

O/743/22

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF UK REGISTRATION NUMBERS 801515050 AND 3073101

IN THE NAME OF EDGE GAMES, INC.

IN RESPECT OF THE FOLLOWING TRADE MARKS

**EDGE GAMES**

IN CLASS 9

AND

**EDGE**

IN CLASSES 9, 16, 35, 38 AND 41

AND

APPLICATIONS FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NUMBERS 503821 AND 503822 BY MOBIGAME

## BACKGROUND AND PLEADINGS

1. Trade mark number 801515050 (“the first contested mark”), **EDGE GAMES**, stands registered in the name of Edge Games, Inc. (“the proprietor”). It was filed on 26 December 2019 and completed its registration process on 17 August 2020. The mark is registered for the following goods:

Class 9      *Computer game programs; computer game software; computer game software downloadable from a global computer network; computer game software for use on mobile and cellular phones.*

2. Trade mark number 3073101 (“the second contested mark”), **EDGE**, also stands registered in the name of the proprietor. It was filed on 5 July 2010 and completed its registration process on 11 November 2011. The mark is registered for the following goods and services:

Class 9      *Downloadable electronic publications; downloadable electronic publications relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; printed publications in electronically readable form; printed publications in electronically readable form relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; recorded media containing pre-recorded electronic publications; recorded media containing pre-recorded electronic publications relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; computer console games; video game programs; computer games software, computer hardware; computer games software downloadable from the Internet; sound, music, image, video and game data files obtainable by stream access for computers, communications apparatus, and mobile telephones; software applications for use on games equipment or devices, mobile telephones, personal digital assistants (PDAs), or mobile computing devices; downloadable audio and video files; downloadable audio and video files featuring gaming-related content, computer games software, computer hardware and related accessories; parts, fitting and accessories in class 9 for the aforementioned goods.*

Class 16 *Printed matter; printed matter relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; except printed publications and magazines.*

Class 35 *Advertising, promotional and marketing services for others; providing business and marketing information; computerised electronic on-line retail store services connected with the sale of on-computer, on-console and online gaming goods, computer games software, computer hardware, and related accessories; business advice and information relating to on-line retail store services.*

Class 38 *Telecommunications services; network transmission of sound, data or images; broadcasting services; audio and video broadcasting services over the Internet, audio and video broadcasting services via electronic communications networks; broadcasting of media, sound, data or images relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; broadcasting of audiovisual content via stream, download, or other means to wired or wireless devices; podcasting services; enhanced transmission of audio and/or visual content and transmission of really simple syndication (RSS) feeds via a global computer network or other electronic or digital communications network or device; transmission of audio and/or visual content and transmission of really simple syndication (RSS) feeds concerning on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; providing on-line chat room services for transmission of messages among computer users; providing on-line chat room services for transmission of information concerning on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; providing access to on-line electronic bulletin boards; providing access to on-line electronic bulletin boards for transmission of messages among computer users concerning on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; providing Internet access to online blogs, discussion groups, chat rooms and electronic bulletin boards; providing access to an internet discussion website; transmission of news and information via the Internet; transmission of news and information via the Internet relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories.*

Class 41 *Organising, arranging and conducting shows, conferences, seminars, awards ceremonies and competitions all relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; entertainment services; information relating to entertainment, provided on-line from a computer database or the Internet; information relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories, provided on-line from a computer database or the Internet; providing on-line electronic publications (non-downloadable); publication of magazines, books and journals on-line; publication of magazines; publication of printed matter relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; on-line gaming services; video game services; electronic games services or on-line gaming services provided on-line from a computer database or the Internet; providing a website featuring an array of video gaming-themed merchandise, video recordings, video stream recordings, interactive video highlight selections, on-line computer games, video games, interactive video games, action skill games, trivia games, and video gaming news; streaming audio and video content relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; entertainment in the form of television programmes; production of television programmes and other audio-visual media; television entertainment services relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; production of television programmes relating to on-computer, on-console and online gaming, computer games software, computer hardware and related accessories; information and advisory services relating to the aforesaid services.*

3. On 6 May 2021, Mobigame (“the applicant”) applied to have both contested marks declared invalid under section 47(2) of the Trade Marks Act 1994 (“the Act”); both applications are based upon section 5(4)(a) of the Act. The applicant relies upon the sign **EDGE** which it claims to have used throughout the UK since January 2009 in relation to *computer game software*.

4. According to the applicant, use of the proprietor's marks would constitute a misrepresentation to the public that would damage the reputation in its business. Therefore, use of the proprietor's marks would be contrary to the law of passing off pursuant to section 5(4)(a) of the Act.

5. The proprietor filed a defence and counterstatement to both applications for invalidity denying the claims made and claiming that its **EDGE** and **EDGE GAMES** marks have been in use since 1984. Following the filing of the defence in both invalidation cases, the two sets of proceedings were subsequently consolidated.

