

IN THE MATTER OF:

OPPOSITION No. 417449 IN THE NAME OF OOVEE LTD

TO TRADE MARK APPLICATION No. 3394432 IN THE NAME OF SABER INTERACTIVE INC.

DECISION

1. Oovee Ltd and Saber Interactive Inc. entered into a ‘License Agreement’ in writing *“made effective as of August 2, 2016”*. The Agreement was executed by Mr Zane Saxton on behalf of Oovee Ltd (“Oovee”) and by Mr Matthew Karch on behalf of Saber Interactive Inc. (“Saber Interactive”). Both companies were and are developers and publishers of interactive computer games. They entered into the Agreement in order to set out the terms on which they intended to move forward with the enhancement of an existing and well-established interactive game called **SPINTIRES**.
2. In an email he sent to Mr Fellas of Oovee on 11 February 2016, Mr Karch wrote: *“Check out the contract ... I didn’t engage lawyers for this as I think it is straightforward and hate the thought of spending on something as simple as this. Please review and send me your thoughts and we can hash out any concerns.”* It has to be said that the Agreement as executed was not particularly well written in a number of relevant respects.
3. A ‘warts and all’ approach to construing the document was required in line with the approach identified in the Judgment of the Supreme Court delivered by Lord Hodge

JSC in Wood v Capita Insurance Services Ltd [2017] UKSC 24 at paragraph [10]: “*The court’s task is to ascertain the objective meaning of the language which the parties have chosen to express their agreement. It has long been accepted that this is not a literalist exercise founded solely on a parsing of the wording of the particular clause but that the court must consider the contract as a whole and, **depending on the nature, formality and quality of drafting of the contract**, give more or less weight to elements of the wider context in reaching its view as to that objective meaning.*” (emphasis added).

4. I set out below text from the provisions of the Agreement with underlining added by me for the purpose of drawing attention to aspects of the wording which I consider to be significant in relation to the matters in contention between the parties to the appeal that is now before me. I have not sought to attach significance to instances of the same word being written in some parts of the Agreement with an initial capital letter and in other parts without an initial capital letter. It appears to me from the way the Agreement is written that the drafting of it proceeded on the basis of a casual, not a meticulous approach to the presence or absence of initial capital letters.
5. The introductory paragraph of the Agreement stated that it was made between Oovee and “***Saber Interactive, a Delaware LLC***”. I understand it to be common ground between the parties to this appeal that no entity correctly describable as “***a Delaware LLC***” was ever a party to the Agreement. It is not apparent from the evidence and materials before me how or why the Agreement came to be executed with introductory wording which suggested otherwise.
6. Clause 16 specified that: “***This Agreement, and its validity, construction and effect,***

shall be governed by and enforced in accordance with the internal laws of the United Kingdom (i.e. without reference to the conflicts of laws provisions thereof)." The parties to the proceedings before me have realistically and sensibly treated the reference to *"the United Kingdom"* as a reference to *"England and Wales"*.

7. Clause 25 provided that: *"This Agreement, together with Schedule "A" and all such additional Schedules as are added hereto following the date hereof and thereby made a part hereof, constitutes a single, integrated written contract expressing the entire agreement of the parties concerning the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been made by any party to this Agreement except as specifically set forth in this Agreement. All prior agreements, discussions and negotiations have been and are merged and integrated into, and are entirely superseded by, this Agreement. ..."*
8. The primacy of the Agreement was further reinforced and maintained by Clause 19: *"No modification, amendment or waiver of any of the provisions contained in this Agreement, or any future representation, promise or condition in connection with the subject matter of this Agreement shall be binding upon any party to this Agreement unless made in writing and signed by a duly authorized representative or agent of such party. ..."*
9. In Rock Advertising Ltd v MWB Business Exchange Centres Ltd [2018] UKSC 24 the Supreme Court determined for the reasons given by Lord Sumption JSC at paragraphs [6] to [17] that the law should and does give effect to clauses of the kind exemplified by Clauses 19 and 25 for the purpose of achieving certainty as to the terms which are contractually binding on the parties to the contract concerned.

10. Relative to *“the subject matter”* thereof, the Agreement confirmed that *“the party who is granting the right to use the licensed property will be referred to as ‘Oovee’ and the party who is receiving the right to use the licensed property will be referred to as ‘Saber Interactive’”*.
11. Clause 1 set out the **‘GRANT OF LICENSE’** in the following terms: *“Oovee owns Spintires (the “Licensed Articles”). In accordance with this Agreement, Oovee grants Saber Interactive an exclusive license 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.”*
12. Royalties were payable under the Agreement by Saber Interactive to Oovee calculated in accordance with Clause 2 as *“10% up to \$900,000 in net receipts”* and *“25% of all amounts exceeding \$900,000.”* The royalty base was: *“... Net Revenues ... defined as one hundred per cent (100%) of Saber’s actual gross receipts and all other receivables of any kind whatsoever received in payment of Port, ... less actual and verifiable, out-of-pocket expenses solely and directly attributable to the Port including: (a) third-party, platform-owner fees ... (b) third-party, distribution fees ... and (c) governmental taxes ... incurred in connection with the sale or exploitation of the Licensed Article(s) ... Any other deductions other than those directly attributable to the port must be mutually agreed upon in advance and in writing by Saber and Oovee. Saber shall have the right, in its sole discretion, to determine the*

sales price of the game, to offer the game at discounts and as promotional giveaways.”

13. Saber Interactive’s freedom of action with regard to ‘**MODIFICATIONS**’ was restricted by Clause 3: *“The scope of the work to be completed by Saber 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.”* Mr Karch said in paragraph 19 of his First Witness Statement that: *“Appendix A to the License Agreement was never agreed between the parties and so was not attached to it.”* In response, Mr Saxton referred in paragraph 54 of his Second Witness Statement to an email dated 14 September 2016 (exhibited as part of his Annex 9) in which Mr Karch had stated: *“In terms of the Appendix, Tony should have had a copy of it. I will forward it when I am back at my desk. It doesn’t say much other than ‘port of the game with necessary improvements’.”*
14. The activities that Saber Interactive was licensed to undertake were specified in Clause 5: *“Saber’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 shall have the right, but not the obligation to localize the Licensed Property into any language desired.”*
15. ‘**ADVERTISING AND PROMOTION**’ was broadly defined in Clause 7: *“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”).”*
16. That definition was built into and further contextualised in Clause 8 setting out Saber

Interactive's obligations with regard to **'ROYALTY STATEMENTS AND PAYMENTS'**. It was required to: "... *furnish Oovee complete statements, certified to be accurate by an authorized representative of Saber, specifying the License Territory, 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) ... unit sales, invoice price, quantity invoiced, Royalties rate, the distribution channels or portals, deductions for actual cash and credit returns of defective merchandise ... and other deductions as specifically permitted in Paragraph 2 above ...*"

17. Saber Interactive was required by Clause 9(a)(vi) to own or control or be licensed under all necessary rights in and to "*any third-party materials or third-party intellectual property rights ... used by Saber in connection with the Licensed Article(s) or the Advertising and Promotion ..., whether in the development thereof or in the finished product released to the public. ...*". Clause 9(b)(vi) imposed a parallel obligation on Oovee to the like effect in relation to such third-party materials and third-party intellectual property rights.
18. **'OWNERSHIP OF INTELLECTUAL PROPERTY'** was addressed in Clause 11. This Clause, in its totality, established three things: firstly that "*Oovee is the sole owner of the Spintires property. Saber is the sole owner of its proprietary technology – the Saber3d Engine*"; secondly that "*Saber shall utilize a combination of its proprietary technology – the Saber3d Engine with existing Spintires code to create the console ports*"; and thirdly that "*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.”

19. Two quite different outcomes were specified in relation to the **‘EFFECT OF TERMINATION OR EXPIRATION’** in Clause 13: “... (a) If termination is due to Saber’s breach, it shall cease all development of the Port and have no right to develop or publish the Port. (b) If termination is due to Oovee’s breach, Saber shall have the right to continue development of the Port at its sole discretion and offset [any] actual or reasonably anticipated costs from Royalty due to Oovee. Saber’s obligation to pay Royalty to Oovee shall survive termination after Commercial Release of the Licensed Articles.”

