

O-459-18

TRADE MARKS ACT 1994

**IN THE MATTER OF THE APPLICATION UNDER NO. 3209352
BY TOBY SHEA TO REGISTER:**

iHalo

AS A TRADE MARK IN CLASSES 9, 25, 38, 39, 42 AND 45

AND

**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 409704
BY HAILO NETWORK IP LIMITED**

BACKGROUND AND PLEADINGS

1. On 28 January 2017, Toby Shea (“the Applicant”) applied to register the word “iHalo” as a trade mark for the following goods and services:

Class	
9	<i>Global position system (GPS) apparatus; GPS transmitter; GPS receiver; GPS navigation device; computer software for GPS</i>
25	<i>Clothing containing GPS trackers and receivers</i>
38	<i>Data transmission services; wireless digital messaging services</i>
39	<i>Tracking of passenger or freight vehicles by GPS or computer</i>
42	<i>Design and development of computer hardware and software providing software and apps for tracking freight and packages over computer networks, internet and internet via GPS</i>
45	<i>Security services for the physical protection of tangible property and individuals</i>

2. The application was published for opposition purposes on 7 April 2017. Registration is opposed by Hailo Network IP Limited (“the Opponent”), based on sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

Section 5(2)(b) ground

3. Under the section 5(2)(b) ground, the opposition is directed against the whole of the application. The Opponent relies on its registration of a UK trade mark under No. 2639171 for the word “HAILO”. It was filed on 22 October 2012 and became registered on 8 March 2013. The Opponent’s relies on all its goods, which are as follows:

Class 9: *Application software; Software for creating and delivering messages and electronic mail; Software for access to communications networks including the internet; Computer software and computer hardware apparatus with multimedia and interactive functions; Software for telecommunication and communication via local or global communications networks, including the Internet, intranets, extranets, television, mobile*

communication, cellular and satellite networks; software for viewing electronic maps; Computer software; Computer software for application and database integration; Computer software for controlling and managing access server applications; Computer software to enhance the audio-visual capabilities of multimedia applications; Computer application software for mobile phones, PDA devices and tablet computers, namely, software for accessing, viewing and interacting with and downloading information and entertainment content; Computer software for authorising access to data bases; Computer software for creating searchable databases of information and data; Computer software for database management; Computer hardware and software for use with satellite and/or GPS navigation systems; computer software for use with route planners, electronic maps and digital dictionaries for navigation and translation purposes; Electronic databases; Electronic global positioning systems; Global Positioning System [GPS] apparatus; Satellite navigational apparatus; Software for the location and reservation of taxis via mobile phone; Digital display and information systems, digital screens, visual display screens; Telecommunications equipment, apparatus and instruments; Smartphone icons; Computer application icons; Telecommunications icons; Geographical positioning software to facilitate the dispatch of a taxi; Taxi meters; Cards (magnetic or encoded-); Card readers for credit cards.

4. The Opponent claims that the mark applied for is highly similar to the Opponent's earlier trade mark, such that use of the applied for mark will be associated with the earlier mark in the minds of the public. It claims that the application is for identical or similar goods or services as the earlier mark such that will lead to the likelihood of confusion for the relevant consumer.

Section 5(4)(a) ground

5. The Opponent claims to have unregistered rights in the word HAILO, which it states it has used throughout the UK since 2011 in relation to "*tracking of passenger vehicles by GPS for taxi services*". The claim under 5(4)(a) is directed only against the Applicant's goods/services in classes 39 and 42. The Opponent claims that the mark applied for is highly similar to the earlier right in which the Opponent has goodwill and that the relevant services are identical or highly similar. It claims that use of the applied for mark would constitute a misrepresentation and cause damage and is liable to be prevented by the

law of passing off and the application to register the mark applied for should be refused as contrary to section 5(4)(a) of the Act.