6. The applicant is represented by Sheridans Solicitors whereas the proprietor represents itself. Both parties filed evidence and submissions during the evidence rounds. Neither party requested a hearing, but both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE AND SUBMISSIONS**

### The applicant's evidence

7. The applicant filed evidence in the form of the witness statement of David Papazian dated 17 November 2021 and its corresponding seven exhibits (DP1 – DP7). Mr Papazian is Managing Director of the applicant company, a position he has held since January 2004. The applicant also filed written submissions dated 22 November 2021. I will not be summarising the submissions but will refer to them where necessary throughout this decision.

8. Mr Papazian states that the sign EDGE was first used in 2008 (I note, however, that the date of first use in the UK was stated as January 2009 on the applicant's form TM26(1)) when the EDGE computer game was released. It is described as first being sold on iTunes and on a number of websites and platforms since.

9. Sales figures for the EDGE computer game in the UK have been provided as follows:<sup>1</sup>

<b>Year Ending</b>	<b>Territory</b>	<b>Turnover in US\$</b>
2009	UK	34,682.53
2010	UK	20,225.23
2011	UK	16,986.42
2012	UK	18,588.02
2013	UK	8,371.04
2014	UK	3,804.95
2015	UK	1,979.53
2016	UK	1,208.90
2017	UK	655.74
2018	UK	576.24
2019	UK	376.26
<b>Total (2009 – 31 December 2019)</b>	<b>UK</b>	<b>107,454.86</b>

10. The above sales figures are said to have been provided by AppFigures, an independent software management platform that allows software owners to track sales. A screen print from AppFigures showing the sales figures is provided within exhibit DP3.

11. Total downloads of the EDGE computer game in the UK have been provided as follows:<sup>2</sup>

<b>Year Ending</b>	<b>Territory</b>	<b>Total Downloads</b>
2009	UK	20,930
2010	UK	21,248
2011	UK	51,164
2012	UK	34,876

<sup>1</sup> Paragraph 13 of the witness statement of David Papazian.

<sup>2</sup> Paragraph 15 of the witness statement of David Papazian.

2013	UK	169,617
2014	UK	8,850
2015	UK	7,944
2016	UK	4,174
2017	UK	1,779
2018	UK	1,329
2019	UK	1,240
<b>Total (2009 – 31 December 2019)</b>	<b>UK</b>	<b>323,151</b>

12. As with the sales figures, the download figures are said to have been provided by AppFigures, a screen print of which is provided within exhibit DP4.

13. The remaining exhibits contain the following evidence:

Exhibit DP1 Extracts of the mobigame website taken from ‘WayBackMachine’ dated between 12 November 2008 and 30 September 2019. The capture from 12 November 2008 shows the word EDGE but does not evidence anything being available to purchase. From 29 March 2009, however, (and until 30 September 2019) the EDGE game is available to purchase and download as an application.

Exhibit DP2 Extracts of the iTunes store taken from ‘WayBackMachine’ showing the application ‘Edge By Mobigame’ available to purchase and download between 13 May 2010 and 3 January 2019.

Exhibit DP5 Extracts taken from AppFigures showing a selection of reviews of the ‘Edge’ game between 1 January 2009 and 27 July 2017.

Exhibit DP6 A capture of the International Mobile Gaming Awards website taken from ‘WayBackMachine’ on 24 December 2008 showing

EDGE BY MOBIGAME listed under the Excellence in Gameplay award.

Exhibit DP7 A screen print of the 'toucharcade' website listing 'Edge (Mobigame)' as a finalist in the Best Game category in the Independent Games Festival Mobile awards 2009.

#### The proprietor's evidence

14. The proprietor filed evidence in the form of the witness statement of Timothy Langdell dated 17 January 2022 and its corresponding 24 exhibits (TL1 – TL24). Dr Langdell has been Chief Executive Officer ("CEO") of the proprietor company (and Managing Director of its sister UK company, EDGE Games, Limited) since July 2005; he was CEO of The Edge Interactive Media ("EIM") from November 2009 and Managing Director of Softek International Limited ("Softek") from September 1983, both of which are the proprietor's predecessors in rights. The proprietor also filed written submissions dated 8 January 2022 (re-filed on 21 January 2022). I do not intend to summarise the entirety of the proprietor's evidence: some of the evidence is either undated, unexplained or not useful to the decision I am required to make. I have, however, captured below what I consider to be most relevant to the main issues of these proceedings.

15. In his witness statement, Dr Langdell explains the history of the companies referred to in the previous paragraph and their relationship with EDGE/EDGE GAMES. Softek was incorporated as a UK company in 1983. The EDGE/EDGE GAMES brand was developed by Softek in 1984 and used on computer games from the same year. In 1990, Dr Langdell executed the assignment document transferring all rights in EDGE/EDGE GAMES from Softek to EIM, founded that year. Softek continued to operate in the UK with Dr Langdell as the Managing Director until 2002 when the company was wound down. In 2005, EIM's business practices were divided up and the computer games business was assigned to EDGE Games, Inc. (the proprietor) with the bulk of rights, including EDGE/EDGE GAMES computer games, being assigned by 2008.

