

O-430-12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2584899  
BY YASIN NAZIR KARIM YAKUB, HASSAN KARIM AND IMRAN KARIM  
TO REGISTER THE TRADE MARK**

**LOCAL BOYS**

**IN CLASS 25**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 102481  
BY  
LOCAL BOY'Z LIMITED**

## BACKGROUND AND PLEADINGS

1. Yasin Nazir Karim Yakub, Hassan Karim and Imran Karim (“the applicants”), applied to register Local Boys as a trade mark on 17 June 2011, under number 2584899, in respect of clothing, footwear and headgear. The trade mark was published in the *Trade Marks Journal* on 15 July 2011 and was subsequently opposed by Local Boy’z Limited (“the opponent”) under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Section 5(4)(a) of the Act states:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade”

2. The opponent claims that it has used its sign LOCAL BOYZ<sup>1</sup> since at least 1989 in England, Scotland and Wales in relation to clothing, headgear, footwear, bags, luggage, belts, fireworks, flags, stickers, glow sticks, sunglasses, towels, lanyards, wristbands and importing, exporting, distributing and wholesaling of the aforesaid goods. The opponent claims that it has a substantial reputation and goodwill in relation to the sign and that the applicants’ use of their trade mark will be a misrepresentation causing the relevant public to believe that the applicants’ goods are those of the opponent or in some way connected to the opponent. The opponent claims that its goodwill and reputation will be damaged. The opponent claims that use of the applicants’ mark is liable to be prevented by the law of passing-off; registration of the application would be contrary to section 5(4)(a) of the Act.

3. The applicants filed a counterstatement, the essence of which is that they deny that the mark applied for offends section 5(4)(a) of the Act. The applicants state that they carried out searches on the Google search engine and the website of the Intellectual Property Office for LOCAL BOYS and that all that they found was a band and a Hawaiian café. They found no evidence of trade in clothing, footwear or headgear under LOCAL BOYS or LOCAL BOYZ.

4. Both sides filed evidence; neither side filed written submissions. Neither wished to be heard, choosing instead for this decision to be made on the basis of the papers filed.

### Evidence

5. The requirements to succeed in a passing off action are well established and are summarised in *Halbury’s Laws of England* 4th Ed. as being that:

i) the claimant’s goods or services have acquired a goodwill or reputation

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<sup>1</sup> All of the opponent’s evidence refers to the sign LOCAL BOY’Z (as in the opponent’s name); presumably, the insertion of LOCAL BOYZ in the notice of opposition was an error made by the opponent’s trade mark attorneys.

in the market and are known by some distinguishing feature;

ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant's goods or services are those of the claimant; and

iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant's misrepresentation.

6. The applicants have stated in their counterstatement that they have not yet commenced used of their trade mark. Therefore, the application date (17 June 2011) is the relevant date in these proceedings<sup>2</sup>.

#### The opponent's evidence-in-chief

7. Stephen Mucklow, who is the opponent's managing director, has filed two witness statements (dated 21 March 2012 and 26 July 2012). The second witness statement is in reply to the applicants' evidence. The opponent's reply evidence also contains witness statements from Martin Jones and Ayyaz Ahmad Bashir Akhtar. In his first witness statement, Mr Mucklow states that the opponent adopted the words LOCAL BOY'Z as a trade mark and name of its company in the mid-1980s. The company was incorporated in the early 1990s. In or around 2003, Mr Mucklow and his business partner decided that they should go their separate ways and certain assets, including the trade mark and trading name LOCAL BOY'Z, were transferred/assigned to a company in which he held 100% of the share capital, which was a newly formed entity but was still called Local Boy'z Limited, the previous one having changed its name. Since 2003, the company has continued to trade successfully and following a reconstruction in 2011, the assets for Local Boy'z Limited were transferred to a new company, also now called Local Boy'z Limited. Mr Mucklow states that this new entity enjoys all the benefits of the goodwill and reputation built up under or by reference to the trade mark LOCAL BOY'Z since the mid-1980s.

