

O/840/21

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003394432  
BY SABER INERACTIVE INC. FOR THE TRADE MARK:

**MUDRUNNER**

IN CLASS 9

AND OPPOSITION THERETO  
UNDER NO. 417449 BY OOVEE LTD

AND IN THE MATTER OF REGISTRATION NO. UK00003402572  
IN THE NAME OF SABER INTERACTIVE INC.:

**SNOWRUNNER**

IN CLASSES 9 AND 28

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF  
INVALIDATION THEREO UNDER NO. 503140 BY OOVEE LTD

## BACKGROUND AND PLEADINGS

1. On 24 April 2019, Saber Interactive Inc. (“Saber”) applied to register the trade mark **MUDRUNNER** (“the First Contested Mark”) in the UK.<sup>1</sup> A priority date of 26 October 2018 is claimed from an earlier United States registration (no. 88171058). The application for the First Contested Mark was published on 24 May 2019 and registration is sought for the following goods:

Class 9        Computer game software for personal computers and home video game consoles; downloadable electronic video game programs; computer and video game programs.

2. On 22 August 2019, Oovee Ltd (“Oovee”) opposed the application based upon sections 5(4)(a), 3(6) and 5(6) of the Trade Marks Act 1994 (“the Act”).

3. Under section 5(4)(a), Oovee relies upon the sign **MUDRUNNER** which it claims to have used throughout the UK since 2017 in relation to “computer games, computer game software and computer game programs”.

4. Under section 5(6), Oovee claims that Saber was its exclusive licensee and agent between August 2016 and January 2019. Oovee claims that Saber has made the application without Oovee’s consent and, consequently, the application should be refused.

5. Under section 3(6), Oovee claims that Saber was aware at the time of filing that Oovee was the owner and licensor of the rights in the First Contested Mark. Oovee also claims that Saber was aware, following termination of the licence agreement on 4 January 2019, that it objected to the applicant’s continued use of the First Contested Mark. As a result, Oovee claims that the application has been made in bad faith.

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<sup>1</sup> The Register records that both contested marks were originally filed by a company called Saber Interactive, Inc. That company subsequently changed its name to S3D Media, Inc. The marks were then assigned to a different company called PAE Smart Investments Inc, which subsequently changed its name to Saber Interactive Inc. As nothing turns on the changes in ownership of the contested marks, I will refer to the proprietor throughout as “Saber”.

6. Saber is also the proprietor of UK trade mark no. 3402572 for the trade mark **SNOWRUNNER** (“the Second Contested Mark”). The Second Contested Mark was filed on 28 May 2019 and registered on 16 August 2019. It stands registered for the following goods:

Class 9      Computer game software for personal computers and home video game consoles; downloadable electronic video game programs; computer and video game programs; computer software; computer game software; mobile applications.

Class 28      Video game consoles.

7. On 21 May 2020, Oovee applied to invalidate the Second Contested Mark pursuant to section 47 of the Act. Oovee relies upon sections 5(2)(b), 5(3), 5(4)(a), 3(6) and 5(6) of the Act. Under sections 5(2)(b) and 5(3), Oovee relies upon the following trade marks:

MUDRUNNER

UK registration no. 3353902

Filing date 15 November 2018; registration date 1 February 2019

Relying upon all goods for which the mark is registered as set out in paragraph **67** below,

(“the First Earlier Mark”)

MUDRUNNER

International registration designating the EU no. 1443071<sup>2</sup>

International registration date 16 November 2018

Date of designating the EU 16 November 2018

Date protection granted in the EU 4 June 2019

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<sup>2</sup> Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

Relying upon all goods for which the mark is registered as set out in paragraph **67** below.

("the Second Earlier Mark")

8. Under section 5(2)(b), Oovee claims that there is a likelihood of confusion because the parties' respective marks are similar and the goods are identical or similar.

9. Under section 5(3), Oovee claims to have a reputation for all goods as listed below. Oovee claims that use of the Second Contested Mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or reputation of the earlier marks.

10. Under section 5(4)(a), Oovee relies upon the sign **MUDRUNNER** which it claims to have used throughout the UK since 2017 in relation to "computer games, computer game software and computer game programs".

11. Under sections 5(6) and 3(6), Oovee relies upon the same grounds as outlined above.

12. A hearing took place before me, by video conference, on 14 October 2021. Saber was represented by Ms Victoria Jones of Counsel, instructed by Mewburn Ellis LLP and Oovee was represented by Mr Florian Traub, assisted by Ms Sarah Jeffrey, both of Pinsent Masons LLP. Both parties filed skeleton arguments in advance of the hearing.

## **EVIDENCE AND SUBMISSIONS**

13. Oovee filed evidence in the form of:

- a. The witness statement of Zane Saxton dated 7 February 2020. Mr Saxton is Oovee's CEO, a position he has held since its incorporation on 12 December 2008. Mr Saxton's statement is accompanied by 23 exhibits.

- b. The second witness statement of Mr Saxton dated 16 December 2020. Mr Saxton's second statement is accompanied by 21 exhibits.
- c. The witness statement of Matthew Harris dated 16 December 2020. Mr Harris is the Chartered Trade Mark Attorney acting on behalf of Oovee in these proceedings. Mr Harris' statement is accompanied by 10 exhibits.
- d. The witness statement of Sarah Jeffrey dated 7 June 2021. Ms Jeffrey is the Solicitor acting on behalf of Oovee in these proceedings. Mr Jeffrey's statement is accompanied by 2 exhibits.

