



Neutral Citation Number: [2022] EWCA Civ 594

Case No: CA-2021-003226

**IN THE COURT OF APPEAL (CIVIL DIVISION)**  
**ON APPEAL FROM THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF**  
**ENGLAND AND WALES**

**Mr Justice Miles**  
**IL-2020-000114**

Royal Courts of Justice  
Strand, London, WC2A 2LL

Date: 4 May 2022

**Before :**

**LORD JUSTICE COULSON**  
**LADY JUSTICE NICOLA DAVIES**  
and  
**LORD JUSTICE BIRSS**

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**Between :**

**ABP Technology Limited**  
**- and -**  
**(1) Voyetra Turtle Beach Incorporated**  
**(2) Turtle Beach Europe Limited**

**Appellant/Claimant**  
  
**Respondents/Defendants**

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**Chris Aikens** (instructed by **AA Thornton IP LLP**) for the **Appellant/Claimant**  
**Benet Brandreth QC** (instructed by **Bird & Bird LLP**) for the **Respondents/Defendants**

Hearing dates: 23rd March 2022  
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**Approved Judgment**

**Lord Justice Birss :**

1. The system of registration of trade marks includes the idea that one must use it or lose it. Registered trade marks that have been unused for five years or more are subject to revocation on the application of a third party (Trade Marks Act 1994, s46). Where a mark has been unused for such a period, there is a three-month window after the five year period in which applications for revocation can still be made (s46(3)). This window exists for the benefit of the third party so that they have time to bring a revocation application if the need arises and ignore use which restarted in that three month window.
2. The system of civil justice includes the idea that litigation is conducted with cards on the table - face up. Parties are required to spell out their case to their opponents not least because opposing parties are entitled to know what case they have to meet. The system permits parties to amend their statements of case, which is for the benefit of all parties, always subject to the overriding objective of enabling the court to deal with cases justly.
3. The question on this appeal is about these two ideas. An application to make amendments to a party's statement of case was timed in a manner calculated to deprive the other party of the benefit of the three month period referred to in paragraph 1.
4. The action is a claim for trade mark infringement brought against the respondents in November 2020. That action followed an unsuccessful challenge by the first respondent ("Voyetra TB Inc") to one of the trade marks held by the appellant/claimant ("ABP Tech") in the UK Intellectual Property Office (including an appeal to the appointed person).
5. ABP Tech is a UK company which sells computer gaming accessories, and is the proprietor of two trade marks for STEALTH (word) and STEALTH VR (in stylised form), which are both registered in relation to 'audio headsets for playing video games.' Voyetra TB Inc is a US company which carries on business as a global gaming accessory manufacturer which designs, manufactures, markets and sells gaming headsets for multiple platforms. The second respondent is a UK company which distributes Voyetra TB Inc's gaming headsets and accessories in the UK and Ireland. I will refer to the respondents together as Voyetra.
6. The claim includes an allegation of infringement under s10(1) of the Trade Marks Act 1994, that is to say that Voyetra have used an identical mark on goods identical to those covered by the trade mark registration. Voyetra's Defence was filed on 2 February 2021. A major plank of this defence was a plea of honest concurrent use. The Defence bears a statement of truth signed by Mr Stark, President and CEO of Voyetra.
7. ABP Tech applied for summary judgment against Voyetra in March 2021 but before that was resolved, on 5<sup>th</sup> July 2021 Voyetra gave notice that they intended to amend their defence and introduce a counterclaim.
8. What had happened was that unknown to ABP Tech, on 28th January 2021, a shell company called Name Creations Ltd ("NCL") obtained an earlier registered trade mark for the word STEALTH ("Mark 250") from its previous owner REL Acoustics Ltd. At that point Mark 250 had not been used for over five years. On 15 March 2021, NCL

granted an exclusive licence in respect of Mark 250 to Voyetra TB Inc which is expressed to take effect from 28 January 2021. On 15 June 2021, Mark 250 was assigned in full to Voyetra TB Inc.

