

**O/0201/23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF**

**TRADE MARK REGISTRATION NOS 911076155 & 911141637**

**IN THE NAME OF YETIGEL INTERNATIONAL (S.A.)**

**AND**

**APPLICATIONS FOR INVALIDATION THEREOF**

**UNDER NOS 504920 & 504951**

**BY**

**YETI COOLERS LLC**

## **Background**

1. This decision concerns a request that two applications for invalidation filed by Yeti Coolers, LLC (“the applicant”) be struck out. The two trade marks against which the invalidations are directed stand in the name of Yetigel International (S.A.) (“the proprietor”). A hearing was held before me, by videoconference, on 2 November 2022. Both parties were represented. I heard submissions on behalf of the proprietor from Catherine Wolfe and Tony Pluckrose of Boulton Wade Tennant LLP. The applicant was represented by Jonathan Moss of counsel, instructed by Haseltine Lake Kempner LLP

2. Comparable trade mark (EU) 911076155 (“UK155”) for the word “YETIGEL” has a filing date of 27 July 2012 and was registered on 13 May 2013. It stands registered for various goods in class 30 (essentially iced confectionery, ices and ice creams). However, the application for registration initially included goods and services in each of the 45 classes available in the Nice Classification. Following the partial revocation on grounds of non-use of EU trade mark number 11076155 (“EU155”), which is the EUTM on which UK155 was based, the specification of UK155 was restricted under the provisions of Schedule 2A, paragraph 21A, of the Trade Marks Act 1994 (“the Act”). The revocation was finally determined on 7 June 2021. The applicant for revocation was the applicant in the present proceedings.

3. Comparable trade mark (EU) number 911141637 (“UK637”) for the word YETI is also owned by the proprietor. This trade mark was filed on 25 August 2012 and was registered on 5 August 2016 for goods and services in 43 out of the 45 classes available in the Nice classification; the only classes omitted are classes 22 and 25. There are currently two cancellation actions outstanding against EU trade mark number 11141637 (“EU637”), the EUTM upon which UK637 is based. These are an application for partial invalidation on relative grounds and a revocation on the grounds of non-use against all of the goods and services in the specification. The present applicant is also the applicant in those cancellation proceedings.

4. The applications for invalidation before this tribunal are based on s. 3(6) of the Act only. The invalidity against UK155 is directed against all of the goods and services in the specification apart from the goods in class 30 for which the trade mark now stands registered. The invalidity against UK637 is also directed against a selection of the

goods and services. At least some goods in class 30 (e.g. ices; ice cream) are not contested. The basis of both claims is that the applications for registration were filed for a very long list of goods and services and that the proprietor cannot have had any reasonable commercial justification to apply for such a wide specification. The applicant also claims that there was no intention to use the marks outside France.

### The submissions

5. The proprietor submits that both applications for invalidation should be struck out for want of legal basis. It also submits that invalidity number 504951 against UK637 should be struck out on the basis of the principle in *Henderson v Henderson* (1843) 3 Hare 100 and/or abuse of process.

6. The proprietor's arguments that there is no legal basis on which this tribunal can determine an allegation of bad faith against a comparable mark (EU) appear to be as follows:

- (i) A comparable mark (EU) was not applied for at the UK IPO because it was created pursuant to the Withdrawal Agreement between the UK and the EU;<sup>1</sup>
- (ii) As the owner of such a mark did not take steps to protect the mark at the UK IPO, no subjective intention exists in relation to a UK filing which can be examined for bad faith;
- (iii) There was no obligation that owners of comparable trade marks (EU) have a bona fide intention to use the marks in the UK in the Withdrawal Agreement or the implementing legislation;
- (iv) To the extent that the tribunal is being asked to assess an intention to file a UK trade mark application under UK practice in 2012, that is not appropriate;
- (v) It is not appropriate for the tribunal to examine whether the application for an EUTM was made in bad faith, as that would be ultra vires;

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<sup>1</sup> Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, 19 October 2019. Schedule 2A of the Act contains the specific provisions.