14. Saber filed evidence in the form of two witness statements of Matthew Karch dated 20 August 2020 and 4 January 2021 respectively. The first of these statements is accompanied by 13 exhibits and the second is accompanied by 1 exhibit. Mr Karch is the CEO of a company called PAE Smart Investments Inc. Mr Karch describes his relationship with Saber as follows:

“PAE has legally changed its name to Saber Interactive, Inc. but it is my understanding that the recordation of that name change has not been completed in the United Kingdom. I am duly authorised by PAE to make this witness statement. I was also the Chief Executive Officer of Saber Interactive, Inc., a Delaware Corporation (‘Saber Delaware’), a different corporation and the previous owner of the application and registration which are the subject of the present proceedings. In August 2018, Saber Delaware changed its name to S3D Media Inc. and thereafter, on April 1, 2020, assigned its rights to PAE. Except where otherwise delineated herein, the term ‘Saber’ shall mean and include Saber Delaware (now known as S3D Media Inc.) and all subsidiaries, affiliates and related companies thereof, as well as PAE and all parents, subsidiaries, affiliates and related companies thereof.”

15. Whilst I do not propose to summarise this evidence here, I have taken it into consideration and will refer to it below where I consider necessary.

16. At the hearing, during the course of submissions made by Oovee's representatives, various matters were covered (such as there always being an intention of both parties to use the mark Spintires in reference to any enhancements) which actually constituted oral evidence that had not previously been raised in these proceedings. For the avoidance of doubt, I have not taken that into consideration in reaching this decision.

## **RELEVANT LAW**

17. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

## **DECISION**

### **Findings of fact**

18. The key dispute in this case is which of the parties was entitled to any goodwill generated under the MUDRUNNER name in the UK. There are two questions that I need to consider in order to be able to reach a decision on that point: 1) was there any agreement between the parties which set out their respective positions in this regard? 2) if not, who did the public believe was responsible for the MUDRUNNER game?

19. As these questions will impact upon various aspects of this decision, I will deal with them first.

**Was there any agreement between the parties which set out their respective positions in this regard?**

20. An agreement was entered into between Oovee and a company called Saber Interactive, a Delaware LLC.<sup>3</sup>

21. The agreement in question is described as being entered into by Oovee and Saber Interactive, a Delaware LLC (“Saber LLC”). This is clearly a different legal entity to Saber (the full title of which is Saber Interactive Inc.). At the hearing, Ms Jones submitted that I need not consider the question of between whom the Licence Agreement was made because Saber’s primary position is that it does not relate to trade marks at all. Consequently, I will begin by assessing the relevance of the agreement, returning to the question of the connection between Saber and this other company (and any impact it might have) only if it is necessary to do so.

22. The law in relation to the interpretation of agreements is well established. In *Investors Compensation Scheme Ltd v West Bromwich Building Society*, Lord Hoffman summarised the relevant principles as follows:<sup>4</sup>

“(1) Interpretation is the ascertainment of the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract.

(2) The background was famously referred to by Lord Wilberforce as the “matrix of fact”, but this phrase is, if anything, an understated description of what the background may include. Subject to the requirement that it should have been reasonably available to the parties and to the exception to be mentioned next, it includes absolutely anything which would have affected the way in which the language of the document would have been understood by a reasonable man.

(3) The law excludes from the admissible background the previous negotiations of the parties and their declarations of subjective intent. They are admissible only in an action for rectification. The law makes this distinction for reasons of

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<sup>3</sup> Annex 12 to Mr Saxton’s First Statement

<sup>4</sup> [1998] 1 WLR 896

practical policy and, in this respect only, legal interpretation differs from the way we would interpret utterances in ordinary life. The boundaries of this exception are in some respects unclear. But this is not the occasion on which to explore them.

(4) The meaning which a document (or any other utterance) would convey to a reasonable man is not the same thing as the meaning of its words. The meaning of words is a matter of dictionaries and grammars; the meaning of the document is what the parties using those words against the relevant background would reasonably have been understood to mean. The background may not merely enable the reasonable man to choose between the possible meanings of the words which are ambiguous but even (as occasionally happens in ordinary life) to conclude that the parties must, for whatever reason, have used the wrong words or syntax (see *Mannai Investments Co. Ltd v Eagle Star Life Assurance Co. Ltd* [1997] 2 W.L.R. 945).

(5) The “rule” that words should be given their “natural and ordinary meaning” reflects the common sense proposition that we do not easily accept that people have made linguistic mistakes, particularly in formal documents. On the other hand, if one would nevertheless conclude from the background that something must have gone wrong with the language, the law does not require judges to attribute to the parties an intention which they plainly could not have had. Lord Diplock made this point more vigorously when he said in *The Antaios Compania Neviera S.A. v Salen Rederierna A.B.* 19851 A.C. 191, 201:

“... if detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business commonsense, it must be made to yield to business commonsense.”

23. The agreement in question is a Licence Agreement dated 2 August 2016. In order to give context to the agreement, it is important to note at this stage that Oovee has been selling a computer game called Spintires for a number of years; the game has acquired something of a following. I address this in further detail below. I also note that Saber claims ownership of the technology (specifically, the code) upon which the



Spintires game was built and that this has previously been the subject of a dispute between the parties. Whilst both parties have gone into great detail about the dispute as to who owned the code for the game, I do not consider that I need to address this in detail to decide the trade mark dispute before me, although I recognise that it is relevant in terms of the context and interpretation of the agreement.

24. At the hearing, Mr Traub accepted that there are no express provisions in the Agreement which deal with branding/names for the enhancements to which the Licence relates. The parties are in agreement on this. However, Mr Traub submitted that it is important to consider the intention of the parties when interpreting the agreement. I accept that the intention of the parties will be relevant in this regard.

25. Clause 1 of the Agreement states:

“GRANT OF LICENCE Oovee owns Spintires (the “Licensed Articles”). In accordance with this Agreement, Oovee grants [Saber LLC] an exclusive licence to Develop and publish console ports and enhancements to the original Spintires PC game for video game consoles including, but not limited to Xbox One, Playstation 4, Wii, Mac OS the “Port”. Oovee retains title and ownership of the Licensed Articles.