20. Clause 10 **‘AGREEMENT NOT TO SUE AND WAIVER’** confirmed that Saber Interactive “*hereby, as part of the consideration for this Agreement, waives any right to pursue any course of action against Oovee for copyright, trade secret or any other form of intellectual property infringement that may have resulted from the release of the PC version of Spintires. ...*”. The contracting parties were required by Clause 10 in combination with Clause 25 of the Agreement to treat any question of liability for intellectual property infringement resulting from the release of “*the PC version of Spintires*” as superseded by the terms of the ‘License Agreement’ providing for future collaboration between them.

21. In paragraph 17 of his First Witness Statement, Mr Karch recognised (with underlining added by me) that: “*By waiving its claims against Oovee in the License Agreement, Saber also secured an exclusive worldwide license to develop and sell the PC version*”

of any of its enhancements or improvements to the original Spintires game. I anticipated that this arrangement could be very lucrative for both Saber and Oovee.

22. It is plain on the face of the Agreement that the future collaboration between the contracting parties was expected to involve *“development of the Port”* by Saber Interactive utilising a *“combination of its proprietary technology - the Saber3d Engine with existing Spintires code to create the console ports”* pursuant to its *“exclusive license to Develop and publish console ports and enhancements to the original Spintires PC game for video game consoles”*. The provisions of the Agreement relating to *“Licensed Article(s)”* applied to the *“Spintires”* game with the enhancements or improvements that the contracting parties were expecting Saber Interactive to be making to it: *“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”* (Clause 1) within the scope of Saber Interactive’s right *“to develop, create, publish, market, distribute and sell the Licensed Article(s) and to engage in Advertising and Promotion worldwide”* (Clause 5). The evolutionary nature of the *“Licensed Article(s)”* and *“Advertising and Promotion”* yet to come was factored into the obligations relating to clearance of third party rights. These referred to *“third-party materials”* and *“third-party intellectual property rights”* included in or used in connection with *“the Licensed Article(s) or the Advertising and Promotion, whether in the development thereof or in the finished product released to the public.”*
23. Saber Interactive was required to account for *“Net Revenues”* from *“Licensed Article(s)”* in terms of units and quantities under the royalty provisions of the Agreement. The certified statements of account were required to provide *“a description of the Licensed Article(s)”* and *“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 Agreement envisaged that the "*Licensed Article(s)*" and "*Advertising and Promotion*" would be materialisations or manifestations of the "*Licensed Property*", with Saber Interactive being "*the party who is receiving the right to use the licensed property*". This was on the basis that "*Oovee owns Spintires (the "Licensed Articles")*" and "*Oovee retains title and ownership of the Licensed Articles*" and "*Oovee is the sole owner of the Spintires property.*" I return to the interpretation of this wording in paragraphs 78 to 84 below.

24. Oovee was at the date of the Agreement and continued thereafter to be the proprietor of the trade mark **SPINTIRES** registered in the UK under number 3189056 with effect from 03 October 2016 for use in relation to: "*Computer game programs; Computer games programmes [software]; Computer games programs [software]; Computer games software; Computer game software; Computer game programmes; Computer games; Computer application software*" in Class 9.
25. In his First Witness Statement, Mr Saxton identified Oovee as a game developer and publisher which has since 2008 been engaged in the business of creating innovative and immersive computer games for the PC platform and producing add-on software for various gaming platforms. It "*has established itself as one of the top providers worldwide in this field*". Its popular off-road simulation game **SPINTIRES** was released worldwide on 13 June 2014. He stated (and provided evidence to support his position) that:

5. To date, the *Spintires* game has amassed an almost cult-like global following, where to this day fans throughout the UK and from across the world engage and comment on purpose-built *Spintires* social media chatting platforms (see, for example, Annexes 2 and 3). Oovee has sold over 1.7 million copies of the game globally since its launch. This figure includes (i) sales made directly by the Oovee via Steam (1.1 million); and (ii) those made through partners either via digital channels or through retail sales (600,000), with Europe accounting for over 44% of global units sold and over 40% of the global revenue brought in since the launch of the game.
6. As it will become clear in this witness statement, Oovee’s unique market positioning and strong reputation in the gaming sphere has allowed it to become a very well known player in the gaming sector. This reputation and customer following is due in large part to [Oovee’s] development and publishing of the incredibly popular *Spintires* game.
26. The references in the Agreement to “*Spintires*”, “*the original Spintires PC game*”, “*the PC version of Spintires*”, “*the Spintires property*” and “*existing Spintires code*” are intelligible from that perspective and can be understood as referring not only to the name **Spintires**, but also more substantively to the product represented by the interactive game of that name as delivered via materialisation of the computer software which brings the gameplay to life at the user interface (c.f. BURNING HOT Trade Mark BL O/243/22 (21 March 2022) at paragraphs [10] to [21]).
27. On 18 April 2017, Mr Karch sent an email to Mr Fellas of Oovee under the subject

heading “*PC build link*” saying: “*Here is a PC build of the game. The temp name “Mudrunner” is on there to protect against any unauthorized releases. ... Have a look and let’s get this done already ...*”

28. He emailed Mr Fellas again on 18 May 2017 under the subject heading “*Updates*” saying (with underlining added by me): “*I wanted to give you some updates from our side. The contract that we signed with Zane has a clear provision for PC – I will send it separately, but this was negotiated with Andre and is included the contract. We are planning on releasing a trailer in a couple of weeks for all platforms (PC, PS4 and Xbox One). Since this is more than simply a port but includes enhancements, we will be releasing the game under the Spintires name but with an added name to differentiate it and to avoid market confusion. This will likely have the effect of slowing down your PC sales as a new version will be coming. Since we haven’t made any progress with Zane we just need to move forward in accordance with the terms of our agreement.”*

29. The following email exchanges (with underlining added by me) took place between them under the subject heading “*Email confirm*” on 10 August 2017:

From Mr Karch to Mr Fellas: “*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 just 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 ...”*

From Mr Fellas replying to Mr Karch: “*... 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. ... Look forward to getting, Xbox demo, details of the focus part and new of the trailer and announcement as we agreed."

30. In further email exchanges on 18 August 2017 under the subject heading "***Mud runner***" (with underlining added by me):

From Mr Fellas to Mr Karch: "*And pre orders from today and not a mention of oovee limited ! Not exactly happy on this communication or lack of*"

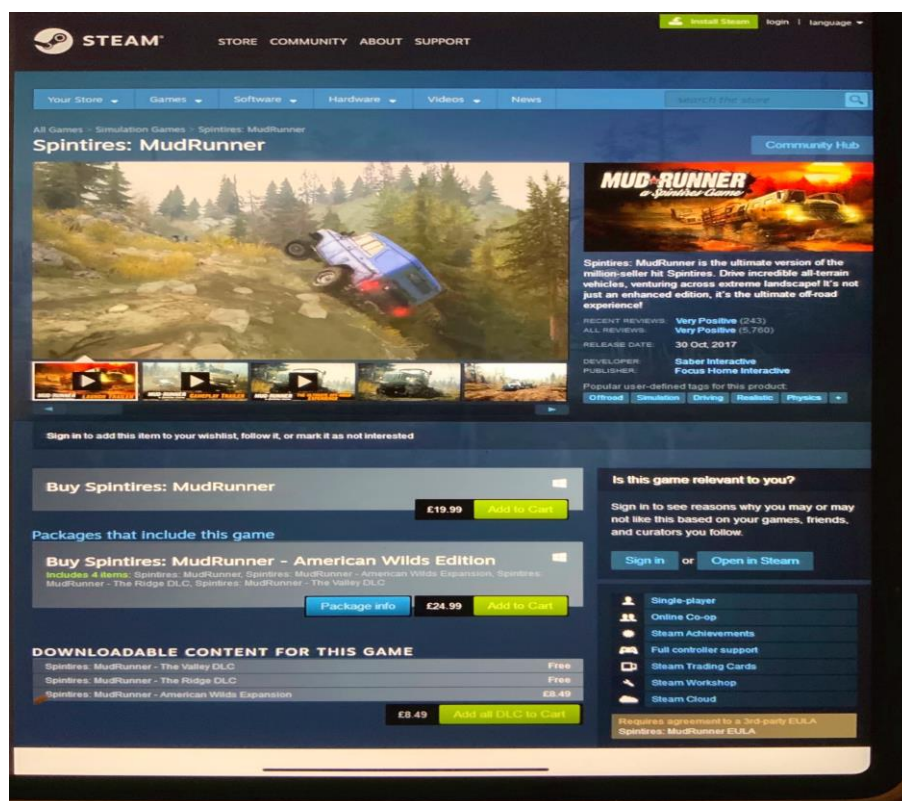
From Mr Karch replying to Mr Fellas: "*I was traveling and didn't even know the announcement was today. Oovee will be mentioned as the trademark holder for sure. We are going to make a lot of money on this ...*"

Response from Mr Fellas to Mr Karch: "*Please as zane is seriously angry like me. Need to be done by focus yesterday before anyone notices. Any input on my announcement ??*"

31. This game was released for sale on 31 October 2017 and made available for download in the UK and globally via various online websites, portals and platforms. It is clear from the 2017 emails referenced above that it was released "*in accordance with the terms of our agreement*" using "*Spintires with an added name to differentiate it and to avoid market confusion*" since "*this is more than simply a port but includes*

enhancements”.