- (vi) The proprietor does not dispute that it is possible for comparable marks to be invalidated at the UK IPO but argues that a distinction must be made between grounds under s. 3(1) to s. 3(5) on the one hand and s. 3(6) on the other;
- (vii) In the alternative, there is no legal basis for the applications, they disclose no reasonable grounds and they should be struck out accordingly.

7. The applicant submits that:

- (i) There is no authority to the effect that the provisions of s. 47(1) and s. 3 of the Act do not apply to comparable marks;
- (ii) The comparable marks are separate rights and can be challenged independently of the EUTMs;
- (iii) There is no question that the UK IPO has jurisdiction to determine validity of the comparable marks;
- (iv) In applying for an EUTM, the proprietor was necessarily seeking protection within the UK;
- (v) It is irrelevant that the proprietor made no separate declaration under s. 32(3). The proprietor's intention as at IP Completion Date is irrelevant;
- (vi) There has been no decision, final or otherwise, in the EUIPO proceedings against EU637 which could possibly give rise to *res judicata* estoppel;
- (vii) It is not enough to show that a claim could have been brought earlier; it must be shown that it should have been brought earlier;
- (viii) The claims are grounded in the *Skykick* body of case law, which did not exist at the time the EUIPO invalidity application was filed in 2017;
- (ix) The fact that a bad faith claim was not raised is not, therefore, due to a failure on the part of the applicant to exercise reasonable diligence in bringing its case;
- (x) It is no abuse of process to bring different claims against different rights in different jurisdictions according to the development of the law.

## Decision

8. Comparable marks are addressed at Schedule 2A of the Act, the relevant parts of which read:

### “Part 1

1. (1) A trade mark which is registered in the EUTM Register immediately before IP completion day (an “existing EUTM”) is to be treated on and after IP completion day as if an application had been made, and the trade mark had been registered, under this Act in respect of the same goods or services as the existing EUTM is registered in the EUTM Register.

(2) A registered trade mark which comes into being by virtue of sub-paragraph (1) is referred to in this Act as a comparable trade mark (EU).

(3) This Act applies to a comparable trade mark (EU) as it applies to other registered trade marks except as otherwise provided in this Schedule.

(4) A comparable trade mark (EU) is deemed for the purposes of this Act to be registered as of the filing date accorded pursuant to Article 32 to the application which resulted in the registration of the corresponding EUTM and that date is deemed for the purposes of this Act to be the date of registration.

(5) Section 40(3) and (4) does not apply to the registration of a comparable trade mark (EU) under this Part.

(6) Section 67(1) applies in relation to the provision of information and the inspection of documents relating to a comparable trade mark (EU) notwithstanding that there will have been no application under this Act for the registration of the trade mark (and so no publication of an application).

[...]

(8) For the purposes of this Act—

(a) the date of filing of an application for registration of a comparable trade mark (EU) is the filing date accorded pursuant to Article 32 to the application which resulted in the registration of the corresponding EUTM;

(b) references to the date of application for registration of a comparable trade mark (EU) are to the date of filing of the application;

(c) where an earlier trade mark is a comparable trade mark (EU), references to the completion of the registration procedure for the earlier trade mark are to the completion of the registration procedure in respect of the corresponding EUTM.

(9) In this Schedule—

(a) “corresponding EUTM”, in relation to a comparable trade mark (EU), means the existing EUTM from which the comparable trade mark (EU) derives;

(b) “the EUTM Register” means the register of European Union trade marks maintained by the European Union Intellectual Property Office.”

9. There is no dispute, nor can there be, that the provisions of s. 47(1) and s. 3(6) apply to registered trade marks. The proprietor argues that s. 3(6) is an exceptional ground and that, because there is a subjective element to bad faith, the UK IPO has no jurisdiction to determine a bad faith case regarding a comparable mark (EU). I can see no support for that submission in the legislation. Paragraph 1(3), quoted above, explicitly states that the Act applies to comparable trade marks as it does to other registered trade marks, save where specified. Only two subsections are excluded in this section of the Schedule, at paragraph 1(5). I was not taken to any part of the Act which would disapply either s. 47(1) or s. 3(6) in respect of a comparable mark, nor can I see any in either the passage quoted above or anywhere else.