Any enhancements or improvements made to the game may also be made available on the PC via downloadable content through Steam or other digital distribution channels on similar terms to this Agreement.”

26. I note that the term “Spintires” is not defined and no further information is provided as to what is covered by the term “the Licensed Articles”. I do not think that there can be much dispute that the purpose of this clause is to confer onto Saber LLC the right to develop enhancements to the existing Spintires game. It is clear that Oovee would retain title and ownership to Spintires, although it is not clearly stated whether this was intended to cover only the technology in Spintires or goodwill generated by Saber’s use of the name itself (or both).

27. The consideration for this Agreement is set out in clause 2, which confirms that Saber LLC will pay Oovee a royalty fee.

28. I also note the following clauses:

“3. MODIFICATIONS The scope of the work to be completed by [Saber LLC] is enumerated in Appendix A of this Agreement. Changes outside of said scope are not permitted unless the prior written approval of Oovee is obtained. Such approval shall not be unreasonably withheld.

4. TRANSFER OF RIGHTS This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement to any other party, unless the prior written consent of the other party is obtained. However, [Saber LLC] shall have the right to assign publishing rights to a third-party publisher.

5. LICENSE TERRITORY AND LANGUAGE: [Saber LLC’s] rights herein shall be limited to the right to develop, create, publish, market, distribute and sell the Licensed Article(s), and to engage in Advertising and Promotion worldwide. [Saber LLC] shall have the right but not the obligation to localize the Licensed Property into any language desired.

6. EXCLUSIVITY: The rights granted herein shall be exclusive unless otherwise indicated on the applicable Schedule.

7. ADVERTISING AND PROMOTION: Saber shall have the right to use the Licensed Property to market, advertise and promote for sale the Licensed Article(s) during the License Term in the License Territory (“Advertising and Promotion”).

8. ROYALTY STATEMENTS AND PAYMENTS: Saber shall, within thirty (30) days of the end of each calendar quarter [...] furnish Oovee complete statements, certified to be accurate by an authorized representative of Saber, specifying the License Territory, a description of the Licensed Article(s), a

description of the Licensed Property used therein or thereon (including, without limitation, any and all names and likenesses from the Licensed Property which appear in or on the Licensed Article(s), including, without limitation, any Collateral Materials and Advertising and Promotion), the amount due Oovee Gross Receipts, Adjusted Gross Receipts, unit sales, invoice price, quantity invoiced, Royalties rate, the distribution channels or portals, deductions for actual cash and credit returns of defective merchandise (including the amount and quantity related thereto), and other deductions as specifically permitted in Paragraph 2 above the amount shown to be payable to upon invoice within 10 business after the rendering of the respective Royalty Statement.”

29. The term “Licensed Property” is not defined. Exhibited to his second statement, Mr Saxton has provided a copy of what he describes as Appendix A to the Licence Agreement.<sup>5</sup> Saber disputes that this Appendix was ever agreed between the parties. In any event, all of the works listed in this document are technical in nature and relate to enhancements and developments to the Spintires game and no reference is made to intellectual property, goodwill or trade marks.

30. Clause 11 deals with intellectual property rights. It states:

“11. OWNERSHIP OF INTELLECTUAL PROPERTY Oovee is the sole owner of the Spintires property. [Saber LLC] is the sole owner of its proprietary technology – the Saber3d Engine.

Saber shall utilize a combination of its proprietary technology – the Saber3d Engine with existing Spintires code to create the console ports. Saber and Oovee agree that as part of this agreement, both parties shall have the right in perpetuity to use the source code in the PC and console versions of the game for future development purposes. Such rights shall survive this Agreement whether the Port is released or whether the agreement is terminated in accordance with paragraph 12.”

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<sup>5</sup> Annex 3 to Mr Saxton’s Second Statement

31. I note that the term “Spintires property” is not defined. Clearly, this clause deals with intellectual property rights in the technology being used by the parties in order for these enhancements to be developed. Mr Traub submitted that it would also include any and all intellectual property rights relating to the Spintires game (i.e. including any trade mark rights) which would remain with Oovee. It is not made explicit in the agreement how far this clause was intended to go i.e. did it cover just technology or did it go further and cover ownership of goodwill generated by the sale of enhancements to the game too? When looking at this clause in combination with clauses 7 and 8 above it is, in my view, at least arguable that this clause did extend to ownership of the goodwill generated under the name, Spintires. If that is correct, then the effect of these clauses would be to prevent Saber LLC from claiming to have generated any goodwill under the name Spintires itself, because it has made itself subject to a licence which confirms that it is only entitled to use the Spintires mark for those purposes as a result of Oovee’s consent. However, the mark Spintires is not the subject of these proceedings. As to whether the agreement can be said to cover ownership of the goodwill generated under the MUDRUNNER mark (alone or as part of ‘MUDRUNNER a spintires game’), it is important that no mention at all is made of any goodwill generated by sales of developments of the game by the licensee or any future trade marks that might be used as part of the enhancements to the Spintires game made under the Licence Agreement.

32. I can fully understand why, with hindsight, Oovee may wish to have included a clause in the agreement which deals with circumstances in which another trade mark is used as part of the development and promotion of the Spintires game. However, that information is simply not contained within the Licence Agreement. Ms Jones referred to various sections of *Chitty on Contracts*<sup>6</sup>, including the following:

“13-088 A court should be “very slow” to reject the ordinary and natural meaning of a contract term “simply because it appears to be a very imprudent term for one of the parties to have agreed, even ignoring the benefit of wisdom of hindsight”. It is not an unknown phenomenon for a contracting party to enter

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<sup>6</sup> 33<sup>rd</sup> Edition

into an agreement which it can see, retrospectively, to have been “ill-advised” but it is:

“... not the function of a court when interpreting an agreement to relieve a party from the consequences of his imprudence or poor advice.”