9. The amendments to Voyetra's case included a new claim against ABP Tech of infringement of Mark 250, a new defence under s11(1B) to ABP Tech's claim of infringement against Voyetra, that Voyetra's acts alleged to infringe are themselves use of a registered trade mark (Mark 250) and so cannot infringe ABP Tech's trade marks, and a new allegation that ABP Tech's trade marks are invalid as a result of Mark 250.
10. The applications were heard by Miles J on 9/10 November 2021. ABP Tech's primary submission on the amendments was that they could and should have been made earlier, while they (the claimant ABP Tech) still had the opportunity to apply for revocation of Mark 250 on the basis of non-use, within the three month period. The timing had deprived ABP Tech of that ability and thereby caused irremediable prejudice. Therefore the amendments should be refused.
11. Evidence in support was provided by ABP Tech's lawyer Mr Byrne. He explained his client's case why the amendment was too late and should be refused and Mr Byrne also challenged paragraph 4 of Voyetra's Defence as originally drafted. Paragraph 4 read as follows:

“The First Defendant is the parent company of the Second Defendant. The First Defendant is the proprietor of the trade marks and branding used by the Second Defendant including the sign STEALTH. Insofar as consistent with the foregoing, paragraph 7 is admitted.”

*[Paragraph 7 was an allegation of joint tortfeasance]*
12. Mr Byrne described this as false and misleading, because if Voyetra did have the right to use Mark 250 from 28 January 2021, then this paragraph fails to acknowledge NCL as a proprietor of at least one of the relevant marks being used. Amongst other things Mr Byrne expressly asserted that this meant that Mr Stark must have signed a false statement of truth.
13. A witness statement was filed by Voyetra's solicitor in response to Mr Byrne which addressed a technical issue about the scope of trade mark registrations, but remarkably no evidence was presented by Voyetra to explain or justify why the amendment was timed in the way it was, or to address the challenge to the veracity of the defence and the statement of truth.
14. Miles J handed down his judgment on 19 November 2021. The judge refused ABP Tech's application for summary judgment in relation to honest concurrent use. The judge also refused the application to amend to add the counterclaim for invalidity against ABP Tech's marks, on the basis that it had no real prospect of success. There are no appeals from these findings.
15. The judge did however give permission to amend to allow Voyetra to introduce the defence based on Mark 250 under s11(1B) and to introduce their counterclaim for infringement of Mark 250. It is these decisions which are subject to the present appeal.

Arnold LJ gave permission to appeal on the basis that although amendment was a matter of discretion, this is a very unusual case and the appeal was worth the cost given its impact on the parties' overall prospects of success.

*The judgment*

16. The judgment covers a great deal of necessary detail and large parts of it were not subject to criticism. One aspect the judge had to grapple with was the submission that as a matter of law the s11(1B) defence could not be open to Voyetra at all. ABP Tech argued that s11(1B) only applied in a situation in which one of the parties was positively asserting a defence under s11(1) and that since they were not (or not yet) doing so, no such s11(1B) defence was available. The judge rejected that in paragraph 83. On appeal ABP Tech argued he was wrong to do so because Voyetra's approach was wrong in law. I do not propose to spend a lot of time on this issue because I agree with the judge, for the reasons he gave in his judgment, that it is at least arguable that the provisions do not require one party to invoke s11(1) for another party to rely on s11(1B). As the judge put it:

“83 [...] It seems to me that it is at least arguable that the subsections are to be read as follows. Subsection (1) states (to paraphrase) that where there are two subsisting registered trade marks, the use of the latter does not constitute an infringement of the former. Subsection (1B) applies where subsection (1) applies: i.e., where there are two registered marks the second of which is not liable to be declared invalid under sections 47 or 48. Where that is the case subsection (1B) then provides that the later registered mark is not infringed by the use of the earlier mark even though the earlier mark may no longer be invoked against the later trade mark (i.e. may not be deployed as a basis for invalidating the later one). In that case the later registered mark is not infringed by the use of the earlier mark.”

17. The real issue on this appeal is the judge's approach to the exercise of the discretion allowing the amendments. That involves paragraphs 65 to 70 of the judgment. There is no need to set them all out. In summary, the judge found that the amendment application was not late because it was made at an early stage in the proceedings as a whole, before pleadings were closed or a case management conference had taken place; that paragraph 4 of the Defence was not false or misleading when the Defence was advanced; that Voyetra had not been obliged to reveal their plan; and overall he did not consider that the prejudice - which he recognised would be caused to ABP Tech – arose from any unjustified delay on the part of Voyetra. If the amendments were refused the court at trial would be required to apply the law blinkered to the full legal reality. These are the matters challenged on appeal.
18. I should add that the judge's view that the amendment would not disrupt the proceedings, in the sense of leading to a waste of work, is not challenged.

