



CITMA Seminar for Litigators – ABP Technology Ltd v Voyetra Turtle Beach Inc

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INTELLECTUAL PROPERTY

Amendments and the Court's discretion

ABP TECHNOLOGY V VOYETRA TURTLE

Amendments to statements of case

17.1

(1) A party may amend his statement of case at any time before it has been served on any other party.

(2) If his statement of case has been served, a party may amend it only –

(a) with the written consent of all the other parties; or

(b) with the permission of the court.

(3) If a statement of case has been served, an application to amend it by removing, adding or substituting a party must be made in accordance with rule 19.4.

(Part 22 requires amendments to a statement of case to be verified by a statement of truth unless the court orders otherwise)

CPR 17.3

Amendments to statements of case with the permission of the court

17.3

(1) Where the court gives permission for a party to amend his statement of case, it may give directions as to –

- (a) amendments to be made to any other statement of case; and
- (b) service of any amended statement of case.

(2) The power of the court to give permission under this rule is subject to –

- (a) rule 19.1 (change of parties – general);
- (b) rule 19.4 (special provisions about adding or substituting parties after the end of a relevant limitation period); and
- (c) rule 17.4 (amendments of statement of case after the end of a relevant limitation period).

Court has a broad discretionary power to grant permission to amend

As explained by the Court in Pearce v East and North Hertfordshire NHS Trust [2020] EWHC 1504:

“10.....The starting point is CPR 17.3 which confers on the Court a broad discretionary power to grant permission to amend.....”

Further the case law makes clear (including in Pearce v East and North Hertfordshire NHS Trust [2020] EWHC 1504) at paragraph 10 that:

“(a) In exercising the discretion under CPR 17.3, the overriding objective is of central importance. “

CPR 1 – the overriding objective

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(1) These Rules are a procedural code with the overriding objective of enabling the court to deal with cases justly and at proportionate cost.

(2) Dealing with a case justly and at proportionate cost includes, so far as is practicable –

(a) ensuring that the parties are on an equal footing and can participate fully in proceedings, and that parties and witnesses can give their best evidence;

(b) saving expense;

(c) dealing with the case in ways which are proportionate –

(i) to the amount of money involved;

(ii) to the importance of the case;

(iii) to the complexity of the issues; and

(iv) to the financial position of each party;

(d) ensuring that it is dealt with expeditiously and fairly;

(e) allotting to it an appropriate share of the court's resources, while taking into account the need to allot resources to other cases; and

(f) enforcing compliance with rules, practice directions and orders.

Threshold for amendments - Kawasaki Kisen Kaisha Ltd v James Kimball Ltd [2021] EWCA Civ 33

“[16] It was common ground that on an application to serve a claim on a defendant out of the jurisdiction, a claimant needs to establish a serious issue to be tried, which means a case which has a real as opposed to fanciful prospect of success, the same test as applies to applications for summary judgment: Altimor Holdings and Investment Ltd v Kyrgyz Mobil Tel Ltd [2102] 1 WLR 1804 per Lord Collins JSC.

[17] The Court will apply the same test when considering an application to amend a statement of case, and will also refuse permission to amend to raise a case which does not have a real prospect of success.

[18] In both these contexts:

(1) It is not enough that the claim is merely arguable; it must carry some degree of conviction: ED & F Man Liquid Products Ltd v Patel [2003] EWCA Civ 472 at paragraph 8; Global Asset Capital Inc. v Aabar Block SARL [2017] 4 WLR 164 at paragraph 27(1).

(2) The pleading must be coherent and properly particularised: Elite Property Holdings Ltd v Barclays Bank Plc [2019] EWCA Civ 204 at paragraph 42.

(3) The pleading must be supported by evidence which establishes a factual basis which meets the merits test; it is not sufficient simply to plead allegations which if true would establish a claim; there must be evidential material which establishes a sufficiently arguable case that the allegations are correct: Elite Property at paragraph 41.”



ABP Technology v Voyetra Turtle – facts of the case

This case involves two businesses, ABP Technologies and Voyetra Turtle.

The Claimant is an English company in the business of selling computer gaming accessories, in particular audio headsets for use on multiple platforms – the products being sold under the mark “Stealth” and “Stealth VR”. The Claimant is the proprietor of two trade marks, one for “stealth vr” in stylised font with effect from 6 Feb 2017 and the second for the word mark “stealth” with effect from 24 March 2020.

