

ANG TIAN SU SONS, INC.,  
Petitioner-Appellant,

APPEAL NO. 14-2004-00001

- versus -

Inter Partes Case No. 3921  
Petition for Cancellation:  
Registration No. 52101  
Date Issued: 29 January 1992

J. W. SPEAR & SONS LIMITED,  
Respondent-Registrant-Appellee.

Trademark: SCRABBLE

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## DECISION

This concerns Decision No. 2003-38 dated 23 December 2003 rendered by the Director of the Bureau of Legal Affairs (Director) denying the Petition for Cancellation filed by ANG TIAN SU SONS, INC. (Appellant) and affirming the validity of Registration No. 52101 for the mark SCRABBLE for board games issued in the name of J. W. SPEAR & SONS LIMITED (Appellee).

The main issue in this case is whether or not Certificate of Registration No. 52101 for the trademark SCRABBLE was validly issued in favor of the Appellee.

Records show that on 26 August 1988, Appellee, then known as J. W. Spear & Sons PLC, filed with the then Bureau of Patents, Trademarks and Technology Transfer (BPTTT) of the Department of Trade and Industry an application for the registration of the trademark SCRABBLE for Games in accordance with Section 37, Republic Act No. 166, as amended. Appellee claimed that the mark was first used in the Philippines on 21 August 1987 and is now used in commerce. On 29 January 1992, Registration Certificate No. 52101 was issued in favor of the Appellee. On 13 August 1993, Appellant filed with the BPTTT a Verified Petition for Cancellation of said registration.

In its petition, Appellant alleged that SCRABBLE is an ordinary dictionary word, which cannot be exclusively appropriated as a trademark and which cannot acquire distinctness to denote Appellee's goods. Appellant claimed that a number of Philippine manufacturers have, for decades, manufactured and distributed the word-forming board game and descriptive sense. Appellant contended that 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. Appellee, Appellant said, is barred by laches, estoppel and acquiescence from appropriating and registering SCRABBLE as a trademark in the Philippines.

In its Answer, the Appellee denied the allegations in the petition and countered that it is the owner in the Philippines and in other countries of all existing rights, including copyright, to the mark. Appellee claimed that it initially registered in the Philippines, through its predecessors, the trademark SCRABBLE on 17 October 1957 under Registration No. 6132 and that it owned, through its predecessors, Registration No. 19316 issued on 02 July 1973 for SCRABBLE in Class 28. The present registration of SCRABBLE in its favor according to the Appellee, is merely a re-registration and continuation of the original registrations owned by its predecessors. Appellee maintained that is made actual commercial use of its trademark in the Philippines and continued the distribution of the game through its present distributor, Rustan Commercial Corporation. Appellee also asserted that its mark SCRABBLE is an internationally renowned mark that has enjoyed worldwide fame as a trademark for a word-building game and that is has registered that said trademark in various intellectual property offices in most countries in the world. Because of the fame of SCRABBLE, Appellee said that standard dictionaries when defining the word "scrabble" would give a meaning as that of a trademark for a word-building game. Appellee also claimed that Appellant's petition is barred by laches in view of the long standing registrations in the Philippines of the trademark SCRABBLE.

On 23 December 2003, the Director rendered the assailed Decision. Not satisfied, the Appellant filed on 20 February 2004 the instant appeal anchored on the following alleged errors:

“I. THE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS GRAVELY ERRED IN HOLDING THAT SCRABBLE IS A FANCIFUL AND DISTINCTIVE MARK, AND NOT GENERIC OR DESCRIPTIVE, HENCE, SAID TERM CANNOT BE USED IN A TRADEMARK SENSE.

“II. ASSUMING ARGUENDO THAT SCRABBLE MAY BE APPROPRIATED AS A TRADEMARK, IT IS THE APPELLANT THAT HAD PRIOR USE OF THE SAME IN THE PHILIPPINES, HENCE, IT IS GRAVE ERROR ON THE PART OF THE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS TO DISMISS THE PETITION ON THE GROUND THAT THE APPELLEE HAD SUPERIOR RIGHT OVER SAID MARK.

