

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Judgment pronounced on: 8th July, 2016**

+ **CS(OS) No.2490/2009 & I.A. No.14981/2014**

TOYOTA JIDOSHA KABUSHIKI KAISHA Plaintiff
Through Mr.Pravin Anand, Adv. with
Ms.Vaishali Mittal, Ms.D.Neha
Reddy & Mr.Siddhant Chamola,
Adv.

versus

DEEPAK MANGAL AND ORS Defendants
Through Ms.Prathiba M. Singh, Sr. Adv. with
Ms.Archana Sahadeva & Mr.Kapil
Midha, Adv.

CORAM:
HON'BLE MR.JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.

1. The plaintiff has filed the suit for permanent injunction restraining infringement of trademark, passing off, damage, delivery up against four defendants, namely, Deepak Mangal, Sandeep Verma, M/s Prius Auto Industries, and M/s Prius Auto Accessories Pvt. Ltd. in order to protect the plaintiff's well-known trademark TOYOTA, the Toyota Device mark, TOYOTA INNOVA and for passing off of the mark PRIUS used by the aforesaid defendants.

2. The plaintiff is a corporation duly organised and existing under the laws of Japan having its registered office at 1, Toyota-Cho, Toyota-Shi, Aichi-Ken, Japan. It is claimed that the plaintiff is the 10th largest industrial corporation in the world dealing in the manufacture and sale of automobiles and parts thereof according to the Fortune magazine

dated July 2009 titled "Fortune Global 500" which was established in 1937 and developed its business around the world by marketing its products in different countries including in India under the trademark TOYOTA.

3. It is mentioned in the plaint that the plaintiff had revenues of over US \$220 billion and its products are widely marketed in India as also in over 80 other countries throughout the world. There is an enviable range of vehicles in the TOYOTA stable including models like the COROLLA, CAMRY, INNOVA, ALTIS, FORTUNER, LAND CRUISER PRADO, etc. in India. International car models of the plaintiff like the PRIUS, YARIS, HIGHLANDER, MATRIX, AVALON and VENZA sold in overseas markets are also very well known among the relevant class of consumers and the trade in India. The trademark TOYOTA was first used in India in the year 1957 in relation to vehicles, parts and fittings. It has acquired an enviable reputation and goodwill in India.

4. It is averred in the plaint that in the late 1994, the plaintiff's team designed a concept car with a hybrid engine for the 1995 Tokyo Motor Show. The vehicle was named "PRIUS" derived from the Latin word meaning 'prior' or 'before'. The first PRIUS, model NHW10, went on sale in December 1997 in Japan. It was later imported privately to the United Kingdom, Australia and New Zealand. In the year 2000 PRIUS was marketed in United States followed by sales in Europe the same year. The California Air Resources Board (CARB) classified the car as a Super Ultra Low Emission Vehicle. The official launch of the PRIUS in Australia occurred in 2001 after the Sydney Motor Show.

5. It is also claimed that the mark PRIUS being a well-known trademark of one of the most reputed and trusted names in the automobile sector is entitled to protection across classes of goods as

any misuse of the same is not only likely to cause confusion and deception, but also be contrary to the interest of public and trade and to their belief in the reputation of their chosen brand. Additionally, the use of such a well-known trademark as PRIUS in any other relation to goods by a third party would dilute the distinctiveness of the trademark and tarnish the reputation and goodwill that has been so diligently created and maintained by the plaintiff over the past many years.

6. With regard to cause of action for filing the present suit, it is alleged by the plaintiff that in the month of October 2009, the plaintiff was made aware of citations of the defendants' marks on the trademark register in the results of a trademark search for its mark PRIUS. On further inquiry the plaintiff learnt that defendant No.1 and defendant No.2 were trading in the name and style of "M/s Prius Auto Industries", defendant No.3, and had wrongly obtained registrations for the mark "PRIUS" under Nos.1163594 and 1086682 in Class 12 for "all types of auto parts and accessories. There is also a pending application bearing No.1160353 in the name of defendant No.3 in Class 12 for the mark PRIUS. Extracts from the Trademark journals have been filed.

Upon learning about registrations for the trademark PRIUS, the plaintiff filed rectification petitions to seek cancellation of the impugned marks registered under Nos.1163594 and 1086682 in Class 12 before the Trademark Registry, New Delhi.

7. The plaintiff states that from the product brochure and the impugned product of the defendants they are using the plaintiff's registered TOYOTA trademarks as set out in paragraph 5 of the plaint as well as the unregistered but well known trademark PRIUS. Such use

by the defendants is without authorization, license or permission of any manner and amounts to infringement of the registered trademarks of the plaintiff and passing off of the well known trademark PRIUS. The defendants are using marks in the course of trade, not being by way of permitted use, that are identical to the plaintiff's reputed and registered trademarks TOYOTA, the Toyota Device, INNOVA and PRIUS in relation to sub-standard goods which are identical in description to those of the plaintiff's manufacture and without due cause taking unfair advantage of and in a manner detrimental to the distinctive character and repute of the registered trademark. The trademark PRIUS is additionally being used in the trading name and style of defendants No.3 and 4.

8. The defendants are using the mark "PRIUS" as an essential and leading portion of their trading name and the same appears on its products as well. Such use of the mark PRIUS by the defendants is unauthorized and unlawful and amounts to passing off and dilution of plaintiff's trademark PRIUS which was adopted by the plaintiff in the year 1990 which is evident from the date of filing of applications as stated in para 9 of the plaint and the same has been in continuous use since 1995 internationally.

9. It is alleged that by using the trademark PRIUS in relation to auto spare parts, the defendants are guilty of duping innocent consumers and by claiming that these products are meant for use in TOYOTA automobiles, the defendants are making serious misrepresentations as to the quality and provenance of their products. Such unauthorized use by the defendants of the plaintiff's well-known trademarks in respect of automobile parts and accessories would also debase the reputation of the plaintiff's trademarks. Apart from passing

off their goods and business under the trademark PRIUS of the plaintiff, the defendants are adversely affecting the plaintiff's goodwill by diluting its well-known trademark.

10. The defendants have adopted the trademark/name PRIUS in relation to their products with the sole intention of enjoying the benefits that flow from the tremendous reputation and goodwill that exists in favour of the plaintiff's identical trademark. The defendants are obviously well aware of the tremendous international reputation and goodwill acquired by the plaintiff in the trademark PRIUS and have no apparent justification for adopting the said mark, having adopted the same solely with a view to trade upon the vast repute of the plaintiff's trademarks.

The unauthorised and unlawful trade activities of the defendants are bound to cause incalculable harm and injury to the business, goodwill and reputation of the plaintiff. The plaintiff is likely to suffer dilution and debasement of the goodwill, reputation and positive associations linked to the plaintiff's trademarks occasioned by the loss of distinctiveness, uniqueness and exclusivity attached thereto.

11. Two separate written statements on behalf of defendant Nos.1 to 3 and defendant No.4 have been filed. The main defences which are raised by the defendants are mentioned below:-

- (i) The suit of the plaintiff is barred by delay, barred by the principle of estoppel, waiver and acquiescence. The defendants have been in the business of manufacturing all types of auto accessories under the name and style of 'M/s PRIUS AUTO INDUSTRIES' since April 2001 and they have got the trademark 'PRIUS' registered by registration

certification No.1086682 dated 13th March, 2002 and 'PRIUS - the name you can Trust' registration certification No.1163594 dated 2nd January, 2003. The defendants have obtained the trademark registration under class 12 for auto parts and accessories under the trademark PRIUS, and they have been manufacturing and dealing only in auto accessories. The plaintiff despite being aware of the business activities of the defendants since 2001 and the registration of the trademark 'PRIUS' in the name of the defendants since 2002, never raised any objection about the user of the said trademark PRIUS by the defendants for auto accessories. The plaintiff did not file any objection/opposition to the registration of the said trademark in the name of the defendants.

- (ii) The plaintiff is also guilty of misleading this Court by stating that the defendants are using the trademark TOYOTA, TOYOTA Device and INNOVA. In fact, the defendants have never used the trademark/trade name TOYOTA, TOYOTA Device and INNOVA either in past, or the defendants have any such intention to use the same in future. The plaintiff has concealed that the defendants are in the business of making car accessories. The mark 'Toyota' or 'Toyota Corolla' or 'Toyota INNOVA' are used by the defendants not as a trademark but to describe the defendants' bonafide description of the character or quality of the defendants' goods.
- (iii) The defendant No.3 is a partnership firm with defendants No.1 and 2 as its partners. The answering defendants have

been using the said trademark PRIUS since 2001 for manufacturing and marketing item used for decorating cars. Thus, the defendants after doing research found one word in the dictionary 'PRIUS', meaning 'to come first'.

- (iv) The business transactions of the defendants with numerous reputed automobile companies in India namely Mahindra and Mahindra, General Motors India Ltd. Hyundai Motors India Ltd., etc. to whom, the defendants have been supplying auto accessories and enjoying wide reputation. The defendants have been advertising themselves in different magazines like 'OVER DRIVE', and 'AUTO CAR' since 2002. The defendant No.1 had also participated in Auto Expo 2004 and Auto Expo 2006 and got defendant No.3 advertised in these magazines. The plaintiff had also advertised itself in the same magazine in 2004 which makes it abundantly clear that it was well aware of and had knowledge/constructive knowledge of the trademark/trade name 'PRIUS' in favour of the defendants as it is simply impossible for the plaintiff to ignore the user of the trademark, when it was published in the same issue namely, AUTO CAR MAGAZINE, Volume 6 No.4 for December 2004 advertised by the plaintiff for TOYOTA car on the front cover and advertisement by the defendants No. 1 to 3. Thus, it is submitted that the plaintiff was aware about the user of the trademark PRIUS by the defendants No. 1 to 3 since the year 2002 onwards.
- (v) The rectification petition filed by the plaintiff for cancellation of the trademarks under Nos. 1163594 and 1086682 in Class 12 before the Trademark Registry, New Delhi, is not

maintainable inasmuch as, the said trademarks have been duly registered in favour of the defendants and the plaintiff is not at all entitled to the said trademarks in India in view of the fact that no application for registration of the said trademark was made by the plaintiff as per the provision contained in Section 154 of the Trademarks Act, 1999 (hereinafter referred to as the 'Act') and therefore the plaintiff is not at all entitled to file the rectification petition for cancellation of the said trademarks registered in favour of the defendants.