6. The Applicant filed a Form TM8 denying the claims in the opposition and making the following short counterstatement: *“The two names are different not only in primary character but meaning and pronunciation to the general public. The “i” in the front of our Halo has international recognition standing for intelligent. This character cannot be demoted. Our research demonstrates the Hailo logo with the emphasis on the O further disputing the opposition.”*

Papers filed and representation

7. During the evidence rounds, the Opponent filed evidence and the Applicant filed written submissions. I summarise the evidence below, which goes to both the distinctiveness of the earlier mark for section 5(2)(b) and to matters under section 5(4)(a). An oral hearing in this case was not requested, but both parties provided written submissions in lieu of a hearing. I bear in mind the parties’ various submissions and refer to them where appropriate in this decision.
8. Stephenson Harwood LLP acts for the Opponent in these proceedings; the Applicant represents himself.

MY APPROACH TO THIS DECISION

9. Since the section 5(4)(a) ground of the opposition targets just two of the classes applied for (whereas the section 5(2)(b) is directed against all of the Applicant’s goods and services) I will first make my decision on the section 5(2)(b) ground. I will deal with the section 5(4)(a) ground only so far as appropriate in light of my findings under the section 5(2)(b) claim.

THE EVIDENCE

10. The Opponent filed evidence in the form of a **Witness Statement** dated 29 November 2017 by **Florian Thimo Moritz Agthe**, together with **Exhibits FA1 – FA11**. Mr Agthe is a director at the Opponent company. His statement includes an explanation of how and

to what extent the earlier mark has been used and promoted, the essence of the goods offered under the earlier mark, and issues of ownership. He states that in December 2010 Hailo Network Holdings Limited (hereafter “Hailo”) launched a smartphone application (“the app”) to allow passengers to hail black taxis by connecting them with available drivers who then used the app to find the passengers’ pick up location through a GPS system. The application was marketed under the name “HAILO”. In July 2016, the HAILO brand was acquired and the HAILO trade marks, including all goodwill therein, were assigned to the newly incorporated Opponent. The assignment of the Opponent’s earlier mark was recorded at the Trade Mark registry on 18 July 2017.¹ Following the acquisition in 2016, the HAILO brand has not been used in the UK. However, Mr Agthe states that the brand is still well known in the UK and the Opponent is currently considering how best to exploit the valuable reputation in the HAILO brand.

11. Mr Agthe states that drivers and passengers would download the app from the App Store for Apple devices and from the Google Play store for Android devices. **Exhibit FA1** shows screenshots from the app itself stated to be taken in 2013, where the brand HAILO is prominently displayed; one of the screenshots includes an offer ending “Midnight 30 September 2013”. **Exhibit FA2** shows screenshots of the website www.hailocab.com between 2011 – 2016. It again shows use of the mark HAILO, described as “The Black Cab App” and prompts to “Download now – FREE”. The website exhibit states “Be Safe. Hailo works with London’s 23,000 trusted black cab drivers”; “Automatically pay with your credit or debit card. We charge only the meter – no hidden fees. And we accept cash too.” No information is provided about the volume of traffic to the website. Another page of the website screenshots refers to the conduct by The Wall Street Journal in 2014 of a taxi challenge between Hailo and two private hire companies (including Uber), said to demonstrate “how black cabs can get you where you want to go quicker and cheaper. Only licensed black cabs can use bus lanes” and have “The Knowledge”. The criteria and context for the conduct of the taxi challenge are not evident.
12. Mr Agthe states that Hailo “invested significantly in marketing and promotion in the UK between 2011 and 2016”, but no figures are offered on promotional spend. **Exhibit FA3** is said to be an example of one such marketing campaign, promoted with partners such

¹ As the Opponent points out in its submissions in lieu of an oral hearing, the public record shows that a copy of the assignment has been received at the IPO and the effective date of assignment is 21 July 2016.

as The Evening Standard, Ocado and Hello Fresh, encouraging passengers to use the app to book taxi services from their home. The exhibit shows an offered £5 off “your first HAILO journey”. To celebrate the birth of Princess Charlotte, and to encourage expectant mothers and those with young children to use the safety and comfort of a Hailo taxi when travelling Hailo redesigned limited edition London black cabs to include the word “Charlotte” alongside the Hailo brand. **Exhibit FA4** is dated May 5 2015 and shows an image of such a taxi with explanatory news promotional text. The same exhibit includes Twitter posts from April 2015 promoting free Hailo cab rides to polling stations, as well as a promotion with Penguin Random House UK using the cabs to create mini mobile libraries.