It is therefore not open to the court to revise the words used by the parties, or to put upon them a meaning other than that which they ordinarily bear, in order to bring them in line with what the court may think the parties ought to have agreed, or what the court may think would have been a reasonable contract for the parties to make.”

33. There is nothing in the agreement which, in my view, confers any rights in the goodwill generated under the Spintires trade mark on Saber LLC. Clearly, if the agreement extends to goodwill at all then the goodwill already generated under Spintires would have remained with Oovee. However, there is nothing in the agreement which envisages circumstances in which a different name might begin to be used in relation to a development of the original game and who would own the rights under that name if it was. To read the agreement as though such terms were covered would be to go beyond merely interpreting the agreement and would amount to inserting new clauses into it.

34. I recognise that clause 8 of the Agreement covers “any and all names and likenesses from the Licensed Property”. However, this seems likely to refer to characters and imagery from the original game rather than names used to promote the new game. Additionally, as the background knowledge attributable to the parties to the agreement appears to revolve around a dispute as to the ownership of some of the code used in the original Spintires game (as reflected in clause 10), the context of the agreement does not require it to be understood as necessarily covering the ownership of goodwill generated from the marketing of new developments of the game.

35. Consequently, I see no reason to conclude that there is any provision in this agreement which confers any rights in goodwill generated under the MUDRUNNER name (or any other name that might have been used) on Oovee.

36. Whilst it cannot be relevant to my interpretation of the contract (because it relates to subsequent events), I am fortified in my finding by correspondence that took place between the parties in 2017.<sup>7</sup> A representative of Saber emailed Oovee stating:

“Focus is gearing up for final box art on Mudrunner: A Spintires Game. Like we discussed although we already agreed to this, it would be good to have you confirm that it is no issue to include Spintires in the name. I need to get this confirmation now or Focus might change the name and remove Spintires from it. That isn’t desirable for either of us.”

37. A representative from Oovee responded as follows:

“We have no problem as long as it’s recognized the spin tires name is both intellectual property and licensed trademark of oovee limited we are ok as any rights payments are covered by our agreement with you.”

38. It seems clear to me from this correspondence that, at best, the parties were of the view that any agreement between them ensured that intellectual property in the original SPINTIRES game remained with Oovee, but that this had no impact upon any goodwill generated other names (such as MUDRUNNER). This seems to be in line with my findings on the scope of the agreement at paragraph 35 above.

**Who, in fact, did the public believe was responsible for the MUDRUNNER game?**

39. As there is no agreement between the parties which identifies who benefitted from any goodwill generated, I must next consider who the public would have considered

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<sup>7</sup> Annex 14 to Mr Saxton’s First Statement

to be responsible for the MUDRUNNER game. The goodwill will be owned by the undertaking the customers perceive as being responsible for the trade.<sup>8</sup>

40. The evidence is clear that, at least initially, the MUDRUNNER game was marketed alongside the trade mark SPINTIRES. Consequently, it is important to begin by looking at whether the original Spintires mark would be associated with Oovee by members of the relevant public. In particular, I note the following:

- a) The development of the Spintires game began in 2009. Since 2010, the game has been hosted on [www.oovee.co.uk](http://www.oovee.co.uk);
- b) The website received 1.4million 'hits' in December 2011 alone and a further 500,000 hits in the first half of January 2012;<sup>9</sup>
- c) The Facebook page for the Spintires game was created in August 2011 and by September 2012, it had received 3,000 likes;
- d) The Spintires official release trailer, released on 23 May 2014 had, by the time of Mr Saxton's witness statement, received 2,292,152 views.<sup>10</sup>
- e) An article from 2014 lists Spintires as one of the top-selling games on Steam and names Oovee as the developers;<sup>11</sup>
- f) An article in the *New Statesman* dated 19 June 2014 states: "sales of Spintires, the off-road truck simulator from U.K.-based Oovee Game Studios, reached the milestone of 100,000 copies within the game's first 18 days on the market, the company announced today".<sup>12</sup>

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<sup>8</sup> Medigen v Passion for Life [2001] FSR 30

<sup>9</sup> Annex 2 to Mr Saxton's First Statement

<sup>10</sup> Annex 5 to Mr Saxton's First Statement

<sup>11</sup> Annex 6 to Mr Saxton's First Statement

<sup>12</sup> Annex 6 to Mr Saxton's First Statement

- g) An article from the website GamesRadar’s UK page states: “Oovee Game Studios’ Kickstarter funded truckin’ sim has quietly chugged its way into the top of the Steam charts, hitting 100,000 copies sold in less than a month”.<sup>13</sup>
- h) A Kickstarter page was launched on 14 May 2013 so that fans could make financial contributions so that the game could be properly launched. The page states that Oovee is the developer and over £60,000 had been contributed by 13 June 2013.<sup>14</sup>
- i) The game has been made available for sale in countries including the UK, France, Germany, Russia, Brazil and the United States. It has been made available for download in 22 languages.
- j) In order to be available for download from a site called Greenlight (a platform for downloading computer games), users had to vote for the Spintires game. After only 5 days, Spintires was ranked 30 of over 1,400 games; shortly after, it was ranked in first place and accepted onto Greenlight.<sup>15</sup>
- k) Oovee has sold 1.7million copies of the Spintires game worldwide, 44% of which have been sold within the EU;
- l) Mr Saxton provides the following revenue figures for sales of the Spintires game made directly by Oovee on Stream:

| Year           | Annual turnover in respect of UK sales (\$) | Annual turnover in respect of EU sales (\$) | Annual turnover in respect of global sales (\$) |
|----------------|---|---|---|
| 2014 - 2015    | 561,000                                     | 2,842,000                                   | 5,918,000                                       |
| 2015 - 2016    | 199,000                                     | 974,000                                     | 2,593,000                                       |
| 2016 - 2017    | 143,000                                     | 922,000                                     | 2,800,000                                       |
| 2017 - 2018    | 97,000                                      | 668,000                                     | 2,022,000                                       |
| 2018 - 2019    | 32,000                                      | 276,000                                     | 825,000   |
| 2019 – to date | 42,000                                      | 398,000                                     | 1,049,000                                       |