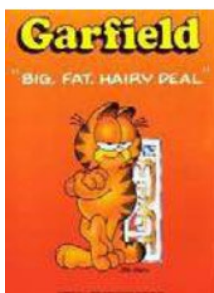


16. Exhibit TL3 contains what Dr Langdell describes as UK computer game press in 1984. Pages 16 and 17 of the proprietor's evidence (part 1) contains an article from Your Spectrum dated 1984 ('Issue 8'); the article explains that 'The Edge' formed an independent division from its parent company, Softek, and goes on to refer to The Edge's four new computer games, two of which "are due for launch sometime in September". Given the article is dated October 1984, it seems reasonable to conclude that the launch date referred to is September 1985.

17. Exhibit TL4 is an extract taken from the website 'gamesdb.launchbox-app.com' and lists 36 computer games, which clearly show stylised versions of EDGE/THE EDGE (see Figures 1-7 below for examples of the presentation) on their covers, released between 1984 and 1991. The pages that follow in exhibit TL4 include extracts from the website of Spectrum Computing: they list some of the aforementioned 36 computer games, showing 'The Edge (UK)' games are owned by 'Edge Games Inc', founded by 'Softek International Ltd (UK)' and published by 'The Edge (UK)'.



*Figure 1*



*Figure 2*

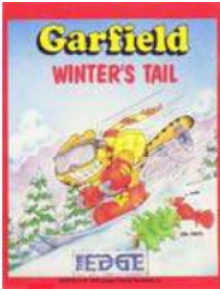


Figure 3



Figure 4

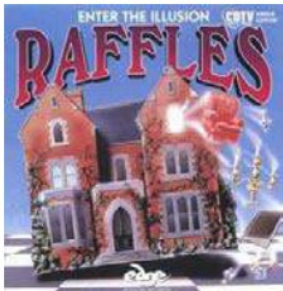


Figure 5



Figure 6

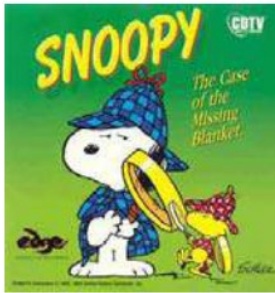


Figure 7

18. Dr Langdell states that turnover for EDGE games in the UK from 1984 to 1990 was in the millions of pounds and was partly due to sales agreements with W.H. Smith, F.W. Woolworth and Boots.<sup>3</sup> He goes on to explain that sales in the 1990s did not match the high volume of sales in the 1980s but that EDGE games have been offered for sale in the UK at all times since their release.<sup>4</sup>

19. Dr Langdell refers to exhibit TL8 and sales of EDGE 3D hardware sold through its licensee Diamond Multimedia totalling over \$187million in one quarter of 1996, though the figures related to US and UK sales and a breakdown by territory is not available. I also note that the report at exhibit TL8 explains the \$187million net sales as follows:

#### “NET SALES

Net sales for the first quarter of 1996 increased by 134% to \$187.6 million from \$80.3 million for the first quarter of 1995. The increase in net sales over the prior year’s first fiscal quarter was primarily attributable to the revenues generated by the growth in demand for the Stealth series of graphics accelerator cards, sales of the Edge 3D graphics accelerator cards, which were first sold in significant quantity in the fourth quarter of 1995, and the revenues generated by the recently acquired subsidiaries of Supra and Spea, which together amounted to approximately \$60.8 million for the first quarter of fiscal 1996. [...]”

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<sup>3</sup> Paragraph 24 of the witness statement of Timothy Langdell.

<sup>4</sup> Paragraph 27 of the witness statement of Timothy Langdell.

20. Given the above information, it is impossible to determine the proportion of the net sales attributable to UK sales and the proportion attributable to the EDGE 3D hardware referred to.

21. Further examples of earlier use of EDGE and EDGE GAMES for computer games in the UK between 1984 and 1991 are referred to at paragraph 21 of Dr Langdell's witness statement and shown at TL4, including instruction leaflets, advertisements, reviews and the Bobby Bearing game featuring in the 'Official Top 100' games of all time by *Your Sinclair*, a UK Magazine.

22. EDGE GAMES are said to have begun selling mobile phone games in the UK to O2, Orange, Virgin Mobile and Vodafone customers in 2003, starting with Bobby Bearing and then Pengu and Battlepods.<sup>5</sup>

23. A timeline of EDGE games launched by the proprietor is shown within exhibit TL7: a screenshot of the "About" section on the website [www.edgegames.com](http://www.edgegames.com). Numerous games are listed in the 1980s and 90s; following those are Bobby Bearing in 2003, Mythora in 2004, Bobby Bearing, Pengu and Battlepods in 2004-2005, Racers in 2009, Bobby Bearing iOS in 2011 and 2020, and EDGE 40<sup>th</sup> anniversary in November 2021.