- (vi) The defendants have been raising the bills in Company's name since 2001 and have built up reputation and goodwill. The trademark 'PRIUS' has become distinctive with the defendants because of the supreme quality and performance of their products and the defendants' company enjoys uniqueness in their field in the Indian market since 2001 which is reflected from the fact that General Motors of India, Hyundai Motors Ltd., Mahindra & Mahindra are some of its valued customers.
- (vii) The use of the trademark 'PRIUS' by the defendants is not unauthorized rather the said trademark is duly registered in favour of the defendants in India, and on the other hand the trademark 'PRIUS' is not registered in India in favour of the plaintiff either for any PRIUS car or for any other product or for that matter the auto accessories manufactured and being sold by the defendants. So there is no question of debasing the reputation of the plaintiff's trademarks rather it is the defendants who are enjoying reputation and goodwill for

their auto accessories under the trademark 'PRIUS' in Indian markets.

- (viii) It is submitted with respect that the plaintiff has no registration of the trademark 'PRIUS' in India, nor has been marketing any product under the trade name 'PRIUS' or for that matter the 'PRIUS CAR' and therefore there is no question of enjoying any reputation and goodwill in India. Further, even as admitted by the plaintiff, it went globally in respect of the 'PRIUS CAR' only in the year 2000- 2001 and therefore there is no question of enjoying any international reputation and goodwill much less tremendous international reputation and goodwill in the trademark 'PRIUS'. Further, the plaintiff has not produced any document to show that the plaintiff was enjoying any reputation and goodwill internationally in the trademark 'PRIUS' at the relevant time i.e. 2001-2002 when the plaintiff started the use of the trademark 'PRIUS' for its auto accessories and got the registration thereof.

12. In the written statement on behalf of defendant No.4, it is stated that the defendant No.4 is a duly incorporated company having its registered office at 65, First Floor, Sandesh Vihar, Pitampura, Delhi-110034. It commenced its business in the year 2006 under the trade name M/s Prius Auto Accessories Pvt. Ltd. The products are being supplied directly to different car manufacturers such as Mahindra and Mahindra, General Motors and Hyundai for their cars as per their specification. Thus, unlike the defendant No.4 it is not supplying any of its products in the open market.

- (a) The defendant No.4 has made sales of Rs.4,867,121.43/- for the year ending 31st March, 2007, Rs.6,542,898.68/- for the year ending 31st March, 2008, Rs.9,387,382.50/- for the year ending 31st March, 2009, and Rs. 1,20,45,450/- from 1st April, 2009 to 25th December, 2009.
- (b) The defendant No.4 has never used the trademark Toyota, TOYOTA Device and INNOVA, as the said defendant is manufacturing the auto accessories for different car manufactures as per their specifications and requirements and supplying it directly to them to be fitted in their cars. Since the said defendant is not manufacturing and supplying any of its Auto Accessories to TOYOTA, thus there is no question it using the trademark/trade name TOYOTA, TOYOTA DEVICE, and INNOVA and so the allegation of passing off against the defendant No.4 is not tenable inasmuch as the defendant No.4 is not making any representation that it is in any manner connected with the plaintiff or is selling the goods of the plaintiff or that there is any association between the said defendant and the plaintiff.
- (c) Being a sister concern of the defendant No.3 which is the rightful and registered owner of the trademark PRIUS, the defendant No.4 has rightly been using the trade name M/s Prius Auto Accessories Private Limited and the plaintiff which is not registered in India for the trademark PRIUS for any of its products much less the products manufactured by the defendant No.4 and for that matter, the defendants No.1 to 3 have no right whatsoever to claim infringement or passing off.

(d) The defendants have never used the trademark Toyota, Toyota Device and Innova, as alleged, at any time in the past, nor the defendants have any such intention to use the same in future. The plaintiff is trying to twist the material facts.

13. The plaintiff has filed two separate replications, i.e. replication to the written statement filed by the defendants No.1 to 3 and the second is to the written statement filed on behalf of defendant No.4.

It was denied in the replication that the suit is barred by laches, acquiescence and delay. As soon as the plaintiff became aware of the impugned registrations under Nos.1086682 and 1163594, without any delay initiated and filed rectification petitions for the impugned marks and filed the present suit. It is stated that the defendants have made false averments in the proceedings alleging that the defendants have neither used nor have any intentions to use the marks TOYOTA, Toyota Device or TOYOTA INNOVA but have at the same time relied upon documents which prima facie show that they have been using the trademarks belonging to the plaintiff. The aforesaid conduct amounts to perjury and contempt of Court for which the plaintiff has filed separate applications which are pending.

The defendants had at one stage applied for registrations of trademark PRIUS in relation to automobile parts in addition to accessories, claiming itself to be the proprietor. While now, it is being stated that the defendants do not manufacture or sell auto parts which forms a part of its specification of registrations. This amounts to an admission on the part of the defendants and on this ground alone the impugned registrations should be expunged from the register as they have mischievously and wrongly procured the impugned registrations

for PRIUS by misleading the Registrar of Trademarks. Even in case of accessories for automobiles, it is a trade practice that proprietors of the mark may permit supplier of accessories to do so, provided the terms so allowed to be manufactured are all according to the quality, strength as well as applying the aero dynamic principles. It is further submitted that as per trade practice, manufacturers of high standard fittings and accessories use their own brand while assuring high quality.

14. It is submitted by the plaintiff that the adoption and use by third parties (defendants) of the manufacturer's (plaintiff's) name and mark is not permitted because they cannot carry any warranty from the automobile manufacturers. In the present case, the same has been done in such a manner so as to give the impression that there is a commercial connection between the defendants and the plaintiff.

It was also clarified by the plaintiff that Section 21 of the Act is applicable only at the opposition stage, it is not so in the present case. As regards Section 33, the plaintiff submits that the provision with regard to acquiescence does not apply in the present proceedings since the plaintiff as soon as it became aware, filed rectification and instituted the present suit. The defendants' claim to supply 'genuine accessories' for the plaintiff's cars INNOVA and QUALIS without any authorization from the plaintiff, this amounts to a punishable act under Sections 103 and 104 of the Act for application and selling of goods bearing false trademark and trade description.

15. In the replication to the written statement filed by the defendant No.4, it is denied that the defendants No.1 to 3 have been in business since the year 2001 and that the defendant No.4 commenced its business in the year 2006. It is submitted that the adoption of mark

PRIUS by the plaintiff dates back in the year 1990 and its commercial use commenced in the year 1997. The trademark PRIUS of the plaintiff has acquired an excellent global reputation and goodwill on account of the high quality of the plaintiff's products and the said reputation spills over to India partly due to the plaintiff's, direct sales in India and partly due to the advertising campaign carried out globally including India through various printed media. It is submitted that the defendants despite having full knowledge of the plaintiff's mark PRIUS have dishonestly adopted the same and obtained impugned registrations. As soon as the plaintiff came to know of this impugned use, the plaintiff filed rectification petition and immediately initiated the Court proceedings. Thus, the present suit is not barred by the principles of acquiescence, delay and estoppel, etc.

With regard to the reference to the defendants No.1 and 3 that the use of the word Toyota, Innova on their products is only for bonafide description of the character of the defendants' goods and for the purpose of identification, is false. The use of the trademark Toyota, Toyota Innova and Device by the defendants on their products/catalogue/brochure does not amount to fair use within the provisions of Trademark Act and thus amounts to infringement. As regards the mark PRIUS, the defendants have malafidely obtained two impugned registrations for which the plaintiff has filed rectification petitions which are pending before the Trademark Registry, New Delhi.

16. This Court on 22nd December, 2009 issued an *ex parte* ad interim injunction restraining the defendants from using trademark/trading style TOYOTA, the Toyota Device, INNOVA and PRIUS in respect of auto parts and accessories or any other allied goods or to do anything which may cause confusion and deception

amounting to passing off defendant's goods as that of plaintiff. The said order was vacated by order dated 19th March, 2010 by another bench.

17. The plaintiff thereafter had challenged the above said order by way of an appeal being FAO (OS) No.248 of 2010. After hearing, the Division Bench by order dated 10th August, 2010 disposed of the appeal and ordered for the imposition of an interim arrangement along the following conditions:

a) The defendants were restricted from using the trademark TOYOTA and INNOVA, except for the purpose of identifying that their product can be used in cars.

i) The defendants were required to ensure that TOYOTA and INNOVA were not written in the same font as written by the plaintiff and the logos of the plaintiff, i.e.



were also prohibited from being used.

ii) The defendants were directed to replace the term "Genuine Accessories" with "Genuine Accessories of PRIUS Auto Industries Limited".

iii) The defendants were also directed to ensure that the words "the vehicle name (plaintiff's trademark) is used for item identification only".

18. The defendants were also directed to file the accounts of their business relating to PRIUS on a six months basis with an advance copy to the plaintiff.