10. Whilst I accept that there is a significant subjective element to a bad faith ground, I do not agree that s. 3(6) ought to be treated differently from any of the other absolute grounds because of it. The fact that the mark was originally applied for as an EUTM may be a relevant consideration in determining whether the application was made in bad faith but I can see no reason why the mere fact of a subjective element would

disapply the tribunal's powers to consider the ground when the legislation clearly indicates the contrary.

11. I accept that the proprietor took no purposeful step to register the marks at issue specifically as UK trade marks. I do not accept that it is a requirement for there to be a subjective intention in respect of a separate filing at the UK IPO in order for there to be an examination by this tribunal of a comparable mark (EU) on the grounds of bad faith. An application for an EUTM is a de facto application for protection in each of the Member States, which at the time of filing included the UK, irrespective of whether an owner's business extends to each and every Member State. An action on the grounds of bad faith could have been brought based on events/activities in any single Member State, including the UK, or indiscriminately for the EU as a whole. I do not see why the absence of intentional steps by the proprietor to convert the EU right to a UK right as a result of Brexit would prevent the assessment of the UK comparable right for bad faith.

12. As regards different registry practices, EUIPO practice in relation to class headings and general indications may, as the proprietor appeared to suggest, have been different from that of the UK IPO at the filing date. The proprietor submitted that it is not appropriate for the tribunal to proceed as if assessing an intention to file a UK trade mark application under UK practice in 2012. However, that is not what the tribunal would be doing. Registry practice is not the law. The tribunal would assess whether the objective circumstances and subjective intentions of the proprietor at the relevant date were consistent with bad faith, as defined in the statute and case law, or not. There is no difference between assessing whether an application for a trade mark filed at the UK IPO before the *IP Translator* judgment was made in bad faith,<sup>2</sup> plainly a matter which the tribunal has powers to determine, and a comparable mark whose originating EUTM was filed under the same or similar practice. The fact that there may have been clarifications in the case law since 2012 does not change the underlying law, only courts' and tribunals' interpretation of it. It may be more obvious because of the length of specifications post-*IP Translator* but an application for class headings or general indications has always included each and every good/service contained within

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<sup>2</sup> *Chartered Institute of Patent Attorneys v Registrar of Trade Marks (IP Translator)*, Case C-307/10, EU:C:2012:361.

those terms and it has always been possible to challenge on the grounds of bad faith because of an implausibly wide specification.

13. Further, the Withdrawal Agreement provided at Article 54 that:

“[...] the holder of a European Union trade mark registered in accordance with Regulation (EU) 2017/1001 of the European Parliament and of the Council shall become the holder of a trade mark in the United Kingdom, consisting of the same sign, for the same goods or services.”

There is nothing in this passage, or anywhere else in the legislation, so far as I can see, to suggest that the intention went beyond creating comparable UK rights so that EUTM owners did not lose their trade mark protection in the UK. There is certainly nothing to suggest that the resulting comparable marks were intended to be subject to different laws from any other UK trade mark. That is the logical extension of what the proprietor is suggesting and would mean that a comparable mark cannot be invalidated in the UK on the grounds of bad faith: since the EUIPO has no jurisdiction over comparable marks, s. 3(6) would be inapplicable to all comparable trade marks (EU). I recognise that paragraph 21A of Schedule 2A of the Act provides that the result of an invalidation or revocation against an EUTM may be applied to the comparable mark. However, this only applies in specific circumstances, including a requirement that the cancellation proceedings before the EUIPO were live at IP completion date, and does not give the EUIPO jurisdiction over comparable marks (EU). There is no reason to believe that the legislature intended comparable marks (EU) to be immune to attack on the grounds of bad faith, except where there was an existing invalidation at IP completion date, nor is there anything in the legislation to indicate otherwise.