24. There is some evidence, taken from 'Wayback Machine', of computer and mobile phone games available to purchase on UK websites between 2007 and 2009, namely the Bobby Bearing game in November 2007, March 2008 and May 2009.<sup>6</sup>

25. Sales figures of computer and mobile phone games sold under EDGE/EDGE GAMES in the UK (not including sales by the proprietor's licensees) have been provided as follows:<sup>7</sup>

Year Ending	Turnover (£)
2003	29,564.72
2004	39,441.09

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<sup>5</sup> Paragraph 34 of the witness statement of Timothy Langdell.

<sup>6</sup> Exhibit TL10.

<sup>7</sup> Paragraph 41 of the witness statement of Timothy Langdell.

2005	26,319.45
2006	17,399.32
2007	5,002.79
2008	3,265.26
2009	6,326.92
2010	4,331.68

26. Exhibits TL10 and TL11 show some use of EDGE GAMES: on the 'BOBBY BEARING' computer game cover in 2010 from the website 'nexva.com' (see Figure 8) and in 2003 (see Figure 9). The same presentation of EDGE GAMES on the BOBBY BEARING mobile phone game was used in a 2007 review on the website 'midlet-review.com' (within exhibit TL11).

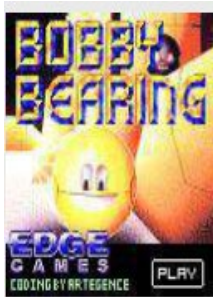


Figure 8

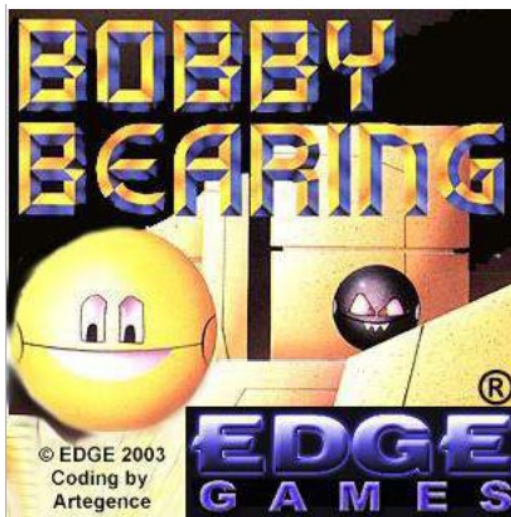


Figure 9

27. Dr Langdell claims to have kept mobile phone games and Windows PC computer games on sale in the UK since 2010. The relevant parts of the witness statement read as follows:

“56. During the period from July 2010 to the present day, Registrant has also continued to offer for sale in the UK market all of its JAVA (J2ME) mobile phone games such as “Bobby Bearing”, “Battlepods” and “Pengu” as well as continuing to offer its Windows PC computer games for sale in the UK, “RACERS” and “Mythora”. Further, Registrant has been selling its older titles originally published in the 1980s on various so-called “emulator” systems that run on devices such as the Apple iPhone. These emulators enable older games to be played on modern devices such as iPhones and iPads, and through one of these in particular (the ZX Spectrum Recreated) Registrant as sold in the UK market numerous copies of its games “Fairlight”, “Brian Bloodaxe” and “Bobby Bearing” (see **Exhibit TL-16**). In this exhibit I also include some sample sales reports by Elite Systems.

57. Sales of these older games for the Apple iPhone and iPad have occurred in the UK between 2015 and 2021. In each case, the games have been sold using both the EDGE and EDGE GAMES Signs/Trade Marks in UK commerce. While the turnover for such games has not been high (some tens to at most some hundreds of pounds), these games have helped keep the EDGE and EDGE GAMES brands in prominence in the minds of UK consumers ever since these games were first launched in the UK in the mid-1980s, right to the current day.” (Original emphasis)

28. This narrative evidence is partly supported by some of the pages within TL16: RACERS and MYTHORA PC games on page 283 and Bobby Bearing, Battlepods and Pengu on page 284. Bobby Bearing, Fairlight and Brian Bloodaxe appear on page 285, which correlates with the screenshots of the Apple App Store at pages 286-287 and is supported by the sales records from 2018/19 at pages 288-290. TL13 shows some evidence of UK sales of EDGE computer games in 2010 from the UK website of Amazon. TL15 contains a screenshot of edgeworks.com taken from ‘Wayback Machine’ on 26 September 2010 showing US and UK flags, where customers can

switch between the US and UK versions of the site and, according to Dr Langdell, purchase EDGE games directly from each website.

29. Dr Langdell explains that EDGE released the game Bobby Bearing 2: 2020 ReRoll in the UK in January 2020 on the Apple App Store. TL16 shows that just over 32.7K units of the game were purchased or downloaded in Europe between 1 April and 30 June 2020.

30. This concludes my summary of the proprietor's evidence, insofar as I consider it necessary to deal with the main issues of these proceedings.