<sup>13</sup> Annex 6 to Mr Saxton’s First Statement

<sup>14</sup> Annex 7 to Mr Saxton’s First Statement

<sup>15</sup> Annex 10 to Mr Saxton’s First Statement



m) In 2009, whilst still in development phase, Spintires won three Intel awards for 'best-game-on-the-go', 'best threaded game' and 'best game optimized for Intel® graphics'.<sup>16</sup>

41. It is clear to me from this evidence that the Spintires game would be associated with a single developer. Although it is not necessary for passing off purposes to show that the public would have known the name of that developer, many of them would have known that it was Oovee.

42. In order to determine who the public would perceive as being responsible for the MUDRUNNER game, it is important to consider this context, as well as the way in which the MUDRUNNER mark was used. In particular, I note the following:

- a) The Spintires: Mudrunner game was released in October 2017. It was described on Steam as follows: "Spintires: Mudrunner is the ultimate version of the million-seller indie hit Spintires." The developer is listed as "Saber Interactive".<sup>17</sup>
- b) The Mudrunner Facebook page describes the game as "Spintires: Mudrunner".<sup>18</sup> The promotional videos used on the page use the following image which states "MUDRUNNER a Spintires Game":



- c) On the website of the publisher, Focus Home Interactive, the developer is listed as "Saber Interactive".<sup>19</sup> It is described as MUDRUNNER, but also:

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<sup>16</sup> Annex 11 to Mr Saxton's First Statement

<sup>17</sup> Annex 15 to Mr Saxton's First Statement

<sup>18</sup> Annex 16 to Mr Saxton's First Statement

<sup>19</sup> Annex 17 to Mr Saxton's First Statement



The website states: “A huge upgrade over its predecessor, this edition comes complete with a brand new Sandbox Map...”

- d) On the publisher’s forums, various discussions take place about the MUDRUNNER game.<sup>20</sup> These include a note “from the developers” which states as follows:

“We had several releases so far, starting from Havok Physics Innovation contest, then Intel Level Up 2003, Kickstarter version, Spintires Steam released with Oovee, and now MudRunner cross-platform release with Focus and Saber!”

- e) Images of the product itself make no reference to Oovee:<sup>21</sup>

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<sup>20</sup> Annex 17 to Mr Saxton’s First Statement

<sup>21</sup> Annex 14 to Mr Saxton’s Second Witness Statement



43. Mr Karch gives evidence on behalf of Saber that the word SPINTIRES stopped being used in relation to the MUDRUNNER game in January 2019 when Saber

purported to terminate the Licence Agreement due to Oovee's alleged breach (in relation to Oovee not having secured the correct licenses for certain images used in the game). Oovee disputes this termination and claims that the agreement was terminated later, by Oovee, due to non-payment of royalties by Saber.

44. I recognise that there are examples in evidence of users identifying MUDRUNNER as a game in the 'Spintires series' of games.<sup>22</sup>

45. Whilst the public clearly associate the original Spintires game with Oovee, I do not consider that the same can be said of MUDRUNNER. Although the game was marketed as a "Spintires game" or "Spintires: MUDRUNNER" it seems clear from the above evidence that it was made very clear, both on websites from which the product was available for download and on the goods themselves that it was Saber that was responsible for developing the MUDRUNNER development to the game, not Oovee.

46. I recognise that the inclusion of the word Spintires in the marketing is unlikely to have gone unnoticed and is likely to have given rise to some link or association with the original Spintires game. However, I note that a joint venture was specifically excluded at clause 20 of the Agreement. Given the extent to which promotional activities under the MUDRUNNER mark have been related to Saber, it seems to me that the inclusion of the word "SPINTIRES" or "a Spintires game" was likely to be perceived as indicating that the new game was a development by Saber of earlier games marketed under the Spintires name. Clearly, given the association referenced above, there is likely to have been a perception that the entity responsible for the original game (in this case, Oovee) was content for Saber to identify the connection to the earlier game for marketing purposes. However, as the MUDRUNNER game was marked (on the product itself and on websites from which it could be downloaded) as being a product of Saber, I find on balance that Saber would have been perceived as the undertaking responsible for the enhancements to the game. Taking all of this into account, I find that the public perceived Saber as being responsible for the MUDRUNNER game, rather than Oovee.

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<sup>22</sup> For example, Exhibit MH6

## THE OPPOSITION AGAINST TM NO. UK00003394432 (MUDRUNNER)

### Section 5(4)(a)

47. Section 5(4)(a) of the Act states as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

48. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

49. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (Reckitt &

Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

50. This ground can be dealt with relatively swiftly. I have already found that the relevant public perceived Saber as being responsible for the MUDRUNNER game. Consequently, any goodwill generated of which MUDRUNNER would have been distinctive, would have accrued to Saber, not Oovee. Consequently, Oovee cannot possibly demonstrate that the sign MUDRUNNER had become distinctive of its goodwill at the relevant date for the First Contested Mark.

51. The opposition based upon section 5(4)(a) is dismissed in its entirety.

### **Section 3(6)**

52. Section 3(6) of the Act states:

"(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

53. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH &*

*Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]”.



54. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

(a) What, in concrete terms, was the objective that the trade mark applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

55. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

56. The relevant date is the date of application for the First Contested Mark i.e. 24 April 2019.

57. In its Form TM7, Oovee states:

“28. At the time of filing of the Application, [Saber] was aware that [Oovee] was the owner and licensor of the rights in the Mark. Despite this knowledge, [Saber] filed to register the Mark.