The First Defendant is an American business and is a global gaming accessory manufacturer. Its products include gaming headsets. The Second Defendant is an English company and is the exclusive distributor of the First Defendants’ gaming headsets and accessories in the UK and Ireland.

On 24 November 2020 the Claimant sued the Defendants for trade mark infringement (including at Section 10(1) claim) in the High Court.

ABP Technology v Voyetra Turtle – previous UK IPO proceedings

Before the High Court infringement proceedings were issued there had already been proceedings in the UK IPO.

The First Defendant had applied to invalidate the Claimant's "Stealth VR" trade mark on the basis of 5(4) objection -the First Defendant claimed that there had been prior sales of headsets under the "Stealth" mark by it that had generated sufficient goodwill such that the Claimant's trade mark should be invalidated. The First Defendants also filed a trade mark application for the mark "stealth" which the Claimant opposed.

The Trade Mark Registry consolidated these two actions and the parties agreed that the declaration of invalidity and opposition proceedings stood or fell together.

The Hearing Officer found that the Claimant's first actionable use of the mark "stealth" was in early to mid 2014 and therefore predated any of the activity the First Defendant relied upon as generating goodwill.

Therefore the declaration of invalidity failed and the Claimant's opposition succeeded. The First Defendant appealed to the Appointed Person and the Appeal was dismissed by Emma Himsworth QC, sitting as the Appointed Person (O/328/20 - decision dated 17 June 2020).

ABP Technology v Voyetra Turtle – statement of truth

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The Defendants filed their Defence to the High Court Trade Mark infringement action on 2 February 2021. In this Defence the Defendants relied on the Defence of honest concurrent use.

As required by CPR 22 this Defence was verified by a statement of truth signed by Mr Stark (CEO and President of the Defendants) on 1 February 2021.

CPR 22(4) makes clear that “...A statement of truth is a statement that – (a) the party putting forward the document;....believes the facts stated in the document are true”

The current form of the statement of truth for statement of case is set out at the practice direction to CPR 22 paragraph 2.1 and, when signed by the lay client, is as follows:

“I believe that the facts stated in this [Defence/statement of case] are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made a false statement in a document verified by a statement of truth without an honest belief in its truth.”

ABP Technology v Voyetra Turtle – facts of the case

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The Claimants issued an application for summary judgment in March 2021 on its trade mark infringement claim. However (before that Summary Judgment Application came on to be heard) on 9 July 2021 the Defendants gave notice to the Claimant that they intended to amend their Defence and introduce a Counterclaim.

The basis of the proposed amendments and the new Counterclaim was as follows:

(i) Unknown to the Claimant a shell company called Name Creations Limited had purchased an earlier registered trade mark for the word 'stealth' (the "250 Mark") from REL Acoustics Limited. This Mark had a filing date of 3 March 1995.

(ii) On 15 March 2021 Name Creations Limited executed a Trade Mark Licence Agreement in favour of the Defendants to use the 250 Mark - the licence was exclusive and royalty free and the term of the licence commenced on 28 January 2021.

(iii) On 15 June 2021 Name Creations Ltd then transferred the 250 Mark to the First Defendant, together with all goodwill and reputation in the mark and any accrued causes of action.

(iv) On 9 July 2021 the Defendants notified the Claimant of its proposed amendments concerning the 250 Mark.

ABP Technology v Voyetra Turtle – Defendants' proposed amendments

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On the basis of the 250 Mark the Defendants wanted to amend their pleadings as follows:

- (a) A description of the acquisition of the Defendants' 250 Mark (new paragraph 4A)
- (b) To make the allegation that the 250 Mark, being registered earlier than the Claimant's trade marks, provided a basis for challenging the validity of the Claimants trade marks under section 47.
- (c) To introduce a new Defence to the infringement claim that the use complained of is use of an earlier registered trade mark (under Section 11 (1B) of the Act).
- (d) The Defendants also sought to rely on the acquisition of the 250 Mark as part of their honest concurrent user case.
- (e) To introduce a counterclaim for infringement such that the Claimants were alleged to be infringing the Defendants' 250 Mark.

ABP Technology v Voyetra Turtle – Claimant's objections to the proposed amendments

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The Claimant refused to give permission to the Defendants for the amendments.