19. Before framing of issues, the plaintiff had filed an affidavit of Ms.Urmila Sahu, Chief Information Officer of the Legal Representatives

of the plaintiff. The said affidavit was filed under Section 65-B of the Indian Evidence Act, 1872. In the said affidavit, it was deposed that she has downloaded and printed information from the World Wide Web (Internet) on her computer system. The relevant information from the below mentioned websites have been personally downloaded by her. The relevant extract from the said websites as downloaded by her are given below and have been filed in the present proceedings:-

Sr. No.	Trademark	Details of websites from which the Certificates were downloaded from
1	536892	http://pericles.ipaustralia.gov.au/atmoss/Falcon.Result
2	881248	http://pericles.ipaustralia.gov.au/atmoss/Falcon.Result
3.	881257	http://pericles.ipaustralia.gov.au/atmoss/Falcon.Result
4.	TMA 549035	http://www.cipo.ic.gc.ca/app/opic-cipo/trdmrks/srch/bscSrch.do?lang=eng
5.	T98/08116E	http://www.surfip.gov.sg/
6.	2485614	http://tarr.uspto.gov/tarr?regser=registration&entry=2485614
7.	3625763	http://tarr.uspto.gov/tarr?regser=registration&entry=3625763&action=Request+Status
8.	2173173	http://www.ipo.gov.uk/types/tm/t-os/t-find-number?detailsrequested=C&trademark=2173173
9.	2711749	http://www3.ipdl.inpit.go.jp/cgi-bin/ET/ep_detail.cgi
10.	4532594	http://www3.ipdl.inpit.go.jp/cgi-bin/ET/ep_details.cgi

20. She has taken printout of the relevant information from the World Wide Web (Internet) as downloaded by her on her computer system using "Canon" printer and she has been advised to state that the conditions of Section 65 B of the Indian Evidence Act, 1872 are complied with in respect of these documents and she has confirmed in the affidavit that the said computer system and the printer regularly

used to produce the computer outputs like emails and information from the World Wide Web (Internet). The relevant information from the website as mentioned above was produced by her in the normal course of activity. She has a lawful control over the use of the said computer system and the printer by virtue of her capacity in the organization and the relevant information from the World Wide Web (Internet) was a part of the input which was regularly fed to the computer system as a part of the ordinary course of activities of the organization. The computer system and the printer as used by her has been operating properly and the electronic records and their accuracy and contents have not altered and tempered with in any manner whatsoever and the information contained in the computer outputs is an exact replica and therefore, reproduces the information contained on the electronic records therein.

21. From the pleadings, the following issues were framed on 1st November, 2010:-

1. Whether the plaintiff is the proprietor of the trademarks Toyota, Innova, Toyota Device and Prius? OPP
2. Whether the defendants are infringing the plaintiff's trademarks Toyota, Innova, and the Toyota Device? OPP
3. Whether the defendants are passing off the trademark PRIUS of the plaintiff? OPP
4. Whether the suit suffers from delay, laches and acquiescence? OPD
5. Whether the plaintiff's trademark Prius enjoys a status of a well known mark and whether it has spill over reputation in India? OPP
6. Whether the use of the trademarks TOYOTA, TOYATA DEVICE, and INNOVA by the defendants as a bonafide description of the character and quality of its goods result in trademarks infringement? OPD

7. Whether the defendants are the registered proprietors of the trademark PRIUS? OPD
8. Whether the plaintiff is guilty of concealment of material factors and has not approached this Court with clear hands? OPD
9. Whether the use of the mark PRIUS is protected under the provisions of the Trademark Act, 1999? OPD
10. Whether the use of the mark Toyota, Toyota Device and Innova by the defendants in the course of the business results in dilution of the plaintiff's marks? OPD
11. Relief.

With the consent of the parties, the Court Commissioner Mr.S.M.Chopra (Retd. Addl. District & Sessions Judge, Delhi) was appointed to record the evidence of the parties.

22. Later on, the issue No.3 was amended with the consent of the parties which reads as under:-

"Issue No.3

Whether the defendants are passing off the trademarks PRIUS, TOYOTA, INNOVA and Toyota Device of the plaintiff? OPP"

23. The plaintiff produced two witnesses, Mr.Takao Inoue and Mr.Sandeep Singh as PW-1 and PW-2 respectively. Their affidavits were filed and tendered and marked as evidence as PW-1/X and PW-2/Y respectively. The trial of the plaintiff's witnesses began on 7th February, 2011 and concluded on 12th July, 2011.

24. The defendants sought to produce four witnesses, Mr.Deepak Mangal (DW-1), Mr.Sunil Kumar Chhatwal (DW-2), Mr.Inderjit Singh (DW-3) and Mr. Rajesh Oberoi - Assistant Examiner, Office of the Registrar of trademarks, Dwarka, New Delhi (for production of

trademarks records) (also DW-2). The trial of the defendants' witnesses began on the 19th September, 2011 and concluded on the 6th November, 2012. The affidavits were marked as DW-1/A, DW-2/A and DW-3/A.

25. Before cross-examination of PW-1, statement of Mr.Rajiv Ranjan was recorded by the Court Commissioner on 8th February, 2011 who was engaged for the purposes of translating the questions put to the witness PW-1 and the answers given by him. He is an Assistant Professor, Department of East Asian Studies in Delhi University and is conversant with the Japanese language.

26. The plaintiff has exhibited the following documents in the evidence/affidavit of PW-1. The details of the same are given as under:-

S.No.	Documents
1.	Evidence by way of affidavit of Mr.Takao Inoue marked as Mark X
2.	Letter of authorisation annexed as Ex.PW1/1
3.	Original Power of Attorney in favour of Mr.Masanori Takahashi annexed as Ex.PW1/2
4.	Certificate of qualification as a representative member of the board in favour of Mr.Takeshi Uchiyamada along with its English translation annexed as Ex.PW1/3
5.	Relevant extract from the Japanese Companies Act along with its English translation marked as Mark A.
6.	Printouts from Business Week recognizing the plaintiff as the "Best Global Brand" with Global brand Score Board annexed as Ex.PW1/4
7.	Print out of Fortune Magazine dated 1990 annexed as Ex.PW1/5
8.	Copies of reviews/extracts and advertisements about

	Toyota published in various popular Indian automobile magazines such as Autocar, Overdrive, What car etc. annexed as Ex.PW1/6 (COLLY)
9.	Certified copy of affidavit of use in support of application 240544 for the mark Toyota annexed as Ex.PW1/7
10.	Copies of Plaintiff's registration for Toyota annexed as Ex.PW1/8 (COLLY) marked as Mark B.
11.	Legal proceedings Certificate No.506693 in Class 07 annexed as Ex.PW1/9
12.	Legal proceedings Certificate No.1232944 in Class 12 annexed as Ex.PW1/10
13.	Legal proceedings Certificate No.508059 in Class 12 annexed as Ex.PW1/11
14.	Legal proceedings Certificate No.1243214 in Class 37 annexed as Ex.PW1/12
15.	Legal proceedings Certificate No.1243213 in Class 36 annexed as Ex.PW1/13
16.	Legal proceedings Certificate No.506692 in Class 17 annexed as Ex.PW1/14
17.	Legal proceedings Certificate No.1243215 in Class 39 annexed as Ex.PW1/15
18.	Legal proceedings Certificate No.506702 in Class 11 annexed as Ex.PW1/16
19.	Legal proceedings Certificate No.506687 in Class 27 annexed as Ex.PW1/17
20.	Legal proceedings Certificate No.506694 in Class annexed as Ex.PW1/18
21.	Legal proceedings Certificate No.506688 in Class 2 annexed as Ex.PW1/19
22.	Legal proceedings Certificate No.506695 in Class 12 annexed as Ex.PW1/20
23.	Certified copies of the orders passed by the Court in favour of the plaintiff annexed as Ex.PW-1/21
24.	Enclyo Online Encyclopedia annexed as Ex.PW 1/22

25.	Encyclopedia Britannica annexed as Ex.PW-1/23
26.	Wikipedia online edition annexed as Ex.PW-1/24
27.	A list of awards and distinctions in favour of the Plaintiff/or its automobile, under the mark PRIUS annexed as Ex.PW-1/25 marked as Mark C.
28.	Annual Reports of the Plaintiff from the year 1997 to 2001 annexed as Ex.PW-1/26 (COLLY)
29.	Annual Reports of the Plaintiff from the year 2005 to 2010 annexed as Ex.PW-1/27(COLLY)
30.	Press release issued by the Public Affairs Division of the Plaintiff on 7 th October, 2010 describing' PRIUS' cumulative sales from 1997 to 2010 annexed as Ex.PW-1/28
31.	"THE PRIUS that shook the world" by Hideshi Itazaki annexed as Ex.PW-1/29
32.	Certified copies of registrations for PRIUS annexed as Ex.PW-1/30 to Ex.PW-1/48
33.	Print outs of newspapers and. other articles covering hews and-reviews about the Plaintiff-launch of PRIUS' annexed as Ex.PW-1/49 (Colly)
34.	World's First Production Hybrid Vehicle – Marks North American Debut annexed as Ex.PW-1/50 marked as Mark D.
35.	The Automobile Industry Toyota and the world. 1998 annexed as Ex.PW-1/51.