32. Mr Karch wanted to avoid the possibility that *“Focus might change the name and remove Spintires from it”*. Because *“That isn’t desirable for either of us”*, he asked Oovee to confirm in the interests of both parties *“that it is no issue to include Spintires in the name.”* He was referring to both parties when he wrote on 18 August 2017: *“We are going to make a lot of money on this”*.
33. The branding used for the game presented it to the public as **Spintires : MudRunner** and **MudRunner. A Spintires Game**. It was promoted as *“the ultimate version of the million-seller indie hit Spintires. Like Spintires before it, Spintires : MudRunner puts players in the driving seat and dares them to take charge of incredible all-terrain vehicles ...”* The following examples of the presentation and promotion of the game are from (Saxton) Annex 3 and (Karch) Exhibit MK6:





34. The evidence on file shows that this enhanced version (*“the ultimate version”*) of the **SPINTIRES** game quickly achieved commercial success on a large scale (First Witness Statement of Zane Saxton, paragraphs 38 to 46 and Annexes 15 to 19). The impending release of it was advertised in a Facebook post dated 14 September 2017: *“Challenge the most extreme environments in Spintires : MudRunner, the ultimate off-road experience – check out our new trailer ! Available October 31st on #PS4, #Xbox One and #PC. Pre-order now ...”*. This announcement was shown to have attracted 15K likes, 12K comments, 7.9K shares and 1.1M views. It appears that nearly a million copies of the game had been sold by 31 March 2018. Not long afterwards in its financial report published on 25 October 2018 Focus Home Interactive referred to it as *“the million-seller which was released at end-2017”*.
35. Mr Karch states in paragraph 24 of his First Witness Statement (and I understand it to be common ground between the parties to the proceedings before me) that *“Saber*

removed references to Spintires from the packaging of the MUDRUNNER Game in January 2019". He says in paragraphs 30 and 32 that it did so having terminated the Agreement on 22 December 2018 by a letter of that date which he exhibited as Exhibit MK10. Oovee responded by a letter from its attorneys dated 4 January 2019 (Saxton Annex 18) in which it disputed the termination and issued a demand under Clauses 2 and 8 of the Agreement for a detailed and complete Royalty Statement to be provided within 20 days, followed by payment of the sums due within 10 days thereafter. The letter stated: ***"In the event that you do not remedy the Saber Breach within 30 days, our client hereby terminates the Saber Agreement pursuant to clauses 12 and 13(a)."***

I understand that the parties to the Agreement have since then been involved in proceedings relating to questions of termination and breach which remain ongoing at the present time.

36. On 24 April 2019, Saber Interactive Inc applied under number 3394432 to register **MUDRUNNER** as a trade mark under the Trade Marks Act 1994 for *"Computer game software for personal computers and home video game consoles; downloadable electronic video game programs; computer and video game programs"* in Class 9. The application claimed priority (in whole) from US trade mark application number 88171058 filed by Saber Interactive Inc in Class 9 on 26 October 2018.
37. I pause at this point to observe that the August 2016 'License Agreement' was still subsisting at the date when the US trade mark application was filed. There is no suggestion in the evidence and materials on file in the present proceedings that the application was filed with the knowledge or consent of Oovee.
38. On 15 November 2018, Oovee applied under number 3353902 to register

MUDRUNNER as a trade mark under the 1994 Act for a wide range of goods in Class 9 including: “... *computer game programs; computer games; computer games programmes [software]; computer games programs [software]; computer application software; game software; ... interactive game software; interactive game programs; ...*”. The application proceeded to registration on 01 February 2019. There is no record in the Register of Trade Marks of any pre-grant or post-grant objections to registration. Section 72 of the Act provides that “In all legal proceedings relating to a registered trade mark ... the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration ...”.

39. On 27 August 2019, Oovee filed a Form TM7 and Statement of Grounds of Opposition to Saber Interactive Inc’s trade mark application number 3394432. The Opposition proceeded (following amendment of Oovee’s pleadings) on the basis of three objections to registration:

(i) pursuant to the terms of the “Licence Agreement between the Applicant [Saber Interactive Inc.] and the Opponent [Oovee] dated 2 August 2016”, Oovee was the proprietor of the goodwill generated by use thereunder of the mark **MUDRUNNER** in the UK since 2017 and was accordingly the proprietor of an earlier unregistered right to object to the contested application for registration by virtue of the law of passing off (s.5(4)(a) of the 1994 Act);

(ii) between August 2016 and January 2019, the Applicant [Saber Interactive Inc.] was acting in relation to use of the mark **MUDRUNNER** as exclusive licensee and agent of the Opponent [Oovee] under the Licence Agreement and the contested application for registration should accordingly be refused for having

been filed by the Applicant [Saber Interactive Inc.] in its own name without the consent of the Opponent [Oovee] (s.5(6) of the 1994 Act);

- (iii) the Applicant [Saber Interactive Inc.] applied to register the mark **MUDRUNNER** despite being aware at the time of filing that the Opponent [Oovee] was the owner and licensor of the rights in the mark and the contested application for registration should accordingly be refused for having been made in bad faith (s.3(6) of the 1994 Act).

40. Saber Interactive Inc. defended the contested application for registration in its Form TM8 and Counterstatement dated 25 November 2019 on the following basis:

- (i) it denied that Oovee was able to establish any of the elements which it needed to establish in order to maintain an objection on the basis of passing off and positively asserted that: *“the licence agreement makes no mention whatsoever of the mark MUDRUNNER and has no impact on the use, registration or ownership of the mark. Instead, it relates solely to the development and publication of console ports and enhancements to the game originally released under the name ‘Spintires’”* (s.5(4)(a) of the 1994 Act);
- (ii) it denied that Oovee was able to establish any of the elements on which its objection to registration in the name of an agent or representative was based and in particular *“denied that there was an exclusive licence between the Opponent [Oovee] and the Applicant [Saber Interactive Inc.] in respect of the MUDRUNNER mark”* (s.5(6) of the 1994 Act);
- (iii) it *“denied that a licence agreement pertaining to the MUDRUNNER mark*

existed between the Opponent [Oovee] and the Applicant [Saber Interactive Inc.]” and “therefore denied that ‘the Applicant [Saber interactive Inc.] was aware that the Opponent [Oovee] was the owner and licensor of the rights in the Mark’”; it maintained that “the Applicant [Saber Interactive Inc.] has at all times asserted that it owns all rights in the mark MUDRUNNER, of which Opponent [Oovee] is aware”; and it “denied that the Applicant [Saber Interactive Inc.] acted in bad faith in filing the present application” (s.3(6) of the 1994 Act).