29. Moreover, [Saber] was aware that [Oovee], following formal termination of the Licence Agreement on 4 January 2019, strictly objected to the use by [Saber] of the Mark. It is noted that in the letter of termination to the Application on 4 January 2019, [Oovee] required that [Saber] cease all use of the Mark.

30. On 29 April 2019, [Oovee] sent a further letter to [Saber], via its US legal representatives, Menz Bonner Komar & Koenigsberg LLP, requesting that, within 30 days of the date of that letter, [Saber] undertook to, *inter alia*, cease “all unauthorised sales of Spintires: Mudrunner (whether known as Spintires: Mudrunner or Mudrunner) on any platform”.

31. Despite formal termination of the Licence Agreement, and notification requesting that it cease all future use, [Saber] is continuing to offer for sale gaming software under the Mark.

32. It follows that the Application was filed in bad faith. Accordingly, the Application must be refused under section 3(6) of the Act.”

58. I recognise that there may be some debate as to whether Saber can be attributed full knowledge of the agreement, given that they were not a named party. This would, of course, turn upon whether they could be said to have knowledge of the agreement by virtue of their being within the same group of companies as Saber LLC. However, I do not consider that anything will turn on this point and so I will address it no further. Ultimately, the basis of Oovee’s section 3(6) claim presupposes that Oovee had rights in the name MUDRUNNER. I have found that not to be the case. Whether or not my interpretation of the Licence Agreement is correct as set out above, it cannot possibly be the case that the Licence Agreement is sufficiently clear in this regard that Saber should have known at the time of filing that it had no rights in the name MUDRUNNER. Indeed, it is not bad faith to make an application to register a mark you reasonably believe you may be entitled to register/use, and to see if anyone can successfully oppose it. Consequently, I do not consider that Oovee has demonstrated any prima facie case of bad faith on Saber’s part in making the application.

59. The opposition based upon section 3(6) is dismissed.

### **Section 5(6)**

60. Section 5(6) of the Act states as follows:

“Where an agent or representative (“R”) of the proprietor of a trade mark applies, without the proprietor’s consent, for the registration of the trade mark in R’s own name, the applicant is to be refused unless R justifies that action.”

61. In its Form TM7, Oovee states:

“24. Between August 2016 and January 2019, [Saber] was the exclusive licensee of [Oovee]. Accordingly, all rights of sale in relation to gaming products under the Mark by [Saber] were subject to the terms of the Licence Agreement and subject to the strict permission and control of [Oovee]. In offering products for sale under the Mark, [Saber] was acting in its capacity as agent for [Oovee].”

62. At the hearing, the focus in relation to this ground was upon the following section of the Licence Agreement:

“20. NO JOINT VENTURE: This Agreement does not constitute and shall not be construed to constitute an agency, a partnership or a joint venture between Oovee and Saber. Saber shall have no right to obligate or to bind the Oovee Entities in any manner whatsoever, and nothing contained in this Agreement shall give or is intended to give any rights of any nature to any third-party.”

63. Ms Jones submitted that this provision expressly prohibits an agency relationship from arising between the parties. Mr Traub submitted that this clause prohibits Saber from acting as Oovee’s agent only in relation to negotiations with third parties and was never intended to relate to the filing of intellectual property applications. However, it seems to me that whether or not the Licence Agreement gave rise to an agency relationship between the parties, the fact remains that Oovee had no rights in the name MUDRUNNER. Section 5(6) requires that the applicant be acting as agent for the proprietor of a trade mark. This can, of course, include owners of unregistered marks in which the proprietor has established legal rights (as well as registered trade marks). However, given that Oovee was not the proprietor of the trade mark in question, for the reasons set out above, I do not consider that the opposition based upon section 5(6) can have any merit.

64. The opposition based upon section 5(6) of the Act is dismissed.

### **THE INVALIDATION AGAINST TM NO. UK00003402572 (SNOWRUNNER)**

65. Sections 5(2)(b), 5(3), 5(4)(a), 3(6) and 5(6) have application in invalidation proceedings by virtue of section 47 of the Act, which states as follows:

“47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.”

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

### **Section 5(2)(b)**

66. For the avoidance of doubt, neither of the trade marks relied upon by Oovee under section 5(2)(b) are subject to invalidation proceedings by Saber. By virtue of their registration, I must therefore assess the claim on the basis that these marks are valid, notwithstanding my findings above that Oovee is not the owner of the unregistered rights in the same sign.

67. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a) [...]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

68. By virtue of their earlier filing dates, the trade marks upon which Oovee relies qualify as earlier trade marks pursuant to section 6 of the Act. As the earlier trade marks had not completed their registration process more than five years before the date of the application for invalidation, they are not subject to proof of use pursuant to section 47(2A). Oovee can, therefore, rely upon all goods identified.

### **Section 5(2)(b) – case law**

69. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the

imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### Comparison of goods

70. The competing goods are as follows:

| <b>Oovee's goods<br/>(the applicant for invalidation)</b>  | <b>Saber's goods<br/>(the proprietor)</b>  |
|--|--|
| <p><b>The First and Second Earlier Marks</b></p> <p><u>Class 9</u><br/>           Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; computers; software; computer game programs; computer games; computer games programmes [software]; computer games programs [software]; computer game software; computer application software; game software; cloud computing software; electronic publications [downloadable]; computer software for authoring, downloading, transmitting, receiving, editing, extracting, encoding, decoding,</p> | <p><u>Class 9</u><br/>           Computer game software for personal computers and home video game consoles; downloadable electronic video game programs; computer and video game programs; computer software; computer game software; mobile applications.</p> <p><u>Class 28</u><br/>           Video game consoles.</p> |