27. Evidence by way of affidavit of Mr. Sandeep Singh marked as PW- 2A. The following documents are exhibited as under:-

S.No.	Documents
1.	Letter of Authorization exhibited as Ex.PW2/1
2.	Legal proceeding certificate No.506689 in Class 9 exhibited as Ex.PW2/1-A
3.	Legal proceeding certificate No.506691 in Class 3

	exhibited as Ex.PW2/1-B
4.	Legal proceeding certificate No.506704 in class 1 exhibited as Ex.PW2/1-C
5.	News articles about the PRIUS launch in India exhibited as Ex.PW2/2 (COLLY)
6.	Additional original news articles about the PRIUS launch in India exhibited as Ex.PW2/3 (COLLY)
7.	PRIUS brochure exhibited as Ex.PW2/4
8.	Certificate from Marketing and Sales Division of Toyota Kirloskar Motor Pvt. Ltd. certifying the sales of PRIUS in India till filing of the present evidence exhibited as Ex.PW2/5
9.	Original Magazine Zigwheels, Vol. 1 Issue, 1, December, 2009 exhibited as Ex.PW2/6
10.	Original Magazine, Overdrive, Vol. 7, No.4, December, 2004 exhibited as Ex.PW2/7
11.	Toyota wheels around to GenNext, August 4,2004, Times of India exhibited as Ex.PW2/8
12.	Green Car, February 19, 2006, Indian Express exhibited as Ex.PW2/9
13.	Toyota Small Car; Is it Mira or Prius, June.28, 2000, The Hindu Business Line at pages 12 to 13 exhibited as Ex.PW2/10
14.	Certified copy of the Article in Economic Times dated 27 th March 1997 exhibited as Ex.PW2/11
15.	Certified copy of the Article in Economic times dated 15 th December, 1997 exhibited as Ex.PW2/12
16.	Printouts form website www.toyota.com exhibited as Ex.PW2/13
17.	Printouts form website www.toyotabharat.com exhibited as Ex.PW2/14
18.	Printouts form Website http://www.toyota.com/prius-hybrid/ exhibited as Ex.PW2/15
19.	The book titled "The Toyota Way 14 Management

	Principles from the. World's Greatest Manufacturer" authored by Jeffry K. Liker exhibited as Ex.PW2/16
20.	Automakers Look Beyond Electric, 23 rd September, 2002, The Hindu, exhibited as Ex.PW2/17
21.	Toyota Unveils Ad Campaign Touting its New Hybrid Car, 21 st July, 2000, Express India exhibited as Ex.PW2/18
22.	Toyota to Go All Gas, 13 th September, 2005, Express India exhibited as Ex.PW2/19
23.	Toyota Prius Hybrid Voted European Car of the Year, 16 th November, 2004, Financial Express exhibited as Ex.PW2/20
24.	Rectification petition to seek cancellation of the impugned marks registered under Nos. 1163594 exhibited as Ex.PW2/21
25.	Rectification petition to seek cancellation of the impugned marks registered under Nos. 1086682 exhibited as Ex.PW2/22
26.	Plaintiff's original genuine accessory brochure exhibited as Ex.PW2/23
27.	The Certificate of Noting of the Notary Public, Mr.Mahendra Singh exhibited as Ex.PW2/24
28.	Extracts from the Trademark journals exhibited as Ex.P-12
29.	A copy of the impugned mark PRIUS label of the defendant pending registration as available on the data base of the Trademark Registry exhibited as Ex.P-13
30.	Original Invoice dated December 14, 2009 for product purchased for Catch Cover and front grill cover INNOVA exhibited as Ex.P-1
31.	The defendant's original carton of product purchased for Catch Cover INNOVA during investigation dated 13 th January, 2010 exhibited as Ex.P-2
32.	Photographs of the defendants' products/ packaging showing use of the trademarks TOYOTA, Toyota Device, INNOVA and PRIUS along with invoice, a

	brochure and price list exhibited as Ex.P-3 to Ex.P-11
33.	The product purchased bearing trademarks TOYOTA, INNOVA and PRIUS during investigations done on 13 th January, 2010 and 15 th January, 2010 (in a sealed box) exhibited as Ex.P-14 to Ex.P-17

28. In the evidence by way of affidavit of defendants' witness i.e. DW-1, the following documents were exhibited by the said witness as under:-

S.No.	Documents
1.	Original Board Resolution dated 2 nd September, 2011 executed by the defendant No.4 Company authorizing the witness to depose in the instant matter exhibited as Ex.DW1/1 marked as Mark C.
2.	Original partnership deed dated 1 st April, 2001 of defendant No.3 Firm exhibited as Ex.DW1/2
3.	Copy of the extract from the Webster's Third New International Dictionary, Volume II marked as Mark A.
4.	Copy of the extract from the Oxford English Dictionary, Second Edition, Volume XII marked as Mark B.
5.	The original representation sheet of trademark application No.1086682 dated 13 th March, 2002 filed in Class 12 by the defendants exhibited as Ex.DW1/3
6.	The original search report issued by the Registrar of Trademarks after checking the available records till June, 2001 for any mark resembling the impugned mark PRIUS exhibited as Ex.DW1/4
7.	Original trademark registration certificate bearing number 1086682 for the mark PRIUS in Class 12 issued in favour of defendant No.3 exhibited as Ex.DW1/5

8.	Original trademark registration certificate bearing number 1163594 for the mark PRIUS- A NAME YOU CAN TRUST in Class 12 issued in favour of defendant No.3 exhibited as Ex.DW1/6
9.	Original Central Sales Tax registration certificate dated 1 st September, 2001 exhibited as Ex.DW1/7
10.	The original certificate of registration under the Delhi Sales Tax Rules, 1975 dated 3 rd September, 2001 exhibited as Ex.DW1/8
11.	Copy of the pan card issued to defendant No.3 by the Income Tax Department w.e.f. 1 st April, 2001 exhibited as Ex.DW1/9
12.	Original invoices for the years 2003 and 2004 which show usage of the mark and name PRIUS by defendant No.3 exhibited as Ex.DW1/10 (colly) marked as Mark M.
13.	Copies of the relevant extracts from the magazine Overdrive of the issues dated 8 th April, 2003, 11 th July, 2003, 12 th August, 2003, 5 th January, 2004 and 1 st September, 2004 exhibited as Ex.DW1/11 (colly)
14.	Original Auto Car, India magazine, January 2004 issue exhibited as Ex.DW1/12
15.	Original Auto Car, India magazine, December 2004 issue exhibited as Ex.DW1/13
16.	Original purchase orders dating back to the year 2004 by Mahindra & Mahindra, Hyundai and General Motors exhibited as Ex.DW1/14 (colly)
17.	The originals of profit and loss accounts of defendant No.3 firm duly certified by DW-1 for the years 2002-2004 and certified by chartered accountant for the years 2005 to 2009 exhibited as Ex.DW1/15 (colly) marked as Mark G.
18.	The original brochure of the accessories manufactured by the defendants exhibited as Ex.DW1/16
19.	The original cartons which are used for packing the

	products manufactured by the defendants exhibited as Ex.DW1/17
20.	Original examination reports dated 26 th February, 2003 and 11 th April, 2003 issued by the Registrar of TradeMarks subsequent to the filing of the trademark applications by defendant No.3 exhibited as Ex.DW1/18
21.	Original letter dated 29 th May, 2004 addressed by M/s Shiv Law House exhibited as Ex.DW1/19.
22.	The original certificate issued to defendant No.3 for participation in the Auto Expo 2004 exhibited as Ex.DW1/20
23.	The original certificate issued to defendant No.3 for participation in the Auto Expo 2006 exhibited as Ex.DW1/21
24.	The original certificate of incorporation dated 25 th June, 2006 of defendant No.4 Company exhibited as Ex.DW1/22
25.	The original Memorandum and Articles of Association of defendant No.4 Company exhibited as Ex.DW1/23 marked as Mark D.
26.	The original of the Central Sales Tax Registration dated 27 th June, 2006 issued in favour of defendant No.4 Company exhibited as Ex.DW1/24.
27.	The original Certificate of Registration dated 29 th June, 2006 obtained by defendant No.4 Company under the Delhi VAT Act, 2004 exhibited as Ex.DW1/25
28.	Copy of the pan card dated 25 th June, 2006 obtained by defendant No.4 Company exhibited as Ex.DW1/26
29.	Original invoices issued by defendant No.4 Company showing sales of the products of the company from the year 2006 till the year 2008 exhibited as Ex.DW1/27 (colly) marked as Mark I
30.	Copies of the invoices issued by defendant No.4 Company showing sales of the products of the

	company for the year 2009 exhibited as Ex.DW1/28 marked as Mark J.
31.	A copy of the certificate issued by the Chartered Accountant dated 25 th February, 2010 showing the sales of defendant No.4 Company from 1 st April, 2009 to 25 th December, 2009 exhibited as Ex.DW1/29
32.	Original purchase orders placed by General Motors with defendant No.4 Company exhibited as Ex.DW1/30
33.	Original purchase orders placed by Mahindra & Mahindra with defendant No.4 Company exhibited as Ex.DW1/31 marked as Mark L.
34.	The original profit and loss accounts of defendant No.4 Company for the years ending 31 st March, 2007, 31 st March, 2008 and 31 st March, 2009 exhibited as Ex.DW1/32
35.	Copies of the balance sheets of defendant No.4 Company for the years ending on 31 st March, 2009, 31 st March, 2008 and 31 st March, 2007 exhibited as Ex.DW1/33
36.	The originals of the packaging of the products of defendant No.4 Company manufactured for General Motors, Mahindra & Mahindra and Hyundai exhibited as Ex.DW1/34
37.	Original price list of the plaintiff's car PRIUS exhibited as Ex.DW1/35 marked as Mark E.
38.	Original samples of the brochures of 3 rd party accessory manufacturers exhibited as Ex.DW1/36 marked as Mark F.

29. During the recording of testimonies of witnesses in examination-in-chief and cross-examinations, both parties have raised their respective objections about exhibitions of the documents. The objections, if valid, would be considered as per its own merit. Let me now deal with the case on merits issue-wise.

ISSUE NO.1: Whether the plaintiff is the proprietor of the trademarks TOYOTA, INNOVA, TOYOTA DEVICE and PRIUS? OPP

30. From the pleadings, documents and evidence recorded, it has come on record that the plaintiff-Company, Toyota Jidosha Kabushiki Kaisha was first established in 1937 and developed its business around the world by marketing its products in different countries including in India under the trademark TOYOTA. In India, the plaintiff first used the trademark TOYOTA in the year 1957. With regard to the trademarks which are the subject matter of the present suit, i.e., TOYOTA, INNOVA and TOYOTA Device, the plaintiff has already obtained various registrations in number of countries across the world. In India, the plaintiff has secured registrations for these marks across different classes.