The Claimant's main objection to the proposed amendments was that the Claimant said the proposed amendments were unjustifiably late and had been introduced in such a way as to keep the Claimant in the dark about the Defendants' acquisition of the 250 Mark. The importance of this was that, by the time the Claimant found out about the Defendants' acquisition of the 250 Mark, it could no longer make an application for revocation of that mark based on a five period of non use.

UK Trade Marks Act 1994, Section 46(3) is as follows:

“46(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparation for the commencement or resumption began before the proprietor became aware that the application might be made.”

ABP Technology v Voyetra Turtle – Claimant's objections to the proposed amendments

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UK Trade Marks Act 1994, Section 46(3) provides a benefit to third parties so that they have time to begin a revocation application if the need arises and ignore use which has restarted in that three month window after the 5 year period of non use has arisen.

In this case there was no suggestion that the 250 Mark had been used in the five year period prior to its acquisition by Name Creations limited on 28 January 2021.

Therefore, if the Claimant had been made aware of the Defendants' interest and ultimate acquisition of the 250 Mark before 28 April 2021 it could have made an application for revocation for non use and any use of the 250 Mark made by the Defendants post the 28 January 2021, in this 3 month window, would have been disregarded and would not have defeated the application for revocation.

Therefore, it was in the Defendants' interest to keep the Claimant's in the dark about its acquisition of the 250 Mark until after this 3 month period had expired.

ABP Technology v Voyetra Turtle [2021] EWHC 3096 (Ch) – First Instance decision

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The Claimant put in evidence as to why the amendments should not be granted in the form of a witness statement from the Claimant's lawyer Mr Byrne. In particular, the Claimant's evidence explained that Name Creation Limited had purchased the 250 Mark on behalf of the Defendants. On this basis the Claimant's evidence explained that paragraph 4 of the Defence served on 2 February 2021 was false and misleading. Paragraph 4 of the original Defence stated that:

“4. 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 included the sign STEALTH. Insofar as consistent with the foregoing, paragraph 7 is admitted.”

The Claimant's lawyer explained that this paragraph was false and misleading because, if in fact the Defendants had the right to use the 250 Mark from 28 January 2021 (as now alleged in the draft amendments) paragraph 4 of the Defence failed to acknowledge Name Creations Limited as the proprietor of at least one of the relevant trade marks being used by the Second Defendant. Therefore Mr Stark of the Defendants had signed a false statement of truth.

ABP Technology v Voyetra Turtle [2021] EWHC 3096 (Ch) – First Instance decision

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The Defendants did not respond any of these points in evidence. As Lord Justice Birss explained in the Appeal Judgment:

“[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.”

ABP Technology v Voyetra Turtle – relevant case law on amendments – Pearce v East and North Hert. NHS Trust

The First Instance Judge considered the law on amendments and in particular referred to Pearce v East and North Hertfordshire NHS Trust [2020] EWHC 1504 (QB) and the summary of the relevant law provided at paragraph 10 of that decision.

In particular that summary stated as follows:

“10..

(a) *In exercising the discretion under CPR 17.3, the overriding objective is of central importance. **Applications always involve the court striking a balance between injustice to the applicant if the amendment is refused, and injustice to the opposing party and other litigants in general**, if the amendment is permitted.*

(b) *A strict view must be taken to non-compliance with the CPR and directions of the Court. The Court must take into account the fair and efficient distribution of resources, not just between the parties but amongst litigants as a group. **It follows that parties can no longer expect indulgence if they fail to comply with their procedural obligations**: those obligations serve the purpose of ensuring that litigation is conducted proportionately as between the parties and that the wider public interest of ensuring that other litigants can obtain justice efficiently and proportionately is satisfied.*

ABP Technology v Voyetra Turtle – relevant case law on amendments – Pearce v East and North Hert. NHS Trust

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(c) The timing of the application should be considered and weighed in the balance. An amendment can be regarded as ‘very late’ if permission to amend threatens the trial date, even if the application is made some months before the trial is due to start. Parties have a legitimate expectation that trial dates will be met and not adjourned without good reason. Where a very late application to amend is made the correct approach is not that the amendments ought, in general, to be allowed so that the real dispute between the parties can be adjudicated upon. A heavy burden lies on a party seeking a very late amendment to show the strength of the new case and why justice to him, his opponent and other court users requires him to be able to pursue it. **The timing of the amendment, its history and an explanation for its lateness, is a matter for the amending party and is an important factor in the necessary balancing exercise: there must be a good reason for the delay.**