### **PRELIMINARY ISSUE**

31. In the applicant's submissions in lieu, it submits as follows:

"14. The Cancellation Applicant submits that the Registrant has failed to prove its case as it has provided no evidence that any goodwill that may have been generated by these "predecessors in rights" were ever assigned over to the Registrant. The Cancellation Applicant therefore submits that any use of the Registration Marks by anyone other than the Registrant should be disregarded for the purposes of these proceedings. It is therefore important to distinguish between (i) use of the Registration Marks by the Registrant and (ii) use by its alleged "predecessors in rights" and "licensees". The Cancellation Applicant notes that the Registrant has attempted to blur this distinction by using the term "registrant" as a reference to itself, these "predecessors in right" and/or any "licensee"."

32. In the proprietor's submissions in lieu, it submits as follows:<sup>8</sup>

"Registrant notes that Cancellation Applicant asks the Office to disregard a sizeable portion of Registrant's evidence and submissions on the basis that Registrant failed to supply support for its statements that Registrant's lawful

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<sup>8</sup> Page 1 of the submissions in lieu dated 12 April 2022.

predecessors in rights to the marks “EDGE” and “EDGE GAMES” (Softtek and Edge Interactive Media/EIM) has all the relevant intellectual property rights assigned to Registrant.

Registrant draws the Office’s attention to paragraphs 30, 35, 36 and elsewhere in Dr. Langdell’s Witness Statement where it is clearly stated, under oath, that Dr Langdell personally ensured that all the historic rights in the signs were lawfully assigned first to EIM and then from EIM to Registrant, this included of course all of EIM’s rights in all licence agreements such as the one with Future Publishing.”

33. In my view, Dr Langdell’s statement amply outlines the position. It is supported by the article within TL3 which refers to Softtek as the parent company of The Edge, and by the extracts within exhibit TL4 which detail the relevant games as being owned by ‘Edge Games Inc’, founded by ‘Softtek International Ltd (UK)’ and published by ‘The Edge (UK)’. As for who may own any goodwill, Dr Langdell’s evidence is that the business has been conducted by the proprietor since 2005 with the bulk of the rights in the EDGE games being transferred by 2008. No request was made to cross-examine Dr Langdell on this evidence. He does not specifically mention the transfer of goodwill, however, as the case law to which I will refer in this decision supports, an assignment of goodwill will usually be inferred, even without a specific agreement, where a new business takes over the business of an older concern as a going concern. Overall, I am satisfied with the chain of title and so evidence of use shown by the proprietor’s predecessors in title, Softtek and EIM, is sufficient. Even if I am wrong on this, the post-2005 trade in the UK appears to have been conducted by the proprietor, which, as will become apparent, is key to the issues in this case.

## **DECISION**

### **Legislation**

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



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

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

(aa) [...]

(b) [...]

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

35. Subsection (4A) of Section 5 states:

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

36. The relevant parts of section 47 state:

“47. (1) [...]

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

(a) [...]

(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.

[...]

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

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

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

## **Relevant law**

37. 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).”

## Relevant date

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. He explained that:

“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. In *Smart Planet Technologies, Inc. v Rajinda Sharma* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, pointed out that “*the start of the behaviour complained about*” is not the same as the date that the user of the applied-for mark acquired the right to protect it under the law of passing off. Rather, it is the date that the user of that mark committed the first external act about which the other party could have complained (if it knew about it) as an act of actual or threatened passing off. Typically, this will be the date when the first offer was made to market relevant goods or services under the mark. However, it could also be the date the first public-facing indication was made that sales were proposed to be made under the mark in future. If the user of the applied-for mark was not passing off at the time such use commenced (usually because no one else had acquired a protectable goodwill under a conflicting mark at that time), he or she will not normally be passing off by continuing to use the mark.

40. As outlined by the above authorities, the date for assessing a passing off claim in invalidation proceedings is typically the date the marks in suit were applied for, in this case, 5 July 2010 and 26 December 2019. 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.

41. The proprietor, in its written submissions dated 8 January 2022 (re-filed on 21 January 2022) submits as follows:

“27. Registrant acknowledges that its rights previously protected by various UK Trade Mark Registrations in the years 1984 to 2009 reverted to being un-

registered rights when the registrations lapsed due to not being timely renewed. But Registrant still has all those decades of those accrued un-registered rights that pre-date its 2010 filing date, and these unregistered rights substantially pre-date any claimed rights by Cancellation Applicant of the mark EDGE in UK commerce.”

42. The applicant’s submissions in lieu state as follows:

“42. In order for the Cancellation Applicant to success (*sic*) in its claim, in brief, it must demonstrate the following:

a. it owned passing off rights in the Unregistered Sign as of 5 July 2010 and 26 December 2019 (being the filing dates claimed in the Registration Marks) **and** those passing off rights pre-date any passing off rights that the Registrant may have in the Registration Marks;

[...]” [Original emphasis]

And

“43. [...]

a. The Cancellation Applicant has shown that it owned goodwill in the Unregistered Signs as of 5 July 2010 and 26 December 2019 (see Exhibits DP-1 to DP-4 of Mr Papazian’s witness statement) and that its unregistered rights pre-date that of the Registrant;

[...]”