31. The following are the details of registrations for the plaintiff's trademarks TOYOTA, INNOVA and TOYOTA device:

S.No.	Trademark	Regn. No.	Date	Class
1.	TOYOTA	506704	09/03/1989	01
2.	TOYOTA	506688	09/03/1989	02
3.	TOYOTA	506691	09/03/1989	03
4.	TOYOTA	506694	09/03/1989	04
5.	TOYOTA	506690	09/03/1989	05
6.	TOYOTA	506693	09/03/1989	07
7.	TOYOTA	506696	09/03/1989	08
8.	TOYOTA	506689	09/03/1989	09
9.	TOYOTA	506685	09/03/1989	10
10.	TOYOTA	506702	09/03/1989	11
11.	TOYOTA	506695	09/03/1989	12
12.	TOYOTA	506700	09/03/1989	15
13.	TOYOTA	506692	09/03/1989	17
14.	TOYOTA	506697	09/03/1989	18
15.	TOYOTA	506698	09/03/1989	19

16.	TOYOTA	506686	09/03/1989	20
17.	TOYOTA	506687	09/03/1989	27
18.	TOYOTA	506701	09/03/1989	34
19.	TOYOTA INNOVA	1232944	05/09/2003	12
20.	TOYOTA	1243213	14/10/2003	36
21.	TOYOTA	1243214	14/10/2003	37
22.	TOYOTA	1243215	14/10/2003	39
23.	TOYOTA DEVICE MARK	508059	03/04/1989	12
24.	TOYOTA DEVICE MARK	752333	22/01/1997	7
25.	TOYOTA DEVICE MARK	1243207	14/10/2003	36
26.	TOYOTA DEVICE MARK	1243209	14/10/2003	39
27.	TOYOTA DEVICE MARK	1243208	14/10/2003	37
28.	TOYOTA DEVICE MARK	1243209	14/10/2003	39

The Legal Proceeding Certificates have been exhibited as Ex.PW-1/9 to Ex.PW-1/20.

32. The plaintiff has also secured registrations for its marks PRIUS and the TOYOTA PRIUS in numerous countries across the world. The details of such registrations secured by the plaintiff in such countries excluding India is given below:

Country	Trademark	Regn. No.	Class	Date of application
JAPAN	PRIUS	2711749	12	19-06-1990
AUSTRALIA	PRIUS	536892	12	26-06-1990
AUSTRIA	PRIUS	177995	12	28-07-1998
BENELUX	TOYOTA PRIUS	639309	12	27-07-1998
BRUNEI	PRIUS	24596	12	17-08-1998
CANADA	PRIUS	TMA 549035/ 0885545	12	27-07-1998

DENMARK	PRIUS	VR199901879	12	28-07-1998
FINLAND	PRIUS	214180	12	29-07-1998
GERMANY	PRIUS	300 80 083	12	30-10-2000
GREECE	PRIUS	137862	12	06-08-1998
HONG KONG	PRIUS	199917115	12	07-08-1998
ICELAND	PRIUS	182/2000	12	15-12-1999
INDONESIA	PRIUS	442041	12	19-08-1998
IRELAND	PRIUS	210098	12	28-07-1998
ITALY	TOYOTA PRIUS	846265	12	12-08-1998
MALAYSIA	PRIUS	98010695	12	17-09-1998
NORWAY	TOYOTA PRIUS	195202	12	29-07-1998
NEW ZEALAND	PRIUS	202873	12	27-06-1990
PORTUGAL	PRIUS	331752	12	29-07-1998
SOUTH AFRICA	PRIUS	1998/16758	12	21-09-1998
SPAIN	PRIUS	2178410	12	31-07-1998
SINGAPORE	PRIUS	T98/08116E	12	13-08-1998
SWEDEN	TOYOTA PRIUS	338556	12	27-07-1998
SWITZERLAND	TOYOTA PRIUS	457305	12	27-07-1998
THAILAND	TOYOTA PRIUS	TM101249	12	07-09-1998
TAIWAN	PRIUS	863902	12	11-08-1998
UNITED KINGDOM	PRIUS	2173173	12	27-07-1998
UNITED STATES	PRIUS	2485614	12	11-08-1998

The plaintiff has filed documents relating to registrations in support of the above mentioned registrations have been exhibited as Ex.PW-1/30 to Ex.PW-1/48.

33. As far as trademarks TOYOTA and its device and INNOVA are concerned, the plaintiff has established that the plaintiff is the registered proprietor of the said trademarks. These are old registrations and are still valid and subsisting. The plaintiff has thus able to prove issue No.1 in its favour in view of burden discharged as per law as the defendants have not been able to demolish the case of the plaintiff in their evidence that the plaintiff is not the owner of the

trademark TOYOTA, INNOVA and TOYOTA device or the said trademarks are not registered. Hence, the issue No.1 is decided in favour of the plaintiff.

34. I shall now deal with matter on issues No.2 and 6 together, as these issues are connected with each other and some common facts are involved.

Issue No.2: Whether the defendant is infringing the plaintiff's trademark TOYOTA, INNOVA, TOYOTA DEVICE?
OPP

Issue No.6: Whether the use of the trademarks TOYOTA, TOYOTA DEVICE, and INNOVA by the Defendants as a *bona fide* description of the character and quality of its goods result in trademarks infringement?

The plaintiff has obtained numerous number of registrations (Ex.P/9 to Ex.P/20) for its trademarks TOYOTA, INNOVA and TOYOTA DEVICE across several classes *inter alia* Class 12 covering Automobiles and Structural Parts thereof.

35. It cannot be disputed that the plaintiff is the largest industrial corporation in the world dealing in the manufacture and sale of automobiles and parts thereof according to the Fortune magazine dated July 2009, titled "Fortune Global 500". In the testimony of PW-1, it has come on record that the plaintiff has been consistently ranked amongst the best car maker in the world on account of the fact that it is constantly innovating in an endeavor to produce faster, roomier and quieter cars which are competitively priced with less weight, greater mileage and environmentally friendly. The success of the plaintiff is reflected by the cover story on it, in the Fortune magazine dated 19th November, 1990 titled "Why Toyota keeps getting better and better and better". The plaintiff has been voted the

world's leading automotive brand, according to the results of the 2004 annual survey of the "Global Brands Scoreboard" by Business Week.

36. The plaintiff, as on 2010 had revenues of over US\$220 billion and its products are widely marketed in India as also in over 80 other countries throughout the world. There is an enviable range of vehicles in the TOYOTA stable including models like the COROLLA, CAMRY, INNOVA, ALTIS, FORTUNER, LAND CRUISER PRADO, etc. in India. International car models of the plaintiff like the PRIUS, YARIS, HIGHLANDER, MATRIX, AVALON and VENZA sold in overseas markets are also very well known among the relevant class of consumers and the trade in India.

37. The positive reviews that in leading car magazines and journals all across the world that in India, one of the most prominent such magazines such as "Autocar India" and "Overdrive" in their test drive/ review sections regularly write about vehicles launched by the plaintiff from time to time in India and speak highly about the quality, performance, customer satisfaction and 'super-reliability' of the plaintiff's vehicles as well as about automobiles, parts and services.

38. The plaintiff has filed large number of documents in support of the vast reputation and goodwill enjoyed by the trademarks TOYOTA, INNOVA and TOYOTA DEVICE across the world, including India. The details of documents have been given below:

Sr. No.	Exhibit Numbers	Particulars
1.	Ex.PW-1/4	Printouts from Business Week recognizing the Plaintiff as the "Best Global Brand" with Global Brand Score board
2.	Ex.PW-1/5	Print out of Fortune Magazine dated 1990

3.	Ex.PW-1/6	Copies of reviews / extracts and advertisements about TOYOTA published in various popular Indian automobile magazines such as Autocar, Overdrive etc.
4.	Ex.PW-1/7	Certified copy of affidavit of use in support of the Plaintiff's application 240544 for the mark Toyota
5.	Ex.PW-1/26 (colly)	Annual Reports of the Plaintiff from the year 1997 to 2001.
6.	Ex.PW-1/6	Overdrive magazine dated March 2005.

39. The plaintiff has been vigilant in protecting the statutory and common law rights vested in the trademarks TOYOTA, INNOVA and TOYOTA DEVICE in numerous countries across the world. In support, the plaintiff has filed numerous decisions from jurisdictions across the world in the present suit against third parties, the details of which are given herein below:

Sr. No.	Exhibit Numbers	Particulars
1.	Ex.PW-1/21	Certified Copies of the orders passed by the Court in favor of the Plaintiff recognizing its rights in the trademark TOYOTA

40. It is apparent from the product brochure and the impugned product of the defendants that they were using the plaintiff's registered TOYOTA trademarks as well as the unregistered trademark PRIUS as per the case of plaintiff who also states that such use by the defendants is without authorization, license or permission of any manner and amounts to infringement of the registered trademarks of the plaintiff and passing off the well-known trademark PRIUS. The

defendants are using marks in the course of trade which are identical to the plaintiffs' reputed and registered trademarks TOYOTA, the Toyota Device.

41. It is the case of the plaintiff that it is also apparent from the product brochure and the impugned product of the defendants that they are using the plaintiff's registered TOYOTA trademarks. Such use by the defendants is un-authorized, license or permission and amounts to infringement of the registered trademarks of the plaintiff and passing off the mark PRIUS. The defendants are using as trademarks in the course of trade which are identical to the plaintiffs' reputed and registered trademarks TOYOTA, the Toyota Device, INNOVA and PRIUS in relation to goods which are same to those of the plaintiff's manufacture and without due authorization. The defendants are therefore taking unfair advantage of the distinctive character and repute of the registered trademarks of the plaintiff.