41. Both parties to the Opposition proceedings filed evidence in support of their respective positions. Oovee’s evidence was throughout premised upon the proposition (pleaded in its Form TM7 and Statement of Grounds and not contradicted in the Form TM8 and Counterstatement) that the named applicant for registration (Saber Interactive Inc.) was the named licensee (Saber Interactive Inc.) on whose behalf Mr Karch had executed the August 2016 ‘License Agreement’.
42. In paragraph 1 of his First Witness Statement dated 20 August 2020, Mr Karch stated:
“I am the Chief Executive Officer of PAE Smart Investments Inc. a corporation organized and existing under laws of the State of Delaware in the United States of America (‘PAE’). 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 was also the Chief Executive Officer of Saber Interactive Inc. (‘Saber’) a different corporation and the previous owner of the application which is the subject of the present proceedings.”
43. He did not say or suggest that ***“the previous owner of the application”*** was not (as

Oovee had pleaded and continued to identify as) the named licensee, Saber Interactive Inc. on whose behalf he had executed the 'License Agreement'. He adopted an agglomerating approach to corporate identity: **“Except where otherwise delineated herein, the term “Saber” shall mean and include the original Saber Interactive Inc. and all subsidiaries, affiliates and related companies thereof, as well as PAE and all parents, subsidiaries, affiliates and related companies thereof”.**

44. That changed when he came to make his Second Witness Statement dated 04 January 2021. He then indicated (in paragraph 1, footnote1 and paragraphs 5 and 6) that the named applicant for registration, Saber Interactive Inc. was not (as Oovee had pleaded and continued to identify as) the named licensee, Saber Interactive Inc. :

Paragraph 1: **“... 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.”**

Footnote 1: **“I am also involved in another business, originally called Saber Interactive Inc., a New Jersey corporation (Saber New Jersey). Saber New Jersey is now known as S3D Interactive Inc., a New Jersey**

Corporation ('S3D Interactive New Jersey'). I am providing this information for clarification purposes only. Neither Saber New Jersey nor S3D Interactive New Jersey are involved in this proceeding, nor has it ever owned any portion of the trademark application or registration that are at issue in this proceeding.

Paragraph 5: *"I refer to my first witness statement which set out the history of the relationship between the parties and the License Agreement between Oovee and Saber New Jersey."*

Paragraph 6: *"Saber New Jersey terminated the License Agreement in December 2018 ..."*

45. In the paragraphs which follow, I refer to Saber Interactive Inc. (the Delaware corporation) as "the Applicant" and continue to refer to Saber Interactive Inc. (the New Jersey corporation on whose behalf Mr Karch had executed the 'License Agreement') as "Saber Interactive".
46. The evidence filed on both sides included assertions as to the intended meaning and effect of the Agreement which were inadmissible for the purposes of contractual interpretation. These were variously inadmissible for conflict with the provisions of Clauses 10, 19 or 25 of the Agreement and / or as amounting to subjective declarations of intent long after the event. An example of an assertion which failed as to admissibility for the purposes of contractual interpretation is the assertion made twice by Mr Karch in his First Witness Statement (with underlining added by me): *"Oovee and Saber therefore agreed to and signed the License Agreement on 2 August 2016 in settlement of the dispute so that we could go our separate ways."* (paragraph 19);

“As referred to above, the purpose of the License Agreement was to settle the dispute between Saber and Oovee in relation to the Code, which allowed both parties to use it, and for them to go their separate ways.” (paragraph 23).

47. The Opposition came on for hearing before Ms Stephanie Wilson acting for the Registrar of Trade Marks on 14 October 2021. The Applicant referred in paragraphs 4(b) and (c) of its Skeleton Argument to the corporate identity evidence which Mr Karch had introduced into the proceedings in January 2021. It maintained (with emphasis added by me):

For the purposes of these proceedings, the tribunal does not need to determine whether the licence agreement was entered into with S3D Media Inc. or S3D Interactive New Jersey. **Accordingly, references going forward shall where appropriate be simply to ‘Saber’, as meaning S3D Media Inc. on Oovee’s case and S3D Interactive New Jersey on PAE’s case.**

48. The matter was further addressed in oral submissions at the hearing: **Transcript** pp. 18 to 20 and pp. 38 to 40. The Applicant’s position at pp. 18, 19 was stated to be: *“...for the purposes of these proceedings I am not suggesting that you need to determine which of these two companies Oovee actually entered into the Licence Agreement with, but it is important to note that distinction, that there is a difference between the parties as to who the Agreement was with and, further, that neither of those parties is in fact PAE, which is the current applicant and proprietor of the mark. ... there is no need for you to find or not find that PAE is a successor. The issue in the case is whether Oovee has a prior right in the mark MUDRUNNER and that will be*

determined whether or not its agreement was with S3D Interactive, S3D Media and whether or not PAE was a successor not. But that is not an issue for you to determine today and there is certainly no evidence to that effect before you.”

49. Oovee’s position at pp. 38, 39 was: *“In fact coming into today’s hearing, even with the skeleton arguments of counsel for Party B, we understood the corporate structure really to be considered irrelevant and a moot point, but as arguments have been made on that point we feel bound to respond to them. The corporate structure of Saber / PAE / S3D is undoubtedly complex. It has been heard in various forums that that is deliberately so. They have been found to deliberately obfuscate their corporate structure and nature. It is not clear to anyone. They are all part of the Saber group of companies and what you have in common is Mr Matthew Karch who has been making witness statements on behalf of Party B throughout. In US opposition 91249491, which involve [it is] same marks the US PTO held that the entities were linked on the basis that the applicant was Saber Interactive Inc., Delaware, the[y] were arguing that the licensing agreement was in the name of Saber Interactive Inc., New Jersey. In that case the applicant Saber Interactive Inc., Delaware, actually admitted to being a party to the Licence Agreement. That was challenged during the opposition but they stuck by their position on that which was that [they] did agree they were bound by the Licence Agreement and that is in the open US PTO correspondence.”*

50. The Hearing Officer asked whether she had any of this in front of her. Oovee’s professional representative explained (p.39): *“You do not because it was not something that we thought was going to be raised at all, but because counsel for Party B has gone into it in some detail it is difficult to avoid it. If it is something that [is]*

going to be material for the outcome of this opposition in cancellation proceedings it is [not] unfortunate not to be able to respond on it.

51. When asked for her thoughts on this, Counsel for the Applicant stated (p.39): **“I would say that the corporate structure is not relevant to the outcome of these opposition proceedings ... I was very clear in my submissions that I do not say that this affects the outcome of this opposition in any way ... I do not actually think that the corporate structure is in any way relevant to the outcome of these proceedings.”** The exchanges ended with Oovee’s professional representative stating (p.40): **“That is fine, if it is not going to be taken into account in relation to the outcome of the opposition, yes, absolutely.”**
52. When the Hearing Officer issued her Decision to the parties on 16 November 2021 under reference BL O/840/21, the Applicant found it necessary to write to her requesting corrections to paragraph [21] in which she had written: “The first point that Saber makes about this document is that it was 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). ...”
53. In their letter dated 10 December 2021, the Applicant’s attorneys referred the Hearing Officer to Mr Karch’s Second Witness Statement and paragraph 4(b) of the Applicant’s Skeleton Argument. They said: ***“The first sentence of paragraph 21 is incorrect. In particular, Saber ... did not argue or make the point that the document in question was entered into by Oovee and Saber Interactive, a Delaware LLC. In fact, it argued that the document was entered into by Oovee and a company originally called ‘Saber Interactive Inc.’ (a New Jersey corporation) and now called ‘S3D Interactive Inc.’ a***

New Jersey corporation. By consequence the second sentence of paragraph 21 is redundant as it is talking about the wrong entity.” They went on to say (with underlining added by me): “... the error identified at paragraph 21 of the decision does not in any way affect the Hearing Officer’s ultimate findings and does not therefore present a ground of appeal. It simply misstates the argument that was put forward by our client as it identifies the wrong corporate entity.” Towards the end of their letter they said of their request for correction: “*We consider that this is a reasonable request as it is important generally for parties’ arguments to be accurately stated within a decision but, in this case, it is particularly important where the parties in question have ongoing disputes outside of these proceedings.*”

54. The parties were informed on 14 December 2021 that the Hearing Officer had responded to the Applicant’s request by changing the first two sentences of paragraph 21 to read: “*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.)*.” These changes did not (and nor did any other part of the Decision) fully record the point that the Applicant had raised in its request for correction by reference to the evidence given by Mr Karch in his Second Witness Statement: (i) the Applicant was maintaining that no entity correctly describable as “a Delaware LLC” had entered into the ‘License Agreement’; (ii) it was maintaining that the entity identified as “Saber Interactive Inc.” on the signature page of the ‘License Agreement’ was a New Jersey corporation; (iii) it was further maintaining that the entity identified as “Saber Interactive Inc” in the application for registration filed in the United Kingdom on 24 April 2019 was a Delaware corporation; and (iv) it was further maintaining that “Saber Interactive Inc.” the New Jersey corporation (now called “S3D Interactive Inc” and still a New Jersey

corporation) had at no time been involved in the present proceedings or ever owned any portion of the contested trade mark application.