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 stated:

“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 So 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 and Case R 784/2010-2 Sun Capital Partners Inc.). In my judgment the matter should be addressed in the following way. The party 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, concluded:

“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 21 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." [Original emphasis]

45. The guidance set out in the above cases is clear. I must firstly establish the date the proprietor's potentially actionable use began. It is not the date that the proprietor acquired goodwill of its own. In other words, the relevance of the proprietor's use is limited to establishing the date that potentially actionable use began. Once this date has been established, it is for the applicant to show that it had protectable goodwill by this time.

When did the proprietor's actionable use begin?

46. The proprietor claims that its predecessor in title, Softek, commenced use of the marks in 1984 on computer games. Referring to my summary of the proprietor's evidence, above, it builds a clear and consistent picture that EDGE was in use from 1984 and EDGE GAMES was in use from 2003. Sales figures for computer and mobile phone games sold under EDGE/EDGE GAMES in the UK have also been provided for the years 2003 to 2010.

47. In view of the above, I find the first use by the proprietor of EDGE to be in 1984 and of EDGE GAMES to be 2003, with the proprietor's own use commencing in 2005. Whether the proprietor had acquired goodwill at this point is not yet relevant since it is clear from *Assos* and *Casablanca* that this is not required.

Is the applicant the senior user?

48. Having established the date that the proprietor's actionable use began, is the applicant the senior user? In order to be the senior user, the applicant must demonstrate that it had a protectable goodwill prior to the date that the actionable use began, as set out above. The applicant has not filed any evidence of use either prior to 1984 in relation to the EDGE mark or prior to 2003 for the EDGE GAMES mark. In fact, there is no evidence of use prior to 2009. It is therefore impossible for me to conclude that the applicant had a protectable goodwill prior to the date that the actionable use began.

49. However, in accordance with the case law set out above, I must assess whether the position would have been any different at the date the applications were made. For the second contested mark, EDGE, there is evidence of use up until the filing date and so the position would not have been any different at that date from the date the use began. As such the application for invalidity under number 503822 against registration number 3073101 fails.

50. The position in relation to the first contested mark, EDGE GAMES, is different and requires further consideration. EDGE GAMES was not filed until 2019, meaning there



is approximately a nine-year gap between the evidence of use in 2010 and the filing date. The circumstances had changed by the relevant date and, as such, the proprietor's goodwill becomes relevant. The question is whether, at the application date, the mark had become distinctive of the applicant and no longer distinctive of the proprietor. This depends on a number of factors, which I address below.

(a) How long before the relevant date did the proprietor cease to use the mark?

51. Despite claims in Dr Langdell's witness statement that the proprietor used the marks "from July 2010 to the present day", the evidence demonstrates that it was very small-scale use. It appears that use by the proprietor was suspended in 2010 until 2015 when sales of older games resumed, albeit on a small scale.

(b) How much goodwill was attached to the mark at the cessation of use?

52. This is the first point in this decision that an assessment of goodwill belonging to either party becomes necessary. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

53. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] R.P.C. 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing off 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 officer that it is not shown on the balance of probabilities that passing off will occur.”

54. 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.”

55. For this assessment, the relevant mark is **EDGE GAMES** and the relevant goods are *computer game programs; computer game software; computer game software downloadable from a global computer network; computer game software for use on mobile and cellular phones*, which can broadly be described as computer game programs and software. The relevant territory for assessing the 5(4)(a) ground is the

UK: see *Starbucks (HK) Limited & Anor v British Sky Broadcasting Group Plc & Ors*, [2015] UKSC 31, paragraph 47.

56. There is clear evidence of sales of computer games sold under EDGE GAMES between 2003 and 2010, and the sales figures for the same period substantiate that. Whilst I do not accept the use claimed under licence in relation to computer magazines and computer hardware, I do accept the use in relation to Softek and EIM, as explained in paragraph 33, above. However, the evidence is light in some areas. The pre-2010 sales figures drop significantly from 2006 to 2007 and the sales figures post-2010 are minimal. There are also no figures relating to the amount invested in promoting the marks by the proprietor. That said, deciding whether there is goodwill is a multifactorial assessment. Given the number of different games sold under EDGE GAMES, generating tens of thousands of pounds in the UK over a period of several years, as well as games clearly having been on the market since the early 2000s, I consider it likely that the proprietor will have generated some goodwill in the sign EDGE GAMES for computer game programs and software during that period of time. By the time the use appears to have been suspended in 2010, I find that the proprietor had a fair degree of goodwill in the sign EDGE GAMES for the goods relied upon.

(c) Did the proprietor do anything to keep the mark in the public's mind after the cessation of use?

57. The proprietor's narrative evidence is that it kept the mark in the public eye after 2010 by continued sales of older games, which, to a certain extent, the evidence corroborates, as per my evidence summary, above.

(d) In light of (b) and (c), did the proprietor retain a residual goodwill at the application date?

58. The evidence shows that the proprietor suspended use of the mark in 2010, at which point it owned goodwill in that mark for computer game programs and software. However, the next question is whether, at the date of filing the mark approximately nine years later, the proprietor retained a residual goodwill from the business

conducted prior to 2010. Residual goodwill was explained by Vice Chancellor Pennycuik in *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC):

“It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name”.