13. **Exhibit FA5** is dated 12 March 2015 and shows a media article included on the website thedrum.com reporting that Hailo had become the first taxi app for Apple’s smartwatch. **Exhibit FA6** is dated 16 March 2016 and shows a press release marking a partnership with Google resulting in Google Map users being able to book a Hailo taxi in the UK by using a new ride services tab on the Google Map app. The Press Release also emphasises research as to the relative personal security of black cab services. **Exhibit FA7** is a UK Hailo Driver Guide giving Hailo drivers information on how the app works for them. The mark in word and other forms appears throughout.
14. Mr Agthe states that drivers were incentivised to brand their cabs to gain “an on-street presence”. **Exhibit FA8** is an example of a taxi using a stylised version of the word Hailo – with the “O” being large and underneath the first four letters.
15. **Exhibit FA9** is an article from the Virgin website said to have been published on 11 June 2014, in which Richard Branson sets out why he decided to invest in the Hailo business.
16. Mr Agthe states that as a result of marketing the Hailo business underwent a rapid expansion and that by November 2013 had become London’s number one taxi app and the highest rated taxi app on the iTunes and Android app stores. By 2014 over 16,000 black cab drivers were registered with the app.
17. Mr Agthe also highlights third party recognition of the HAILO brand with **Exhibit FA10** being a sample of media coverage of the brand from 2012, 2013, 2014 and 2015 in publications including The Telegraph, The Guardian and The Independent. **Exhibit FA11**

shows that Hailo has been recognised by various awards in the UK including in 2013 the Appster Award for the Most Innovative App and Best Payment Solution, and in June 2014 the award for Best Transport app at the Europas Awards for European tech startups.

DECISION

Section 5(2)(b) ground

18. The Opponent's claim is based on section 5(2)(b) of the Act, which states:

"... A trade mark shall not be registered if because-

... (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

19. Since the Opponent's mark was filed earlier than the Applicant's mark, the Opponent has an earlier mark under section 6(1) of the Act, and since it had not completed its registration procedures more than five years before the Applicant's mark was published for opposition purposes, the earlier mark is not subject to the proof of use provisions under section 6A of the Act. Therefore, the Opponent is able to rely on all its registered goods for this opposition based on section 5(2)(b).
20. I bear in mind the relevant principles from decisions² of the EU courts and will refer to those principles as appropriate.

² *Sabel BV v Puma AG*, Case C-251/95; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97; *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98; *Matratzen Concord GmbH v OHIM*, Case C-3/03; *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P; and *Bimbo SA v OHIM*, Case C-591/12P.

Comparison of the goods and services

21. There are some terms in the parties' respective specifications that are plainly identical. Moreover, in *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, the General Court stated³ that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category designated by the trade mark application, or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark. All of the **Applicant's Class 9 goods are identical to goods covered by the earlier mark, as set out in the table below:**

Applicant's goods in class 9	Goods under earlier mark
<i>Global position system (GPS) apparatus;</i>	<i>Global Positioning System [GPS] apparatus;</i>
<i>GPS transmitter;</i> <i>GPS receiver;</i> <i>GPS navigation device;</i>	<i>Global Positioning System [GPS] apparatus;</i> <i>Electronic global positioning systems;</i> <i>Computer hardware and software for use with satellite and/or GPS navigation systems;</i>
<i>computer software for GPS</i>	<i>Computer software;</i> <i>Computer hardware and software for use with satellite and/or GPS navigation systems;</i>

22. In considering whether there is similarity between goods and services elsewhere in the specifications, I take account of the factors identified by the CJEU in *Canon*⁴, where at paragraph 23 of its judgment it states that:

“In assessing the similarity of the goods or services concerned all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

23. In the *Treat*⁵ case, Jacob J. (as he then was) identified that the relevant factors for assessing similarity also include the respective uses and users of the respective goods or services and the trade channels through which the goods or services reach the market,

³ Case T- 133/05 at paragraph 29 of that judgment.

⁴ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* Case C-39/97

⁵ *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281

and “in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves”.