14. The proprietor is right that it would be ultra vires for the tribunal to decide whether the EUTM was applied for in bad faith. The tribunal is, however, not concerned with the EUTM but with the comparable mark (EU), which is a separate property right and which is, as I have said, to be treated as if it were a trade mark registered in the UK under the Act.

15. Finally in relation to this aspect of the proprietor's case, it is said that the applications for invalidity disclose no reasonable grounds. I reject that submission.

Whilst I am doubtful about some aspects of the case (the assertion that there was bad faith because the intention to use did not cover the UK seeks to set a high bar for a mark originally applied for as an EUTM), I do not consider the claim as a whole unarguable. The law around bad faith on the grounds that there was no intention to use the mark is currently uncertain because of the pending *Skykick* litigation but the applicant's case is not in my view one with no prospect of success.<sup>3</sup>

16. The proprietor also argues that the application against UK637 should be struck out on the principle in *Henderson v Henderson* and/or abuse of process.

17. The Supreme Court considered the principle in *Henderson v Henderson* in *Virgin Atlantic Airways Ltd v Zodiac Seats UK Ltd* [2013] UKSC 46. Lord Sumption, giving the leading judgment, said:

*“Res judicata: general principles*

17. Res judicata is a portmanteau term which is used to describe a number of different legal principles with different juridical origins. As with other such expressions, the label tends to distract attention from the contents of the bottle. The first principle is that once a cause of action has been held to exist or not to exist, that outcome may not be challenged by either party in subsequent proceedings. This is ‘cause of action estoppel’. It is properly described as a form of estoppel precluding a party from challenging the same cause of action in subsequent proceedings. Secondly, there is the principle, which is not easily described as a species of estoppel, that where the claimant succeeded in the first action and does not challenge the outcome, he may not bring a second action on the same cause of action, for example to recover further damages: see *Conquer v Boot* [1928] 2 KB 336. Third, there is the doctrine of merger, which treats a cause of action as extinguished once judgment has been given upon it, and the claimant's sole right as being a right upon the judgment. [...] Fourth, there is the principle that even where the cause of action is not the same in the later action as it was in the earlier one, some issue which is necessarily common to both was decided on the earlier occasion and is binding on the

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<sup>3</sup> *Sky Ltd & Ors v Skykick, UK Ltd & Anor* (Rev2) [2021] EWCA Civ 1121 is currently on appeal to the Supreme Court.

parties: *Duchess of Kingston's Case* (1776) 20 St Tr 355. 'Issue estoppel' was the expression devised to describe this principle by Higgins J in *Hoysted v Federal Commissioner of Taxation* (1921) 29 CLR 537, 561 and adopted by Diplock LJ in *Thoday v Thoday* [1964] P 181, 197-198. Fifth, there is the principle first formulated by Wigram V-C in *Henderson v Henderson* (1843) 3 Hare 100, 115, which precludes a party from raising in subsequent proceedings matters which were not, but could and should have been raised in the earlier ones. Finally, there is the more general procedural rule against abusive proceedings, which may be regarded as the policy underlying all of the above principles with the possible exception of the doctrine of merger."

18. It is only in relatively recent times that the courts have endeavoured to impose some coherent scheme on these disparate areas of law. The starting point is the statement of principle of Wigram V-C in *Henderson v Henderson* (1843) 3 Hare 100, 115. [...] The Vice-Chancellor said:

'In trying this question I believe I state the rule of the Court correctly when I say that, where a given matter becomes the subject of litigation in, and of adjudication by, a Court of competent jurisdiction, the Court requires the parties to that litigation to bring forward their whole case, and will not (except under special circumstances) permit the same parties to open the same subject of litigation in respect of matter which might have been brought forward as part of the subject in contest, but which was not brought forward, only because they have, from negligence, inadvertence, or even accident, omitted part of their case. The plea of *res judicata* applies, except in special cases, not only to points upon which the Court was actually required by the parties to form an opinion and pronounce a judgment, but to every point which properly belonged to the subject of litigation, and which the parties, exercising reasonable diligence, might have brought forward at the time. [...] Now, undoubtedly the whole of the case made by this bill might have been adjudicated upon in the suit in Newfoundland, for it was of the very substance of the case there, and *prima facie*, therefore, the whole is settled. The question then

is whether the special circumstances appearing upon the face of this bill are sufficient to take the case out of the operation of the general rule.'

