

**BL O/544/19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF CONSOLIDATED PROCEEDINGS  
UK REGISTRATION NO. 3211021  
IN THE NAME OF ABP TECHNOLOGY LIMITED  
IN RESPECT OF THE TRADE MARK:**

**STEALTH VR**

**AND**

**AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF  
UNDER NO. 502103 BY VOYETRA TURTLE BEACH, INC.**

**AND**

**IN THE MATTER OF UK APPLICATION NO. 3297404  
IN THE NAME OF VOYETRA TURTLE BEACH, INC.  
IN RESPECT OF THE TRADE MARK**

**STEALTH**

**AN OPPOSITION THEREOF UNDER NO. 413431  
BY ABP TECHNOLOGY LIMITED**

## Background and pleadings

1) These proceedings relate to an opposition against a trade mark application and an application for invalidation against the trade mark registration which forms the basis of the opposition. The party subject to the opposition and applying to invalidate the registration is Voyetra Turtle Beach, Inc. (“Voyetra”). The party opposing the application but the subject of the invalidation action is ABP Technology Limited (“ABP”).

### *The opposition*

2) On 16 March 2018, Voyetra applied for the word mark STEALTH in the UK. It was accepted and published in the Trade Marks Journal on 18 May 2018 in respect of the following Class 9 goods:

*Headsets for use with computers; headsets for use with mobile devices, namely, smartphones, MP3 players, tablets and PDAs; headsets for use with home entertainment systems; headphones; wireless headphones; cases for headphones; Headsets for use with game consoles; headsets for use with controllers for game consoles; headsets for use with hand-held units for playing video games other than those adapted for use with an external display screen or monitor.*

3) ABP opposes the trade mark on the basis of Section 5(2)(b) and 5(4)(a) of the Act. This is on the basis of its earlier UK mark, pertinent details of which are reproduced below<sup>1</sup>:

STEALTH VR

**Mark:**

**Number:** 3211021

**Filing date:** 6 February 2017

**Registration date:** 9 June 2017

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<sup>1</sup> Initially ABP also sought to rely upon its earlier European Union Trade Mark (“EUTM”) No. 1363127 but withdrew reliance on this registration at the hearing.

**Owner:** ABP Technology Limited

**Goods:** Class 9 *Audio headsets for playing video games; virtual reality headsets.*

4) The Section 5(4)(a) claim is based on its alleged earlier rights in STEALTH. It claims to have been selling audio headsets for playing video games; virtual reality headsets under this sign since “2014” and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

5) Voyetra filed a counterstatement denying the claims made and requesting that an award of costs is made in its favour.

#### *The invalidity*

6) The invalidation action was filed on 8 June 2018 and relies on section 5(4)(a)<sup>2</sup> of the Trade Marks Act 1994 (“the Act”) and is against the trade mark registration shown at paragraph 3. Voyetra claims to have been selling headphones and headsets under the sign STEALTH since 1 October 2014 and has acquired goodwill. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

7) ABP filed a counterstatement denying the claims made requesting that an award of costs made in its favour.

8) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. A hearing took place via video-link on 30 May 2019 with ABP represented by Mr Aikens of Counsel, instructed by A.A. Thornton & Co. Voyetra was represented by Mr Brandreth QC of Counsel, instructed by Dolleymores.

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<sup>2</sup> This section of the Act is applicable in invalidation proceedings by virtue of section 47 of the Act.

## EVIDENCE

### *Voyetra's evidence*

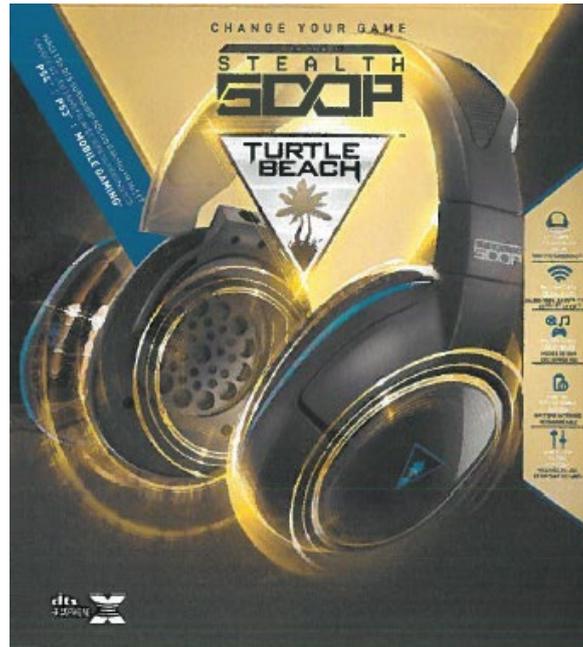
9) Voyetra's evidence consists of a witness statement from Mr Juergen Stark who is the President and CEO of Voyetra, who are based in New York, a position he has held since 2012.