24. I also take note that in *Kurt Hesse v OHIM*⁶, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific*⁷, the General Court described goods as “complementary” in circumstances where “... *there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking*”.

25. In *YouView TV Ltd v Total Ltd*,⁸ Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise Nevertheless the principle should not be taken too far Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.

26. The Opponent submits that some of the goods/services of the Applicant are at least highly similar to the Opponent’s goods because they relate to the use of global positioning software (“GPS”). The Opponent submits that they are highly similar in nature and intended purpose, being the purpose of tracking persons/products using GPS; it submits that they also share method of use, distribution channels, relevant public and usual origin. Notwithstanding the inherent difference in nature between “goods” and a “service” I agree with the substance of those submissions in relation to Class 39, where I find the Applicant’s “*tracking of passenger or freight vehicles by GPS or computer*” services in **Class 39** are **highly similar** to the following of the Opponent’s goods: “*Geographical positioning software to facilitate the dispatch of a taxi; computer software for use with*

⁶ Case C-50/15 P

⁷ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

⁸ [2012] EWHC 3158 (Ch)

route planners, electronic maps and digital dictionaries for navigation and translation purposes; Software for the location and reservation of taxis via mobile phone; Computer hardware and software for use with satellite and/or GPS navigation systems; Global Positioning System [GPS] apparatus”.

27. The Opponent compares the Applicant’s services in **Class 42** “*design and development of computer hardware and software providing software and apps for tracking freight and packages over computer networks, internet and internet via GPS*” with the Opponent’s goods: “*Computer hardware and software for use with satellite and/or GPS navigation systems; computer software for use with route planners, electronic maps and digital dictionaries for navigation and translation purposes; Electronic global positioning systems; Global Positioning System [GPS] apparatus; Satellite navigational apparatus; Geographical positioning software to facilitate the dispatch of a taxi; Application software; software for viewing electronic maps; Software for the location and reservation of taxis via mobile phone.*” Here again there is a difference in nature between goods and services, and I find that there is a difference in purpose and method of use between the service in Class 42 (designing and developing software) and the Opponent’s goods for navigating, although there is a degree of connection in that both involve GPS tracking. It is also perfectly possible that the same provider may do the design and development of the hardware and software goods, so there may be shared trade channels and the offerings may be complementary. I find **similarity to a medium degree**.
28. I find **at least a medium degree of similarity** between the Applicant’s goods in **Class 25** “*Clothing containing GPS trackers and receivers*” and the Opponent’s registration for “*Global Positioning System [GPS] apparatus; Electronic global positioning systems; Computer hardware and software for use with satellite and/or GPS navigation systems*”. The latter are indispensable to the former and complementary in the sense described *Boston Scientific*; they have aspects of common purpose, shared uses and channels of trade. It also seems to me that such a specialised item of clothing may be co-located with GPS equipment on the shelves of relevant stores.
29. I find that there is a **medium degree of similarity** between the Applicant’s services in **Class 38** “*Data transmission services; wireless digital messaging services*” and the Opponent’s registered goods “*telecommunications equipment, apparatus and*

instruments; Software for creating and delivering messages and electronic mail; Satellite navigational apparatus; Global Positioning System [GPS] apparatus; Computer hardware and software for use with satellite and/or GPS navigation systems; Software for access to communications networks including the internet; Software for telecommunication and communication via local or global communications networks, including the Internet, intranets, extranets, television, mobile communication, cellular and satellite networks; Computer software for controlling and managing access server applications; Computer software for database management; computer application software for mobile phones, PDA devices and tablet computers, namely, software for accessing, viewing and interacting with and downloading information and entertainment content.” There is clearly a close connection between these listed hardware, equipment and software goods of the Opponent and the Applicant’s information-sending services in Class 38 (the former facilitating the latter), such that they are complementary and overlap in purpose and method of use.