55. The point came up again in the Grounds of Appeal and Respondent's Notice filed by the parties for the purposes of the present Appeal. In paragraph 43 of its Grounds of Appeal, Oovee stated that as a result of the Applicant having raised new arguments about differing Saber group companies, it (Oovee) had sought to introduce evidence as to the behaviour of Saber (and related companies) in seeking to deliberately obfuscate the corporate structure of the Saber group. It maintained that it (Oovee) had ***“only ceased this line of argument on the assurance that [the Applicant] agreed that the identity of the various Saber companies was not relevant”***. It complained that despite this: ***“in both the Decision and subsequent correspondence there has been material discussion regarding the roles of the various Saber companies.”*** It expressly reserved the right to make further submissions in this respect, if deemed relevant.
56. In paragraphs 17 to 22 of its Respondent's Notice, the Applicant contended that paragraph 43 of Oovee's Grounds of Appeal was: ***“incorrect and misleading.”*** It maintained that: ***“There is a big difference between the identity of a company being ‘in issue’ and the need for companies / entities / persons to be correctly identified within a decision.”*** It stated (with underlining added by me): ***“For the avoidance of doubt, the identity of any of the ‘Saber’ companies / their role is not relevant to any issue which the HO had to determine (this point having been made clear at the hearing), to any of the HO’s findings or to any point now in issue in this appeal.”*** It confirmed that it would challenge any attempt by Oovee to introduce any new evidence about the ‘Saber’ companies on appeal.

57. The Applicant returned to this matter in its Skeleton Argument. In footnote 2, it stated: *“as nothing turns on which specific entity is being referred to ... the writer shall simply refer to ‘Saber’ throughout.”* In paragraphs 23 to 27 under the heading *“Preliminary issue – the relevance of the ‘Saber’ companies”* it maintained that whilst *“none of the issues for determination by the HO turned on which Saber company was involved ... it is imperative in any case that the relevant persons and entities referred to in a decision are referred to and identified correctly”* and that it *“strongly refutes any suggestion that it has been raising new arguments around the issue of differing Saber group companies, whether during the hearing before the HO or in subsequent correspondence.”*
58. I received submissions from the parties in relation to the *“Preliminary issue”* at the outset of the hearing before me. I indicated at that time that I considered the corporate identity point should have been raised by the Applicant in its Form TM8 and Counterstatement dated 25 November 2019, rather than belatedly and informally without amendment to the Counterstatement in Mr Karch’s Second Witness Statement dated 4 January 2021. I was not satisfied that the evidence he had given in paragraph 1, footnote 1 and paragraphs 5 and 6 to the effect noted above was correctly describable as a matter of no relevance to any issue the Hearing Officer had to determine. Not least because it was clear that Oovee’s objections to registration as pleaded in its Form TM7 and Statement of Grounds of Opposition dated 27 August 2019 and addressed in the witness statements filed in support of those objections were premised on the proposition that the central document in the case was the *“Licence Agreement between the Applicant and the Opponent dated 2 August 2016”* under which *“Between August 2016 and January 2019, the Applicant was the exclusive licensee of the Opponent”*.

59. In order to give effect to Mr Karch's evidence that the Applicant was **not** the named licensee under the 'License Agreement' (Saber Interactive Inc.) and that the licensee thereunder was **not** involved in the present proceedings and had **never** owned any portion of the contested application for registration, and to do so in a way which ensured that those matters truly were (as the Applicant repeatedly insisted they were to be) treated as irrelevant to the issues which had to be determined by the Hearing Officer and by this Tribunal on appeal, I considered that it was necessary to permit Oovee to present its objection to registration on the ground of bad faith filing without regard to the identity of the licensee under the 'License Agreement'.
60. I came to that view without the benefit of the Transcript of the hearing below. Having now seen from the Transcript the position that was reached in the course of the oral submissions, I consider that the Applicant is bound to proceed on the basis that the difference in identity between the Applicant and the licensee under the 'License Agreement' is properly and fairly to be treated as a fact which did not and does not constitute an impediment to Oovee's objection to registration under s.3(6) of the Act. I note in this connection that Counsel for the Applicant confirmed at the hearing before me that it was not objecting to Oovee contending that whichever Saber party entered into the Agreement, the Applicant still acted in bad faith: **Transcript** p.7, line 16 to p.8, line 3; and the fact that the applicant for registration at the priority document stage and at the UK filing stage was not the licensee under the Agreement is immaterial to the question of whether it was acting in bad faith when it applied: **Transcript** p.12, lines 7 to 14.
61. Oovee could not successfully object to the contested application for registration under s.5(4)(a) of the Act without establishing that it was the proprietor of an earlier

unregistered right protected by the law of passing off enabling it to prevent use of the mark **MUDRUNNER** in the United Kingdom for the Class 9 goods of interest to the Applicant: Article 2 of The Trade Marks (Relative Grounds) Order 2007. It claimed to be the owner of the requisite earlier right under and by virtue of the terms of the ‘License Agreement’. The Applicant contested Oovee’s claim to proprietorship on the basis that the Agreement had *“no impact on the use, registration or ownership of the mark”*.

62. The Hearing Officer upheld the Applicant’s defence in that regard:

[24] At the hearing, Mr Traub [for Oovee] 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.

...

[33] There is nothing in the agreement which, in my view, confers any rights in the goodwill generated under the Spintires mark on Saber LLC (sic). Clearly, if the agreement extends to goodwill at all then the goodwill 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 the 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 terms into it.

63. The rejection of the objection under s.5(4)(a) has not been appealed.
64. Oovee could not successfully object to the contested application for registration under s.5(6) of the 1994 Act without establishing that it was the proprietor of the earlier trade mark or other earlier right relied on: Article 2 of The Trade Marks (Relative Grounds) Order 2007. It claimed proprietorship of the requisite right on the basis that *“the Applicant was the exclusive licensee of the Opponent”* and *“In offering products for sale under the Mark, the Applicant was acting in its capacity as agent for the Opponent”*. The Applicant contested the objection on the basis of a series of focused denials. These included: *“It is denied that the Opponent is the proprietor of the mark MUDRUNNER. It therefore lacks the standing and entitlement to allege this ground.”*
65. The Hearing Officer upheld the Applicant’s defence in that regard:
- [63] 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.
66. The rejection of the objection under s.5(6) has not been appealed.

67. Oovee's objection to the contested application for registration on the ground of bad faith filing fell outside the scope of The Trade Marks (Relative Grounds) Order 2007. Bad faith filing is a free standing basis of objection on absolute grounds under s.3(6) of the 1994 Act; the objection is neither governed nor exhausted by the operation of the relative rights provisions of s.5; the assessments which are relevant in order to establish whether relative grounds of objection exist under s.5 are not necessarily applicable to a finding of the existence of bad faith; an objection to registration on the basis of bad faith filing can be made by any natural or legal person and not only by holders of prior rights; there is no requirement whatsoever for the objector to be the proprietor of an identical or similar earlier mark or sign protected by registration or use in the United Kingdom: MR MIYAGI'S Trade Mark BL O/171/22 (02 March 2022) at paragraphs [58] and [66].
68. The rejection of the objections to registration on relative grounds under ss. 5(4)(a) and 5(6) of the Act was not, in point of law, a bar to Oovee's objection to registration on absolute grounds under s.3(6) of the Act. The rejection of its objections under ss. 5(4)(a) and 5(6) is also not a bar to its appeal under s.76 of the Act against the Hearing Officer's rejection of its objection to registration under s.3(6) (c.f. Reed Executive Plc v Reed Business Information [2004] EWCA Civ 159; [2004] RPC 40; at paragraphs [87] to [89] per Jacob LJ).
69. The Hearing Officer concluded that Oovee's objection to registration under s.3(6) should be rejected on the following basis:
- [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 (sic). 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 said 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.

