

ANG TIAN SU SONS, INC.
Petitioner,

-versus-

J.W. SPEAR & SONS PLC,
Respondent-Registrant,
x-----x

IPC NO. 3921
Cancellation of: Registration
No. 52101
Date Issued: January 29, 1992
Trademark: SCRABBLE
For: Board Games

Decision No. 2003-38

DECISION

This pertains to the Petition for Cancellation filed by ANG TIAN SU SONS, INC., a corporation organized and existing under the laws of the Republic of the Philippines, with principal office at 447 Rosario St., Binondo, Manila, against the registration of the trademark "SCRABBLE" for board games (Class 28), with Registration No. 52101, issued on 29 January 1992 in the name of J.W. SPEARS & SONS PLC, a corporation organized and existing under the laws of England and Wales, with offices at Richard House, Enstone Road, Enfield, Middlesex EN3 7TB, England.

The Petitioner filed the instant Petition for Cancellation on 13 September 1993 based on the following grounds:

- "1. 'Scrabble' is an ordinary English word, which cannot be exclusively appropriated as a trademark and cannot, therefore, acquire distinctiveness to denote Respondent's goods.
- "2. Assuming arguendo, that an ordinary word like 'scrabble' can be appropriated as a trademark for word-forming board game, Respondent is not its true and lawful owner in the Philippines or elsewhere. Its registration was secured contrary to the provisions of Sections 4 and 17 of the Trademark Law.
- "3. Assuming arguendo that Respondent is the true and lawful owner of 'scrabble' as a trademark elsewhere, it is not its first user in commerce in the Philippines.
- "4. Petitioners and other Philippine toy manufacturers are the first users of 'scrabble' in a generic sense to denote the word forming board game, and in its dictionary and descriptive meaning as a synonym for 'scramble' to signify the mixing together of letter-blocks as a part of the word-forming board game.
- "5. Respondent's registration of 'scrabble' as a trademark is prejudicial to petitioner and other Philippine toy manufacturers to the extent that respondent uses it to bar them from using 'scrabble' in its traditional meaning in the trade and in its ordinary dictionary meaning as a descriptive term for the word-forming board game. Respondent's registration cannot be construed to have conferred upon it the right to appropriate 'scrabble' in its generic sense and in its dictionary meaning.
- "6. Assuming arguendo that 'scrabble' as used elsewhere by Respondent was capable of distinguishing his board game from those of others, 'scrabble' has not acquired and will not acquire any distinctiveness in the Philippines, in view of the prior, uninterrupted and universal use by various Philippine toy manufacturers of 'scrabble' in a generic sense and in its dictionary meaning as a descriptive term for the word-forming board game, in association with their respective trademarks.

“7. Respondent’s use of ‘scrabble’ without any other distinguishing words to refer to its goods, will amount to a continued market monopoly for this word-forming board game long after other legal protection has expired or ceased to be operative, since Philippine toy manufacturers will thereby be precluded from using ‘scrabble’ in its generic, dictionary and descriptive sense.

“8. Respondent’s exclusive right to use ‘scrabble’ as a trademark will confuse, deceive and prejudice Philippine consumers who have also used ‘scrabble’ as a generic and common descriptive term and who will henceforth be offered Respondent’s products alone when they attempt to buy the board game, using ‘scrabble’ in its traditional and established generic, dictionary and descriptive sense.

“9. Respondent is barred by laches, estoppel and acquiescence from appropriating and registering ‘scrabble’ as a trademark in the Philippines.

“10. The cancellation requested herein is authorized by the provisions of the Republic Act No. 166, as amended.”

To support the Petition for Cancellation, the Petitioner relies upon the following facts, among others:

“1. A number of Philippine manufacturers have for decades, manufactured and distributed word-forming board game under different trademarks, using ‘scrabble’ in its generic, dictionary and descriptive sense.

“2. That SCRABBLE has become a generic or common descriptive name as evidenced by the fact that a number of manufacturers have, for several years, manufactured and distributed this type of board game using ‘scrabble’ in its generic, dictionary and descriptive sense to refer to this word forming board game, in association with their different marks.

“3. One of this manufacturers is Petitioner, who has, since October 3, 1966 or for more than 25 years now, been manufacturing and distributing the word-forming board game using the trademark ROYAL and Crown Device in association with ‘scrabble’ in its generic, dictionary and descriptive sense, appearing on the package of the board games it manufactures.

“4. In fact, the Bureau of Patents, Trademarks and Technology Transfer (Bureau) has taken the position that ‘scrabble’ is a generic name for a board game. This is evident from the fact that the Bureau issued to Petitioner Certificate of Registration No. 47488 (Annex A) for Royal and Crown Device used on “(games and scrabble”.

“5. Since October 3, 1966, Petitioner has been manufacturing and selling the word-forming board game in good faith under the trademark ROYAL and Crown Device used on the package of the product in association with ‘scrabble’ in its generic, dictionary and descriptive sense. Respondent, on the other hand, first used ‘scrabble’ as a trademark in the Philippines only on August 21, 1987 or about 21 years after Petitioner started using ‘scrabble’ on its goods.

“6. Petitioner started using ‘scrabble’ more than twenty-five years ago in its generic, dictionary and descriptive sense. No objection to such use was ever heard from Respondent. Even after Respondent filed its applications for registration of ‘scrabble’ as a trademark, or after Certificate of Registration No. 52101 was issued to Respondent on January 29, 1992, Respondent showed no objection to Petitioner’s use of ‘scrabble’ on package of the board games it sells

under the trademark ROYAL and Crown Device. Respondent is misusing its registration for 'scrabble' belatedly to bar Petitioner and other toy manufacturers from employing 'scrabble' in its generic, dictionary and descriptive sense to which it has acquiesced for more than twenty years.