19. Wigram V-C's statement of the law is now justly celebrated. The principle which he articulated is probably the commonest form of res judicata to come before the English courts."

18. As is clear, this passage is concerned with the principle of *Henderson v Henderson* as a species of res judicata. As such, the principle applies where a case has already been brought and decided. It was in fact argued in *Virgin v Zodiac* that the principle in *Henderson v Henderson* had been re-categorised, no longer being a type of res judicata but instead concerned with abuse of process. Lord Sumption rejected this argument. He said:

"24. I do not accept this. The principle in *Henderson v Henderson* has always been thought to be directed against the abuse of process involved in seeking to raise in subsequent litigation points which could and should have been raised before. There was nothing controversial or new about this notion when it was expressed by Lord Kilbrandon in *Yat Tung*. The point has been taken up in a large number of subsequent decisions, but for present purposes it is enough to refer to the most important of them, *Johnson v Gore-Wood & Co* [2002] 2 AC 1, in which the House of Lords considered their effect. This appeal arose out of an application to strike out proceedings on the ground that the plaintiff's claim should have been made in an earlier action on the same subject-matter brought by a company under his control. Lord Bingham took up the earlier suggestion of Lord Hailsham of St. Marylebone LC in *Vervaeke v Smith* [1983] 1 AC 145, 157 that that the principle in *Henderson v Henderson* was 'both a rule of public policy and an application of the law of res judicata'. He expressed his own view of the relationship between the two at p 31 as follows:

'*Henderson v Henderson* abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is

reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interests of the parties and the public as a whole. The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. I would not accept that it is necessary, before abuse may be found, to identify any additional element such as a collateral attack on a previous decision or some dishonesty, but where those elements are present the later proceedings will be much more obviously abusive, and there will rarely be a finding of abuse unless the later proceeding involves what the court regards as unjust harassment of a party. It is, however, wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before.'

The rest of the Committee, apart from Lord Millett, agreed in terms with Lord Bingham's speech on this issue. Lord Millett agreed in substance in a concurring speech. He dealt with the relationship between *res judicata* and the *Henderson v Henderson* principle at pp 58H-59B as follows:

'Later decisions have doubted the correctness of treating the principle as an application of the doctrine of *res judicata*, while describing it as an extension of the doctrine or analogous to it. In *Barrow v Bankside Members Agency Ltd* [1996] 1 WLR 257, Sir Thomas Bingham MR explained that it is not based on the doctrine in a narrow sense, nor on the strict doctrines of issue or cause of action estoppel. As May LJ observed in *Manson v Vooght* [1999] BPIR 376, 387, it is not concerned

with cases where a court has decided the matter, but rather cases where the court has not decided the matter. But these various defences are all designed to serve the same purpose: to bring finality to litigation and avoid the oppression of subjecting a defendant unnecessarily to successive actions. While the exact relationship between the principle expounded by Sir James Wigram V-C and the defences of res judicata and cause of action and issue estoppel may be obscure, I am inclined to regard it as primarily an ancillary and salutary principle necessary to protect the integrity of those defences and prevent them from being deliberately or inadvertently circumvented.'

25. It was clearly not the view of Lord Millett in *Johnson v Gore-Wood* that because the principle in *Henderson v Henderson* was concerned with abuse of process it could not also be part of the law of res judicata. Nor is there anything to support that idea in the speech of Lord Bingham. The focus in *Johnson v Gore-Wood* was inevitably on abuse of process because the parties to the two actions were different, and neither issue estoppel nor cause of action estoppel could therefore run (Mr Johnson's counsel conceded that he and his company were privies, but Lord Millett seems to have doubted the correctness of the concession at p 60D-E, and so do I). Res judicata and abuse of process are juridically very different. Res judicata is a rule of substantive law, while abuse of process is a concept which informs the exercise of the court's procedural powers. In my view, they are distinct although overlapping legal principles with the common underlying purpose of limiting abusive and duplicative litigation. That purpose makes it necessary to qualify the absolute character of both cause of action estoppel and issue estoppel where the conduct is not abusive. As Lord Keith put it in *Arnold v National Westminster Bank* at p 110G, 'estoppel per rem judicatam, whether cause of action estoppel, or issue estoppel is essentially concerned with preventing abuse of process.'