“III. MOST OF APPELLEE’S EVIDENCE HAVE NO PROBATIVE VALUE, HENCE, IT IS GRAVE ERROR ON THE PART OF THE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS TO SUSTAIN APPELLEE’S SUPPOSED RIGHT OVER THAT OF THE APPELLANT ON THE BASIS OF SAID EVIDENCE.”

In the appeal, Appellant reiterates its argument that the mark SCRABBLE is generic or descriptive. The BPTTT, Appellant claims, perceived SCRABBLE as descriptive when it is issued the Certificate of Registration for the mark Royal and Crown Device and identified the goods covered by the mark as consisting of tiles and pieces including the packaging for the “Games for scrabble (plastic letter tiles)”. SCRABBLE, according to Appellant, is equivalent to the word “SCRAMBLE”, which denoted the act of mixing together, and in this case, of letter blocks as part of a word-forming board game. The testimonies of its witnesses who are all manufacturers and/or dealers of the boards and tiles of the game using the mark Royal Crown Device, Appellant claims, are under the impression that the word SCRABBLE describes the game and is not a brand name or trademark of any person for such word game. These witnesses, Appellant posits, should be considered as part of the relevant public.

Appellant also contends that it is the prior user of the mark and is the lawful owner thereof. While it has sufficiently proven by testimonial and documentary evidence that it was the prior user of SCRABBLE and that it has distributed and sold to the general public the word-forming board game in association with SCRABBLE as early as 1980, the Appellee, according to the Appellant has not submitted any evidence of use in the country of the term SCRABBLE regardless whether or not SCRABBLE is an internationally known mark or that it has been registered in the Philippines. Appellee’s evidence, argues the Appellant, has no probative value and as such, it is grave error on the part of the Director to sustain Appellee’s right over that of the Appellant.

Commenting on the appeal, Appellee counters that given the records of the registration of SCRABBLE as a trademark in favor of the Appellee or its predecessors, the issue of registrability of SCRABBLE has been passed upon on several occasions and that the mark was found as distinctive and registrable. Appellee maintains that Appellant’s assertion that SCRABBLE is descriptive is contrary to its position that the mark is incapable of becoming distinctive or of functioning as a trademark. Appellee adds that excerpts from nine (9) dictionaries defined SCRABBLE as a trademark for a word game and that a United States court has ruled that the use of SCRABBLE as a name of a game is fanciful. The use of SCRABBLE as description of goods in the Certificate of Registration issued by the BPTTT for the mark Royal and Crown Device, Appellee claims, reflects the mistake of an individual Examiner which is ineffective and must be rectified. The government, according to the Appellee, is not bound by the mistake of its officials or employees and is not estopped from rectifying mistakes. Concerning the testimonies of Appellant’s witnesses who claimed to be toy manufacturers/dealers and who stated that the word SCRABBLE describes the game and thus is not a brand name or trademark, Appellee contends that no evidence was presented to show that the witnesses represent

established and reputable toy dealers and manufacturers or sellers. It is the perception of the customer, Appellee claims, that is material in determining issues of confusion, infringement or the generic nature of trademark.

Appellee asserts that nothing in the record proves Appellant's prior and uninterrupted use of the mark. Appellant, Appellee says, even admitted in the cross-examination that it is under no obligation to prove its use of the trademark SCRABBLE as it enjoyed the legal presumption of validity of Certificate of Registration No. 52101. Said registration was issued under the old Trademark Law under which a foreign national was allowed to obtain trademark registration in the Philippines based upon a corresponding registration in the foreign country, provided that the country of such foreign national gives reciprocal rights to Filipinos. Records, Appellee points out, clearly show that the trademark has enjoyed worldwide renown and recognition and that it has extensively used and marketed its products in major markets in the world including Asia and the Philippines.