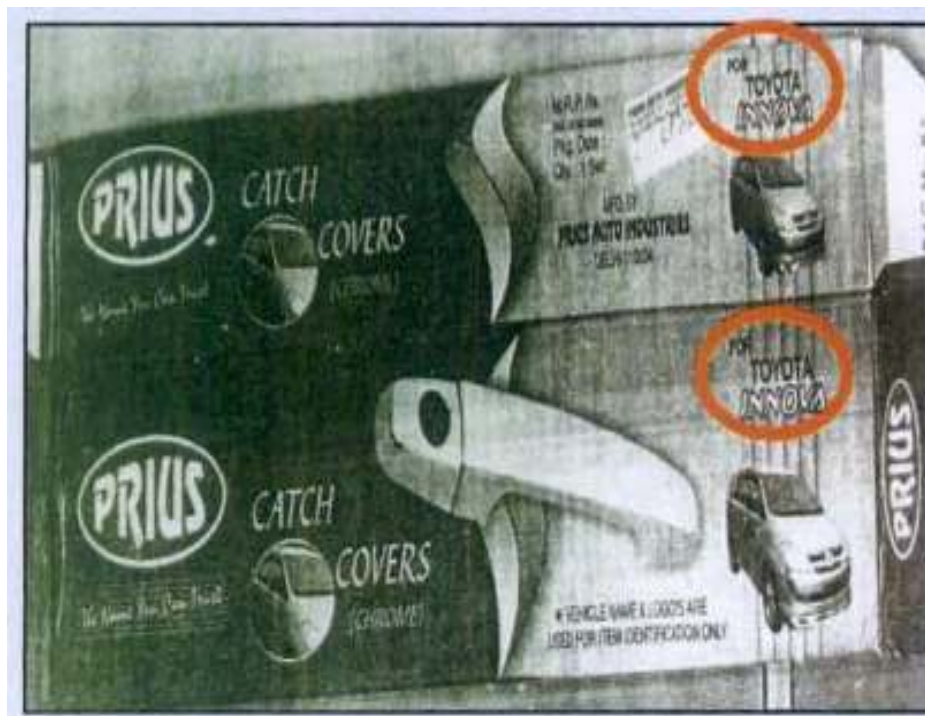
42. The defendants have contended that they are entitled to manufacture spare parts for automobiles and that they are entitled to indicate the cars for which the spare parts are so made on the packaging of their products.

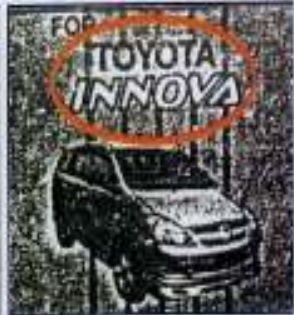
43. The defendants claim that the use of the trademarks TOYOTA, INNOVA, QUALIS and TOYOTA DEVICE was in accordance with honest industrial practices under Section 30 of the Act and therefore, no claim for infringement is maintainable against them. However, the stand of the defendants is totally contrary when the samples of the defendants are examined by the Court during the course of argument. It was found that the said trademarks are not used in order to describe the bonafide description but the same have also been used as trademarks and in the similar manner, script and device.

44. The plaintiff had also filed the packaging of the defendants' products being sold in the market vide list of documents dated 12th September, 2014 which shows the non-compliance of the directions of this Court.

45. A pictorial depiction of the defendants' use of the trademarks on their brochures, packaging and products on the date of filing of the suit and on subsequent dates is given below:

Photograph of the defendants' packaging on the date of filing of the suit



STAGE III: Non-compliance with the directions given by the Division Bench vide order dated August 10, 2010		
Packaging of the Defendants after being restrained vide order dated December 22, 2013		
The Packaging of the Defendants as filed by the Defendants on January, 2011		
		Defendants' use of the trademarks TOYOTA and INNOVA in a manner identical with the Plaintiffs' use.
The Packaging of the Defendants filed by the Plaintiffs as on September 12, 2014		
	No use of the words "For" by the Defendants while indicating that the 'Side Mirror Covers' are for the Plaintiff's automobile Toyota.	
	The words 'Vehicle Name & Logo' are used for Item Identification only are not written in the same size and font as the other words.	

46. It is apparent that the defendants' such claim is false. The justification given by the defendants is not sustainable in view of evidence placed on record which speaks for itself. It is pertinent to mention here that the Division Bench of this Court by order dated 10th August, 2010 had given the following directions:

- (i) The defendants were required to ensure that TOYOTA and INNOVA were not written in the same font as written by the plaintiff and the logos of the plaintiff, i.e. TOYOTA DEVICE were also prohibited from being used.
- (ii) The defendants were directed to replace the term "Genuine Accessories" with "Genuine Accessories of PRIUS Auto Industries Limited".
- (iii) The defendants were also directed to ensure that the words "the vehicle name (plaintiff's trademark) is used for item identification only"

47. The Division Bench in an appeal by order dated 10th August, 2010 had stipulated the manner in which the defendants must indicate that their products were meant for particular automobiles. The conditions imposed by the Court are already mentioned to be used as for identification only.

48. The new packaging filed by the plaintiff would reveal that the defendants have not been in compliance with the abovementioned conditions imposed upon them by this Court. The defendants' packaging rather shows and denotes the trademarks TOYOTA and INNOVA which admittedly belong to the plaintiff. The expression 'vehicle name is used for item identification only' is also not used prominently by the defendants. The other condition, i.e. inclusion of

the expression '*Genuine Accessories of PRIUS Auto Industries Limited*' also does not find mention anywhere on the packaging of the defendants' products.

49. It is evident that the defendants have not fully complied with the orders passed by the Division Bench. When it was pointed out to the defendants, firstly there was denial and when document were confronted the statement was made on behalf of defendants that they would change the packaging material and undertake to fully comply with the order passed by the Division Bench on 10th August, 2010 in future. However, hardly any justification was given as to why there were not fully complying with the orders.

50. This Court laid down principles about the manner of use of a trademark in a *bonafide* manner while denoting the quality or characteristics of a particular good or service in the case of ***Hawkins Cookers Limited v. Murugan Enterprises***, RFA (OS) No.09/2008 by judgment dated 13th April, 2012 wherein it has stated that "*...It also needs to be highlighted that it has escaped the attention of the Learned Single Judge that while writing /Suitable for Hawkins Pressure Cookers', the Respondent has given undue prominence to the word 'Hawkins' by printing it in a distinct red colour and the remaining words of the sentence are printed in black.*"

51. The defendants in addition to being in violation of this Court's directions contained in order dated 10th August, 2010 have also mentioned the trademarks INNOVA of the plaintiff in a prominent manner, having a distinct red and white color scheme, while other words such as '*vehicle name is used for item identification only*' appear in plain black colour and their size and shape is not as prominent as that of the mark INNOVA.

52. I am of the considered opinion that such use by the defendants as appeared from the packaging cannot be treated as being *bonafide* as per the provisions of the Act and as a matter of fact, the defendants have calculated their actions aimed to encash upon the goodwill and reputation enjoyed by the plaintiff in its respective trademarks. The defendants, in fact, were/have been using the marks as trademarks in a prominent manner which were never allowed by the orders of Division Bench to be used in this manner nor there was any intention by the Bench while issuing the directions.

53. The Division Bench had directed the defendants to take such steps in order to dispel any confusion in the minds of consumers regarding the source of the products of the defendants. However, it is evident that the defendants did not respect the orders of the Division Bench and continued to breach the orders as per evidence available on record. By such use, they were claiming that they are using the same as trademarks and not merely giving the description.

54. In fact, the defendants failed to act and to take even a single step to comply the orders, rather it appears to the Court that the defendants willfully disobeyed the directions. A mere perusal of the packaging of the products of the defendants does not lead any consumer to form an impression that the plaintiff's trademarks have been used solely to describe the nature and working of accessories and spare parts as being indigenously developed and only as being compatible with the plaintiff's automobiles.

55. The defendants' use of these trademarks is *malafide*, as it takes unfair advantage of such huge goodwill and reputation and aims to encash upon this vast reputation and goodwill. The plaintiff through dedicated and unparalleled efforts over the last eight decades has

painstakingly built such immense reputation. The plaintiff, through consistent and tireless efforts has maintained such reputation in the eyes of consumers and members of the trade alike. The defendants' intentions and actions are *malafide*, without authorization and constituted unfair competition *vis-à-vis* the plaintiff.

56. Moreover, the defendants' continuous actions and over all conduct are bound to lead to the gradual whittling away and eventual erosion of the exclusivity that is associated with the plaintiff's trademarks. The defendants' actions constitute a strong threat to the high degree of uniqueness and exclusivity that is associated with these trademarks, and risk the plaintiff's trademarks from failing to serve their basic purpose, i.e. identifying the goods and services bearing the trademarks TOYOTA, INNOVA and the TOYOTA DEVICE as emanating from the plaintiff.

57. Section 29(1) of the Act defines the act of infringement of trademark as being that when a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used in the course of trade.

58. Further, Section 29(2) of the Act states that a trademark is infringed by a person, who not being a registered proprietor, uses in the course of trade, a mark which because of its identity with the registered trademark and the similarity of the goods and services covered by such registered trademark; is likely to cause confusion on

part of the public, or which is likely to have an association with the registered trademark.

59. From the above, it is clear that the defendants have used the plaintiff's trademarks on the goods, packaging as well as on brochures (advertising material) and that the goods bearing such trademarks have been actively sold by the defendants at least from the year 2002, thus violating Section 29(6) of the Act.

60. The defendants are not the registered proprietors of the trademarks TOYOTA, INNOVA and the TOYOTA DEVICE. They have used the trademarks TOYOTA, INNOVA and the TOYOTA DEVICE, which are identical to the plaintiff's trademarks, in the course of trade and such as that their use is likely to be taken as being used as trademark.

61. The use of the plaintiff's trademarks by the defendants on their product packaging, samples, brochures etc. is bound to mislead consumers into believing that the products actually emanate from the plaintiff itself thereby establishing a false association between both the parties.

62. In fact, the defendants under such circumstances giving the impression to the entire trade and purchasers that the products manufactured and sold by the defendants are actually genuine spare parts manufactured by the plaintiff and sold by the defendants through the plaintiff's consent. Clearly, this impression in the minds of the consumer will be a false one as the defendants manufacture and sell spare parts (which are not genuine products of the plaintiff) and claim that they are compatible with those of the plaintiff's cars. Therefore,

the actions of the defendants are in violation of the provisions of Section 29(2) of the Act.