"7. The continuing registration of 'scrabble' as a trademark in the name of Respondent under Registration No. 52101 issued on January 29, 1992 is inconsistent with the position adopted by the Bureau considering scrabble as generic word and allowing the registration of ROYAL and Crown Device for 'scrabble' board games.

"8. Respondent, in reliance solely upon the registration of 'scrabble' as a trademark under Registration No. 52101 issued on January 29, 1992, unreasonably prevents, through its exclusive distributor in the Philippines, Petitioner and other toy manufacturers from manufacturing and distributing the word-forming word game under the mark ROYAL and Crown Device and other trademarks used in association with 'scrabble' in its generic, dictionary and descriptive sense."

In its Answer, Respondent-Registrant admitted its registration of the trademark SCRABBLE under Certificate of Registration No. 52101. Respondent-Registrant specifically denied all other allegations in the Petition for Cancellation and raised the following affirmative defenses:

"20. Respondent is the owner in the Philippines and in other countries of all existing rights, including copyright, to the mark SCRABBLE and to the game originally devised over a period of years ending in 1938 by Mr. Alfred Mosher Butts in the United States of America. In the Philippines, it initially registered, through its predecessors, the trademark SCRABBLE on October 17, 1957 under Registration No. 6132. Respondent, through its predecessors, also owned Registration No. 19316 issued on July 2, 1973, for SCRABBLE in Class 28.

"21. Respondent, by itself and through its predecessors, made actual commercial use of its trademark in the Philippines and continues distribution of the game through its [resent distributor, Rustan Commercial Corporation.

"22. The mark SCRABBLE is an internationally renowned mark of the Respondent. Even before 1957 when Respondent's predecessors initially obtained registration of their trademark in the Philippines, the mark SCRABBLE already enjoyed worldwide fame as a trademark for a word-building game. As owner of the intellectual property in SCRABBLE in all the countries concerned, Respondent has registered the said trademark in various intellectual property offices in most countries of the world.

"23. Such is the fame of the mark that standard dictionaries, when defining the word 'scrabble' in relation to game, give its meaning as that of a trademark for a word-building game.

"24. Unauthorized Philippine users such as the Petitioner adopted the same mark for the word building game on the basis of the fame attached to the mark and used the mark on infringing copies of Respondent's predecessors' games. Such adoption, moreover, is a knowing adoption of a duly registered trademark, since at that time, Respondent's predecessors owned Philippine registrations for its mark. The fact that Respondent's predecessors took the pains to register their trademark in the Philippines in order to protect its renown even at a time when its goods had not yet reached the local market belies the charge of

laches. Moreover, bad faith use of a duly registered trademark can never ripen into a right.

“25. Respondent does in fact own a monopoly in the Philippines for the word-forming board game under the trademark SCRABBLE being successors in title to the creators of the game in respect of all copyright connected with it which includes Copyright in the rules and Copyright in the board design.

“26. The issuance of the present registration in favor of Respondent is Respondent's by right being merely a re-registration and continuation of the original registrations owned by its predecessors. Respondent's right to obtain re-registration of its trademark as owner thereof is expressly recognized under Section 16 of the Trademark Law. The law, moreover, disfavors the cancellation of a valid trademark registration and will do so only on truly meritorious grounds.

“27. Petitioner's cause of action is barred by laches in view of long standing registrations in the Philippines of the trademark SCRABBLE.”

Admitted in evidence for the Petitioner are Exhibits “A” to “J”, inclusive of sub-markings, consisting of Affidavit of Joseph Sycip Ang; Certificate of Trademarks Registration No. 17488; packaging for Royal brand ‘scrabble’ game; receipts for the sale of sets of Royal brand ‘scrabble’ game dated 22 February 1980, 22 May 1980, 06 November 1980, 12 April 1982, 17 April 1982, 12 February 1988; page 1054 of Webster 9th New Collegiate Dictionary with definition of the word ‘scrabble’; page 198 of the New Webster Dictionary, edited by R.F. Patterson with definition of the word ‘scrabble’; page 654 of the Webster New School and Office Dictionary with definition of the word ‘scrabble’; Affidavit of Josefina Cruz; Affidavit of Johnny Go; receipts for the sale of ‘scrabble’ game sets by Multi Creative products (Phil) dated 26 November 1981.