10) Voyetra is the trade mark proprietor of TURTLE BEACH and STEALTH trade marks and it is the parent company of Turtle Beach Europe Ltd which carries out its business in Europe. He states that Voyetra is a manufacturer and supplier of headphones and headsets predominantly for use with game consoles, computers, tablet computers and hand held electronic devices.

11) As of 2017, Voyetra had 42% of the world market share in the manufacture and supply of gaming headsets, sold through brands such as X51, X3 and X4. In November 2013, Voyetra designed and created the gaming headset that is sold under the trade mark STEALTH. Mr Stark states that "The STEALTH headset was first promoted in the USA in June 2014, at the E3 exhibition in Los Angeles. From that time it was within the public domain and heavily advertised.<sup>3</sup>" Due to the success of the STEALTH headsets, Voyetra began exporting and selling the headsets into the EU, in particular France, Germany and the United Kingdom. Exhibit 2 to the witness statement consists of sample packaging that Mr Stark claims to have been used in the UK. I duplicate a copy below:

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<sup>3</sup> Paragraph 9 of the witness statement

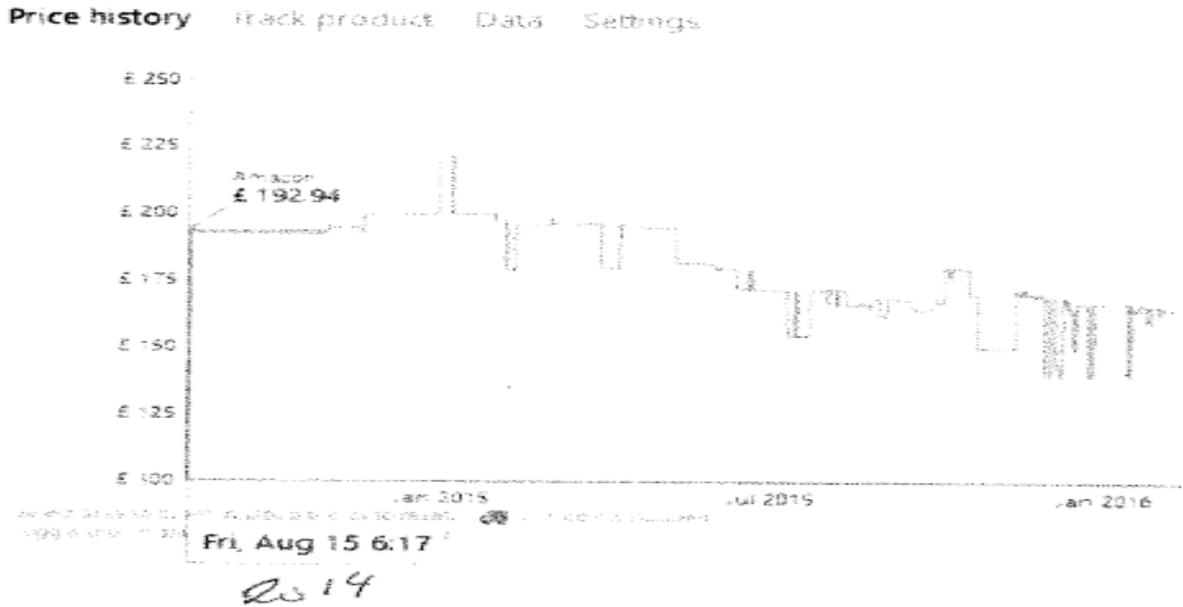


12) The STEALTH headsets were sold to the public via well-known UK retail stores such as Argos, Asda, Brighthouse, Dixons, Game, Grainger Games, Shop Direct and Tesco. Exhibit 3 to the witness statement consists of around 30 invoices to various retailers. The earliest is dated 13 October 2014 from Turtle Beach Europe Ltd to Game Retail Limited for £65,988. The invoice includes the product description “FG ear Force Stealth 500p EU” and has an individual price of £54.99.