30. Turning finally to the Applicant’s services in **Class 45** “*Security services for the physical protection of tangible property and individuals*”. I note in this context that the Opponent’s registered goods include “*Geographical positioning software to facilitate the dispatch of a taxi; Computer hardware and software for use with satellite and/or GPS navigation systems; Software for the location and reservation of taxis via mobile phone*”. While I accept that being able to track a vehicle, whether carrying a passenger or a parcel, entails physical safety aspects for the benefit of all concerned, I find that interconnection insufficient to give rise to similarity, or **if any similarity at all, only a very low degree**. I reach this conclusion taking account of the judgment in *YouView TV Ltd* cited above and of the principle expressed by Jacob J (as he then was) in *Avnet Incorporated v Isoact Limited*⁹ where he stated his view that “... *specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.*”

⁹ [1998] F.S.R. 16

The average consumer and the nature of the purchasing act

31. It is necessary to determine who is the average consumer for the goods and services at issue and how the consumer is likely to select them.
32. In *Hearst Holdings Inc*¹⁰, Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect ... the relevant person is a legal construct and ... the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical ...”
33. It must be borne in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer, Case C-342/97*).
34. The goods and services at issue will be of interest to businesses - including, but not limited to, taxi drivers. Given today’s prevalence of digital technology, the goods and services will also be of interest to the general public, for example, making use of GPS assistance in their cars or on their mobile telephones. The average consumer will therefore be a combination of businesses and members of the general public. Despite the relative sophistication and complexity of the goods and services, they are not necessarily high-cost (indeed some may be offered without up-front charge in the form of a downloadable app). Nonetheless, I would expect the average consumer to pay **at least an average degree of attention** to the selection and purchase process and in some cases an **above average degree of attention**.
35. The purchasing act for the goods and services will be primarily visual in that the trade marks may be seen on websites, in advertising materials or even in press coverage of the goods and services. However, word of mouth recommendations are also likely to play some part in the selection process, so the way the marks sound is also relevant.

¹⁰ *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch)

Comparison of the marks

36. It is clear from *Sabel*¹¹ that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.

37. The respective marks are:

Applicant's contested trade mark	Opponent's earlier trade mark
iHalo	HAILO

38. In considering the overall impression of the Applicant's mark, one notices that despite its being a single word, the letter "H" is capitalised, differentiating the four letter component "Halo", which is the more striking component in the overall impression. The mark therefore strikes one as "i-Halo". Since the word "Halo" is perfectly visible within the mark, the average consumer will perceive that ordinary English word.

39. As to the Opponent's mark, it would be pronounced as the ordinary English word "Halo", but it is a misspelling of that word. Some may readily perceive within it the ordinary English word "Hail."

Visual similarity

40. The marks are in different cases. The general principle that fair notional use of word marks in standard characters would allow use in upper and lower case, applies to the extent that change of case does not change the distinctive character of the mark. In this instance changing the applicant's mark to lower case (ihalo) or to uppercase (IHALO) could potentially change the impression it creates because it longer highlights the letter "I". While it is also possible that the average consumer (or at least a

¹¹ *Sabel BV v Puma AG*, Case C-251/95, paragraph 23.

substantial proportion thereof) would perceive the word 'halo' irrespective of a change in letter case, my approach to comparing the marks allows for a visual analysis on the basis of a "1 letter + 4 letter" word versus the Opponent's 5-letter word. However, at base, each mark comprises five letters, and the same five letters, in almost the same order – the letter "i" being the only letter in a different position. The resultant effect is that the marks are **visually similar to a degree that I would estimate as between medium and high.**

Aural similarity

41. The Applicant's mark would be pronounced as "eye-Haylo", the Opponent's as "Haylo". Since the "hay-lo" element is dominant in the overall impression, the marks are **aurally similar to a high degree.**

Conceptual similarity

42. Although neither word mark is a standard English word, they share (to the extent that I explain below) the concept of a "Halo", which word would be understood to refer to a circle of light shown above the head of a saint or around the sun, moon, or other luminous body. That word is visually and aurally plain in the Applicant's mark; and from an aural perspective the average consumer will perceive the same concept in the Opponent's mark. There is therefore a degree of conceptual similarity, between the marks. Indeed, even from a visual perspective I find it quite plausible that some among the average consumer may overlook that the Opponent's mark is a misspelling of "halo" and therefore directly perceive the concept of "halo".
43. However, the different positions of the letter "i" creates conceptual variation between the marks. In particular, the average consumer may perceive in the Opponent's mark the word "Hail" (as in to summon a taxi cab – or, less likely, frozen rain), which concept is not apparent in the Applicant's mark. In the Applicant's mark the initial "i" also entails a conceptual difference; the Applicant claims that the "i" "has international recognition standing for intelligent". That assertion is not supported by evidence and I find that there will be uncertainty among the average consumer as to the particular meaning of the letter, but they will be familiar with its deployment in relation to a wide range of electronic