displaying, storing and organizing text, graphics, images, electronic publications; computer software for the collection, editing, organizing, modifying, book marking, transmission, storage and sharing of data and information; character recognition software; voice recognition software; electronic mail and messaging software; computer software for accessing, browsing and searching online databases; electronic bulletin boards; data synchronization software; interactive game software; interactive game programs; application development software; application development software; pre-recorded computer software; software for use with interactive electronic apparatus, game apparatus or amusement apparatus; application software for mobile phones; application software for smart phones; operating system programs for smart phones; software for televisions; application software for smart televisions; downloadable cloud computing software; downloadable software; DVDs; digital electronic components and accessories, namely, holsters, carrying cases, digital audio and media players, MP3 players, mobile phones, personal digital assistants; glasses; spectacles; 3D glasses; anti-glare glasses; smartglasses; virtual

|  |  |
|--|--|
| reality hardware; virtual reality headsets;<br>virtual reality glasses; virtual reality<br>software; computer game programs;<br>computer peripheral devices; computer<br>game and video accessories; displays,<br>cables, modems, printers, disk drives,<br>adapters, adapter cards, electrical power<br>connectors, docking stations, drivers;<br>battery chargers; battery packs; memory<br>cards and memory card readers;<br>speakers, microphones, headsets;<br>cases, covers, stands for computers;<br>remote controls for portable and<br>handheld electronic devices and<br>computers; power adapters;<br>headphones and earphones;<br>telephones, mobile phones,<br>videophones, cameras; computer<br>firmware; computer hardware. |  |
|--|--|

71. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

Class 9

72. At the hearing, Ms Jones accepted that the class 9 goods are identical. I agree. They are either replicated identically in the specifications of all three marks or there is identity on the principle outlined in *Meric*. I will proceed on that basis.

### Class 28

73. Ms Jones accepted that “video game consoles” in the specification of the Second Contested Mark are similar to Oovee’s goods. However, no submission was made as to the extent of any such similarity. In my view, these goods will overlap in trade channels and user with “computer game software” in Oovee’s specification. The nature and method of use of the goods will clearly differ, as will their specific purposes. I consider that they are important or indispensable to each other and that the average consumer would conclude that the same undertakings would produce both. Consequently, they are complementary. As a result, I consider the goods to be similar to a medium degree.

### **The average consumer and the nature of the purchasing act**

74. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

75. The average consumer will be a member of the general public. Ms Jones submitted that the level of attention paid by the average consumer is likely to be high. I disagree. The price of the goods may vary but are unlikely to be highly expensive. Where the price is low, the average consumer is likely to consider factors such as useability, compatibility with devices and specification. Taking all of this into account, I consider that a medium (or average) degree of attention will be paid during the purchasing process for the majority of goods, although I recognise that where the price is higher (such as in relation to video game consoles) the level of attention may be higher than medium.

76. The goods are likely to be self-selected from the shelves of a retail outlet or their online equivalent. Visual considerations are, therefore, likely to dominate the selection process. However, given that word-of-mouth recommendations may play a part and advice may be sought from sales assistants, I do not discount an aural component to the purchase.

### **Comparison of trade marks**

77. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

78. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

79. The respective trade marks are shown below:

| <p style="text-align: center;"><b>Oovee’s trade marks<br/>(the applicant for invalidation)</b></p> | <p style="text-align: center;"><b>Saber’s trade mark<br/>(the proprietor)</b></p> |
|--|---|
| <p style="text-align: center;">MUDRUNNER<br/>(the First and Second Earlier Marks)</p>              | <p style="text-align: center;">SNOWRUNNER<br/>(the Second Contested Mark)</p>     |

80. The First and Second Earlier Marks consist of the word MUDRUNNER. The Second Contested Mark consists of the conjoined words SNOWRUNNER. Ms Jones submitted that the first word in each mark is likely to be dominant due to the word RUNNER being allusive of the goods. I disagree. It seems to me that, if the word RUNNER is allusive, then the conjoined words MUDRUNNER and SNOWRUNNER as a whole will be allusive (conjuring the image of something/someone that runs through mud or snow respectively). I see no reason for either word to be dominant over the other. Consequently, the overall impression of each mark will lie in the words as a whole.

81. Visually, the marks coincide to the extent that both contain the word -RUNNER in the same position i.e. at the end of the marks. They differ in that the first part of the First and Second Earlier Marks is the word MUD-, whereas the first part of the Second Contested Mark is the word SNOW-. I bear in mind that the beginnings of marks tend to make more of an impact than the ends. Taking all of this into account, I consider there to be a medium degree of visual similarity between the marks.

82. Aurally, the word RUNNER will be identified by the average consumer in both parties’ marks and will be given its ordinary English pronunciation. The pronunciation

of this word will be identical for both parties' marks. The word MUD in the First and Second Earlier Marks and the word SNOW in the Second Contested Mark will also be identified and given their ordinary English pronunciation. The pronunciation of these two words clearly acts as a point of aural difference. Taking all of this into account, I consider there to be a medium degree of aural similarity between the marks.

83. Conceptually, the word MUDRUNNER is likely to be broken down into the dictionary words MUD and RUNNER which will be given their ordinary meaning. As submitted by Mr Traub at the hearing, when combined, these words are likely to convey the image of someone who runs through mud. The same will apply to the word SNOWRUNNER, although it will convey the image of someone who runs through snow. The first part of the word qualifies the latter, which as Ms Jones submitted creates conceptual difference between the marks. However, I bear in mind that both marks create the impression of someone running through different terrains. Taking this into account, I consider there to be a medium degree of conceptual similarity between the marks.

### **Distinctive character of the earlier marks**

84. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been

registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

85. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced by virtue of the use that has been made of it.