Admitted as evidence for the Respondent-Registrant are Exhibits “8” to “144”, inclusive of sub markings, consisting of a booklet entitled “SCRABBLE The World's Leading Word Game RULES OF PLAY”; Affidavit of Roane Alfredo P. Lopez III; Philippine Trademark application by Scrabble Schutzrechte-und Handels Gmbh for SCRABBLE in class 23; Notice of Trademark Registration issued by the Philippine Patent Office; Registration No. 19316 for the mark SCRABBLE issued on 02 July 1973; Certificate of Trademark Registration No. 52101 for the mark SCRABBLE for board games, dated 29 January 1992; Certificate of Trademark Registration Nos. 4-1995-101372 and 4-1995-101371 for the marks RAINBOW SCRABBLE and JUNIOR SCRABBLE for toys, games and playthings and parts and fittings thereof, dated 29 October 1999 and 17 April 2000 respectively; copy of INTA Bulletin dated 01 April 2000; Affidavit of Michael Moore; table of trademark registrations for SCRABBLE; computer printout listing the details of trademark registrations which J.W. Spear has filed in various countries worldwide; Affidavit of Philip Nelkon; website printout of Scrabble.com; Affidavit of Alfred Mosher Butts; AMB-1 The Lexico, its rules and set of rules for Lexico and New Anagrams; AMB-2 The Criss-cross, its appearance and rules; AMB-3 Evolution of the game, board and rules; AMB-4 Subsequent evolution of the game, board and rules; AMB-5 Letter of Lester C. Twitchell and James Brunot to Alfred Mosher Butts; AMB-6 Further evolution of the game, board and rules distributed under the SCRABBLE trademark; certified copies of the assignment of Rights (Criss-Cross) executed by Chester Ives and Alfred M. Butts in favor of Production and Marketing Company; Agreement for Sale of Rights relating to SCRABBLE executed between Production and Marketing Company and Scrabble Schutzrechte und Handels Gmbh; Philippine Certificate of Trademark Registration No. 6132 for SCRABBLE; Certified extracts from the German Commercial Register recording the merger of Scrabble Schutzrechte und Handels Gmbh and Spear Spiele Gmbh; Agreement of Sale of Intellectual Property between Spear Spiele Gmbh and J.W. Spear Sons Plc; Philippine Certificate of Trademark Registration No. 19316 for the trademark SCRABBLE; certified copy of the assignment of Copyright from Spear Spiele Gmbh to J.W. Spear & Sons, Plc; Affidavit of Lau Tat Chi; photo prints showing different angles of boxes for SCRABBLE board game sold and distributed by and/or on behalf of J.W. Spear and the Philippine and other countries; pages from the J.W. Spear Catalogue for 1997-1998 and for 1981-1982; Affidavit of Mila Federis; photocopy

of relevant pages various dictionaries showing the definition of the word 'scrabble' as a verb, noun and trademark; and the depositions of Michael Moore, Lau Tat Chi and Philip Nelkon and their Answers to written cross-interrogatories.

Respondent also submitted to this Office copies of certificates of registrations and renewal certificates for the trademark SCRABB:E and variations thereof issued from the following countries: Africa (OAPI), Algeria, Argentina, Australia, Austria, Azerbaijan, Bahrain, Barbados, Benelux, Bolivia, Bophuthatswana, Bosnia-Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Congo, Croatia, Cyprus, Czech Republic, Democratic Republic of Congo, Denmark, Dominican Republic, Ecuador, Egypt, Estonia, European Community, Finland, France, Georgia, Germany, Greece, Guernsey, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Jamaica, Japan, Jersey, Kazakhstan, Kenya, Republic of Korea, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Macau, Macedonia, Malawi, Malaysia, Malta, Mauritius, Mexico, Republic of Moldova, Monaco, Morocco, Republic of Namibia, New Zealand, Nigeria, Norway, Oman, Pakistan, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, South Georgia and the South Sandwich Islands, Spain, Sri Lanka, Sweden, Switzerland, Syria, Taiwan, Tajikistan, Tangier, Thailand, Transkei, Turkey, Turkish Republic of N. Cyprus, Turkmenistan, United Arab Emirates, United Kingdom, Uzbekistan, Venda, Venezuela, Vietnam, Yugoslavia, Zaire, Zambia and Zimbabwe (*Exhibits "23" up to "77-A" of FOE*).

On 30 September 2003, Respondent-Registrant filed with this Office its Memorandum, pursuant to Order No. 2003-336 dated 13 August 2003. No Memorandum was filed on behalf of the Petitioner despite due notice.

The issues to be resolved in this case are as follows:

- (a) Whether or not Certificate of Registration No. 52101 for the trademark SCRABBLE was validly issued under the applicable Trademark Law;
- (b) Whether or not Petitioner has alleged and proven sufficient, valid and meritorious grounds for the cancellation of Certificate of Trademark Registration No. 52101; and
- (c) Whether or not Respondent-Registrant is barred by laches, estoppel and acquiescence from appropriating and registering SCRABBLE as a trademark in the Philippines.

Considering that Registration No. 52101 subject of the instant petition for Cancellation was issued under the old Trademark Law (R.A. 166, as amended), this Office shall resolved the case under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

The applicable provision of the Trademark Law, Section 17, Chapter IV, provides:

"Sec. 17. Grounds for Cancellation. – Any person, who believes that he is or will be damaged by the registration of a mark or trade name, may, upon payment of the prescribed fee, apply to cancel said registration upon any of the following grounds:

- a. That the registered mark or trade name becomes the common descriptive name of an article or substance on which the patent has expired;
- b. That it has been abandoned;
- c. That the registration was obtained fraudulently or contrary to the provisions of Section four Chapter II hereof (Registration of trademarks, trade names and service marks on the principal register);
- d. That the registered mark of trade name has been assigned, and is being used, by, or with the permission of, the assignee so as to misrepresent the source of the goods, business or services in connection with which the mark or trade name is used; or

- e. That cancellation is authorized by other provisions of this Act.”

Where applicable, this Office considered other sections of the old Trademark Law, its implementing Rules and Regulations, and all relevant doctrines and Supreme Court decisions.

As to Petitioner’s first and fourth grounds for cancellation –

Petitioner claims that SCRABBLE is an ordinary dictionary word which cannot be exclusively appropriated as trademark and cannot acquire distinctiveness to denote Respondent’s goods. Petitioner further claims that ‘SCRABBLE’ in its dictionary and descriptive meaning is the synonym for “scrabble” which signifies the mixing together or letter-blocks as a part of the word-forming board game.