(d) **The prejudice to the resisting parties if the amendments are allowed will incorporate, at one end of the spectrum, the simple fact of being ‘mucked around’ to the disruption of and additional pressure on their lawyers in the runup to trial and the duplication of cost and effort at the other.** The risk to a trial date may mean that the lateness of the application to amend will of itself cause the balance to be loaded heavily against the grant of permission. If allowing the amendments would necessitate the adjournment of the trial, this may be an overwhelming reason to refuse the amendments.

e) 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. **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.”**

ABP Technology v Voyetra Turtle – relevant case law on amendments – CIP Properties v Galliford

The First Instance Judge also referred to the case of CIP Properties (AIPT) Ltd v Galliford Try Infrastructure Ltd [2015] EWHC 1345 (TCC) which in particular stated:

“ [19] In summary, therefore, I consider that the right approach to amendments is as follows:

(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 (**Brown**).”

ABP Technology v Voyetra Turtle [2021] EWHC 3096 (Ch) – The first instance judgment

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The First Instance Judge, Mr Justice Miles found as follows:

- (a) The Court dismissed the Claimant's summary Judgment application on the basis that the Defendants' Defence of honest concurrent use was more suitable to be determined at trial - the determination of whether there was honest concurrent use involved multifactorial considerations and therefore the court would be assisted by further and fuller evidence about the trading of the two businesses from 2014 onwards.
- (b) With regards the amendments sought by the Defendants the Court allowed them all except:
 - (i) The Defendants' proposed amendments which tried to rely on the 250 Mark as part of its Defence of honest concurrent user were not allowed. The judge held that he could see no basis that events that occurred after the proceedings were issued could assist the Defendants in the honest concurrent use Defence.
 - (ii) The Judge also did not allow the Defendants' amendments with regards its counterclaim for a declaration of invalidity of the Claimant's trade marks. The judge here held that the Defendants could not satisfy the use requirements of Section 47(2B)(a) (see also Section 47(2A)) and therefore could not amend to include a counterclaim for a declaration of invalidity of the Claimant's marks . This was because the use the Defendants wished to try and rely on was the First Defendant's use during a period when the Second Defendant was not the proprietor of the 250 Mark. Therefore, this use did not comply with Section 47(2B)(a) which stated that the earlier trade mark had to be put to genuine use in the United Kingdom by the proprietor or with their consent – the judge held that the proprietor referred to in the section was the trade mark proprietor at the time of the use.

ABP Technology v Voyetra Turtle [2021] EWHC 3096 (Ch)– the first instance judgment

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In allowing the Defendants' other amendments the Court found in summary as follows:

- (a) The Defendants' proposed amendments could not be considered to be late amendments – they were made at an early stage of the proceedings. The Court did not agree with the Claimant's submission that at the very least the Defendants should have made their application to amend a short time after the 15 March 2021 (when the formal licence was signed).
- (b) The Court thought it was reasonable for the Defendants to wait to make their amendments until after the Defendants had become the actual proprietor of the 250 Mark on 15 June 2021 and the Defendants had acted reasonably promptly thereafter. The Court held that the Defendants had not abused or violated the processes of the court by waiting until then.
- (c) Although the Defendants did not seriously contest the Claimant's case that the Defendants had deliberately taken the steps it had in a pre-planned way in order to strengthen their hand in deploying the 250 Mark, the Court found that the Defendants had acted lawfully in terms of the 1994 Act and that the Defendants had no legal or procedural obligation to disclose their commercial plans.
- (d) Further the Court found that the 250 Mark was on the register of trade marks and it was always possible for the Claimant to search for the mark and seek itself to acquire it or to apply for it to be revoked.
- (e) The Court held that there was of course prejudice to the Claimant if the amendment was allowed as the Claimant would be facing additional defences and counterclaims which would otherwise not have been available to the Defendants, but the Court did not agree that this prejudice was caused by unjustified delay on the part of the Defendants nor would the amendments result in wasted earlier work.
- (f) If the Defendants were not allowed to assert the 250 Mark -the court at trial would be required to apply the statute blinkered to full legal reality (which includes the acquisition by the first Defendant of the 250 Mark)

ABP Technology v Voyetra Turtle [2022] EWCA Civ 594

– Permission to Appeal

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The first instance judge refused the Claimant permission to Appeal. Therefore the Claimant applied to the Court of Appeal for Permission. Lord Justice Arnold granted permission to Appeal on the basis that, although amendment was a matter of discretion, this was a very unusual case and the Appeal was worth the costs, given the impact the Appeal would have on the parties' overall prospects of success.