*Submissions*

19. ABP Tech submits that various errors made led to an improper exercise of the court's discretion. The submission is that the judge failed to apply the principle that an

amendment is late if it could have been made earlier, and that in failing to find that the amendment was late, he missed the opportunity to examine any explanation for this delay from the party seeking to amend. The case is in fact one of deliberate concealment and the full picture of what happened was not evident before the judge. In any case the judge erred in taking the view that it would have been disproportionate or unreasonable to require the respondents to make the necessary amendments to their claim as soon as it became possible to do so (such as adding in the s11(1B) defence upon obtaining the licence). Further, the fact the claimant could have checked the trade mark register and applied for revocation was not a relevant consideration that the judge should have taken account of. Overall, ABP Tech argues that allowing this sort of behaviour would amount to sanctioning the use of the amendment procedure as a weapon in litigation.

20. Voyetra submit that they were entitled to act as they did, for their amendments would otherwise have been rendered meaningless by ABP Tech applying for revocation of the earlier trade mark. They submit that the judge correctly undertook an ‘evaluative’ approach to lateness, taking into account factors such as the stage where proceedings stood at that point, and was right to conclude that it was reasonable and proportionate to bring the amendments in a comprehensive manner. Voyetra denies that the position about what happened is any different from that before the judge and in particular contends that the judge was aware of the issue of equitable ownership. Additionally, they argue that a duty to check the register would not be a particularly onerous one, given how low the number of overlapping trade marks on the register would be.

*Appeals concerning the exercise of discretion*

21. The principles applied on appeal from the exercise of discretion have been addressed in many cases. I will only refer to the useful recent summary by Saini J in **Azam v University Hospital Birmingham NHS Foundation Trust** [2020] EWHC 3384 (QB):

“50. An appellate court will only interfere with a discretionary evaluation where an appellant can identify one or more of the follows errors:

- (i) a misdirection in law;
- (ii) some procedural unfairness or irregularity;
- (iii) that the Judge took into account irrelevant matters;
- (iv) that the Judge failed to take account of relevant matters; or
- (v) that the Judge made a decision which was "plainly wrong".

51. Error type (v)... means a decision which has exceeded the generous ambit within which reasonable disagreement is possible.

52. ...The appellate court's role is to police a very wide perimeter and it will be rare that a judge who has exercised a discretion having regard to relevant considerations will have come to a conclusion outside that perimeter... It needs to be underlined that

an appellate court in an appeal such as the present is exercising a CPR 52.21(1) "review" power. It is also well-established that the weight to be given to specific factors is a matter for the trial judge and absent some wholly unjustifiable attribution of weight, an appellate court must defer to the trial judge.”

22. The present appeal is put on the basis that there was a failure to take into account a relevant matter. This was that the amendment was actually late and that as a result important consequences followed on from that, which were not considered properly or at all. A subsidiary issue is advanced that an irrelevant matter was taken into account (checking the trade mark register).

*‘Late’ amendments*

23. When considering whether to exercise the discretion to permit an amendment provided by Part 17.3 of the Civil Procedure Rules, there are several factors to bear in mind. One of these factors is lateness. Coulson J (as he then was) summarised the relevant authorities on ‘lateness’ in *CIP Properties v Galliford Fry* [2015] EWHC 1345 (TCC) and, for the purposes of this case, explained the following key principles at paragraph 19:

“(a) The lateness by which an amendment is produced is a relative concept (*Hague Plant*). An amendment is late if it could have been advanced earlier, or involves the duplication of cost and effort, or if it requires the resisting party to revisit any of the significant steps in the litigation (such as disclosure or the provision of witness statements and expert's reports) which have been completed by the time of the amendment.

...

(c) The history of the amendment, together with an explanation for its lateness, is a matter for the amending party and is an important factor in the necessary balancing exercise (*Brown; Wani*). In essence, there must be a good reason for the delay.

...

(f) Prejudice to the amending party if the amendments are not allowed will, obviously, include its inability to advance its amended case, but that is just one factor to be considered (*Brown*). Moreover, if that prejudice has come about by the amending party’s own conduct, then it is a much less important element of the balancing exercise (*Archlane*).”

(my emphasis)

24. The simple point about lateness is that it calls for an explanation justifying the lateness. That is because an amendment which might otherwise be allowed, could well be refused if its lateness has caused unjustifiable prejudice to the other party. Therefore an explanation is needed in order for the court to work out whether or not it is a case in

which, despite the prejudice caused by the lateness, nevertheless the balance comes down in favour of allowing the amendment.