Petitioner’s proposition that a dictionary word cannot function as a trademark because it lacks the basic requirement of distinctiveness invites this Office to restate the meaning of “distinctiveness” as it is understood in the realm of trademarks. In simplest terms, a word, whether or not found in a dictionary, is considered distinctive and capable of functioning as a trademark if it has the ability to identify the goods or services it protects as originating from a particular company and distinguishing those goods or services from those that originate from other companies. Under Section 4, Chapter II-A of the old Trademark Law, unless a distinctive word or device is qualified under the law, a company who owns that distinctive word or device had the right to register it as a trademark under the Principal Register. The only conditions that would have prevented distinctive marks from being registered under the Principal Register in the old Trademark Law are those specified under the aforementioned Section 4 thereof.

The degrees of distinctiveness of trademarks vary and are often measured along a continuum that ranges from the highly distinctive marks on one end to the generic names for goods and services on the opposite end. Towards the far end of the spectrum are the highly distinctive marks which include coined, original or highly fanciful names or terms. At the other far end are those words, phrases or devices that serve as the generic description of the relevant goods or services.

This Office is of the view that SCRABBLE is fanciful and highly distinctive, and this view is supported by the overwhelming evidence on record as well as the arguments offered by Respondent which we find persuasive.

Exhibits “103”, “104”, “105”, “106”, “107”, “109” show that SCRABBLE continues to function as a mark or brand for the specific word-forming board games that originate from, and are marketed by a single source or individual, and that source is the Respondent-Registration herein. The manner of its use as demonstrated by these Exhibits leave no doubt that SCRABBLE performs the function of a trademark as it distinguishes or identified the specific word-forming board games that are sold and distributed by the Respondent-Registrant, not only in the Philippines but also in other countries.

On Petitioner’s fourth ground, it is claimed that “SCRABBLE” in its dictionary meaning is synonymous to ‘scramble’ which signifies the mixing together of letter blocks as a part of the word-forming board game.

This Office finds no support in the record for the assertion that the word “SCRABBLE” or “SCRAMBLE” means or denotes the act of mixing together of letter blocks as part of a word-forming game. No authoritative opinion or reputable publication was presented by Petitioner to demonstrate that the word “SCRABBLE” is defined as the mixing of letter blocks or is a word that designates the word-forming board game itself. On the other hand, Respondent’s second witness identified nine (9) published dictionaries defining “SCRABBLE” as the “trademark for a word game” and/or as verb means “to grope around with one’s fingers, to find or hold on to something, or to move quickly and awkwardly, to scribble, to struggle, to scrape or scramble.” (*Exhs. 118, 119 to 119-C, 120 to 120-C, 121 to 121-C, 122 to 122-C, 123 to 123-C, 124 to 124-C, 125 to*

125-C, 126 to 126-A). None of these dictionaries defines "SCRABBLE" in a descriptive or generic sense as to denote the word-forming board game.

This Office takes cognizance of this case rendered by the Second Circuit of the United States Court of Appeals entitled *Selchow & Richter Company vs. McGraw-Hill Book Company* (June 19, 1978, 580 F. 2d 25, 198 U.S.P.Q. 577) where the issue of the distinctiveness of SCRABBLE was squarely ruled upon. In that case, the Court said that "the use of SCRABBLE as name of a game was sufficiently fanciful to render it fit for employment as a mark."

We further note from Respondent's evidence that in the article published by International Trademark Association, the INTA Bulletin in April 1, 2000 entitled "The Trademark Century in Review", among the well-recognized trademarks mentioned therein is the trademark SCRABBLE. (*Exhibit "17-Q"*).

Not to be overlooked is the overwhelming confirmation by trademark authorities around the world that SCRABBLE is distinctive as evidenced by the numerous worldwide registrations obtained by Respondent for its trademark SCRABBLE. (*Exhibits 23 to 77-A*).

As to Petitioner's second, third, fourth, sixth and seventh grounds for cancellation –

Petitioner claims that in the Philippines, it is the Petitioner herein along with other Philippine toy manufacturers who are the first to use "SCRABBLE" in a generic sense to denote the word-forming board game. Petitioner likewise claims that since October 3, 1966 it has been manufacturing and distributing the word-forming board game using the trademark ROYAL and Crown Device in association with "SCRABBLE" in its generic, dictionary and descriptive sense. Petitioner asserts that because it had prior and uninterrupted use of SCRABBLE, the said term has not acquired and will not acquire distinctiveness in the Philippines. Finally, Petitioner concludes that even assuming Respondent to be the owner of SCRABBLE elsewhere, that ownership does not hold true in the Philippines and therefore the subject registration was issued contrary to Sections 4 and 17 of old Trademark Law.

On the issue of genericness in a cancellation of trademark setting, the guidance provide in relevant U.S. cases is noteworthy as they are instructive:

"The test for determining whether a designation is generic, as applied to the goods or services in the registration, turns upon how the term is perceived by the relevant public. *Loglan Institute Inc. vs. Logical Language Group, Inc.* [1962 F. 2d 1038, 22 USPQ2d 1531 (Fed. Cir. 1992)]. Determining whether an alleged mark is generic involves a two step analysis: (1) What is the genus of the goods or services in question? And (2) Is the term sought to be registered understood by the relevant public primarily to refer to that genus of goods or services?" *H Marvin Ginn Corporation v. International Association of Fire Chiefs, Inc.* [782 F. 2d 987, 228 USPQ 528 (Fed. Cir. 1986)].

"The party asserting genericness must prove its claim by a preponderance of the evidence." *Magic Wand Inc. vs. RDB, Inc.* [940 F. 2d 638, 19 USPQ 1551 (Fed. Cir. 1991)].