8. Mr Mucklow gives approximate turnover figures "for goods supplied by Local Boy'z under to by reference to the trade mark LOCAL BOY'Z in the United Kingdom":

<b>Year</b>	<b>Turnover (£)</b>
1987	1,193,000
1988	2,570,000
1989	4,051,000
1990	5,180,000
1991	6,870,000
1992	7,810,000
1993	11,795,000
1994	12,103,000
1995	15,450,000

<sup>2</sup> See the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS BL O/410/11*. BL-prefixed decisions are available for viewing on the website of the Intellectual Property Office.

1996	17,938,000
1997	19,264,000
1998	23,623,000
1999	23,338,000
2000	36,264,000
2001	32,566,000
2002	18,918,000
2003	14,582,000
2004	22,499,000
2005	17,946,000
2006	17,000,000
2007	17,046,000
2008	14,899,000
2009	16,497,000
2010	18,102,000
2011	16,760,000

9. Mr Mucklow states that the opponents have spent approximately £300,000 per annum in advertising its goods and services under the trade mark LOCAL BOY'Z since the date of inception. He states that this amount includes attending trade shows and other promotional items and goods used in promoting the opponent's business. He states that, for example, the opponent has attended the "NEC Menswear Show", the "MXL Exhibition/Earls Court" and "40 Excel London Dockland". Mr Mucklow states:

"The Opponents company is one of the largest and most successful importers of product for sale to blue chip companies in the United Kingdom currently employing approximately 50 staff."

10. Mr Mucklow states that his company's trade mark LOCAL BOY'Z has been used

"...in relation to articles of clothing, footwear and headgear and clothing accessories as a service mark in relation to the designing and importation of clothing, footwear and headgear...".

He states that as a result of this use the mark has acquired significant goodwill and reputation in the UK.

#### The applicants' evidence

11. Yasin Nazir Karim Yakub has filed a witness statement dated 25 May 2012, which he states he is authorised to make on behalf of the applicants, of which he is one. Mr Yakub's statement challenges the opponent's evidence. He says the following:

"We came up with the name local boys as a brand name for clothing footwear and headwear; conducted the required searches and found no application or registration under that name. We therefore applied for registration. This would be the obvious thing to do if a person or entity wishes to trade and protect their rights.

We would like to know the percentage of turnover achieved by the opponents on “Local Boyz” product or is it that the company is relying on making products for other people’s brands in which case this would simply be a handful of people and not public at large therefore eliminating the risk of confusion.

...

The opponent says it has spent £300,000 per annum in advertising, does that mean “Local Boyz” goods or simply their services ie. Producing goods for other brands. It looks as though the opponents have traded since 1987 and have never produced a single item of clothing, headwear, or footwear under the label “Local Boys” or “Local Boyz” to the present day and had no intention to do so until our application.”

### The opponent’s reply evidence

12. Mr Mucklow, in his second witness statement, gives his opinion that the applicants’ evidence does not support their application. The remainder of the statement is submission that there would be confusion between the parties’ marks, save for the following:

“I reconfirm that the Opponent has spent approximately £300,000 per annum in advertising its products and/or attending trade shows and whilst the Opponent does supply goods to third parties even these goods are supplied with LOCAL BOY’Z branded swing tickets, cartons and packaging”.

13. Ayyaz Ahmad Bashir Akhtar’s witness statement is dated 17 August 2012. Mr Akhtar states that he is the managing director of AGI Trading Company Limited and that he has been working in the clothing industry for thirty-three years. The remainder of his witness statement is as follows:

“I have been aware of LOCAL BOY’Z as a trade mark and as the name of Stephen Mucklow’s business for 25 years. I am aware that Mr Mucklow through his businesses has used the trade name and trade mark LOCAL BOY’Z extensively in relation to a range of clothing and clothing accessories since the mid 1980s. I am aware that this trade mark has been applied to clothing and in my opinion the trade name and trade mark LOCAL BOY’Z and/or LOCAL BOYS will be exclusively connected with the Opponent in the opposition and no other and should any third party adopt either of these trade marks as a trade mark or a trade name this will inevitably lead to confusion as to the origin of those clothing products and/or accessories.”