ABP Technology v Voyetra Turtle [2022] EWCA Civ 594

– Court of Appeal

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When considering the nature of the Appeal, the Court of Appeal referred to a recent useful summary at [50]-[52] of Azam v University Hospital Birmingham NHS Foundations Trust [2020] EWHC 3384 (QB) concerning the correct approach in Appeals dealing with the Court's exercise of its discretion:

“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) (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.”

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– Court of Appeal - basis for Appeal

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The Claimant/Appellant put the main Appeal on the basis that:

- (a) The Court should not have given permission in relation to the Defendants' amendments because the Court had failed to take into account a relevant matter. This relevant matter was that the amendments were late. Important consequences followed from that failure (in particular that the Court didn't consider what explanation there was from the Defendants about the reasons for the lateness).
- (b) The Court had taken into account an irrelevant matter, being that the trade mark register could have been checked by the Claimant which would have revealed the existence of the earlier trade mark (whomever it was owned by).

The Claimant/Appellant also had an additional point of Appeal that in relation to one of the Defendants' amendment the Court should not have granted permission for that amendment because it was bad in law. The Defendants sought to amend its Defence to include a Defence under Section 11(1B). The Claimant/Appellant argued that the Section 11(1B) Defence could only be raised when the other party was positively relying on a Section 11(1) Defence (which the Claimant had not done as yet). This part of the Appeal was dismissed – Lord Justice Birss held that it was arguable that the relevant section did not require Section 11(1) to be positively relied upon before a Defence under Section 11(1B) could be run.

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– Court of Appeal

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The Court of Appeal summarised the issue of lateness of amendments as follows:

“[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.”

Earlier in the Court of Appeal’s judgment it had been held as follows:

“[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”

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In submission at the Court of Appeal the Defendants accepted that Name Creations Ltd was at all times acting on behalf of the Defendants. Therefore, the s11(1B) Defence was available to the Defendants from 28 January 2021 (when Name Creations Ltd took the assignment of the 250 Mark). That was before the original Defence was filed.

The Defendants tried to submit in the Court of Appeal that this was the basis upon which the first instance judgment had been given but the Court of Appeal did not accept that. It was the Court of Appeal's view that it was only in the Court of Appeal that the Defendant accepted that it could have pleaded the Section 11(1B) Defence in the original Defence filed on 2 February 2021.

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– Court of Appeal

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Concerning lateness of amendments and whether the Defendants' amendments were late in this case the Court of Appeal said as follows:

“[30] As Coulson J said in CIP, citing Briggs LJ in Hague Plant v Hague Ltd [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”

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The Court of Appeal went on:

“[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.

.....

[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.

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– Court of Appeal

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The Court of Appeal's consideration of the Defendants' justification for the lateness of the amendments:

“[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.”

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– Court of Appeal

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The Court of Appeal's consideration of paragraph 4 of the original Defence:

“[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.”

On this basis the Court of Appeal found it was not open for the first instance judge to have found that the Amendments were proposed in good faith.

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– Court of Appeal

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The Court of Appeal's further consideration of lack of explanation as to why the amendments were late:

“[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.”

“[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.”

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– Court of Appeal

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It is also worth noting that the Court of Appeal did not agree with the first instance judge that it was of significance that, if the amendments were not allowed, it would mean that the court at trial would have to apply blinkers to the legal realities. As the Court of Appeal held:

“[32]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...”

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– Court of Appeal

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The Court of Appeal's considered whether the judge took into account an irrelevant factor being that the trade mark register could have been inspected by the Claimant. The Court of Appeal held that, given the way that the Defendants have conducted the Amendment application, the case did not turn on a debate about checking the trade marks register. However, if it was necessary to decide the issue Lord Justice Birss held:

“[40].... 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.”