What is alleged in this petition is that Petitioner and other toy manufacturers used SCRABBLE in a generic manner to designate the word-forming board games which are manufactured and sold by them. The Petition does not allege that it is the relevant public or those consumers who demand to buy the word forming board games understand the word SCRABBLE as referring to the board games themselves regardless of who produces or manufactures those board games.

This Office finds it fundamentally erroneous to assume that Petitioner and a few other toy manufacturers constitute the relevant public and that their alleged generic uses would transform a highly fanciful and duly registered trademark into the public domain.

But assuming that the Petitioner's claim deserve some consideration, this Office shall proceed to examine the record to determine if Petitioner has in fact established its claim of prior generic use of SCRABBLE. The Petitioner's evidence that were offered to support alleged generic use consists of affidavit-testimonies of three (3) witnesses, marked as Exhibits "A", "Q" and "E". The first witness identified sale invoices, Exhibits "D" to "I" which Petitioner wants this Office to accept a proof of generic use of "SCRABBLE" in connection with word-forming board games marketed under the brand ROYAL & Crown Device.

The record does not demonstrate that Petitioner legitimately engaged in prior and uninterrupted use of SCRABBLE in a generic sense in connection with word-forming board games. This Office shares Respondent's observation that with respect to invoices marked Exhibits "D" to "I", they were not authenticated by the consumers who purchased the products listed therein. No independent documentation or third party testimony was presented to show that the sales transaction represented by these invoices actually occurred on the dates stated. Absent any other evidence proving the alleged sales transactions, these invoices are no probative value for establishing sales transactions between Petitioner and third party buyers.

Moreover, Exhibits "D" to "I" show that the alleged sales occurred in 1980 at the earliest, not in 1966 as claimed by Petitioner. Exhibits "D" to "I" do not prove that the items supposedly sold are indeed word-forming board games on the packaging of which the word "SCRABBLE" is used in a generic sense. Exhibit "C" which appears to be a packaging of a word-forming board game on which is printed the word "scrabble" was never linked to the invoices. Thus, Exhibit "C" alone does not prove that the product was being produced and marketed as such in 1980, the year when the alleged sales transaction occurred.

Likewise, the documents which Petitioner claims are official receipts, namely: Exhibits "F" to "J" are of doubtful evidentiary value to prove generic use of SCRABBLE. These official receipts were not authenticated by third party buyers. Exhibit "F" bears Serial No. "0001" and dated November 6, 1980 while Exhibit "G" bears the next Serial No. "0002", and is dated April 12, 1982. These invoices, although serially numbered next to each other, are dated 2 years apart. Exhibit "I" with Serial No. "0003" is dated February 12, 1988, 6 years after the date of invoice bearing Serial No. "0002". Without drawing the same conclusion, this Office notes Respondent's observation that if the enterprise whose owner was testifying was regularly engaged in business, why were their first four serially numbered official receipts (Serial Nos. 0001 to 0004) issued at intervals stretching over a course of a period of 8 years?

But even assuming that the foregoing receipts and invoices prove sales of Petitioner's word-forming board games, those documents in themselves are not probative of the consumer's perception of the term SCRABBLE. They do not prove that buyers used the term SCRABBLE when they meant or referred to the actual word forming board games they were buying.

Furthermore, none of the alleged invoices and receipts presented by Petitioner is dated earlier than 1980. Petitioner's assertion that it has made generic use of SCRABBLE beginning October 3, 1966 and during subsequent years prior to the issuance of the subject registration is without any support in the record.

As to Petitioner's assertion that the subject registration was issued contrary to Section 4 of the Old Trademark Law, the relevant records concerning the history of the trademark SCRABBLE, how and when respondent acquired its ownership and other relevant information leading up to the issuance of Registration No. 52101, have to be examined.

Respondent-Registrant's evidence show that through its predecessors, it initially registered in the Philippines the trademark SCRABBLE on October 17, 1957 under Certificate of Registration No. 6132. (*Exhibit "94"*).

Respondent's predecessor also owned Certificate of Registration No. 19316 issued by the Philippine Patent Office on July 2, 1973 for SCRABBLE in connection with goods in International Class 28 *(Exhibit "17-F")*. Based upon a testimony of Respondent's witness the application which led to Registration No. 19316 was dated July 23, 1971 and was filed by its predecessor, scrabble Schutzrechte-und Handels-GmbH addresses to the Director of Patents *(Exhibit "17-C")*. This application was officially received by the Philippine Patent Office on July 26, 1971 *(Exhibit "C-1")*. Exhibit "17-D" was an Acknowledgement by the Philippine Patent Office of its receipt of the Trademark Application. A Notice of Trademark Registration was subsequently issued by the Philippine Patent Office *(Exhibit "17-E")*. On July 2, 1973, Certificate of Registration No. 19316 for the trademark SCRABBLE was issued by the Philippine Patent Office *(Exhibit "17-F")*. It is important to note that Registration No. 19316 was issued based upon a corresponding German Registration which has issued in Germany as early as July 20, 1953 *(Exhibit "17-C")*.

Under Section 37 the old Trademark law foreign nationals are allowed to obtain trademark registrations in the Philippines based upon a corresponding registration in the foreign country, provided that the country of such foreign nationals provides reciprocal rights to Filipinos. If issued under Section 37, the foreign national was not required to use the trademark in the Philippines prior to the issuance of the Philippine registration provided it is able to submit a certified copy of corresponding home registration.