70. This conclusion is challenged by Oovee on appeal before me. Shortly stated, the question for this Tribunal on appeal is whether it was open to the Hearing Officer, on the evidence and materials before her, to come to the conclusion she did for the reasons she gave. That will be the position unless her conclusion is liable to be regarded as wrong by reason of an error of principle or some identifiable flaw in the treatment of the question to be decided such as a gap in logic, a lack of consistency, or a failure to take account of some material factor which undermines the cogency of it: Re Sprintroom Ltd [2019] EWCA Civ 932 (McCombe, Leggatt and Rose L.JJ) at paragraphs [75], [76]. The Judgment of the Supreme Court delivered by Lord Hodge JSC in Actavis Group PTC EFH v ICOS Corporation [2019] UKSC 15 confirmed at paragraphs [80], [81] that an error of principle is not confined to an error as to the law; it extends to certain types of error in the application of a legal standard to the facts in

an evaluation of those facts, which might be asking the wrong question, failing to take account of relevant matters, or taking into account irrelevant matters; and it was further confirmed that an evaluation is liable to be regarded as flawed if it has resulted in a conclusion which is outside the bounds within which reasonable disagreement is possible.

71. I now turn to the conclusion reached in paragraph [58] of the Hearing Officer's Decision with those considerations in mind.

72. **As to the Applicant's knowledge of the Agreement:** There was at the filing date of the contested application for registration no material distinction to be drawn between the Applicant and the licensee under the Agreement (Saber Interactive Inc., not 'Saber LLC'): see above. It was also apparent from the evidence and materials on file that Mr Karch was, as Oovee submits, the common and controlling mind of the 'Saber' companies referenced in these proceedings. The Applicant's UK trade mark application number 3394432 claimed priority (in whole) from its US trade mark application number 88171058. Its US Application on 26 October 2018 was filed while the 'License Agreement' was still subsisting. It was evidently filed without the knowledge or consent of Oovee. The US and UK filings were in no way the act of a stranger to the existence and operation of the Agreement. In keeping with the "no material distinction" point and consistently with the evidence on file, the Applicant's knowledge of the Agreement and of the manner and circumstances in which it was implemented and operated fell to be equated with that of the licensee thereunder.

73. **As to interpretation of the Agreement:** The Applicant had in its Skeleton Argument for the hearing (paragraphs 12 and 13) identified the relevant provisions of the

Agreement as Clause 1 (which it referred to as “the key provision”) and Clauses 2, 10, 11 and 20; Oovee had in its Skeleton Argument referred to Clauses 1 to 4.

74. Clauses 1, 2 and 11 could not be interpreted without reference to Clauses 5, 7 and 8, nor could they be interpreted correctly without construing the expressions “*Licensed Article(s)*”, “*Licensed Property*” and “*Spintires Property*” in the context of the Agreement as a whole.
75. The Hearing Officer addressed Clauses 1, 3 to 8, 10 and 11 between paragraphs 25 and 36 of her Decision, where she adopted the following approach to interpretation:
- (i) the term **Spintires** is not defined and no further information is provided as to what is covered by the term “**Licensed Articles**”: paragraph [26]
 - (ii) 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): paragraph [26]
 - (iii) the term “**Licensed Property**” is not defined: paragraph [29]
 - (iv) the term “**Spintires property**” is not defined: paragraph [31]
 - (v) it is not made explicit in the Agreement how far Clause 11 was intended to go i.e. did it cover just technology or did it go further and cover ownership of goodwill generated by enhancements to the game too ? : paragraph [31]
 - (vi) looking at Clause 11 in combination with Clauses 7 and 8, it is “at least

arguable” that Clause 11 did extend to ownership of the goodwill generated under the name **Spintires** : paragraph [31]

- (vii) there is nothing in the Agreement which confers any rights in the goodwill generated under the **Spintires** trade mark on Saber LLC (sic): paragraph [33]
- (viii) 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 to note 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 under the Licence Agreement: paragraph [31]
- (ix) 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: paragraph [33]
- (x) although Clause 8 covers “any and all names and likenesses from the **Licensed Property**” this seems likely to refer to characters and imagery from the original game rather than names used to promote the new game: paragraph [34]
- (xi) the context of the Agreement (including the dispute referenced in Clause 10) does not require it to be understood as necessarily covering the ownership of goodwill generated from the marketing of new developments of the game: paragraph [34]

- (xii) there is 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: paragraph [35].
76. This, to quite a large degree, omitted to grapple with the matters of construction which arose for determination on the wording of the Clauses that the Hearing Officer was considering. It is necessary, in my view, to address the gaps in the construction of the Agreement on this appeal in order to be clearer as to the nature of the business relationship it put in place for the purposes of the bad faith filing objection which is now before me. I am grateful to the parties for the further written submissions they provided for consideration in that connection.
77. The Agreement set out a framework for future collaboration which the contracting parties plainly expected to be implemented and operated in the manner I have indicated in paragraphs 22 and 23 above.
78. I consider, for the reasons I have explained in paragraphs 43 to 45 above, that in the terminology of the Agreement the word **SPINTIRES** (and cognate expressions: *“the original Spintires PC game”*, *“the PC version of Spintires”*, *“the Spintires property”* and *“existing Spintires code”*) referred not only to the name **SPINTIRES**, but also more substantively to the product represented by the interactive game of that name as delivered via materialisation of the computer software which brings the gameplay to life at the user interface.
79. I consider that in the terminology of the Agreement, the expression **LICENSED ARTICLE(S)** referred to the **SPINTIRES** game inclusive of enhancements or improvements made to it in the exercise of the licence provided by Clauses 1 and 5.

From that perspective, the statement — in the nature of a recital — in the first sentence of Clause 1: *Oovee owns Spintires (the “Licensed Articles”)* should, in my view, be understood as meaning: *Oovee owns Spintires (the formative game for the “Licensed Articles”)*. And the third sentence of Clause 1: *Oovee retains title and ownership of the Licensed Articles* should, in my view, be correspondingly understood as meaning: *Oovee retains title and ownership of (Spintires) the formative game for the Licensed Articles*.

80. Clauses 1, 2, 5, 7 and 8 underpinned a regime for the computation and payment of royalties in which it was necessary to account in terms of units and quantities for commercial exploitation of the **LICENSED PROPERTY**. I consider that in the terminology of the Agreement, the expression **LICENSED PROPERTY** served to designate any and all elements and aspects of the **SPINTIRES PROPERTY** which came to be developed and exploited via the **LICENSED ARTICLE(S)** and “**ANY COLLATERAL MATERIALS AND ADVERTISING AND PROMOTION**” (as specified in Clause 8, with reference back to Clause 7).

81. The name **SPINTIRES** was an element of the **SPINTIRES PROPERTY** and therefore an element of the **LICENSED PROPERTY**. Even so, the Agreement was entirely silent (which is to say entirely neutral) as to the trade mark implications or consequences of the licensee’s use of it. In so far as the name **SPINTIRES** was used by the licensee in the United Kingdom as a trade mark for interactive games in Class 9, that would be deemed to have been use by Oovee of its UK registered trade mark number 3189056: s.46(1)(a) of the 1994 Act and Article 16(6) of Directive (EU) 2015/2436 (“*Use of the trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor*”)

82. The name **MUDRUNNER** was not an element of the **SPINTIRES PROPERTY** and therefore not an element of the **LICENSED PROPERTY**. The Agreement was no less silent (which is to say no less neutral) as to the trade mark implications or consequences of the licensee's use of it.
83. The Court of Appeal considered the law on implied terms in Yoo Design Services Ltd v Iliv Realty Pte Ltd [2021] EWCA Civ 560 at paragraphs [47] to [52]. Carr LJ emphasised at paragraph [47] that: "The implication of contractual terms involves a 'different and altogether more ambitious undertaking' than the exercise of contractual interpretation which identifies the true meaning of the language in which the parties have expressed themselves: the interpolation of terms to deal with matters for which, *ex hypothesi*, the parties have themselves made no provision. It is because the implication of terms is so potentially intrusive that the law imposes strict constraints on the exercise of the 'extraordinary' power so to intervene (see Marks & Spencer Plc v BNP Paribas Securities Services Trust Co (Jersey) Ltd [2015] UKSC 72; [2016] AC 742 ... at [29], citing Sir Thomas Bingham MR in Philips Electronique Grand Public SA v British Sky Broadcasting Ltd [1995] EMLR 472 at 481)."
84. The constraints which the law imposes on the interpolation of terms into contracts (especially where the contract contains express provisions to the combined effect of Clauses 19 and 25 in the present case) prevented the implication of any terms to counteract the silence (neutrality) of the 'License Agreement' with regard to the licensee's use of the name **MUDRUNNER**.
85. I pause at this point to observe that it is a long-standing and well-established principle that a licence as such conveys no proprietary interest to the licensee: Northern & Shell

Plc v Conde Nast & National Magazines Distributors Ltd [1995] RPC 117 (Jacob J) at pp. 121, 122.