After due consideration of the foregoing and review of the records, this Office finds the appeal not meritorious.

Under Section 17 of RA No. 166, as amended, the law applicable in this case, it is provided that:

*"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;
- (d) That the registered mark or 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 provision of this Act."

Hence, any person who seeks to cancel a certificate of registration of a mark has the burden of proving the existence of any of the aforementioned grounds. In this case, Appellant claims that the trademark SCRABBLE is generic or descriptive. It cites as evidence Certificate of Registration No. 47488 for the mark Royal and Crown Device which identifies the goods covered by this mark as consisting of tiles and pieces including the packaging for the "Games for scrabble (plastic letter tiles)", and points out that the Webster Ninth New Collegiate Dictionary defines SCRABBLE as SCRAMBLE. Appellant posits that the testimonies of its witnesses who are all toy manufacturers and dealers support its contention that SCRABBLE is generic or descriptive.

This Office, however, agrees with the findings of the Director that:

"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-Registrant 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 identifies 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.”

Indeed, while it is true that Certificate of Registration No. 47488 for the mark Royal and Crown Device identifies the goods covered by this mark as consisting of tiles and pieces including the packaging for the “Games for scrabble (plastic letter tiles)”, such is not sufficient to conclude the descriptive nature of the mark SCRABBLE. Certificates of Registration embodying the mark were subsequently issued in favor of the Appellee proving that the mark is not descriptive but is distinctive and can be subject to registration. As correctly pointed out by Appellee, the use of “scrabble” as goods description in Certificate of Registration No. 47488 reflects the mistake of an individual Examiner and to that end such description is ineffective and should be rectified. Between a previous Certificate of Registration, which only mentions the word “scrabble” in one of the items in the said Certificate, and subsequent Certificates of Registrations of the trademark SCRABBLE, thereby recognizing SCRABBLE as distinctive and registrable, the latter should prevail.

A trademark includes any word, name, symbol, emblem sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others. Under Section 20 of RA No. 166, as amended, it is provided that:

“Sec. 20. Certificate of registration prima facie of validity. - 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 therein.”

Succinctly, the sole testimonies of Appellant’s witnesses which indicate only their impressions that SCRABBLE is generic or descriptive are not sufficient to overcome the presumption of validity of a certificate of registration. The registration of a trademark and the issuance of a certificate give rise to such presumption owing to the quasi-judicial nature of the examination proceedings. As an ex parte prosecution by the applicant, the proceedings are like a lawsuit in which there is a plaintiff (the applicant) but no defendant, the court itself (the Examiner) acting as the adverse party. The IPO represented by the Examiner, is not supposed to look after the interest of an applicant. The law imposes that duty upon the applicant himself. The Examiner is charges with the protection of the interests of the public and hence must be vigilant to see that no registration is issued for a mark contrary to law and the Regulations, and that the application meets the criteria and requirements for registration. Aptly, the IPO is empowered by law to pass upon applications for registrations and, because of the authority vested in it, its decisions with respect to the grant of a registration, or on any point connected with it, are presumed to be corrected by the courts.

On the other hand, the invoices and sales of the word-forming board games presented by the Appellant are only evidence of sales but do not prove that SCRABBLE is generic or descriptive. As found by the Director:

“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 consumers’ 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 SRRABBLE beginning October 3, 1966 and during subsequent years prior to the issuance of the subject registration is without any support in the record."

On this score, in the case of Andres Romero vs. Maiden Form Brassiere Co., Inc., et al., the Supreme Court ruled that widespread dissemination does not justify the defendants in the use of the trademark. Otherwise, every time a plaintiff obtained the result of having the public purchase of its article, that fact itself would destroy a trademark. Arbitrary trademarks cannot become generic in this way. On the other hand, the trademark registrations of the mark SCRABBLE around the world and the publication by the International Trademark Association in the INTA Bulletin citing the mark as a well-known mark boost the Appellee's arguments that it is not descriptive or generic.