The record explains the chain of Title Exhibit "95" is a certified extract from the German Commercial Register which recorded the merger of Scrabble Schutrechte-und Handels GmbH and Spear Spiele GmbH, duly legalized by the Philippine Consulate in Hamburg, Germany, with Spear Spiele GmbH as the surviving company *(Exhibit "96")*.

On January 7, 1985, Spear Spiele GmbH sold its intellectual property rights to herein Respondent, J.W. Spear & Sons, Plc., the latter, acquiring in the process the "trademarks, copyrights, business, goodwill, and all other intellectual property rights pertaining to the trademark "SCRABBLE" *(Exhibit "98")*.

Respondent's witness testified that the 1973 registration (Reg. No. 19316) was in force until 1984 but it inadvertently lapsed for failure to file the mandatory 10th year affidavit of use prompting the Respondent's attorneys to re-register the same mark in 1988 resulting in the issuance in 1992 of the Registration No. 52101.

Under Section 16 of the old Trademark Law, the failure to file the 10th year affidavit of use did not affect its right to the registered mark SCRABBLE. Section 16 provides: "mere failure to renew any registration shall not affect the right of the registrant to apply for and obtain a new registration under the provisions of this Act, nor shall such failure entitle any other person to register a mark or trade-names unless he is entitled thereto in accordance with the provisions of this Act."

From all the evidence cited above, it is clear that as early as 1957 and succeeding years, SCRABBLE has enjoyed the status and protection of a registered trademark in the Philippines.

More significantly, because of the overwhelming evidence on record this Office finds that SCRABBLE likewise enjoyed the status of an internationally known mark even prior to the issuance of Registration No. 52101.

In this regard, Respondent-Registrant presented the testimonies of five (5) witness and offered numerous documentary evidence invariably demonstrating the world-renown status of SCRABBLE. Exhibits "23" to "77" are title documents consisting of certificates of registration, renewal certificates, assignment recordal documents for the trademark SCRABBLE and variations thereof, all issuing from different trademark offices around the world. Exhibit "24" is a computer printout, consisting of 25 pages, listing the details of applications and registrations filed/issued in the name of Respondent for the trademark SCRABBLE by trademark offices in different countries worldwide.

Lau Tat Chi, out of the five witnesses presented by Respondent who is a member of its Board of Directors testified about the distribution and sale of word games under the SCRABBLE trademark for many years. He testified that he has oversight of the sales and promotion of games sold under the SCRABBLE trademark. He cited that during the years from 1996 to 2001 over 13,400,000 units of Respondent's SCRABBLE brand products have been marketed, distributed and sold in Asia, Europe and Latin America, and over US\$26,000,000 have been spent advertising SCRABBLE brand in the regions mentioned. He further testified that Respondent is distributing and marketing SCRABBLE brand board games in the Philippines through an authorized licensee, and that during the period from 1991 to 2001, it is estimated that over 650,000 games have been marketed and sold under the SCRABBLE trademark owned by Respondent in the Philippines. This witness identified catalogues of products dating back since 1977 showing the SCRABBLE branded word games that are sold and marketed by Respondent in many parts of the world outside of United States and Canada.

Another witness, Philip Nelkon, testified as SCRABBLE Promotions and Licensing Manager for Spears Games. This witness claims to be one of the United Kingdom's top players of the SCRABBLE word game and now has the responsibility of organizing SCRABBLE tournaments. He testified as to the existence of Mattel's SCRABBLE website which is accessible through "Scrabble.com" at "MattelScrabble.com" and claims that in this website, SCRABBLE is promoted as a trademark for toys and games, and such website has received over a million visitors from around the world since the year 2000.

The records show that Respondent's title to the trademark SCRABBLE dating back to the earliest German Registration was issued in 1953 (*Exhibit "40"*). Many registrations worldwide have been issued prior to Petitioner's alleged use in 1966, and prior to 1980, the earliest date of Petitioner's alleged invoices. We also note that the registration certificates show that SCRABBLE was already registered in Austria on April 30, 1954 (*Exhibit "28"*), in Switzerland in 1954 (*Exhibit "69"*), in South Africa in 1954 (*Exhibit "67"*), in Zambia in 1955 (*Exhibit "76"*), in Pakistan in 1969 (*Exhibit "62"*), in Singapore in 1970 (*Exhibit "66"*), in Malaysia in 1970 (*Exhibit "55"*), in Kenya in 1970 (*Exhibit "51"*), in Ireland in 1971 (*Exhibit "47"*), in Portugal in 1972 (*Exhibit "63"*), in Spain in 1972 (*Exhibit "68"*), in Thailand in 1973 (*Exhibit "71"*), in Indonesia in 1976 (*Exhibit "46"*), in India in 1978 (*Exhibit "45"*), in Zimbabwe in 1978 (*Exhibit "77"*). Numerous other registrations were issued in the 80's and 90's.

As earlier mentioned, this world-renown status of SCRABBLE was confirmed in the article published by International Trademark Association, the INTA BULLETIN on April 1, 2000 in an article entitled "The Trademark Century Review", wherein SCRABBLE is listed among several of the well-recognized trademarks. Exhibit "17-Q".

Rule 102 of the Rules and Regulations in place under the old Trademark Law provided for the criteria for determining when a trademark is internationally well-known. Among the criteria listed are: (a) the "duration, extent and of the mark, in particular the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies." See Rule 102(a). (b) The "degree of the inherent or acquired distinction of the mark." See Rule 102(c). (c) "The extent to which the mark has been registered in the world." See Rule 102(e). (d) "The exclusivity of registration attained by the mark in the world." See Rule 102(f). (e) The extent to which the mark has been used in the world." See Rule 102(g). (f) "The exclusivity of used attained by the mark in the world." See Rule 102(h). (g) "The commercial value attributed to the mark in the world." See Rule 102(i). Respondent's evidence demonstrates that all of the above criteria have been complied with.

