

Mattel v. Zynga—Court of Appeal Rules in SCRABBLE Dispute

By Nathan Smith

The English Court of Appeal recently overturned a High Court decision and found that Mattel's SCRABBLE Community trademark (CTM) is valid and had been infringed by Zynga's use of SCRABBLE and SCRABBLE WITH FRIENDS as signs for mobile games. However, it also upheld the High Court's finding that such use did not infringe Mattel's CTMs for SCRABBLE.

Background

Mattel controls the rights in the European Union to the well-known game Scrabble. The defendant, Zynga, is the world's largest social gaming company and produces games for mobile devices. It launched its "Scramble with Friends" (SWF) game across several platforms in early 2012.

Mattel sought to prevent Zynga from selling their Scramble game by asserting three CTM registrations (the registrations relied on were for "SCRABBLE," "SCRABBLE," and a figurative mark consisting of the word SCRABBLE in a black text box) and passing off.

In denying infringement Zynga also sought to invalidate Mattel's SCRABBLE mark on the grounds that it was descriptive and that it had become customary in the trade through common use.

High Court Decision

The High Court dismissed almost all of Mattel's claims, finding in particular that:

- the evidence presented did not establish a likelihood of confusion between the words SCRABBLE and SCRABBLE;

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- Mattel's SCRABBLE trademark was invalid as it was descriptive of games requiring a scramble for words made up by letters in a fixed period of time and it was in common use for word games of this type; and
- Zynga's use of a stylized letter "M" in its SCRABBLE WITH FRIENDS logo was liable to lead to confusion with Mattel's SCRABBLE CTMs "on a quick glance."

Court of Appeal Judgment

Lord Justice Floyd, giving the main judgment for the Court of Appeal, allowed appeals by both sides finding that:

- Mattel's SCRABBLE CTM is valid;
- Zynga had infringed Mattel's SCRABBLE CTM (however, there had been no infringement of the SCRABBLE CTMs or passing off); and
- Zynga had not infringed the SCRABBLE CTMs by its use of the stylized "M."

In considering the appeals, the Court of Appeal addressed the following material issues.

Relevance of the Context in Which the Registered Mark Has Been Used

Mattel argued that when assessing the likelihood of confusion, it was material to consider the context in which the registered mark had been used including, for the purposes of this case, the fact that the mark had been used in the branded SCRABBLE game in the context of games using tiles, numbers, and premium word scores and a "woodland green background colour."

Lord Justice Floyd was unable to accept Mattel's argument and held that the ruling in *Specsavers*¹ did not go far enough to support Mattel's submissions. He differentiated this case from *Specsavers* on the

basis that the court in *Specsavers* took into account extraneous matter affecting the trademark itself (*i.e.*, the fact that the mark itself was used in green) whereas Mattel wanted the court to go much further and take account of additional features that had been routinely used in association with the mark.

Minimum Similarity Threshold

The Court of Appeal determined that there was no minimum threshold of similarity necessary to lead to an assessment of a likelihood of confusion; this is instead a binary question. When there is some overall similarity, even faint, then it is necessary to carry out the global assessment, taking account of all relevant circumstances.

Validity of the SCRAMBLE Mark

Zynga advanced two meanings of the word SCRAMBLE in support of its descriptiveness claim: (1) the “rushed activity” meaning based on its dictionary definition, and (2) the “jumbled letters” meaning based on the common use by third parties, both before and after the date of registration, in relation to a range of physical and electronic board games where the user is required to make one or more words from scrambled letters. Lord Justice Floyd found neither argument convincing. In relation to the “rushed activity” meaning he held that when seeing the word SCRAMBLE used in relation to word games, the average consumer would not immediately perceive that it was intending to refer to a rushed activity. With regard to the “jumbled letters meaning,” the evidence did not establish that there had been common and extensive use of “scramble” prior to the registration date of the CTM to refer to jumbled letter word games. Therefore, although there is a degree of descriptive allusion in the mark SCRAMBLE, Lord Justice Floyd did not consider it sufficiently descriptive to be unregistrable.

Infringement of the SCRAMBLE CTM

Unsurprisingly, Lord Justice Floyd agreed with the judge and held that Zynga’s use of SCRAMBLE and SWF infringed Mattel’s SCRAMBLE CTM

holding that confusion was not just likely, but inevitable so far as SCRAMBLE was concerned. In the case of SWF he had no doubt that the addition of WITH FRIENDS would not be adequate to avoid confusion.

Infringement of the SCRAMBLE Marks

Lord Justice Floyd held that there was an obvious degree of similarity between SCRAMBLE (and SWF) and Mattel’s SCRAMBLE marks (and that the judge had erroneously applied a threshold test of similarity). However, he declined to find infringement, principally because of the lack of evidence of confusion in the extensive side by side use.

The Court of Appeal also held that there was no infringement in respect of Zynga’s use of the stylized “M” logo. It considered the “quick glance” test applied by the High Court was not how the average consumer would likely approach his task.

Comments

This case gave the Court of Appeal a chance to further consider the Court of Justice of the European Union’s decision in *Specsavers* and develop the law on trademark infringement by taking into account features used in association with a mark which were not included on the register. Ultimately, and unsurprisingly, the court decided that this was a step too far and confirmed the status quo.

However, as an ostensibly secondary matter, it is particularly encouraging that the court, in assessing the likelihood of confusion, was guided by the real world evidence of lack of actual confusion paired with substantial side by side trading. It would have been easy for the court to find infringement based on a traditional and technical analysis comparing the signs and the services in issue. However, the court’s forensic examination of the real world scenario represents a refreshing and commendable commercial approach.

Note

1. *Specsavers Healthcare Ltd. v. Asda Stores Ltd* [2012] EWCA Civ 24.