86. **As to rights in the name MUDRUNNER:** The Hearing Officer decided that Oovee had no rights in the name **MUDRUNNER** for the reasons she gave in paragraphs [39] to [46] of her Decision under the heading **“Who, in fact, did the public believe was responsible for the MUDRUNNER game ?”**.

87. Her response to the question she had asked herself was as follows:

[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 is unlikely to have gone unnoticed and is likely to have given rise to some link or association with the original Spintires game. ... 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 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 this into account, I find that the public perceived Saber as being responsible for the MUDRUNNER game, rather than Oovee.

88. The question which had been raised for determination was whether, as Oovee contended, the licensee's game "*was marketed and advertised extensively across the UK and other countries by reference to the original Spintires game, utilising the substantial goodwill and reputation which accrued to Oovee in the SPINTIRES mark and brand*": Oovee's Skeleton Argument (12 October 2021) paragraph 19; iterated at various points in its oral submissions at the hearing: **Transcript** pp. 3, 6, 8, 11, 12, 16 and 40.
89. Just stepping back and considering that question from: (i) an infringement perspective; (ii) a use / non-use perspective; and (iii) a passing off perspective; the answer is: (i) the use of **SPINTIRES : MUDRUNNER** and **MUDRUNNER. A SPINTIRES GAME** in the UK, without Oovee's full consent, for the interactive game released by Saber Interactive on 31 October 2017 would unquestionably have infringed the rights conferred by Oovee's registration of the trade mark **SPINTIRES** in Class 9; (ii) the use of **SPINTIRES : MUDRUNNER** and **MUDRUNNER. A SPINTIRES GAME** in the UK, with Oovee's full consent, for the interactive game released by Saber Interactive on 31 October 2017 would unquestionably have defeated a claim for revocation of Oovee's registration of the trade mark **SPINTIRES** in Class 9 on the

ground of non-use; and (iii) the use of **SPINTIRES : MUDRUNNER** and **MUDRUNNER. A SPINTIRES GAME** in the UK, without Oovee's full consent, for the interactive game released by Saber Interactive on 31 October 2017 would unquestionably have been actionable in passing off at the suit of Ovee for misrepresentation involving misappropriation of the goodwill and reputation it had built up and acquired by marketing such games under and by reference to the name and mark **SPINTIRES** since 2014.

90. I do not see how the answer to the question could be materially different in the context of the present opposition proceedings. The evidence was clear and pointed in only one direction. The interactive game released by Saber Interactive on 31 October 2017 was a manifestation of the **LICENSED PROPERTY**, the **SPINTIRES PROPERTY**, the **LICENSED ARTICLE(S)** and the **ADVERTISING AND PROMOTION** which Saber Interactive was licensed to use and exploit under the 'License Agreement'. Mr Karch had agreed with Oovee beforehand that the branding for it would be **SPINTIRES** with *"an added name to differentiate it and to avoid market confusion"* since it was *"more than simply a port but includes enhancements"*. The *"added name"* was **MUDRUNNER**. In the naming and branding presented and promoted to the public, **SPINTIRES** qualified **MUDRUNNER** and **MUDRUNNER** qualified **SPINTIRES**. The words were brought together in a way which served to convey the message spelled out in the promotional text that the game was *"the ultimate version of the million-seller indie hit Spintires"*. There is nothing in the evidence and materials on file to suggest that people in the relevant marketplace failed to grasp the message conveyed by the branding and promotional material.

91. From the perspective of a reasonably well-informed and reasonably observant and

circumspect consumer of the goods concerned, the **SPINTIRES : MUDRUNNER** and **MUDRUNNER. A SPINTIRES GAME** branding would naturally be perceived and remembered as a **SPINTIRES** brand extension / variant; and none the less so because the licensee who was using it for the licensed game was identified by name. The branding could not reasonably and realistically be said to have failed in its objective of capitalising on the goodwill and reputation attaching to **SPINTIRES** (the name and the game of that name). The Hearing Officer should have found that this was a straightforward example of distinctiveness being maintained by use of a mark as part of another mark taken as a whole or in conjunction with that other mark (as to which, with relevance to questions of distinctiveness no less than to questions of use / non-use, see: Case C-12/12 Collosseum Holding AG v Levi Strauss & Co EU:C:2013:253 at paragraphs [31] to [34]; Case C-252/12 Specsavers International Healthcare Ltd v Asda Stores Ltd EU:C:2013:497 at paragraphs [22], [23]). The branding and promotion of the game prior to January 2019 presented, without resolving, the problem of what the relative rights of the parties would be if and when one side or the other subsequently disturbed the equilibrium by unilaterally proceeding to register and use the name and mark **MUDRUNNER** divorced from the name and mark **SPINTIRES**.

92. **As to the propriety of the filing of the contested application for registration:** The Hearing Officer considered that the ‘License Agreement’ could not possibly be said to be “*sufficiently clear*” to warrant the conclusion that “*Saber should have known at the time of filing that it had no rights in the name MUDRUNNER*” and that applying “*to register a mark you reasonably believe you may be entitled to register / use*” is not bad faith filing.
93. It stands confirmed before me that Oovee can maintain that the Applicant acted in bad

faith whichever Saber company entered into the ‘License Agreement’ and the fact that the applicant for registration at the priority document stage and at the UK filing stage was not the licensee under the Agreement is immaterial to the question of whether it was acting in bad faith when it applied (paragraph 60 above). Looking, therefore, at the nature of the business relationship put in place by the ‘License Agreement’, the outcome of the objection to registration under s.3(6) of the 1994 Act depended — in concrete terms — on whether it was an act of bad faith to file the contested application for registration of **MUDRUNNER** in the UK on 24 April 2019 with a claim to priority from the application to register **MUDRUNNER** in the US which had been filed on 26 October 2018 with a view to the continued marketing of the game after December 2018 using the name and mark **MUDRUNNER** without reference to the name and mark **SPINTIRES**.

94. As too often happens in Registry proceedings involving allegations of bad faith filing, neither side attempted to test the reliability of the other side’s account of events by way of cross-examination or by means of any application for disclosure. Their written and oral submissions required the Hearing Officer to assess the correctness of their respective positions in the light of the witness statements and exhibits they had provided. That involved an acceptance on their part that the Hearing Officer was entitled to consider whether or how far the evidence presented on one side of the case had in significant respects been disproved or displaced or outweighed by evidence presented on the other side of the case: Williams v Canaries Seaschool SLU (CLUB SAIL Trade Marks) [2010] RPC 32; BL O/074/10; at paragraphs [37] to [41].
95. The intention of the applicant for a trade mark is a subjective factor which must be determined objectively. Consequently, any claim of bad faith must be the subject of an

overall assessment taking into account all the factual circumstances relevant to the particular case, it is only in that manner that a claim of bad faith can be assessed objectively: Case C-104/18 Koton Magazacilik Textil Sanayi ve Ticaret AS v EUIPO EU:C:2019:724, paragraph [47] citing Case C-529/07 Chocoladefabriken Lindt & Sprungli AG EU:C:2009:361, paragraphs [37] and [42]; and see Sky Ltd v SkyKick U.K. Ltd [2021] EWCA Civ 1121 at paragraph [67(9)].