[...] Where the existence or non-existence of a cause of action has been decided in earlier proceedings, to allow a direct challenge to the outcome, even in changed circumstances and with material not available before, offends the core policy against the re-litigation of identical claims."

19. *Henderson v Henderson* abuse relates to situations where certain matters were not raised in earlier litigation, and therefore those particular issues have not been decided, but there has nevertheless been a decision. In the instant case, despite two cancellation actions having been filed against EU637, neither has yet resulted in a decision. If the principle in *Henderson v Henderson* is a type of res judicata, it seems to me that it cannot apply until there has been a decision and that concurrent claims in different jurisdictions, albeit in circumstances where the applicant would plainly have been able to claim that EU637 was filed in bad faith in the EUIPO invalidity action, are permissible. The underlying principle is to ensure finality in litigation but if there has not yet been any judgment, there is no finality which must be respected. I do not consider that the principle in *Henderson v Henderson* applies.

20. I recognise that if the invalidity against UK637 is not struck out it will be consolidated with sixteen other actions before the UKIPO and suspended pending a decision regarding EU637. However, the applicant was not, in my view, acting abusively at the date on which the action commenced and it was not in its power to determine whether or not the UK actions would be consolidated and/or suspended.

21. It also seems to me that, even though it may have been preferable for the applicant to bring its bad faith claim before EUIPO as part of the ongoing litigation, this is all part of one dispute between the parties. The evidence and arguments in the relative grounds claim at EUIPO would not have overlapped to a significant extent with the present bad faith claim, so there are no clear costs benefits to the ground being brought before EUIPO. I accept that since the EUIPO cancellation proceedings were launched developments in the law have clarified that partial attacks on grounds of bad faith are permissible where previously that might not have been thought possible. Therefore, whilst the claim could have been brought before EUIPO, I am not persuaded that it should have been. For all the above reasons, I do not consider that the bringing of the present claim is abusive under either the principle in *Henderson v Henderson* or abuse of process.

## **Conclusion**

22. Neither application for invalidation will be struck out.

## **Next steps**

23. These actions will be joined to the consolidated group of cases (lead file opposition 414230).

## **Costs**

24. The applicant seeks its costs at the top of the scale. It says that some of the points initially raised by the proprietor (dropped by the hearing) were unarguable. The proprietor says that costs at the top of the scale are unwarranted and that it was reasonable to make the application as there is no precedent. It also argues that costs should be reserved to the final decision.

25. The proprietor has not, in my view, behaved unreasonably in making its application or requiring a hearing. An award at the top of the scale is not justified. However, I do not consider it appropriate to make a specific award at this stage and will defer the award of costs until the conclusion of these proceedings.

## **Appeal**

26. This decision is an interim one in that it does not terminate the proceedings and I have not made an award of costs. An appeal against my decision can only be made independently of any appeal against the final, substantive decision, with the leave of the registrar (rule 70 of the Trade Marks Rules 2008).

27. Any request for leave to appeal this decision independently of the final decision in these proceedings should be provided in writing within 7 days of the date of this letter and should be supported by full reasons for the request. The request should, at the same time, be copied to the other side, who are allowed a further 7 days from the date on which the request for leave to appeal is received, to file any comments they might wish to make. If leave were granted, the period for actually giving notice of appeal under rule 71 would run from the date leave was granted.

**Dated this 27<sup>th</sup> day of February 2023**

**Heather Harrison**

**For the Registrar, The Comptroller-General**