devices. Such widespread use of an initial “i” in that way lessens its distinctive character. Overall, I find the marks are **conceptually similar to a medium degree**.

Distinctive character of earlier trade mark

44. The distinctive character of an earlier mark must be considered, since the more distinctive the earlier mark, either by inherent nature or by use, the greater may be the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

*“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).*

*23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”*

45. The Opponent’s mark is a made-up word and does not contain an element descriptive of most of the goods for which it has been registered. As such the mark is prima facie inherently distinctive to a high degree. Some of the Opponent’s goods specifically relate to the location, reservation and dispatch of taxis, and in respect of those goods, there is an allusive characteristic via the “hail” element of the mark. However, if and to the extent that that allusive characteristic may lessen the distinctiveness, I find that the evidence of

use has a counteractive effect. Despite certain shortcomings in the evidence (for example as to specific amounts spent on promotion) I find that its reach into a large proportion of black cab drivers by 2014, its top ratings on app stores, its sector awards and national Press coverage from 2012 – 2015 will have enhanced the distinctiveness of the Opponent's mark for the average consumer in respect of the Opponent's Class 9 goods in the taxi field. Consequently, **overall the mark is distinctive to a high degree** (either on an inherent basis, or for certain of its goods, on the basis that any reduction in distinctive character resulting from an allusive reference in the mark will be neutralised by the enhancement achieved through use of the mark for those goods).

Conclusion as to likelihood of confusion

46. I now make a global assessment of likelihood of confusion that takes account of my findings set out in the foregoing sections of this decision and of the various principles from case law, in particular, the following:

- the average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them s/he has kept in mind;
- a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between marks, and vice versa (the interdependence principle);
- there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

47. Confusion can be direct (which in effect occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).

48. Earlier in this decision I concluded that the Opponent's mark is highly distinctive overall and that the parties' marks are visually, aurally and conceptually similar to degrees no lower than medium. I have found the goods and services to be variously identical, highly similar and similar to a medium degree, and that only in one instance (services in Class 45) is there no similarity or only a very low degree of similarity. Taking account of the interdependence principle, I find in these circumstances that the average consumer – even though reasonably well informed and reasonably circumspect and observant, and even paying an above average level of attention in the purchasing process – would, except in relation to the services in Class 45, likely be confused as to the origin of the goods and services at issue. I do not overlook my finding that the purchasing process would primarily involve visual considerations and that I have assessed the visual similarity between the marks as less than high (though above medium). The overall impression likely to be retained by the average consumer will centre on the notion of halo, and I have given my view that some among the average consumer may overlook that the Opponent's mark is not the correct spelling of "halo" and may therefore directly perceive – visually, aurally and conceptually - the same notion of "halo" clearly present in the Applicant's mark.
49. I find that the confusion would likely be direct on the basis of imperfect recollection, but I allow too for the possibility of indirect confusion where it is assumed that the goods and services at issue are provided under a form of sub-branding by the same or related undertaking. **Consequently, the opposition succeeds on the basis of section 5(2)(b) except in relation to the Applicant's services in Class 45.**

Section 5(4)(a) ground

50. The Opponent's claim based on section 5(4)(a) of the Act is directed only against the Applicant's goods/services in Class 39 "*tracking of passenger or freight vehicles by GPS or computer*" and Class 42 "*design and development of computer hardware and software providing software and apps for tracking freight and packages over computer networks, internet and internet via GPS*". Since the opposition has succeeded against those classes on the basis of section 5(2)(b), it is not vital for me to decide the section 5(4)(a) claim, but, for the sake of completeness, I will deal with it, albeit relatively briefly.