59. Support for *Ad Lib* came from Mr Justice Laddie in *Sutherland & Ors v V2 Music Ltd* [2002] EMLR 28 (HC) where he stated that:

“17. In my view Mr Speck's attack on the Ad-Lib decision is mis-placed. Not only has it been accepted as good authority for more than 30 years, it is, with

respect, clearly right. As long as a claimant has not chosen to abandon his goodwill, it remains as an asset protectable from damage by passing-off proceedings. Destroying the goodwill so it no longer is an attractive force which will help the claimant's business is but one form of damage of which the court can take notice. If Mr Speck were correct, Ad-Lib must have been wrongly decided: the plaintiff no longer had any members; he has no immediate prospect of opening a new club; he therefore lost no membership fees or any other readily identifiable sums of money or business. But what he was at risk of losing was the very thing the action was intended to protect – his goodwill, something which would be utilised to support and facilitate his future business. As I say, Ad-Lib has been treated as good law for over 30 years. To the best of my knowledge, it has never been disapproved of.

18. Another case where the same approach was adopted as in the Ad-Lib is **Thermawear Ltd v Vedonis Ltd [1982] RPC 44**. There, a quasi-descriptive trade mark, 'Thermawear', had been used by the plaintiff up to 1974. As Whitford J held:

“Thereafter, except for a few isolated incidents, the plaintiffs up to the issue of a writ were only using Thermawear as part of, and for a very brief period, as the company name.” (p67)

19. Five years after the plaintiff has ceased using the mark on its goods the defendant started to use it on its goods. The learned judge summed up the case as follows:

“The plaintiffs' case is based on their assertion that there is a residual and persisting reputation in this word as a word distinctive of their goods. Now a reputation may persist, and relief has not infrequently been given in passing-off proceedings, in cases where only a residual reputation could be relied upon.”

20. The learned judge found for the plaintiffs.

21. In my view there is nothing exceptional or unusual in Ad-Lib or Thermawear. They represent a normal and logical application of passing-off principles. They do not seek to avoid the need to show damage: rather they make it clear that damage to goodwill itself will invoke the protection of the court. Goodwill is of value, not only in respect of current business, but also because of future business opportunities it will nurture. It is its power to support and improve future business which gives it its valuable and make it saleable. It is acquired by trading and advertising in the past but its value is in the way it promotes future business.” [Original emphasis]

60. The case law seems to me clear that goodwill remains an asset as long as the owner of that goodwill has not chosen to abandon it and provided it has not dissolved over time.

61. Therefore, I turn now to whether the proprietor has at any time since the suspension of its use of EDGE GAMES in 2010 abandoned the goodwill in that mark. As per the decision of Iain Purvis QC, sitting as a Deputy Judge, in *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC) the abandonment of goodwill usually requires a positive act, such as making a statement that the goods or services will not be sold again. Alternatively, it can be inferred from the owner's actions, like moving the business to another country specifically to trade in a different market. For example, in *Star Industrial v Yap Kwee Kor* [1980] RPC 31, Lord Diplock stated that:

“Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and indivisible; if the business is carried on in several countries a separate goodwill attached to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries...Once the Hong Kong Company had abandoned that part of its former business that consisted of manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore

which was entitled to protection in any action for passing-off brought in the courts of that country.”

62. In the case of the proprietor’s business, there is no positive evidence of abandonment on the part of the proprietor. Whilst the business’s main offices moved from London to California between 1990 and 1995, the evidence and sales figures show that sales in the UK continued long after that time. Dr Langdell’s narrative evidence is that the business has maintained offices in the UK, which I have no reason not to accept, and has kept its older computer games available to purchase on UK websites since 2010: the documentary evidence supports this from 2015. Added to this is that the proprietor appears from the evidence to have launched new EDGE games after the relevant date, which is not in keeping with an abandonment of its goodwill. I am not satisfied in these circumstances that the passage of time alone amounts to abandonment of the proprietor’s goodwill. I am however satisfied that the proprietor owned a residual goodwill from its pre-2010 UK trade at the time of filing its application on 26 December 2019, which would have been maintained and supplemented by the small trade in older EDGE games resumed in 2015. Accordingly, my finding in regard to the proprietor being the senior user prevails and the applicant had no common law right at the application date to support a claim of passing off.