Section 20 of the old Trademark Law states the effect and implications of the issuance of a certificate of registration: "A certificate of registration of a mark or trade name shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or trade name and of the registrant's exclusive right to use the same in connection with the goods,

business or services specified in the certificate, subject to any conditions and limitations stated herein.”

The legal effects of a trademark registration as stated in Section 20 have been applied by the Supreme Court repeatedly in many cases whenever trademark rights arising from valid registrations are in use. These cases are *Lorenzo vs. Macagba*, (154 SCRA 723), *Del Monte Corporation vs. Court of Appeals* (181 SCRA 410), *Conrad and Company, Inc. vs. Court of Appeals* (G.R. No. 115115, July 18, 1995), *Amigo Manufacturing, Inc. vs. Cluett Peabody Co., Inc.* (354 SCRA 434), to name a few. In the *Amigo* case, the Supreme Court stated:

“(a) certificate of registration of a mark or trade name shall be prima facie evidence of the validity of the registration, the registrant’s ownership of the mark or trade name, and of the registrant’s exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated herein. This has been interpreted to mean that the registration of a mark constitutes prima facie evidence of the registrant’s ownership of the mark, the date of appropriation and the validity of other pertinent facts stated therein.”

Taking the legal presumption a step further, the Supreme Court in the case of *Philip Morris, Inc. v. Court of Appeals* (224 SCRA 576), stated thus:

“When taken with the presumption of regularity of performance of official duty, it will be seen as issuance of a certificate of registration of a trademark also gives rise to the presumption that all the requirements of Philippine law necessary for a valid registration were complied and satisfied.”

In addition to the Registration No. 52101 for SCRABBLE, Respondent also owns Registration No. 4-1995-101372 for RAINBOW SCRABBLE and Registration No. 4-1995-101371 for JUNIOR SCRABBLE. Exhibits “17-K” and “17-L”.

It is important to know the following: (1) No assertion was made that Respondent made fraudulent misrepresentation in the application that resulted in Registration No. 52101; (2) The application was filed and registration issued without disclaimer for the word SCRABBLE; (3) Exhibit “17-K-2” shows the notation “Disclaimer: None” appearing in Registration No. 4-1995-101372 for RAINBOW SCRABBLE; (4) Exhibit “17-L-2” shows the notation “Disclaimer: None” appearing in Registration No. 1-1995-101371 for JUNIOR SCRABBLE; (5) No opposition was filed by Petitioner or any third party objecting to any of the three registrations mentioned.

As to Petitioner’s fifth, eighth, ninth and tenth grounds –

Petitioner asserts that there is a “traditional” meaning in the trade for the word SCRABBLE and that meaning is in a generic sense; and, that Petitioner and other toy manufacturers have the right to use SCRABBLE which right is prejudiced by Registration No. 52101.

No evidence was presented to establish the asserted “traditional” meaning in the trade for the word SCRABBLE. Neither is there any basis for the assertion that the relevant trade uses the word SCRABBLE as the generic name for the word-forming game. The test of genericness in the trademark law is in the term’s meaning to a usual buyer or other relevant members of the public. Such relevant members of the public would be the retail consumers.

Assuming that Petitioner’s testimony are credible to prove generic use of SCRABBLE by the Petitioner and other manufacturers, the few occasional uses asserted by those invoices do not present or reflect the general regard for the SCRABBLE term by the entire toy industry. The industry includes the consumers who are expected to purchase or demand to buy the products. For lack of evidence, this Office finds the fifth ground of this petition without merit.

Petitioner likewise asserts that Respondent's use of its trademark SCRABBLE without any other distinguishing words to refer to its goods will amount to continued market monopoly which is unfair to Petitioner.

Respondent claims that it "does in fact own a monopoly in the Philippines for the word-forming board game under the trademark SCRABBLE being successors in title to the creators of the game in respect of all copyright connected with its which includes copyright in the rules and copyright in the board design." In support of this claim, Respondent's witness, Philip Nelkon, testified as to the origins and developments of the word game, the original appearance of the game and the rules for the game, the evolution of the game rules and board for the word game, and all other changes and revisions introduced to the board and the rules of the game (*Exhibits "78" to '101-A"*). Respondent has proven that it indeed owns the copyright to the word game, the board for the game and the rules of the game asserts that no other third parties should reproduce without its permission these copyrighted items. These claims notwithstanding this Office cannot rule upon any copyright claims as it has no jurisdiction to do so in a petition for cancellation of trademark registration.

However, this Office finds it necessary to examine how Respondent uses its trademark SCRABBLE considering Petitioner's allegation that Respondent uses SCRABBLE without any other distinguishing name. Exhibits "103" to "109" show that the trademark SCRABBLE is printed on the packaging of the Respondent's product accompanied by the phrase "registered trademark". Exhibits "8" and "8-A" show that the Respondent uses on its products the phrase "the word game" in conjunction with the trademark SCRABBLE. Exhibits "110" to "115-B" are catalogues featuring Respondent's products sold under the SCRABBLE brand in which the term "word game" is used to describe the relevant products. The actual board game bears the SCRABBLE trademark showing the ® symbol which is the universal notice to the world that such name, design, word or symbol is a trademark. Exhibit "103" even bears a notice of copyright in favor of Respondent, thus clearly, providing the consumers not only a description of the product but as to its exclusive source as well. All the above clearly demonstrates that Petitioner's claim that Respondent-Registrant uses SCRABBLE without any other distinguishing word is without merit.

