

# INTA Bulletin

The Voice of the International Trademark Association

October 15, 2016

Vol. 71 No. 18

[Back to Bulletin Main Page](#)

## INDIA: Prominent International Use Trumps Local Registration and Use

**Contributor:** **Bisman Kaur**, Remfry & Sagar, Gurgaon, India  
INTA Bulletins Asia Pacific Subcommittee

**Verifier:** **Shailendra Bhandare**, Khaitan & Co, Mumbai, India

The Delhi High Court's July 8, 2016, ruling in *Toyota Jidosha Kabushiki Kaisha v. Deepak Mangal & Ors*, C.S. (O.S.) No. 2490 of 2009, held that prior international use of well-known marks could trump rights stemming from domestic use and registration.

The plaintiff (Toyota) sought to register PRIUS as a trademark, only to discover that it had already been registered in the name of the defendants. The defendants had been manufacturing and selling auto parts/accessories under the trade name "M/s Prius Auto Industries" and "M/s Prius Auto Accessories Pvt. Ltd." since 2001. Additionally, the packaging on some of the defendants' goods prominently displayed the TOYOTA mark and device as well the INNOVA mark—both proprietary to the plaintiff.

Alleging misuse, Toyota filed a suit seeking a permanent injunction against infringement of TOYOTA/INNOVA/TOYOTA DEVICE and to halt the passing off of its trademark PRIUS. It also sought and obtained an *ex parte* interim injunction restraining the defendants from using the disputed trademarks, but this was vacated when the defendants appealed. In a setback, Toyota's further appeal before a two-judge bench was also dismissed, and though the order did curb the defendants' use of the TOYOTA and INNOVA marks during trial, use was permitted for describing the nature/use of the defendants' products.

In the main suit, the High Court ruled that the defendants' use of the marks was not descriptive; it constituted trademark use and, since it was unauthorized, the defendants were liable for infringement of Toyota's Indian registrations.

With respect to the passing off claim, the court relied on precedent to establish that common law rights were independent of statutory rights; thus, even though the defendants had prior PRIUS registrations in India, this had no bearing on the plaintiff's standing to file a passing off action.

The defendants' earliest registration for PRIUS dated from 2002. In contrast, Toyota sold its first Prius car in India in 2010. However, Toyota submitted voluminous evidence to show the 1990 origins of the PRIUS brand; how the PRIUS commercial launch in 1997 as the first hybrid vehicle in the world had been immediately met with widespread success and renown; and that this renown had spilled over into India well prior to 2001, when the defendants had commenced use. This was corroborated by reviews/advertisements from popular Indian automobile magazines.

The High Court concurred and—in an unusual ruling on an unregistered mark—declared that PRIUS had attained the status of a “well-known mark” in India. Relying upon the Supreme Court’s seminal decision in *Milment Offtho*, 2004 (28) PTC 585, it held that establishing prior rights in such a case involved determining who had prominence in the world market. It also held that reputation in the technological age could exist even without trade of a product in a country.

Although the defendants argued they had adopted the term honestly, they were unable to explain why they had chosen PRIUS as their mark/trade name. Also, with their long history in the automobile business, the court found it implausible that the defendants had remained unaware of Toyota’s rights. Dishonest use of products related to the plaintiff’s business resulted in consumer confusion. The charge of passing off was, therefore, upheld. An order of permanent injunction was issued and punitive damages were calculated at INR 1 million (about US \$14,900).

The decision bodes well for other international brands that are not registered in India, but which might encounter a similar threat to their rights.

Although every effort has been made to verify the accuracy of items in the *INTA Bulletin*, readers are urged to check independently on matters of specific concern or interest. Law & Practice updates are published without comment from INTA except where it has taken an official position.

© 2016 International Trademark Association

© 2016 International Trademark Association  
Policies | FAQ | Contact Us

PowerfulNetworkPowerfulBrands.