## **CONCLUSION**

63. In view of the above, the applications for invalidity fail.

## **COSTS**

64. The proprietor has been successful in defending its registrations in the applications for invalidity under numbers 503821 and 503822. Therefore, it is entitled to a contribution towards its costs in line with the scale published in Tribunal Practice Notice 2/2016. As the proprietor is unrepresented, on 12 April 2022 it filed a costs pro-forma, claiming it has spent the following amount of time on these proceedings:

Considering forms filed by the other party

19 hours 12 minutes

Considering Party A's evidence and written submissions	29 hours 44 minutes
<u>Searching 34 archive boxes of documents, product samples, marketing materials and sales documents dating from 1984 to 2022 to prepare a response</u>	297 hours 31 minutes
<u>Researching the internet for supporting evidence and documentation regarding Party A's 38 years of use of the pertinent marks in UK commerce, product reviews, advertising, etc. to prepare a response</u>	141 hours 19 minutes
<u>Preparing Party B's responding Evidence and Submissions and their Written Submission prior to decision on the papers</u>	14 hours 27 minutes
<b>Total</b>	<b>502 hours 13 minutes<sup>9</sup></b>

65. In calculating a suitable award, I take note of the following statutory provisions.

66. Section 68 of the Act and Rule 67 of the Trade Marks Rules 2008 read as follows:

“68. (1) Provision may be made by rules empowering the registrar, in any proceedings before him under this Act –

- (a) to award any party such costs as he may consider reasonable, and
- (b) to direct how and by what parties they are to be paid.”

And

“67. The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable and direct how and by what parties they are to be paid.”

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<sup>9</sup> This total is my own calculation.



67. TPN 2/2016, at Annex A, sets out the scale of costs applicable:

## Annex A

### Scale of costs applicable in proceedings commenced on or after 1st July 2016

Task	Cost
Preparing a statement and considering the other side's statement	From £200 to £650 depending on the nature of the statements, for example their complexity and relevance.
Preparing evidence and considering and commenting on the other side's evidence	From £500 if the evidence is light to £2200 if the evidence is substantial. The award could go above this range in exceptionally large cases but will be cut down if the successful party had filed a significant amount of unnecessary evidence.
Preparing for and attending a hearing	Up to £1600 per day of hearing, capped at £3300 for the full hearing unless one side has behaved unreasonably. From £300 to £550 for preparation of submissions, depending on their substance, if there is no oral hearing.
Expenses	(a) Official fees arising from the action and paid by the successful party (other than fees for extensions of time).  (b) The reasonable travel and accommodation expenses for any witnesses of the successful party required to attend a hearing for cross examination.

68. Section (3) of TPN 2/2016 explains that the updates made to the scale of costs maintain an underlying contribution-not-compensation approach, as below:

## The new scale

(3) Annex A to [TPN 4/2007](#) puts figures to the scale of costs in respect of an award in proceedings commenced on or after 03 December 2007. This scale has not been revised since November 2007 and it now needs updating to take better account of the real costs currently involved in litigation before the Comptroller whilst still maintaining the underlying contribution-not-compensation approach. The new scale at Annex A to this Notice will be applicable in respect of awards of costs in proceedings commenced on or after 1 July 2016. For proceedings commenced before that date, the scale, published as Annex A to [TPN 4/2007](#), will continue to apply. The new scale does not affect the £500 cap on costs in fast track trade mark opposition proceedings.

69. Section 5.2 of the Trade Marks Manual refers to costs for unrepresented parties and reads as follows:

“Any cost awards made in favour of an unrepresented party will include the full cost of any official fees, but will only cover 50% of the amount from the published scale. This ensures that the unrepresented party is now overcompensated for the cost of the proceedings.”

70. Section 5.2 goes on to refer to the Litigants in Person (Costs and Expenses) Act 1975, which sets the level of compensation for litigants in person in Court proceedings at £19 per hour.

71. In calculating an appropriate costs award I will use the headings set out in Annex A as follows.

#### Preparing a statement and considering the other side's statement

72. I consider the time claimed for “considering forms filed by the other party” (19 hours and 12 minutes) to be high. The content of the TM26 is minimal, as is the TM8. However, I accept that despite the only ground being 5(4)(a) the issues were not simple and the forms will have taken some consideration. That being said, the proprietor's time claimed would amount to over £360. Considering awards to litigants in person should not exceed 50% of the award on the scale, I find a sum of £150 to be more appropriate.

#### Preparing evidence and considering and commenting on the other side's evidence

73. The activities underlined at paragraph 63 above would all constitute the preparing and considering of evidence. The time claimed totals 483 hours and 1 minute which, at a rate of £19 per hour, would equate to just over £9,177; this is excessive and far above the published scale without even deducting 50%. I appreciate the issues in this case were not of a simple nature and would have required the proprietor to collate historical evidence of use as well as considering the evidence and submissions of the applicant. However, I also bear in mind that some of the evidence filed by the proprietor

was not helpful to the matter before me either because it was unexplained or because it was not dated. Taking everything into consideration, if I were to be making an award to a represented party for these activities, it would likely be somewhere in the region of £1,200. Deducting 50% results in an award for these activities of £600.

Preparing for and attending a hearing (or preparing written submissions in lieu)

74. Both parties filed written submissions in lieu of a hearing. These activities were not separately claimed for by the proprietor. Based on the statutory provisions I have referred to, I consider a suitable award to be £225, calculated as 50% of the upper limit of the scale.

75. To conclude, I consider a costs award of £975 to be reasonable.

76. I therefore order Mobigame to pay Edge Games, Inc. the sum of £975. This 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 final determination of the appeal proceedings.

**Dated this 31<sup>st</sup> day of August 2022**

**E FISHER (née VENABLES)**

**For the Registrar**