63. Furthermore, the Act also provides another criteria for determining infringement in Section 29(8) of the Act which stipulates that a registered trademark is infringed by any advertising of that trademark if such advertising takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or is detrimental to its distinctive character; or is against the reputation of that trademark.

64. Therefore, the actions of the defendants' amount to infringement of the plaintiff's trademark TOYOTA INNOVA and the TOYOTA DEVICE as provided under the ambit of Section 29 of the Act.

65. The plaintiff under these reasons has been able to discharge its burden on this issue No.2 and on the other hand, the defendants failed to discharge their burden on issue No.6, as they have been using the marks in question as trademarks and not in the manner of bonafide description.

66. On the other hand, the defendants have failed to establish that their use is merely bonafide description and they are not using the same merely for identification purposes. Once both set of trademarks used by the parties are identical with, strong case of infringement is made out. No further evidence is necessary. Reliance is placed upon the case of **Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories**, AIR 1965 SC 980, at page 989, para 28 wherein it was held that once the defendant's mark is similar and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated.

67. In case the judgment of Supreme Court in the case of **Kaviraj Pandit** (supra) and the provision of Order XII Rule 6 and Order XV of Code of Civil Procedure, 1908 are read conjointly, I am of the opinion that the view taken by the Supreme Court is absolutely correct when it is held once the Court reaches to the conclusion that the defendants' mark is similar and there is an imitation, no further Evidence Act is required to establish that the plaintiff's rights are violated. As in view of the extensive amendments in the Trade and Merchandise Marks Act, 1958 which has been repealed with the object of mass scale of developments in trade and commercial practices with increasing globalisation of trade and industries. Admittedly, the Act is a Special Act now after amendment; it is covered within the definition of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts. If the scheme of the entire Act and judgments rendered by the Supreme Court and High Courts are considered, one thing is clear that it is for the Court to decide as to whether the defendants' mark is similar or not, otherwise obviously witnesses on behalf of the plaintiff always depose that the marks are similar and witnesses of the opposite side give testimonies that those are not similar and at the end of the day despite of two different version of the parties, still the Courts are deciding about similarity of the marks used by the parties, it has been noticed many times that the main purpose of recording the evidence becomes futile exercise because two contrary sets of statements of the witnesses are available on record. Therefore, this Court is of the view that being a Special Act and of being commercial disputes, in order to save the time of the Court and save the costs of the parties, it would always be appropriate to ignore the lengthy procedure of evidence except on limited issues (if

necessary) in the cases of counterfeiting and in the cases of infringement where the marks on the face of record are either identical with or there is close similarity of the marks. Thus, the approach taken by the Supreme Court more than 40 years earlier in the case of **Kaviraj** (supra) was correct with valid logic.

68. In view of the above said reasons, the plaintiff has been able to establish the case of infringement against the defendants who, on the other hand, failed to discharge their burden on issue No.6. The same is accordingly decided against the defendants.

69. Before dealing with the matter on issues No.3 and 9, it is imperative to first deal with issue No.5, as the result of findings of this issue would be dependent with the above said issues No.3 and 9.

70. ISSUE NO.5 reads as under:-

"Whether the Plaintiff's trademark PRIUS enjoys a status of well-known mark and whether it has spill over reputation in India?"

71. It is to be determined on this issue as to whether the plaintiff has acquired any goodwill and reputation of PRIUS and whether the said mark by virtue thereof becomes a well-known mark and its goodwill has travelled in India by virtue of evidence adduced by the plaintiff or not.

72. Admittedly, the plaintiff is the registered proprietor of the trademark PRIUS in the following countries:-

Country	Trademark	Registration	Class	Date of application
JAPAN	PRIUS	2711749	12	19-06-1990
AUSTRALIA	PRIUS	536893	12	26-06-1990

AUSTRIA	PRIUS	177995	12	28-07-1998
BENELUX	TOYOTA PRIUS	639309	12	27-07-1998
BRUNEI	PRIUS	24596	12	17-08-1998
CANADA	PRIUS	TMA 549035/0885 545	12	27-07-1998
DENMARK	PRIUS	VR199901879	12	28-07-1998
FINLAND	PRIUS	214180	12	29-07-1998
GERMANY	PRIUS	30080083	12	30-10-2000
GREECE	PRIUS	137862	12	6-08-1998
HONG KONG	PRIUS	199917115	12	7-08-1998
ICELAND	PRIUS	182/2000	12	15-12-1999
INDONESIA	PRIUS	442041	12	19-08-1988
IRELAND	PRIUS	210098	12	28-07-1998
ITALY	TOYOTA PRIUS	846265	12	12-08-1998
MALAYSIA	PRIUS	98010695	12	17-09-1998
NORWAY	TOYOTA PRIUS	195202	12	29-07-1998
NEW ZEALAND	PRIUS	202873	12	27-06-1990
PORTUGAL	PRIUS	331752	12	29-07-1998
SOUTH AFRICA	PRIUS	1998/16758	12	21-09-1998
SPAIN	PRIUS	2178410	12	31-07-1998
SINGAPORE	PRIUS	T98/08116E	12	13-08-1998
SWEDEN	TOYOTA PRIUS	338556	12	27-07-1998
SWITZERLAND	TOYOTA PRIUS	457305	12	27-07-1998
THAILAND	TOYOTA PRIUS	TM101249	12	7-09-1998
TAIWAN	PRIUS	863902	12	11-08-1998
UNITED KINGDOM	PRIUS	2173173	12	27-07-1998

UNITED STATES	PRIUS	2485614	12	11-08-1998
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73. It is stated in the plaint and it has also come in evidence that the plaintiff's car under the trademark PRIUS is sold in many countries and regions, with its largest markets being those of Japan and North America. In May 2008, global cumulative sales for the car PRIUS reached the one million vehicle mark, and by 31st August, 2008, it reached worldwide cumulative sales of 1.43 million units. As a top seller of PRIUS cars, the US market made up more than half of the 1.2 million by early 2009. The plaintiff's car under the trademark PRIUS was on display at the 18th International Engineering and Technology Fair (IETF) in February 2009 in Bangalore and at Fourth International Environmentally Friendly Vehicle Conference (IEFVC) in November 2009 in New Delhi, India and was also launched in India in early 2010.

74. The plaintiff has claimed to have filed over 1000 patents during the development of the latest version of the PRIUS car. The plaintiff's global target for the year 2010 was to sell about 400,000 units. In May 2009 the production of the PRIUS car was increased to 50,000 units per month or 600,000 annual units to meet higher than projected demand.

75. The plaintiff had been extensively advertising its cars bearing the trademark PRIUS throughout the world as appeared from the documents filed.

76. From the material available on record, it appears that trademark PRIUS has acquired an excellent global goodwill and reputation in relation to the products and the said reputation spills over to India in view of direct sales in India from the year 2010 and also due to the

advertising campaign carried out globally including India in various printed media. It is evident that consumers and the trade in India identify, recognize and associate the trademark PRIUS with the products of the plaintiff.

77. The goodwill and reputation of the trademark PRIUS is travelled in India from the plaintiff's website www.toyota.com and www.toyotabharat.com. The said websites can be accessed from anywhere in the world and are visited regularly by millions including Indian internet users. Printouts of the web pages have been filed. Advertisements and articles in trade magazines, write ups in newspapers and in other media about the plaintiff and the new cars which it launches from time to time, including PRIUS which was launched around 1997, have also spread the awareness, knowledge and information amongst the Indian viewers. The plaintiff has filed the affidavit under Section 65B of the Evidence Act, in support thereof.

78. It also appears from the plaint and the evidence produced and also proved that the plaintiff has taken many steps towards promoting its automobile under the trademark PRIUS across the world. The plaintiff has huge amount towards promoting and increasing awareness of its automobiles across the world. The promotional and advertising activities undertaken by plaintiff across several platforms such as newspapers, print media, online advertisements, physical exhibitions etc.

79. The details of documents filed by the plaintiff on record for its PRIUS automobile are given as under:

S. No.	Exhibit Numbers	Particulars
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1.	EX.PW-1/49 (colly)	Print outs of newspapers and other articles covering news and reviews about the Plaintiff's launch of PRIUS
2.	EX.PW-2/11	Certified copy of the Article in Economic Times dated 27 th March 1997
3.	EX.PW-2/12	Certified copy of the Article in Economic Times dated 15 th December, 1997
4.	Ex.DW-1/A	Article, Auto India, 1997
5.	Ex.DW-1/B	Article, Business Line, May 01,1998
6.	Ex.DW-2/P7	Article regarding Mahindra & Mahindra's REVA and the Plaintiff's PRIUS, 1998
7.	Ex.DW-1/P7	National Geographic advertisement of the Plaintiff's PRIUS, April 2000
8.	Ex.DW-1/P8	National Geographic advertisement of the Plaintiff's PRIUS, July 2000
9.	EX.PW-2/10	Toyota Small Car: Is it Mira or Prius, The Hindu Business Line, Line 28, 2000
10.	EX.PW-2/18	Toyota wheels around to GenNext, Times of India, August 4, 2004
11.	EX.PW-2/20	Toyota Prius Hybrid Voted European Car of the Year, Financial Express, November 16, 2004
12.	EX.PW-2/7	Original Magazine, Overdrive, Vol. 7, No. 4, December, 2004
13.	EX.PW-2/16	The book titled "The Toyota Way 14 Management Principles from the World's Greatest Manufacturer" authored by Jeffry K. Liker, Tata McGraw-Hill, New Delhi, 2004
14.	EX.PW-2/19	Toyota to Go All Gas, Express India, September 13, 2005
15.	EX.PW-2/6	Original Magazine Zigwheels, Vol. 1 Issue 1, December, 2009
16.	EX.PW-2/2 (COLLY)	News articles about the PRIUS launch in India
17.	EX.PW-2/3 (COLLY)	News articles about the PRIUS launch in India
18.	EX.PW-2/4	Plaintiff's PRIUS brochure

80. As already mentioned, the plaintiff's automobile PRIUS is actively promoted and advertised on various online platforms such

www.toyota.com and www.toyota.com/prius-hybrid (Ex.PW-2/13-Ex.PW-2/15 respectively). These websites are accessible to persons from all parts of the world, including India. In view of extensive promotion globally by the plaintiff, inference can easily be drawn that the PRIUS automobile has extensive sales across the world.