13) Mr Stark states that the STEALTH headsets have also been made available in the UK through the Amazon Retail Website since 15 August 2015. Exhibit 4 to the witness statement is information taken from a data capture tool called Keepa. Keepa is described as a consumer web plug-in that enhances the Amazon shopping experience by providing price history charts, price drop alerts, price watches, daily drops and browser add-ons. He claims that this data tool confirms the advertising of the STEALTH headset in the UK since 15 August 2014. I duplicate the relevant part of the report below:

Here are the charts specifically focusing on Amazon's direct retail listing.

**Stealth 500X**



**Stealth 500P**

14) Since 2014, sales of STEALTH headsets have grown considerably. Mr Stark provides the following figures:

Year	Sales
2014	£1.5m
2015	£5.5m
2016	£5.3m
2017	£4.9m

15) Mr Stark claims that Voyetra first became aware of the activities by ABP in April 2015 during a conversation with its retailer Argos. He states at paragraph 19 that:

“Argos told VTB that Argos were selecting a competitive headset using the STEALTH name. VTB expressed concerns with this but Argos claimed that it had checked back with the supplier, namely, APB, and there were no intellectual property concerns as ABP claimed that it had its product in the market first. VTB disagrees with this claim. During the period of 2016 and 2017

VTB have seen sales made by ABP of the headset bearing the STEALTH mark increase, and the products made available under the STEALTH mark VTB have decreased. A decrease was not forecast. It is believed the decrease in sales is due to the unauthorised use of the STEALTH mark by ABP.”

16) That concludes my summary of Voyetra’s evidence.

### **ABP’s Evidence**

17) ABP’s evidence consists of two witness statements, one in chief and the other in reply. Both are from Mr Andrew James Shepherd, who is the managing director of ABP, a position he has held since 8 June 2016.

18) Mr Shepherd states that ABP sells a broad range of gaming accessories including audio headsets for playing video games and virtual reality headsets under the brands STEALTH and STEALTH VR.

19) He states that ABP purchased the business of Accessories 4 Technology Limited (“A4T”) on 31 August 2016 insofar it related to the manufacture and sale of mobile phone and video gaming accessories under the brands STEALTH and STEALTH VR. Exhibit AJS01 to the witness statement is a copy of the trade purchase agreement which evidences the sale of A4T to ABP. The agreement has the year 2017 on the front but does not include a date of signing. Schedule 3 to the agreement is headed “Business intellectual property rights” and refers to “Unregistered Trade Marks: Stealth; StealthVR” and “Logos: Stealth; StealthVR”. Voyetra does not (rightfully) challenge the chain of title and so it is convenient for me to refer to ABP and A4T collectively as ABP.

20) Exhibit AJS02 is described by Mr Shepherd as “A summary of its internal brand research and brainstorming dating back to 20 January 2014”<sup>4</sup>. It is effectively a copy of a Powerpoint presentation headed “Stealth presentation”. It includes a “Created” date of 20 January 2014 and “Modified” on Friday 28 March 2014”. It lists a number of

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<sup>4</sup> Paragraph 6 of his witness statement

potential brand names and then on the final page it states that the “Chosen name” is STEALTH. Mr Shepherd states that the “brand research” was “then modified for external presentation”, but it is not clear who to or where it was presented.

21) Mr Shepherd states that ABP made preparations to launch its goods under the earlier mark at least as early as February 2014 when it entered negotiations with Argos (the large well-known UK catalogue retailer). Exhibit AJS03 to the witness statement consists of an email exchange between Mr Paul Carrington who is the sales director for ABP and Mr Bill Stirling, also of ABP. It is dated 19 February 2014 and states “See attached the mock up pages for tomorrow’s meeting...”. I attach at Annex A a copy of the “mock up pages”.

22) He goes on to say that by April 2014 ABP had finalised the artwork for the packaging. He states that ABP also produced a “teaser advertisement”<sup>5</sup> which he claims to have been sent to customers in April 2014 and used in face-face meetings with UK retail buyers in May 2014. I duplicate the advertisement below:



23) No specific details of who the advertisements have been sent to or further corroborating information has been provided. He also refers to the advertisement being used at the E3 trade show held in LA in June 2014 along with an undated presentation<sup>6</sup> which makes no reference to where it was being presented or to whom.