51. Section 5(4) of the Act provides that 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, and that a person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.
52. It is well established¹² that passing off depends upon the existence of (i) goodwill (ii) misrepresentation and (iii) damage. The Opponent claims to have earlier unregistered rights in the word HALLO, arising from its use throughout the UK since 2011 in relation to “tracking of passenger vehicles by GPS for taxi services”. The question of passing off is to be assessed at the date of the application for registration. By its own admission the Opponent has not used the mark since July 2016, so the question is whether goodwill had been generated in the mark for those services between 2011 - 2016, and if so, whether any goodwill still existed in January 2017 when the Applicant filed its mark.
53. In *Minimax Gmbh & Co Kg v Chubb Fire Limited*¹³ Floyd J. (as he then was) considered whether a residual goodwill existed in 2003 in relation to a trade in fire fighting equipment which ended in the 1980s. He posed the question like this.

“15. It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate.”

54. Each case turns on its own facts and I find that the evidence in this case shows that the mark was used prominently in relation to its claimed services up to 2016 enjoying various high profile endorsements – for example, the partnership with Google shown in **Exhibit FA6** dated 16 March 2016. Taking account of large numbers of black cab drivers

¹² See, for example, summary by Melissa Clarke, sitting as a deputy Judge of the High Court in *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC

¹³ [2008] EWHC 1960 (Pat) Floyd J

registered with the app in 2014, its top ratings on app stores, its sector awards and national Press coverage from 2012 – 2015, I find that the goodwill generated under the mark was very far from trivial.

55. In *W. S Foster & Sons Limited v Brooks Brothers UK Limited*¹⁴, Iain Purvis QC sitting as the Deputy Judge of the Patents County Court emphasised that goodwill is the 'attractive force which brings in custom' "*not merely the memory of a business*". Whereas in that case Mr Purvis easily rejected the survival of residual goodwill in a shoe brand unused for 48 years, I find that the goodwill in the present case will not have dissipated in the modest intervening relevant timeframe.
56. Having established the existence of goodwill in relation to *tracking of passenger vehicles by GPS for taxi services* (which, by virtue of the assignment, is owned by the Opponent) I move on to consider misrepresentation. In that consideration I bear in mind the close similarity of the marks - as I have already found in relation to the section 5(2)(b) claim. I also assess the closeness of the respective fields of business activity and find that the overlap between the relevant services – all involving tracking through GPS – is sufficiently strong that use by the Applicant of its applied-for mark in relation to its services in Classes 39 and 42 would constitute a misrepresentation (intentional or not), which would lead to deception or a likelihood of deception among a substantial number of customers or potential customers.
57. Notwithstanding the Opponent's not having used its mark since July 2016, there remains a real tangible probability that such a misrepresentation could still lead to actual or likely substantial damage to the Opponent's property in the goodwill, including loss of custom if the two are in competition, and loss of control over quality issues and reputation¹⁵.
58. I therefore also find that **the claim under 5(4)(a) succeeds in relation to the Applicant's goods/services in classes 39 and 42.**

¹⁴ *W.S Foster & Son Ltd v Brooks Brothers UK Ltd* [2013] EWPC 18, at paragraph 74.

¹⁵ See *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J.

Overall Outcome

59. The opposition has succeeded in relation to the Applicant's goods and services in Classes 9, 25, 38, 39 and 42. The opposition has failed in relation to the Applicant's services in Class 45. The application may therefore proceed to registration only in respect of:

Class 45	<i>Security services for the physical protection of tangible property and individuals</i>
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COSTS

60. The Opponent has been substantially successful and is entitled to a contribution towards its costs. I take account of the costs scale published in Tribunal Practice Notice 2/2016 and award the sum of £1400, calculated as follows:

Reimbursement of the official fee for Form TM7:	£200
Preparing statement of grounds & considering other side's counterstatement:	£200
Preparing evidence:	£500
Preparing submissions and commenting on the other side's submissions:	£500
Total:	£1400

61. I therefore order Toby Shea to pay Hailo Network IP Limited the sum of £1400 (one thousand four hundred pounds) to be paid within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25th day of July 2018

Matthew Williams

For the Registrar