96. The required determination is, on any view of the matter, fact sensitive and case specific. It falls to be made with due regard for the fact that the trade mark applicant is best placed to provide the decision taker with information as to his or her intention at the time of the application for registration: Case T-663/19 Hasbro Inc v EUIPO EU:T:2021:211, paragraph [44]; Univers Agro EOOO v EUIPO EU:T:2021:633, paragraph [33] citing Joined Cases T-3/18 and T-4/18 Holzer y Cia, SA de CV v EUIPO (ANN TAYLOR and AT ANN TAYLOR) EU:T:2019:317, paragraph [37].
97. However, that does not reduce or eliminate the need for the decision taker to proceed on the basis that innocence is to be presumed unless and until it is proved, on the balance of probabilities, that the contested application for registration was filed in bad faith as alleged: Sky Ltd v SkyKick UK Ltd (above) at paragraph [67(6)]; Case T-663/19 Hasbro Inc (above), paragraph [42].
98. Even where there exist objective indicia pointing towards bad faith, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective (such as excluding copyists): Sky Ltd v SkyKick UK Ltd (above) at paragraph [67(10)] citing Case C-529/07 Chocoladefabriken Lindt & Sprungli AG (above), paragraph [49].
99. The fact (if it is the fact) that the trade mark applicant saw nothing wrong in his or her

behaviour is not sufficient, in and of itself, to defeat a bad faith filing objection: Red Bull GmbH v Sun Mark Ltd [2013] ETMR 53; [2012] EWHC 1929 (Ch); at paragraph [137]; Paper Stacked Ltd v CK Holdings NV (ALEXANDER Trade Mark) BL O/036/18 (18 December 2017) at paragraph [24].

100. With regard to the situation which existed at the filing date of the contested application for registration in the present case:

- (i) the goodwill and reputation attaching to **SPINTIRES** (the name and the game of that name) had been augmented by the marketing and promotion of Saber Interactive's licensed game under and by reference to the branding **SPINTIRES : MUDRUNNER** and **MUDRUNNER. A SPINTIRES GAME**;
- (ii) Mr Karch had come up with the name **MUDRUNNER** and instigated the commercial exploitation of it in conjunction with the name and mark **SPINTIRES** for the benefit and advantage of both parties to the 'License Agreement';
- (iii) the 'License Agreement' was entirely silent (which is to say entirely neutral) with respect to rights of ownership and use of the name and mark **MUDRUNNER** divorced from the name and mark **SPINTIRES**;
- (iv) there was room for (and there were) differing views as to whether, in the events which had happened, Clauses 11 and 13 in combination facilitated or raised a contractual obstacle to continued marketing of the licensed game after December 2018 using the name and mark **MUDRUNNER** without reference to the name and mark **SPINTIRES**;

- (v) applying to register **MUDRUNNER** as a trade mark in Class 9 for use without reference to the name and mark **SPINTIRES** was liable to be regarded as a legitimate act of self-interest if the Applicant honestly considered that Oovee had no contractual or other entitlement to restrict or prevent the continued marketing of the licensed game in that way after December 2018;
- (vi) the Applicant filed the contested application for registration in the UK on 24 April 2019: that was more than 7 weeks after **MUDRUNNER** had been registered as Oovee's trade mark in the UK for identical goods in Class 9 under number 3353902 (filed: 15 November 2018; registered: 01 February 2019);
- (vii) the contested application for registration in the UK was filed by the Applicant with a claim to priority from its US trade mark application number 88171058 filed in Class 9 on 26 October 2018: that was 20 days prior to the date on which Oovee applied successfully under number 3353902 to register itself as the proprietor of the trade mark **MUDRUNNER** in Class 9 in the UK.

101. The evidence given by Mr Karch in his First Witness Statement (at paragraphs 21 to 23, 25 and 34 to 39) went to the proposition that at the time of applying to register the trade mark **MUDRUNNER** in Class 9, the Applicant believed and had good reason to believe that it was entitled as of right to continue marketing the licensed game after December 2018 using the name and mark **MUDRUNNER** without reference to the name and mark **SPINTIRES**.

102. The parties did not in their pleadings, submissions or evidence go into the knowledge and intentions of the Applicant with respect to the particular matters referred to in subparagraphs (vi) and (vii) of paragraph 100 above.

103. No question was raised as to the materiality of the Applicant’s claim for priority in relation to Oovee’s bad faith filing objection having regard to the territorial nature and independence of national trade mark rights (as to which see Case C-9/93 IHT Internationale Heiztechnik GmbH v Ideal-Standard GmbH EU:C:1994:261, paragraphs [21] to [32] and Articles 6(1) and 6(3) of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (last revised in 1967 and amended in 1979): “**(1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation. ... (3) A mark duly registered in a country of the Union shall be regarded as independent of marks registered in other countries of the Union, including the country of origin.**”)
104. In order to uphold Oovee’s objection to registration under s.3(6), it would have been necessary for the Hearing Officer to find that the Applicant did not honestly believe or could not honestly have believed that it had the right to continue marketing the licensed game under the name and mark **MUDRUNNER** without reference to the name and mark **SPINTIRES**. That was a finding which the Hearing Officer could not have made without rejecting Mr Karch’s evidence to the contrary. And that in turn was something she could not do — especially in the complex circumstances of this case — in the absence of any attempt to challenge his evidence by way of cross-examination.
105. The methodology envisaged by the CJEU case law relating to objective assessment of subjective intention does not permit or require wholesale departure from: “The basic principle ... that, until there has been ... cross-examination, it is ordinarily not possible for the court to disbelieve the word of the witness in his affidavit and it will not do so. This is not an inflexible principle: it may in certain circumstances be open to the court to reject an untested piece of such evidence on the basis that it is manifestly incredible,

either because it is inherently so or because it is shown to be so by other facts that are admitted or by reliable documents. ... these principles apply equally to the case in which the evidence is given by witness statement rather than by affidavit ...”: Coyne v DRC Distribution Ltd [2008] EWCA Civ 488 at paragraph [58] (per Rimer LJ, with whom Ward and Jacob L.JJ agreed); “The general rule is that the evidence of a witness is accepted unless ... there is undisputed objective evidence inconsistent with that of the witness that cannot sensibly be explained away so that the witness’s testimony is manifestly wrong”: R (on the application of the Good Law Project) v Minister for the Cabinet Office [2022] EWCA Civ 21 at paragraph [86] (Lord Burnett of Maldon LCJ, Coulson and Carr L.JJ).

106. In line with the Judgment of the General Court in Case T-663/19 Hasbro Inc. (above) at paragraphs [42] and [43]: it was incumbent on Oovee to overcome the rebuttable presumption of good faith by filing evidence which was sufficient to make it possible for the Hearing Officer to conclude that the contested application for registration was filed in bad faith; the Hearing Officer could then proceed to decide: (i) that the presumption was rebutted for lack of any ‘plausible explanations’ from the Applicant for pursuing the contested application for registration; or (ii) that the Applicant had provided such ‘explanations’ and the presumption had not been rebutted. The plausibility of the ‘explanations’ provided by the Applicant depended on the evidence given by Mr Karch, which could not be disbelieved in the absence of cross-examination successfully challenging it in the respects in which it stood in the way of Oovee’s contentions with regard to bad faith filing. The rebuttable presumption of good faith had not been rebutted at the conclusion of the proceedings in the Registry.
107. For the reasons I have given, I dismiss Oovee’s appeal under s.3(6) of the Act.

108. I approach the question of costs in the manner indicated in paragraphs [12] to [14] of my decision in AMARO GAYO Trade Mark BL O/257/18 (25 April 2018). Having regard to what I consider to be the amount of effort and expenditure that is likely to have been reasonably and productively incurred by the Applicant in defence of the Hearing Officer's Decision, I consider that it would be reasonable to order Oovee Ltd to pay £4,500. to the Applicant as a contribution towards its costs of the Appeal. That sum is to be paid within 21 days of the date of this Decision.

Geoffrey Hobbs QC

19 April 2022

Mr Florian Traub and Ms Sarah Jeffrey of Pinsent Masons LLP appeared (and provided further written submissions) on behalf of the Appellant (Oovee Ltd)

Ms Victoria Jones instructed by Mewburn Ellis LLP appeared (and provided further written submissions) on behalf of the Respondent (Saber Interactive Ltd)