86. The First and Second Earlier Marks consist of the word MUDRUNNER, which is made up of two ordinary dictionary words conjoined. Ms Jones submitted that the word RUNNER is descriptive or allusive of the goods. In my view, it is certainly not descriptive. At best, the mark as a whole may be said to suggest a game which involves someone running through mud. However, this is a fairly tenuous connection. The combination of the words MUD and RUNNER in this way is grammatically unusual. Taking all of this into account, I consider it to be inherently distinctive to a medium degree.

87. In his skeleton argument, Mr Traub only referred to the distinctiveness of the earlier marks per se. At the hearing, I asked Mr Traub whether this meant that he was not intending to rely upon any enhanced distinctiveness of the marks. Mr Traub confirmed that he had set out his skeleton argument on the basis that there could be a likelihood of confusion, even without any enhanced distinctiveness. However, he confirmed that Oovee was seeking to rely upon the enhanced distinctiveness of the earlier marks. Ms Jones objected to this, stating that it was not foreshadowed in Oovee’s pleadings and should be not be allowed to be relied upon at this late stage.

88. In my view, whilst pleadings should be as full as possible so as to set out the scope of the dispute, the absence of any specific reference in the pleadings in relation to

enhanced distinctiveness does not prevent Oovee from relying upon the use made of the mark in the context of distinctiveness. This is because the assessment of distinctiveness is one of the fundamental factors that needs to be assessed in every case and, as is clear from the case-law, this can come from either the inherent nature of the mark, its use, or indeed a combination of both. Therefore, if evidence has been filed, which it has in the case before me, it is incumbent upon me to factor that evidence into the assessment to decide upon the overall distinctiveness of the earlier marks. It would be perverse to do otherwise, as it would require a pretence as to the true level of distinctiveness on the part of the average consumer, based on a technicality. In any event, for the reasons given below, nothing will turn upon this point.

89. Mr Saxton gives evidence that Oovee has been trading since 2008 as a games developer. Much of Mr Saxton's evidence relates to use of the mark "Spintires", which is the name of a game developed and released by Oovee. Mr Saxton's evidence is that it was not until 31 October 2017 that the game "Spintires: Mudrunner" was released. Mr Saxton's evidence describes the sales generated by Saber under the MUDRUNNER mark. There certainly does not seem to be any suggestion that Oovee itself has sold any goods under that mark. Consequently, the only way in which Oovee would be able to rely upon use of the MUDRUNNER mark would be if Saber was using the mark with its consent. However, for the reasons set out above, I do not consider that any such agreement was entered into between Oovee and Saber. Consequently, Oovee cannot rely upon any enhanced distinctiveness of the earlier marks.

### **Likelihood of confusion**

90. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are different but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is



necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

91. I have found the marks to be visually, aurally and conceptually similar to a medium degree. I have found the earlier marks to be inherently distinctive to a medium degree. I have identified the average consumer to be a member of the general public who will purchase the goods predominantly by visual means, although I do not discount an aural component. I have concluded that a medium degree of attention will be paid during the purchasing process for the goods. I have found the goods to vary from being identical to similar to a medium degree.

92. I do not consider that the different first words MUD and SNOW will be overlooked or mistakenly recalled by the average consumer. Consequently, I do not consider there to be a likelihood of direct confusion. However, taking into account the similarity of the goods and the similarity of the marks, I consider it likely that the average consumer will conclude that these are marks being used by the same or economically linked undertakings. I accept Ms Jones' submission, in principle, that non-distinctive common elements or common elements that are lower in distinctiveness are less likely to be viewed as indicating a common undertaking being responsible for those marks. I do not consider this to be contentious; it is well established that it is the distinctiveness of the common element which is key. However, I have already explained above that I disagree with Ms Jones' submission that the word RUNNER is non-distinctive for the goods in issue. Further, MUDRUNNER and SNOWRUNNER both follow the same, relatively unusual, structure i.e. terrain conjoined with the word RUNNER. When used in the context of goods that are similar to a medium degree or identical, I consider it likely that the average consumer will view these marks as marks used to identify different versions of the same or related products. Consequently, I consider there to be a likelihood of indirect confusion.

93. The application for invalidation based upon section 5(2)(b) succeeds in its entirety.

### **Section 5(3)**

94. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

95. I can deal with this ground relatively swiftly. All of the evidence of use shows use of the mark MUDRUNNER by Saber, not Oovee. For the reasons set out above, I do not consider that Oovee is entitled to rely upon the use made of the mark by Saber. As a result, Oovee has failed to demonstrate the requisite reputation in the earlier marks.

96. The application for invalidation based upon section 5(3) of the Act is dismissed.

### **Sections 5(4)(a), 5(6) and 3(6)**

97. I have set out the law in relation to these sections above. Whilst I do not propose to repeat it here, I have taken it into consideration in reaching my decision.

98. Ms Jones raised some concerns about Oovee’s pleadings in relation to these sections as part of the invalidation. However, I do not consider that anything will turn on this and so I will not deal with this issue in any detail.

99. Although the contested mark is different in the invalidation to that in the opposition, the basis of the objections under these grounds is the same. The same findings as set out above will also apply in the invalidation. Consequently, the invalidation based upon

these grounds will fail for the same reasons as set out in relation to the opposition above.

100. The application for invalidation based upon sections 5(4)(a), 5(6) and 3(6) of the Act are dismissed.

## **CONCLUSION**

101. The opposition against application no. UK00003394432 fails in its entirety.

102. The application for invalidation against registration no. UK00003402572 succeeds in its entirety.

## **COSTS**

103. Both parties have enjoyed an equal degree of success, with Oovee being successful in relation to the invalidation and Saber being successful in relation to the opposition. Consequently, I do not consider it appropriate to make an award of costs in this case.

**Dated this 16<sup>th</sup> day of November 2021**

**S WILSON**

**For the Registrar**