<sup>5</sup> Paragraph 10 of the witness statement

<sup>6</sup> Exhibit AJS08

24) Mr Shepherd states that by June 2014 ABP had attributed barcodes to the full range of products, including the mono and stereo gaming headsets. To corroborate this, he has submitted the “Stealth UK price list – June 2014”<sup>7</sup>. Also in June 2014, Mr Shepherd claims that ABP entered discussions with GAME, a large UK retailer of video games. He does not provide any details of the discussions or evidence apart from the UK price list<sup>8</sup> which includes GAME’s proposed RRP. The price list is dated June 2014 and includes the “Release date” of “September”.

25) In August 2014, Mr Shepherd states that ABP finalised discussions with Argos to advertise ABP goods for sale under the mark STEALTH. He states that they were to be circulated in the Spring 2015 edition (catalogue issue number 83). A copy of the Argos catalogue has not been provided, but Mr Shepherd did submit the agreed unit prices<sup>9</sup> which are not dated but next to the “Release date” next to the STEALTH products are all listed as “October” with one being “Out Now”. The list includes the Argos cost price together with a list of Argos’s buyer’s email addresses. A similar price list for Tesco has been provided<sup>10</sup> which is dated “October 2014” and includes the “Tesco Standard Cost”.

26) Mr Shepherd states that ABP began manufacturing goods under its STEALTH mark in September 2014. Mr Shepherd exhibits a copy of the packaging at exhibit AJS11 claiming that it includes the date September 2014, but I could not see such a date.

27) Exhibit AJS19 to the witness statement consists of an “Order” from Argos dated 17 December 2014. It is for 600 “A4T STEALTH MONO HEADSET XB1” due to be delivered on 6 January 2015. The exhibit also includes an invoice for the aforementioned order which is for £4044.60 (excluding VAT). Approximately 30 more invoices have been submitted which are addressed to Amazon, Argos, Asda, etc. They are dated from January 2015 up to November 2018.

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<sup>7</sup> Exhibit AJS06

<sup>8</sup> Exhibit AJS07

<sup>9</sup> Exhibit AJS09

<sup>10</sup> Exhibit AJS12

28) Since ABP’s first use it has enjoyed steady growth in sales, as indicated from the table provided by Mr Shepherd, which I reproduce below:

<b>Year</b>	<b>Sales</b>	<b>RRP Equivalent</b>
2014 (from December)	£11,000	£20,000
2015	£272,000	£503,000
January – August 2016	£490,000	£907,000
September 2016 – August 2017	£1,668,000	£3,086,000
September 2017 – August 2018	£2,854,000	£5,280,000
<b>Total 2014 - 2018</b>	<b>£5,295,000</b>	<b>£9,796,000</b>

29) The remaining evidence sets out ABP’s publicity and success which I do not consider necessary to summarise here and so that concludes my review of the evidence.

### **Preliminary issue**

30) In Mr Aikens’ skeleton argument he argued that Voyetra is not the owner of the relevant goodwill that it seeks to rely upon. He states that “Pursuant to Reg 5(1) and 5(2) of the Trade Marks (Relative Grounds) Order 2007 (SI No. 1976 of 2007), only the proprietor of the earlier unregistered right relied on can make an application for a declaration of invalidity under s. 5(4)(a).” He goes on to state that the application was brought by Voyetra but the evidence filed shows that the European arm of the company and not Voyetra itself carries out business in Europe.

31) In paragraph 3 of Mr Stark’s witness statement he explains the position as follows:

“Voyetra Turtle Beach, Inc. (hereinafter referred to as VTB) is the trade mark proprietor of the TURTLE BEACH and STEALTH trademarks and is the parent company of Turtle Beach Europe Ltd., which does business in Europe. VTB’s head office is in the USA. VTB is a manufacturer and supplier of headphones

and headsets predominately for use with game consoles, computers, tablet computers, and hand held electronic devices.”

32) During the hearing I asked Mr Aikens whether he was seeking to amend his pleadings to add this claim. He said that he would only do so if required. Mr Brandreth referred to this as the “desperate argument” and I have to state that it seems to be an 11<sup>th</sup> hour attempt to have the invalidation struck out. Rule 63(1) of the Trade Mark Rule 2008 states that:

“63.—(1) Without prejudice to any provisions of the Act or these Rules requiring the registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings, give that party an opportunity to be heard.”