14. Martin Jones’ witness statement is dated 3 September 2012. Mr Jones is the director of Connected Computers Ltd. He states that he has been working in the clothing industry for at least twelve years. The remainder of his witness statement is worded identically to that of Mr Akhtar.

## Decision

### Goodwill

15. The first hurdle is for the opponent to prove that it has goodwill in the sign relied upon, in relation to the goods it lists in its notice of opposition, in the mind of the purchasing public. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margerine Ltd* [1901] AC 217 at 223:

“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.”

16. Whether the opponent has the requisite goodwill has to be deduced from the evidence which it has filed. In *Reef Trade Mark* [2002] RPC 19, Pumfrey J said:

“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.”

and

“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.”

17. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J, building upon Pumfrey J's observations, said:

“8 Those 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.”

18. As the authorities show, there is no magic evidential formula by which goodwill is established. In this case, the opponent has filed witness statements but no exhibits. The lack of exhibits to support and corroborate what is contained within the witness statements means that the witness statements contain unsupported assertion. In his second witness statement, Mr Mucklow states that although the opponent supplies goods to third parties, “even those goods are supplied with LOCAL BOY’Z branded swing tickets, cartons and packaging”. The opponent has not provided copies of orders or invoices or any other matter in relation to its business; all of which it should have been able readily to supply. Unsupported assertion does not show how a sign has been used in trade: exhibits help to build up a picture of the part played by the sign in trade. Trade is custom and goodwill is associated with custom as it is the attractive force which brings it in.

19. Mr Mucklow does not specify what the goods are that have generated the turnover. There is a list of disparate goods and services in the notice of opposition in relation to which the opponent states it has used its sign. Mr Mucklow refers in his first statement to the opponent being one of the largest and most successful importers of products for sale to UK blue chip companies, and to the sign being used as a service mark in relation to the designing and importation of clothing, footwear and headgear. The applicants have challenged the opponent to provide a percentage figure of its turnover on LOCAL BOY’Z “products” because the applicants are clearly suspicious that the healthy turnover figures in Mr Mucklow’s first witness statement hide the true trading picture, which the applicants say is that:

“...the company is relying on making products for other people’s brands in which case this would simply be a handful of people and not public at large...”.

The opponent did not meet the applicants’ challenge, other than asserting that although it supplies good to third parties, the sign is used on swing tickets, cartons and packaging. There were no exhibits attached to the opponent’s reply evidence to support this statement. In *Pan World Brands v. Tripp (Pan World)* [2008] RPC 2, the criticism of one party’s evidence was made for the first time at the hearing and was therefore too late for the other side to answer it. That is not the case here: the opponent has not met the challenge in its evidence in reply. The challenge appears, in all the circumstances, to have been a reasonable one.

20. Mr Jones states that he has been aware of the LOCAL BOY’Z trade mark since May 2000 and Mr Akhtar states that he has been aware of it for twenty-five years. Neither explains how they have come to know of it, or their relationship with the opponent. Save for these details, their witness statements are identical. They both state that the trade mark has been “applied” to clothing. These witness statements do not help to fill the gaps in the opponent’s evidence because (i) there is no information about how they know about the use of the sign and (ii) the witness statements are virtually identical. In *Re Christiansen’s Trade Mark* [1885] 3 RPC 54, Lord Esher M.R. said at 60:

“Now, to my mind, when you have evidence given upon affidavit, and you find a dozen people, or twenty people, all swearing to exactly the same stereotyped affidavit, if I am called to act upon their evidence, it immediately makes me suspect that the affidavits are then not their own views of things and that they have adopted the view of somebody who has drawn the whole lot of affidavits, and they adopt that view as a whole and say ‘I think that affidavit right’ and they put their names to the bottom.”