In its second assigned error, Appellant argues that assuming en arguendo that SCRABBLE may be appropriated as a trademark, it is the Appellant that had prior use of the same in the Philippines and it is grave error on the part of the Director to dismiss the petition on the ground that the Appellee had superior right over the said mark. Appellant maintains that it started using SCRABBLE in 1966 and that Appellee never submitted any evidence of use in the country. Record, however, show otherwise.

Other than the testimony of its witnesses and some invoices, Appellant presented no other evidence to prove its prior use of the mark or indicate its use thereof as early as 1966. It only presented the alleged sale it made, the earliest of which it claimed to have occurred in 1980. Such pieces of evidence as correctly held by the Director are even of doubtful evidentiary value, to wit:

"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... 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'."

Meanwhile, Appellee presented a Certificate of Registration of the mark SCRABBLE obtained by its predecessor in interest as early as 1973. While the registration may have been in force only until 1984 because of failure to file the mandatory affidavit of use, such fact did not result in the loss of its right to apply for and obtain a new trademark registration. The only effect of a cancellation of a registration due to failure to file the affidavit of use is that it would deprive the registrant of protection from infringement. As the records show, Appellee's application for re-registration of the mark SCRABBLE led to the issuance of Certificate of Registration No. 52101.

Significantly, it must be noted that Appellee's application was filed under Section 37 of RA No. 166, which recognizes the right of a foreign national to obtain trademark registration in the Philippines based upon any international convention or treaty of which the Philippines and the Appellee are signatories to the Paris Convention for the Protection of Industrial Property. Corollary thereto, Section 37 of RA No. 166 dispenses the allegation of use for purposes of filing the application, and hence, Appellee need not submit any evidence of use in order for it to be issued a certificate of registration. Although once the trademark is registered, registrant must then submit evidence of use.

Finally, as regards its third assigned error, Appellant argues that the affidavits of Appellee's witnesses should have been offered as testimonial evidence and not as documentary

evidence, and that another affidavit, of a certain Alfred Mosher Butts, is hearsay as the affiant has died a long time ago before the instant case was instituted. It further contends that registrations obtained abroad for SCRABBLE as a trademark are immaterial because under the old Trademark Law, what is material is use in the Philippines, and that evidence defining SCRABBLE as a trademark deserves no evidentiary consideration as it also presented its own evidence defining SCRABBBLE as not a trademark.

The transcript of Stenographer's Notes (TSN), however, shows otherwise. The TSN indicate that Appellee made the offer of the testimony of its witnesses to prove the international notoriety of the mark SCRABBLE as well as the history of the said mark. The Appellee is correct in citing that Appellant failed to pose an objection to that part of Exhibit 78 that mentions Mr. Butts' affidavit. Exhibit 78 was offered to prove the history of SCRABBLE and that SCRABBLE is an established trademark of Appellee.

Regarding the materiality of Appellee's foreign registrations of the trademark SCRABBLE, these foreign registrations were offered in evidence not just to prove that SCRABBLE is well-known internationally but to illustrate the rights of the Appellee and its predecessor in interest to the registration of the mark SCRABBLE. These foreign registrations strengthen and support the arguments that indeed SCRABBLE is distinctive, not descriptive or generic, and hence, registrable.

WHEREFORE, premises considered, the instant appeal is DENIED and the Decision of the Director of the Bureau of Legal Affairs is hereby AFFIRMED. Let copies of this Decision as well as the trademark application and record be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let the Directors of Bureau of Trademarks and the Administrative, Financial and Human Resources Development Services Bureau be furnished copies hereof for information and guidance. The Documentation, Information and Technology Transfer Bureau is also given a copy for library and reference purposes.

SO ORDERED.

December 08, 2004, Makati City.

EMMA C. FRANCISCO  
Director General