33) In my view, the statement made by Mr Stark amply outlines the position. Moreover, even if I am minded to agree with Mr Aikens that there is an issue with the ownership I would be required to give Voyetra an opportunity to be heard on the matter and a request to amend the pleadings should have been requested, which it was not. Since the claim was made two days prior to the hearing Mr Brandreth was not given sufficient time to address the issues. Therefore, I reject this line of argument.

## **DECISION**

### *The law*

34) Section 5(4)(a) states:

“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, or

(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.”

35) Section 47 states:

**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) 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.

(2A) But 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.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists 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.

(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.

### *The case-law*

36) 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)."

37) Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

### *The relevant dates*

38) Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark

applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to

maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: “date of commencement of the conduct complained of”. If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

39) As outlined by the above authorities, the date for assessing a passing off claim in invalidation proceedings is typically the date the mark in suit was applied for, in this case 6 February 2017. However, both parties claim to be the senior user. Who the senior user is and applying the correct legal approach are the central issues to this dispute. I shall begin with the law.

40) Mr Aikens, on behalf of the proprietor, argues that the senior user is the party who first makes external use of the mark and not the person who first generates a protectable goodwill. He argues that from the case law this can be the only interpretation of the phrase. In support of his Mr Aikens referred me to *Wadlow*<sup>11</sup> whereby it is stated at 9-85 that: “It is self-evident that the senior user is entitled to

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<sup>11</sup> The Law of Passing-Off, fifth edition.

continue with conduct which was innocent in its inception notwithstanding that it might later be said to convey a misrepresentation to the majority of the public”.

41) Mr Brandreth disagrees. He argues that the relevant date is not the date that the mark was first “used”, i.e. presented to the public, it is the date when whichever party established the first right. In other words, “goodwill is required”<sup>12</sup> and whoever establishes it first is the senior user. In support of his claim, Mr Brandreth prays in aid of *Multisys* and *Crooms*, and tested Mr Aikens’ argument by saying that if the “teaser advertisement” is the basis to establish ABP as the senior user, then any party may tell others that it intends to launch a mark but then sit on it for a period of time and then tell a subsequent user of the mark that they can no longer use it. He described this approach as “nonsense”. Further, Mr Brandreth argues that Voyetra was not aware of the “teaser advertisement” and could not have been in a position to challenge such “use”.

42) To summarise, on the one hand, Mr Brandreth argues that the senior user is established by the first who could have enforced its right, i.e. the first to have established goodwill and, on the other, Mr Aikens claims it to be the first date of external use.

43) In the Court of Appeal’s decision of *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220, Kitchin LJ:

“There is a further complication, however. Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Ply Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-I 14/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party

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<sup>12</sup> Paragraph 28 of Mr Brandreth’s skeleton argument

opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

44) In *CASABLANCA* Trade Mark O/349/16, Mr Thomas Mitcheson QC, sitting as the Appointed Person at [35] to [37] (emphasis added).

“34. I consider that adequate guidance to determine the present case can be obtained from the authorities before the Hearing Officer and further discussed before me at the hearing. The guidance in §165 of the *Assos* case emphasises that the party opposing the application or the registration must show that, as at the date of application, a normal and fair use of the Community trade mark would have amounted to passing off. It goes on to say that if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account. The Hearing Officer clearly sought to apply this in §50 of her decision. The question raised by the Opponent is whether she did so correctly and how should the earlier use be taken into account. In particular, does such use, as the Opponent submitted, have to be sufficient to generate its own goodwill?

**35. I think it is clear from the remainder of §165 of the judgment of Kitchin LJ that generation of goodwill *by the applicant* is not required.** This is because he goes on to explain that it is the opponent who must show that he had the necessary goodwill and reputation to render that use actionable *on the date that it* (i.e. the applicant’s use) began.