21. The burden is on the opponent to establish the nature of its goodwill. Who has seen the sign LOCAL BOY’Z? Where has it been seen and in relation to what? The applicants have asked these questions and they have not been answered. Instead, the opponent’s evidence raises doubts that, if it has been used, the sign has come to the attention of the general public at all. If the sign has been used, it appears that the use has, in some way, been in relation to the importation of clothing, but even this has not been explained or supported by exhibits. In *The Law of Passing Off* (fourth edition), Christopher Wadlow explains that importers can have goodwill (as importers), but it is rare and it is necessary that:

“...the public attach importance to who has imported, handled or otherwise dealt with the goods as opposed to who was responsible for their manufacture. If this is not the case, then the importer or dealer cannot be said to have any goodwill *quoad* the public and he can therefore has no locus standi to sue when goods are passed off as those he is accustomed to deal in, even if he suffers damage.”

22. It is possible for a protectable goodwill to arise from supplying other traders (e.g. retailers and wholesalers)<sup>3</sup>. The problem for the opponent is that its evidence is unclear and consists entirely of assertion. I am not obliged to accept assertion without corroborative exhibits: see the comments of Mr Geoffrey Hobbs QC as The Appointed Person in *Williams and Williams v. Canaries Seaschool SLU (CLUB SAIL)* [2010] RPC 32, paragraphs 37 to 41 and, in particular his citation of the following words of Lord Bingham of Cornhill in *Fairchild v. Glenhaven Funeral Services Ltd*:

“... I think it is salutary to bear in mind Lord Mansfield’s aphorism in *Blatch v. Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v. Farrell*:

‘It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted.’

23. The paucity of evidence from the opponent leaves unanswered too many important questions. It has not established that it had a protectable goodwill in the sign LOCAL BOY’Z as at 17 June 2011. **The opposition fails.**

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<sup>3</sup> *Ewing v Buttercup Margarine Limited* (1917) 34 RPC 232.

## Outcome

### 24. The opposition fails. The application is to be registered.

## Costs

25. The applicants have been successful and are entitled to a contribution towards the cost of the time they have spent on these proceedings. The Registrar usually operates on a published scale of costs<sup>4</sup>. However, since the applicants have not been professionally represented during the proceedings, an award made from the published scale might be larger than their actual expenditure. In BL O/160/08 *South Beck*, Mr Richard Arnold QC, sitting as the appointed person, stated:

“32. Secondly, counsel for the opponent submitted that, if CPR r. 48.6 was applicable, the hearing officer had misapplied it. In support of this submission he pointed out that CPR r. 48.6(4) provides:

The amount of costs to be allowed to the litigant in person for any item of work claimed shall be-

(a) where the litigant can prove financial loss, the amount that he can prove he has lost for time reasonably spent on doing the work; or

(b) where the litigant cannot prove financial loss, an amount for the time reasonably spent on doing the work at the rate set out in the practice direction.

The Part 48 Practice Direction provides at paragraph 52.4 that the amount which may be allowed to a litigant in person under rule 46.8(4) is £9.25 per hour. Counsel submitted that the hearing officer appeared to have awarded the applicant two-thirds of the scale figure which he would have awarded a represented party, and that this could not be justified since the opponent had not proved any financial loss and was very unlikely to have spent over 160 hours on the matter.....

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.”

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<sup>4</sup> Tribunal Practice Notice 4/2007.

Under the current practice direction, the amount allowed to a litigant in person is £18 per hour.

26. Consequently, the applicants should produce an estimate of their costs, including the number of hours spent on these proceedings, broken down by category of activity, i.e. reviewing the notice of opposition, completing the counterstatement, reviewing the opponent's witness statements, and compiling the short witness statement filed by Mr Yakub. This estimate should be filed within 21 days of the date of this decision and should be copied to the opponent who will have 10 days from receipt of the estimate to provide written submissions. I will then issue a supplementary decision covering the costs of these proceedings.

**27. The period for any appeal against this decision will run concurrently with the appeal period for the supplementary decision on costs and so will not commence until the supplementary decision is issued.**

**Dated this 31st day of October 2012**

**Judi Pike  
For the Registrar,  
the Comptroller-General**