25. Examples of the kinds of prejudice a late amendment might cause were given by Coulson J in CIP Properties at paragraph 19(e):

“at one end of the spectrum, the simple fact of being ‘mucked around’ (*Worldwide*), to the disruption of and additional pressure on their lawyers in the run-up to trial (*Bourke*), and the duplication of cost and effort (*Hague Plant*) at the other. If allowing the amendments would necessitate the adjournment of the trial, that may be an overwhelming reason to refuse the amendments (*Swain Mason*).”

### *Assessment*

26. ABP Tech submitted that Voyetra’s tactics amounted to deliberate concealment with a view to ensuring that ABP Tech remained unaware of Voyetra’s interest in the earlier trade mark until the s46(3) revocation opportunity had passed. Counsel for Voyetra contended that Voyetra were entitled to do this in order to make what he called a ‘meaningful amendment’ to their Defence, in other words one which could not be stymied by ABP Tech using s46(3) to revoke Mark 250.
27. For the purposes of this judgment, I will assume that Voyetra’s tactic would be effective under the Trade Marks Act to amount to genuine use under s46 capable of defeating an application for revocation brought by ABP Tech once they had been given notice of the application to amend.
28. However the fact that that is so does not operate as a trump card in Voyetra’s hands. The fact an amendment advances a case permissible under the relevant law is obviously relevant, but it is not determinative. Such an amendment may well be refused if its unjustified lateness is prejudicial to the other party.
29. Before this court it is admitted that the shell company NCL was at all times acting on behalf of Voyetra. It is also now clear that Voyetra’s s11(1B) defence was available to them from 28 January 2021, the date on which NCL took the assignment of Mark 250. That was before the original Defence was filed. Counsel for Voyetra contended that the judge’s judgment was given on the same basis. I reject that submission. There is no express statement to that effect and overall, the section on discretion (paragraphs 65 *et seq*) would have been very different if it had been clear before the judge, as it now is, that Voyetra accepts it could have pleaded the s11(1B) defence from the outset. One clear example is that the judgment is written on the basis that there could have been two sets of amendments, a first set of amendments to raise the s11(1B) defence perhaps as early as March and a second set to raise the counterclaim later once legal title had been transferred. However in fact no first amendment was ever necessary because as we now know, Voyetra accepts the s11(1B) could have been pleaded from the beginning.
30. As Coulson J said in CIP, citing Briggs LJ in Hague Plant v Hague [2014] EWCA Civ 1609 (see CIP para 18), lateness is a relative concept. In other words an amendment made early in the absolute frame of reference of the proceedings may nevertheless be a “late” one when its timing is considered relative to the date on which the amendment

could have been raised, and taking into account the consequences of the difference. I agree with ABP Tech that even on the footing as it appeared before the judge (when the first s11(1B) amendment was regarded as available on 15 March) the judge ought to have regarded that as a late amendment and erred in paragraph 65 in concluding it was not. When one appreciates that in fact Voyetra could have pleaded this point in January and with no amendment at all, its lateness is even more stark. Nevertheless it is important not to focus too much on labels. Mere lateness is unlikely to matter. The utility in characterising an amendment as late comes from focussing attention on any prejudice caused by the timing, and the need for an explanation. That is what mattered in the present case. I will come back to the lack of evidence from Voyetra below.

31. A minor aspect of this case is the holding by the judge that it was reasonable to wait and make one single amendment application, rather than making two separate applications as each amendment became possible. All things being equal, it is obviously convenient to make amendments in one go. However, while it does not matter as things have turned out, that sort of convenience would not usually justify delaying an amendment which caused prejudice to the other party. Moreover on the facts of this case the only possible justification for the amendments being in two sets was the separation of the legal and beneficial titles, which was something entirely in Voyetra's hands and so is no justification at all.
32. One of the judge's concerns was that refusing the amendment would have the result that the court at trial would be applying blinkers to the legal realities. However it is not as simple as that. Civil trials are decided based on the issues properly before the court. Once proceedings have begun, the court has the power to refuse to permit a party to raise new issues, particularly issues which could have been included at the outset. The power to refuse late amendments which cause unjustified prejudice may well have the result that a point is excluded from consideration at trial which would not have been excluded if it had been raised earlier. Although the analogy cannot be taken too far, there are similarities with amendments which might deprive a party of a limitation defence. In that context the amending party does not have a free hand to raise any new claim later in the proceedings, if the timing of the amendment would deprive the other party of a defence. Briefly, to be allowable at all the new claim must arise from substantially the same facts as those already in issue (CPR r17.4).
33. The real issue in this case is that the lateness of the amendment manifestly deprived the other party of a defence which they would have had if the point had been raised when it could have been. Therefore a justification was called for.