ABP Technology v Voyetra Turtle - Conclusions

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- ▶ Be conscious of the significance of documents being signed with a statement of truth - *A statement of truth is a statement that – (a) the party putting forward the document;....believes the facts stated in the document are true*".
- ▶ If you are required to make amendments to a statement of case, the other party should be put on notice of these proposed amendments promptly.
- ▶ Seeking to amend a statement of case is seeking an indulgence from the other party in the case and the court. Be mindful of that and approach the amendment process carefully and thoughtfully.
- ▶ Clients can make mistakes on their factual instructions and these mistakes can require amendments, most judges are pragmatic about these sorts of mistakes. However, the problem in the *Voyetra Turtle* case was that the Defendants deliberately delayed in making necessary amendments to give themselves a tactical advantage over the Claimants – that was not acceptable.

IPEC Procedure and Amendments

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The Case Management Conference in IPEC has particular significance.

CPR 63.23 which concerns IPEC procedure is as follows:

63.23:

(1) At the first case management conference after those defendants who intend to file and serve a defence have done so, the court will identify the issues and decide whether to make an order in accordance with paragraph 29.1 of Practice Direction 63.

(2) Save in exceptional circumstances the court will not permit a party to submit material in addition to that ordered under paragraph (1).

CPR 63.23(2) is of significance when considering potential amendments to statements of case.

IPEC Procedure and Amendments – Marflow Engineering v Cassellie

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In the case of Marflow Engineering Ltd v Cassellie Ltd [2018] EWHC 3169 (IPEC) (a patent case) an application was made after the case management conference when a trial date had already been fixed.

The Claimant wished to re-amend its reply and defence to counterclaim to introduce new information based on evidence from one of its directors. The Defendant refused permission and the Claimant applied the Court. The Defendant said the court should refused permission to make the amendments because CPR 63.23(2). The Court agreed and held as follows:

*“12..... if, as here, a party wishes to amend its pleading after the CMC and file evidence in support of that amendment, **this can happen only in exceptional circumstances.***

IPEC Procedure and Amendments – Marflow Engineering v Cassellie

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14.I should begin by stating my perception of the reason for having rule 63.23(2), uniquely in the IPEC. The rule deliberately makes it difficult for a party to amend or supplement either its pleaded case or its evidence once the CMC is done. Since the CMC generally marks the last opportunity to make such amendments or additions, it is generally appropriate to take a liberal approach at the CMC to applications to amend or supplement material for the case.

15. Thereafter, however, the parties' cases should be fixed and the evidence must be directed only to the issues arising from those cases. This is for a number of reasons. First, it severely reduces the likelihood of applications to amend pleadings or add evidence or conduct experiments, or whatever it may be, shortly before the trial or indeed at any time after the CMC.Such applications and their consequences tend to increase costs, sometimes substantially, and this of itself should be discouraged.

16. Second, in the rest of the High Court the court may be satisfied that the amendment or addition proposed will not prejudice the opposing side except with regard to costs incurred. The court can make an order for costs which means that there will be no prejudice at all. In the IPEC the costs regime means that it may not be possible to sufficiently compensate the opposing party in this way.

17. Thirdly and by no means least, in the IPEC it is important that by the time that evidence has been filed as ordered at the CMC, all cards are finally on the table. There is little or no prospect that something else may turn up. There should be no concern that the opposing party will spring further surprises. That means that a settlement can be negotiated on a firm footing and/or offers can be made at a realistic level....."

IPEC Procedure and Amendments – Marflow Engineering v Cassellie

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The Court held with regards - what are exceptional circumstances as follows:

“19. I do not think it is necessary or desirable for me to make any prescriptive lists of what the applying party must also show. I would say though that where a party is applying to add to its pleading, it will generally have to satisfy the court of the following. First, that the amended case could not, with reasonable diligence, have been advanced at the CMC. Second, the amended case is of such a nature that it is likely to have a significant influence on the outcome of the trial. Put another way, the court will have to be satisfied that there is a real risk that a central part of what it will have to decide at trial may be decided on a false basis if the amendment is not allowed.”

However it is important to have in mind that the Court of Appeal in *Voyetra Turtle* did not view it as decisive that if the amendments were not allowed that the Court at trial would have to proceed on a basis blinkered to the legal realities.



Thank you

Any Questions?