As to the allegation of prejudice to Petitioner's rights and market monopoly for Respondent-Registrant, the issuance of the subject registration being a distinctive, arbitrary and fanciful trademark has effectively taken out the word SCRABBLE from the public domain. Moreover, the established manner in which Respondent uses its registered trademark as source indicator is but an exercise of the right conferred upon it by its registration, which should not be equated to taking unfair advantage over and at the expense of Petitioner.

Petitioner likewise asserts that Respondent's exclusive right to use SCRABBLE will confuse, deceive and prejudice Philippine consumers.

The question of confusion, mistake or deception in trademark cases stems from the legal requirement under Section 4(d) of the old Trademark whereby a trademark application must be refused by the Examiner if the mark applied for so resembles a previously registered or previously used trademark owned by another as to be likely, when used in connection with the goods or services of the applicant, to cause confusion, mistake or deception. When Respondent's application was filed in 1988 as a re-registration of an earlier registration which inadvertently lapsed, there was no other conflicting trademark in existence. Neither the Petitioner nor any other third party has any application covering the same or similar mark that was pending with the then Bureau of Patents, Trademarks and Technology Transfer. As a result, no conflicting mark was cited by the Examiner thereby clearing the path for the registration to issue.

Finally, it is clear to the record that SCRABBLE was already registered as a trademark in the Philippines in 1973 and in 1957. The legal protection of the registered owner arising from those registrations continued for years. In particular, the 1973 registration was only inadvertently

abandoned in 1984 due to non-filing of affidavit of use but steps were taken to re-register it in 1988. During the years mentioned, no third party questioned the registrations. No opposition was filed when the application for re-registration was published in the Official Gazette.

If this Office is to believe that Petitioner and some toy manufacturers attempted to use the registered mark SCRABBLE in a generic sense on a few occasions in the years 1980, 1982, and 1986, those few occasional uses are clearly unauthorized uses, which cannot overturn the legal protection accorded by the law in favor of Respondent and its predecessors by reason of the registrations obtained in 1957, 1973 and succeeding years.

The assertion that there is public prejudice arising from public confusion, mistake or deception requires proof. There is no evidence on record demonstrating any instance of actual consumer confusion. In fact it will be highly improbable to find a consumer who will be confused if by its own admission Petitioner claims that they do not use SCRABBLE as a trademark. If only the registered owner uses SCRABBLE in designating the source or origin of the board games, how can the public be confused or deceived?

Likewise, the assertion by Petitioner of the equitable defense of laches, estoppels and acquiescence has no place in this proceeding. We point out that Petitioner is the party that is claiming a right against Respondent, namely, the right to be allowed to use SCRABBLE in generic sense which can be achieved when the subject registration is cancelled. Laches, estoppels and acquiescence are equitable defenses which Respondent, being the party on the defensive side in this proceeding, is the only party who can raise these defenses, not the Petitioner.

In *Go Chi Gun, et al. vs. Co Cho et al.* (96 Phil 622), the Supreme Court spelled out the four elements of the equitable defense of laches, to wit: (1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which complaint is made and for which the complaint seeks remedy; (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendants' conduct and having been afforded an opportunity to institute a suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right on which he bases his suit; and (4) injury or prejudice to the defendant in event relief is accorded to the complainant, or the suit is not held to be barred. *Perez et al. vs. Chua et al.*, (G.R. No. L-36850, September 23, 1982).

In the context of this specific cancellation proceeding, Respondent-Registrant cannot be accused of laches. Respondent-Registrant's trademark rights are firmly secured by the registration in that, for as long as the registration remains valid, Petitioner is obligated to recognize and respect the right of Respondent to the exclusive use of the trademark SCRABBLE.

"To successfully prosecute a petition for cancellation Petitioner must plead and prove two basic elements: (a) that it has standing to petition to cancel in that it is likely to be damaged by the registration; and (b) that there are valid grounds why the registration should not continue to be registered." *McCarthy on Trademarks and Unfair Competition (Third Edition, 20.12 [2])*.

"The degree of proof in both opposition and cancellation proceedings are preponderance of evidence." *J. Thomas McCarthy on Trademarks and Unfair Competition, (Third Edition, 20, 16)*.

As Petitioner offered insufficient evidence to dispute the regularity of issuance of Registration No. 52101, we find no merit in Petitioner's petition for cancellation.

This Office therefore, concludes, based upon all evidence presented and discussed, that the trademark SCRABBLE is not only an internationally well known mark but that Registration No. 52101 has met all the basic requirements or registrability under Section 4 of the Trademark Law, RA 166. From as far back as its registration in 1957, to the registrations in 1973 and 1992,

coupled with international fame which it was already enjoying, there is no doubt that the trademark SCRABBLE enjoyed the status of a duly registered trademark which necessarily entitled Respondent to all the rights and protection under the trademark law.

WHEREFORE, premises considered, the Petition for Cancellation is hereby DENIED. Consequently, the validity of Registration No. 52101 for the mark "SCRABBLE" issued in the name of J.W. SPEAR & SONS PLC, on January 29, 1992 is hereby AFFIRMED.

Let the records of this case be forwarded to the Administrative, Financial and Human Resource Development Bureau for appropriate action in accordance with this Decision and a copy thereof be furnished to the Bureau of Trademarks for information and update of its records.

SO ORDERED.

Makati City, 23 December 2003.

ESTRELLITA BELTRAN-ABELARDO
Director
Bureau of Legal Affairs
IPO