*Justification for the lateness?*

34. As noted at the outset, despite the clear challenge in Mr Byrne's evidence, Voyetra did not produce any evidence to explain the lateness of the amendments. Nor did the judge seem to question this lack of evidence, on the basis I think that the tactic employed by Voyetra was not prohibited by the Trade Marks Act. However in my judgment Voyetra's conduct will not do. I have little doubt that the true reason no evidence was produced to justify the approach was because to have done that honestly, what would have been written down would have looked deeply unattractive. Although counsel for Voyetra took care orally to be relatively frank about his clients' motives, the story has never been explained properly or fully. The fact that Voyetra accept in counsel's



submissions that their objective in not telling ABP Tech about the amendment until they did, was to avoid tipping off ABP Tech to bring a revocation action, is no excuse.

35. As counsel for ABP Tech noted, by not putting in evidence on this issue, the position has been unclear and has developed over time. Voyetra have been able to advance arguments about timing which would have been scotched had they produced proper evidence when they should have. The shift in position in relation to when the s11(1B) defence could have been pleaded is one example of the tactical advantage secured by Voyetra by this approach.
36. There is also the question of paragraph 4 of the Defence. Given that it is now clear that one of the trade marks used by the second defendant was (on Voyetra's own case) a mark of which the first defendant Voyetra TB Inc was not the proprietor (because Mark 250 was legally held by NCL), it follows that that paragraph was plainly wrong and misleading when the original Defence was filed. Standing back, I would not be surprised if the drafting of paragraph 4 was not actually part of Voyetra's plan to deliberately conceal its tactics, because the paragraph's focus was on joint tortfeasance. However of course there is no evidence to that effect at all and it does not alter the fact that the paragraph was plainly wrong. One is left with an apparently well founded challenge to the statement of truth by Mr Byrne and no response. Voyetra ought at the very least to have filed apologetic evidence explaining what had happened. One might have expected Mr Stark personally to have apologised and provided that explanation, assuming he felt able to do so. None of this has happened.
37. In paragraph 108 of the judgment, albeit in a slightly different context concerning the relationship between the s11(1B) amendment and the counterclaim, the judge stated that he was satisfied that the defendants proposed the amendments in good faith. In the circumstances as they were, without evidence in the form of a witness statement, at least from the solicitors, addressing the points I have described, that conclusion was not open.
38. Even without paragraph 4 of the Defence, the question of what justification if any Voyetra were advancing for the timing of the amendments was a question which required an answer, and none was given. Its absence ought to have been fatal to this application. At the risk of repetition, the fact that Voyetra's conduct can be taken to be legitimate under the Trade Marks Act did not absolve Voyetra as a litigant in civil proceedings from addressing the timing of the step taken in the litigation.
39. Voyetra's approach seems to have been that because the very purpose of the lateness was to cause the prejudice to ABP Tech, no justification was necessary. That is wrong. The right conclusion on the material before the court was that the lateness of the application to amend had been deliberately calculated to cause prejudice to the other party and no good reason had been provided for that lateness.
40. Given the way Voyetra conducted the amendment application, I do not believe the case turns on the debate about checking the register for Mark 250. Nevertheless if it was necessary to decide the issue, I would hold that that point was not relevant to the exercise of the discretion in this case. Of course in theory ABP Tech could have found Mark 250 themselves and, if they had been concerned about it, applied to revoke it. It is certainly arguable that the specification of goods covers the goods in issue in this case. In the context of honest concurrent use, a similar point arose in Walton v Verweij

[2018] EWHC 1608 (Ch). At paragraph 214 Arnold J held that a party did not have a duty to search the register prior to marketing their goods and then to apply to revoke any unused marks it found there. Although the context is different, in my judgment the same point applies. I do not see why it can be said to be a point against the claimant in this case that they did not search the register and identify a mark in a third party's hands and apply to revoke it for non-use, if they believed it was not being used. They are under no duty to do that.

*Conclusion*

41. In this case Voyetra have attempted to take advantage of the process of civil justice itself. To permit this application to amend, both the defence and to add the counterclaim, would be to sanction an act of deliberate concealment by the party seeking to be permitted to amend. Accordingly, I consider that the judge was wrong to permit the amendments and I would therefore allow this appeal.

**Lady Justice Nicola Davies:**

42. I agree.

**Lord Justice Coulson:**

43. I also agree.