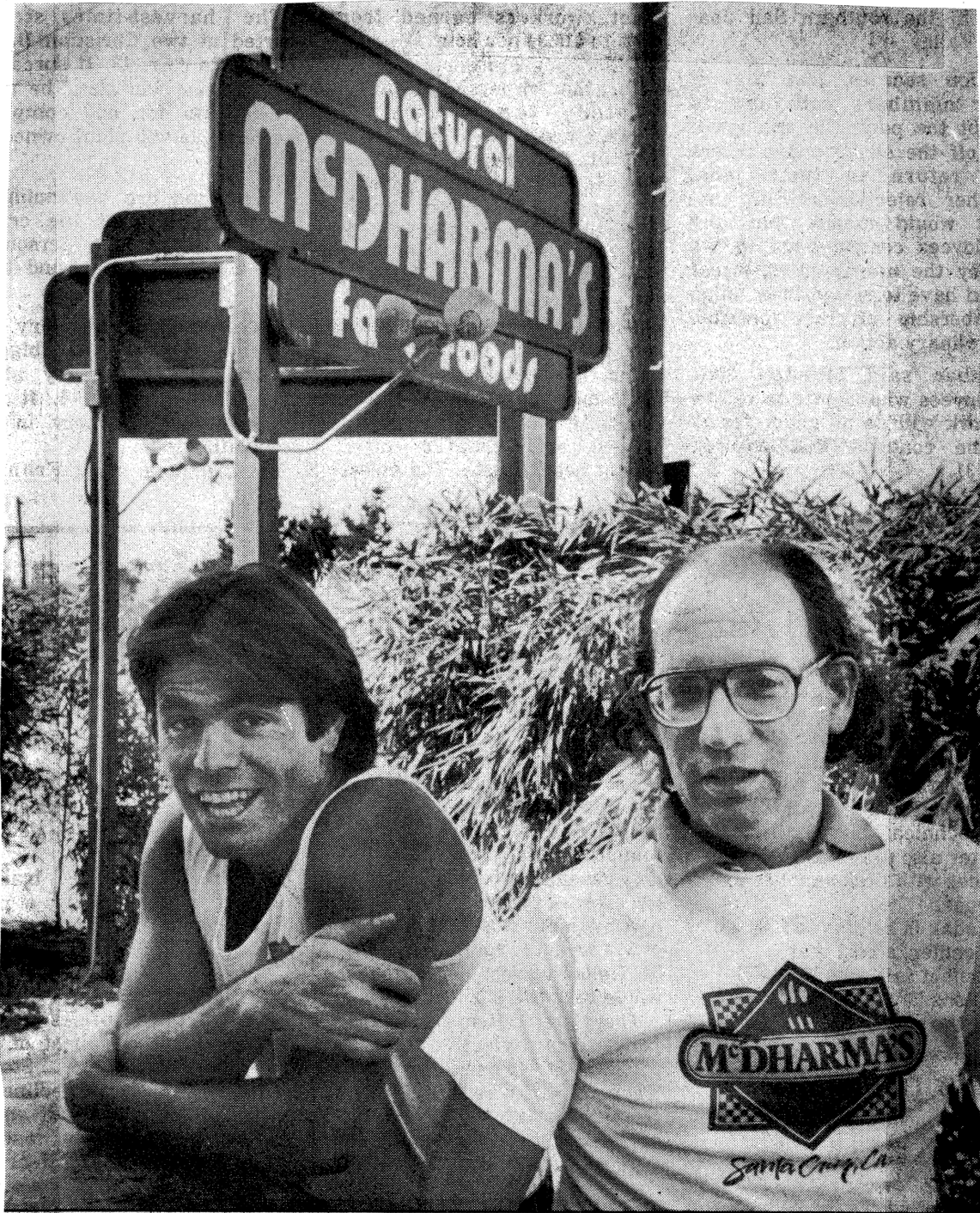
"They don't own 'Mc,'" Prather said. But to prove that in court would involve huge legal fees beyond the means of the McDharma's owners. Instead the two would like to settle the matter as quickly as possible and get back to the business of serving up soy.

Business has steadily grown since the restaurant

Soy it isn't so

Health food restaurant faces

Big Mac attack



Diane Vanni

Dan Prather and Bernie Shapiro, owners of McDharma's defend name choice.

was started, Prather said. He and his partner are now seriously considering accepting one of several serious offers to franchise the business.

McDharma's offers a "lineup of 'naturals,'" Prather said. The "American Naturals" include such dishes hot dogs and hamburgers made of soy, beans, grains and nuts, and a fried patty called "I'm not

chicken."

The McDonald's challenge, and the enormous publicity surrounding it, has only helped McDharma's already healthy business.

"It's great for business," Prather said. "It's unsought and it's happening. It's like a gift. It's a little bothersome some time, but how (else) could we get such great publicity without paying for it?"

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