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[Back to Bulletin Main Page](#)

INDIA: High Court Defines Higher Threshold of Evidence for Trademark Reputation in PRIUS Appeal

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The Delhi High Court's July 2016 decision involving reputed auto company Toyota's trademark PRIUS, covered **here in the October 15, 2016, *INTA Bulletin***, attracted considerable attention. It was the defendants (auto spare part manufacturers), and not Toyota, that held an Indian trademark registration for PRIUS, yet the judge declared PRIUS a well-known mark in India that was proprietary to Toyota by virtue of prior international rights and sizeable trans-border reputation. Found guilty of dishonest adoption, the defendants were ordered to cease trading under the name "Prius Auto Industries Ltd" and also halt manufacturing and selling automotive spare parts bearing the mark PRIUS. They appealed (*Prius Auto Industries Ltd and Ors v. Toyota Jidosha Kabushiki Kaisha* (RFA(OS) 62/2016)) before a two-judge bench of the Delhi High Court, which returned a verdict on December 23, 2016.

Adopting the mark PRIUS in 1990, Toyota first used it in 1997 as a brand name for an environmentally friendly hybrid automobile. The vehicle's novelty, Toyota claimed, had won it widespread renown, and a variety of publicity materials were submitted to prove the repute "Prius" enjoyed the world over, including in India.

In their appeal, the defendants asked that Toyota's reputation with respect to "Prius" be assessed as of April 1, 2001, when the defendants had begun to use "Prius", and not as it existed today.

Under this revised yardstick, among the voluminous evidence, mention of "Prius" could be located in just one article published in an Indian daily newspaper. A handful of online publications were also of relevance, but they were deemed unpersuasive, as Internet penetration was rather low in India in 2001 and no evidence was available proving that Indian users had accessed these articles. Similarly, "Toyota Prius" advertisements featured in the *National Geographic* magazine were considered immaterial without proof of the magazine's circulation in India. Scant, and not very prominent, publicity meant Toyota's local reputation with respect to "Prius" was found wanting by the court as of April 2001.

Further, "Prius" is a word of Latin origin and, though it is found in English dictionaries, Toyota argued its use in relation to automobiles was arbitrary, making the defendant's claim of honest adoption weak. The defendants explained, and the court accepted, that their business was a "pehla prayas" (a Hindi expression meaning first attempt) to produce add-on chrome plated accessories for automobiles in India. Looking for a catchy trademark, they searched for equivalent words in the English language and upon encountering "Prius," meaning prior/first, decided to look no further.

Also significant was the fact that Toyota's suit against the defendants had been filed eight years after the defendants had commenced use. So the matter would turn not on the likelihood of confusion but actual confusion, if any, the court said. Sales figures indicated the defendants were a prominent company with no reports of confusion among consumers. Hence the injunction, insofar as it pertained to the use of the PRIUS mark by the defendants, was declared untenable.

Whether this decision affects the single judge's finding regarding PRIUS being a well-known mark in India is unclear, since the present decision does not discuss this aspect of the case. However, it does state that, "Everybody does not read everything which is published in the print media." Publicity/advertising can be quite vital to proving well-known character of a trademark, and going forward, trademark owners ought to look closely at the nature of publications being proffered as proof of reputation.

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