36. This is entirely consistent with the more lengthy discussion of the topic in the decision of Daniel Alexander QC in the *Multisys* case (*Advanced Perimeter Systems Ltd v Keycorp Ltd* [2012] R.P.C. 14). See the passage at §§35-45 which reviews many of the authorities which were cited to me, including the

earlier Croom decision of Geoffrey Hobbs QC. It is correct that, as the Opponent pointed out, §49 of Croom refers to the build up of goodwill (rather than mere use) as justifying the designation of senior user, but it does not appear that the precise point in issue in *Multisys* or the present case was in issue there, and in any event I consider that I am bound by *Assos* and I would have followed the later *Multisys* case anyway.

37. Accordingly the relevance of the activities of the applicant is limited to establishment of the date that the actionable use began. Once that date is established, the only question of goodwill arises in respect of the opponent's activities. As the Applicant in the present case pointed out, self-evidently it would only be in very exceptional circumstances that a party would have established goodwill at the point in time at which it commenced the use complained of. The establishment of goodwill would take much longer. But the authorities recognise that it is the date that the activity commenced which is the crucial one, and so in my judgment it cannot be necessary for goodwill to have been accrued at that time."

45) The guidance set out in *Assos* and *Casablanca* is clear. I must firstly establish the date the proprietor's actionable use began. It is not the date that ABP acquired goodwill of its own<sup>13</sup>. In other words, the relevance of ABP's use is limited to establishing the date that the actionable use began<sup>14</sup>. Once this date has been established, it is for Voyetra to show that it had protectable goodwill.

*When did ABP's actionable use begin?*

46) ABP effectively claims that since its predecessor in title, A4T, commenced use of the following mark in April 2014 for headphones, it is the senior user. The basis for the use having commenced since April 2014 is the "teaser advertisement"<sup>15</sup>. Prior to this, ABP evidences that the brand name STEALTH was conceptualised and agreed between January and March (the presentation headed "Stealth presentation filed

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<sup>13</sup> Roger Maier, *Assos of Switzerland SA v ASOS plc, ASOS.com Limited* [2015] EWCA Civ 220 at [165].

<sup>14</sup> See the comments of the Appointed Person in *CASABLANCA Trade Mark (O/349/16)* at [35] to [37].

<sup>15</sup> Exhibit AJS05 to Mr Shepherd's witness statement in chief.

under exhibit AJS02 refers). ABP also provides an email dated February 2014 which is headed “Argos Mock-Ups” which includes a copy of the proposed catalogue page which includes the STEALTH mark<sup>16</sup> on the goods. In Mr Shepherd’s uncontested witness statement he states that in August 2014 discussions with Argos were finalised with the goods due to be entered into its Spring 2015 catalogue. A copy of the agreed prices has been filed<sup>17</sup> and it is noted that next to the mark STEALTH the release date is stated as “Out Now” and “October”.

47) In addition to there being a build up to sales with Argos, ABP also provides a Stealth UK price list for GAME (the large gaming retailer) dated June 2014 which includes the “Release Date” of September.

48) Taking all of the evidence into account, it builds a clear and consistent picture that the mark was conceptualised in around January 2014 and subsequent “Mock Ups” for inclusion in an Argos catalogue produced in February 2014. This led to discussions and sales being agreed in August 2014 and then sales took place in December, as evidenced by the invoice dated 17 December 2014 to Argos for 600 units. Further, the evidence shows that there were various price lists produced for the STEALTH products which were due to be released in GAME in September.

49) The evidence is not without fault and could be clearer. However, the action taken by ABP could have been the subject off a *quia timet* injunction and therefore considered to be actionable use of the mark STEALTH. Mr Brandreth argues that it could not have been aware of such use in order to have acted but this argument appears to go against him since it indicates that the use was actionable.

50) In view of the above, I find that the first use by ABP to be early to mid-2014. I should also point out that I do not consider ABP to have acquired goodwill at this point but it is clear from *Assos* and Mr Mitcheson’s guidance in *Casablanca* that this is not required. In fact, I find the present circumstances to be entirely consistent with the scenario illustrated in the aforementioned cases.

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<sup>16</sup> Exhibit AJS03 and the mock up reproduced at Annex A.

<sup>17</sup> Exhibit AJS09

*Is Voyetra the senior user?*

51) Having established the date that ABP's actionable use began, is Voyetra the senior user? In order to be the senior user, Voyetra must demonstrate that it had a protectable goodwill prior to the date that the actionable use began, as set out above.

52) It is well established that goodwill "is the attractive force that brings in custom"<sup>18</sup>. In terms of what is required to establish goodwill, I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing

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<sup>18</sup> *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL)

officer that it is not shown on the balance of probabilities that passing off will occur.”

53) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

54) I also bear in mind the guidance in *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in *BALI Trade Mark* [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

55) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

56) See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

57) Voyetra claims to have first presented its headset under the sign STEALTH in June 2014 at the E3 exhibition in LA. Presenting a product at an exhibition is not in-itself evidence of goodwill, not least because it is established law that customers in the UK are necessary for a finding of goodwill<sup>19</sup>. Voyetra also states that the first listing of its STEALTH headset in the UK was on Amazon on 15 August 2015<sup>20</sup>. I do not consider the Amazon Keepa report to be sufficient evidence to demonstrate goodwill. It does not show the mark on sale to UK customers. Instead I find that the date on which Voyetra has demonstrated that it had acquired a protectable goodwill to be 13 October 2014 which is the date of the invoice from Voyetra to GAME for £65,988 (Vat inc.)<sup>21</sup>. The invoice is for 1000 “Ear Force Stealth 500p”. This is after ABP’s date of actionable use and therefore it is not the senior user.

58) Even if I were to accept that the Keepa report is the date that its goodwill had been established (August 2014), it would be after ABP’s first actionable use and it is not the senior user. Voyetra’s could not have prevented ABP’s use at the date when ABP applied for its mark because Voyetra had no right to prevent ABP’s use at the date it commenced.

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<sup>19</sup> *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, para. 47.

<sup>20</sup> Paragraph 13 of MR Stark’s witness statement and exhibit 4.

<sup>21</sup> Exhibit 3 to the witness statement of Mr Stark

## INVALIDITY CONCLUSION

**59) In view of the above, the application for invalidity fails.**

## DECISION - OPPOSITION

60) During the hearing it was agreed with Mr Brandreth and Mr Aikens that the invalidity and opposition proceedings stand and fall together. Therefore, I shall deal with the opposition briefly.

61) I begin by reminding myself that the opposition is based on section 5(2)(b) and 5(4)(a) of the Act. For the section 5(2)(b) claim ABP is relying upon its earlier UK registration, which was the subject of the invalidation action, namely:

STEALTH VR

**Mark:**

**Number:** 3211021

**Filing date:** 6 February 2017

**Registration date:** 9 June 2017

**Owner:** ABP Technology Limited

**Goods:** *Class 9 Audio headsets for playing video games; virtual reality headsets.*

62) 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 parties' goods or services and vice versa. It is necessary for me to keep in mind the distinctive character of the opponent's trade mark, 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.

63) Taking all of these factors into considerations I find that:

- In relation to the goods, and applying the principle set out in *Merici*<sup>22</sup>, I find that all of the applied for goods are sufficiently broad to include either one or both of the earlier goods, i.e. *audio headsets for playing video games; virtual reality headsets*. The only exception being *cases for headphones* which I find to be similar to a high degree<sup>23</sup>. Whilst they differ in nature since one is a headset themselves and the other is a case to carry such items, they would have the same end user, sold via similar trade channels and that there is a degree of complementarity between them.
- I find that the applied for  to have an overall high degree of similarity to the earlier STEALTH mark.
- The average consumer is likely to be the general video game playing public who will pay a medium degree of care upon purchasing the goods, which would follow a predominantly visual inspection of the goods on websites, magazines, etc. I do not discount aural recommendations.
- The earlier mark has a medium degree of inherent distinctive character.

64) 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 not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related.

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<sup>22</sup> *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 which find that goods can be considered as identical when they are included in a more general category.

<sup>23</sup> I take into account the guidance set out in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97 and the *Treat* case, [1996] R.P.C. 281.

65) I find that there is a likelihood of indirect confusion, i.e. the consumer will notice the existence of the VR but will merely view this either mean “Virtual Reality” and, therefore descriptive, or as a brand extension or sub-set of goods originating from the same, or economically linked, undertaking(s).

## **OUTCOME**

**66) The section 5(2)(b) claim succeeds and, subject to appeal, trade mark application number 3297404 shall be refused registration.**

**67) Since the opposition has succeeded in full I am not required to assess the section 5(4)(a) claim.**

## **COSTS**

68) ABP has been successful in defending its registration in the invalidity and in opposing Voyetra’s application. Therefore, it is entitled to a contribution towards its costs. In the circumstances I award it the sum of £2500 as a contribution towards the cost of the proceedings. The sum is calculated as follows and takes into consideration the economy of consolidation:

Opposition fee	£200
Preparing a statement in the opposition and counterstatement in the invalidity	£400
Preparing evidence and considering the other side’s evidence	£1300
Preparing for and attending a hearing	£600
<b>TOTAL</b>	<b>£2500</b>

69) I therefore order Voyetra Turtle Beach, Inc. to pay ABP Technology Limited the sum of £2500. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 16<sup>th</sup> day of September 2019**

**MARK KING**

**For the Registrar,**

**The Comptroller-General**

# ANNEX A

## Gaming headsets

**COMPATIBILITY**  
Choose the right headset for your system: PS3, XBOX 360, PC, Wii U, 3DS/3DS XL or Handheld. Some headsets will work with multiple formats!

**SOUND**

- Mono – Allows you to chat and hear other gamers during play though they do not play game sounds through the headset
- Stereo – Allows you to hear game sounds as well as chat
- Surround – Allows you to pinpoint exactly where a sound is coming from, when playing games like Call of Duty this can give you a big advantage over your opponent for the true competitive edge

**WIRELESS**  
Wireless headsets give you the freedom of not being constrained by wires. Most wireless XBOX headsets require a connection to your control pad though to enable voice chat

**SPEAKER SIZE**  
Generally the bigger the speaker the better the sound quality should be



More information about gaming headsets visit [www.argos.co.uk](http://www.argos.co.uk)

Logos: PS3, XBOX 360, XBOX ONE, PS4, PS3, 4gamers, PLANETRONICS, goteck, TRITON



**1 £9.99 Goteck EX01 Wireless Gaming Headset for PS3**

COMPATIBILITY	PS3	SOUND	MONO
SPEAKER SIZE (MM)	10	WIRELESS	YES

935/2553



**2 £9.99 Goteck EX03 In-line Next Generation Gaming Headset for XBOX 360**

COMPATIBILITY	XBOX 360	SOUND	MONO
SPEAKER SIZE (MM)	12	WIRELESS	-

904/8087



**3 £XX.XX 4Gamers Bluetooth Headset**

COMPATIBILITY	PS3	SOUND	MONO
SPEAKER SIZE (MM)		WIRELESS	YES

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Nam cursus.

XXX/XXXX Black  
XXX/XXXX Red  
XXX/XXXX Blue  
XXX/XXXX Pink  
XXX/XXXX CAMO



**4 £XX.XX 4Gamers CP-03 Gaming Headset**

COMPATIBILITY	PS3	SOUND	STEREO
SPEAKER SIZE (MM)	40	WIRELESS	-

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XXX/XXXX Black  
XXX/XXXX Red  
XXX/XXXX Blue  
XXX/XXXX Pink  
XXX/XXXX White  
XXX/XXXX Lime




**5 £XX.XX 4Gamers CP-01 Gaming Headset**

COMPATIBILITY	PS3	SOUND	Stereo
SPEAKER SIZE (MM)	40	WIRELESS	-

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XXX/XXXX Black  
XXX/XXXX Red  
XXX/XXXX Blue  
XXX/XXXX Pink  
XXX/XXXX White  
XXX/XXXX Lime




**6 £XX.XX Gaming Headset**

COMPATIBILITY	XBOX 360	SOUND	Stereo
SPEAKER SIZE (MM)	40	WIRELESS	-

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**7 £XX.XX Gaming Headset**

COMPATIBILITY	XBOX 360	SOUND	Stereo
SPEAKER SIZE (MM)	40	WIRELESS	-

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**8 £XX.XX Stealth Stereo Gaming Headset**

COMPATIBILITY	XBOX 360	SOUND	Stereo
SPEAKER SIZE (MM)	40	WIRELESS	-

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**9 £99.99 Triton Universal Kunal Wireless Headset**

COMPATIBILITY	PS3/XBOX 360	SOUND	STEREO
SPEAKER SIZE (MM)	40	WIRELESS	YES

Fold away boom mic. Independent game and volume controls. USB powered base station and also has a 3.5mm cable input for MP3 and smart devices. Requires 2 x AA plus batteries (not included) 170/1920

Buy before 31st 8 months left!

**Warning**  
Not Suitable for children under 3 years

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