81. The following figures are given by the plaintiff which would reveal the expansion in the sale of PRIUS units globally in a period ranging from 1997 to 2008, the present suit was filed in the year 2009.

Year	Unit Sales
1997	300
1998	17700
1999	15200
2000	19000
2001	29500
2002	28100
2003	43200
2004	125700
2005	175200
2006	185600
2007	281300
2008	285600

82. It has come on record by way of evidence produced that the plaintiff's mark PRIUS has been displayed at various exhibitions, fairs and motor shows in numerous parts of the world, such as United States of America, Australia, Japan, and India (in addition to being physically sold) used by millions of persons across the world such as the Tokyo Motor Show (1995); The Sydney Motor Show (1999); The Engineering and Technology Fair (IETF) (2009) in Bangalore and the Fourth International Environmentally Friendly Vehicle Conference (IEFVC) (2009) in New Delhi, India.

83. The documents filed by the plaintiff in support of the number of exhibitions of the PRIUS are given as under:

S. No.	Exhibit Numbers	Particulars
1.	EX.PW-1/49 (colly)	Print outs of newspapers and other articles covering news and reviews about the Plaintiff's launch of PRIUS
2.	Ex.DW-1/B	Article, Business Line, May 01,1998
3.	Ex.DW-2/P7	Article regarding Mahindra & Mahindra's REVA and the Plaintiff's PRIUS, 1998
4.	Ex.PW-2/10	Toyota Small Car: Is it Mira or Prius, The Hindu Business Line, June 28, 2000
5.	Ex.PW-2/18	Toyota wheels around to GenNext, Times of India, August 4, 2004
6.	Ex.PW-2/20	Toyota Prius Hybrid Voted European Car of the Year, Financial Express, November 16, 2004
7.	Ex.PW-2/7	Original Magazine, Overdrive, Vol. 7, No. 4, December, 2004
8.	Ex.PW-2/16	The book titled "The Toyota Way 14 Management Principles from the World's Greatest Manufacturer" authored by Jeffry K. Liker, Tata McGraw-Hill, New Delhi, 2004
9.	Ex.PW-2/19	Toyota to Go All Gas, Express India, September 13, 2005
10.	EX.PW-2/2 (COLLY)	News articles about the PRIUS launch in India
11.	EX.PW-2/3 (COLLY)	News articles about the PRIUS launch in India

84. The plaintiff has secured registrations for its trademark PRIUS in numerous countries of the world. The documents filed in support of the plaintiff's international registrations for PRIUS are enumerated below:

S. No	Exhibit Numbers	Particulars
1.	EX.PW-1/30 –	Registrations secured by the

	Ex.PW-1/48	Plaintiff for PRIUS in numerous countries across the world
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85. In India, the plaintiff has applied for registration of the trademark PRIUS in class 12 for Automobiles and Structural Parts thereof through its application bearing No.1891316 dated 3rd December, 2009.

86. The plaintiff has filed documentary evidence to establish its claim for trans-border reputation in India, which has spilled over in the mark PRIUS in India. The details of which are mentioned below:

S. No.	Exhibit Numbers	Particulars
1.	Ex.PW-1/6 (colly), PW 1/23, Ex.PW-1/24	Advertisements in International Magazines and Journals
2.	Mark C	List of Awards in favour of PRIUS
3.	Ex.PW-1/28	Press Release for PRIUS
4.	Ex.PW-1/29	Prius that Shook the World : Book
5.	Ex.PW-1/49 (colly)	Articles covering launch of PRIUS
6.	Mark D	Book: World's First Production Hybrid Vehicle
7.	Ex.PW-1/51	Book: Automobile Industry, Toyota and the World, 1998
8.	EX.PW-2/6	Zigwheels magazine, 2009
9.	Ex.PW-2/7	Overdrive Magazine, 2004
10.	Ex.PW-2/5	Certificate of Sales in India till filing of Evidence in the present suit
11.	Ex.PW-1/30 to Ex.PW-1/48	International Registrations for the mark PRIUS
12.	TM application number 1891316 in class 12	Registration for the trademark PRIUS is still pending under application bearing number
13.	Ex.PW-1/28	Press Release issued by the Public Affairs Division of the Plaintiff on 7 th October, 2010 describing PRIUS' cumulative sales from 1997 to 2010

87. From the cross-examination of the witnesses of PW-1 also evidenced the spill-over of the plaintiff's reputation in the mark PRIUS when PW-1 gave his answer that the ex-show room price in Delhi at that time could be around Rs.25,00,000/- and till his cross, the plaintiff has sold more than 130 PRIUS cars in India.

88. Large number of documents have been filed by the plaintiff for its TOYOTA PRIUS hybrid car, the fact of its existence and path-breaking revolution of being the world's first hybrid car is also documented in the following:

S. No	Exhibit numbers	Particulars
BOOKS		
1.	Ex.PW-1/29	Prius that Shook the World
2.	EX.PW-2/16	The book titled "The Toyota Way 14 Management Principles from the World's Greatest Manufacturer" authored by Jeffrey K. Liker, Tata McGraw-Hill, New Delhi, 2004
3.	Mark D	World's First Production Hybrid Vehicle
4.	Ex.PW-1/51	Book: Automobile Industry, Toyota and the World, 1998
MAGAZINES		
5.	EX.PW-2/7	Original Magazine, Overdrive, Vol. 7, No. 4, December, 2004
6.	EX.PW-2/6	.Original Magazine Zigwheels, Vol. 1 Issue 1, December, 2009
7.	Ex.DW-1/A	Article, Auto India, 1997
8.	Ex.DW-2/P7	Article regarding Mahindra & Mahindra's REVA and the Plaintiffs PRIUS, 1998
9.	Ex.DW-1/P7	National Geographic advertisement of the Plaintiff's PRIUS, April 2000
10.	Ex.DW-1/P8	National Geographic advertisement of the Plaintiff's PRIUS, July 2000
NEWSPAPER ARTICLES		
11.	EX.PW-1/49 (colly)	Print outs of newspapers and other articles covering news and reviews about the Plaintiff's launch of PRIUS
12.	EX.PW-2/11	Certified copy of the Article in

		Economic Times dated 27th March 1997
13.	EX.PW-2/12	Certified copy of the Article in Economic Times dated 15 th December, 1997
14.	EX.PW-2/2 (COLLY)	News articles about the PRIUS launch in India
15.	EX.PW-2/3 (COLLY)	News articles about the PRIUS launch in India
16.	Ex.DW-1/B	Article, Business Line, May 01,1998
17.	EX.PW-2/10	Toyota Small Car: Is it Mira or Prius, The Hindu Business Line, June 28, 2000
18.	EX.PW-2/18	Toyota wheels around to GenNext, Times of India, August 4, 2004
19.	EX.PW-2/19	Toyota to Go All Gas, Express India, September 13, 2005
20.	EX.PW-2/20	Toyota Prius Hybrid Voted European Car of the Year, Financial Express, November 16, 2004

89. The above documentary evidence establishes that the launch of the Toyota PRIUS and the fact that it was the world's first hybrid car is a matter of public history and is an undeniable fact. The plaintiff has also filed numerous books and articles in this regard. Section 57 of the Indian Evidence Act provides that such evidence if placed on record by way of books and other documentary evidence, the Court can take judicial notice. The plaintiff's hybrid car, no doubt, has a stellar reputation and path-breaking engineering that had taken the world by storm in the form of the plaintiff's launch of the Toyota PRIUS in and around 1997. As per settled law on the subject, it is immaterial if the mark PRIUS has been physically used in India by a party subsequent to the use on behalf of the defendants, as from the said documents, it is established that the plaintiff has adopted and used the mark in international market positively prior in time than the defendants. It is a matter of fact that as per record by evidence that

these magazines, books and printouts were easily available and accessible in India and one could find out that PRIUS mark is belonging to the plaintiff.

90. As already mentioned, the Courts can take judicial notice of the goodwill and reputation of a trademark on the basis of documentary evidence filed by the plaintiff which was evidenced in the case of ***Rangoon Chemical Works Private Limited v. Haw Par Brothers International Limited***, 2010 (44) PTC 484 (Karn), where the High Court of Karnataka held as under:

"35. Apart from the fact that the said statement would indicate that the defendants themselves had knowledge of the prior existence of Tiger Balm, the documents at Exhs.P109 and 132 referred to the said product Tiger Balm in the said books relating to International Marketing Strategy and the different products. In this regard certain other books and magazines at Ex.P142, 143, 159, 160 and 174 to 177 were also relied on. The said books and magazines refer to the history of the product and also the product itself which gives a lot of insight with regard to the existence of the product much earlier to the period from which the defendant claims right. The learned senior counsel for the appellant no doubt contended that the said books cannot be relied on since the authors have not been examined and the magazines were not published in India and as such, the same can be considered only as hearsay evidence. On this aspect in addition to the fact that it would attract the provisions of Section 56 and 57 of the Evidence Act as noticed by the Court below, in my view while taking judicial notice what cannot be lost sight of is, in the said books and magazines the same is not confined only to the product Tiger Balm. Though the book relates to Tiger Balm, the same was published at an undisputed period and the magazines referred to several other popular products and each of them have been analysed among which the product Tiger Balm is also one among them and as such the reference and discussion would ensure to the benefit of the plaintiffs to establish that it is a pre-existing product and had its reputation even at places where the

same was not manufactured or marketed as travelling people would have access to such magazines. It is no doubt true that the evidence of PW3 may not make much headway for the plaintiffs, but the documentary evidence tendered on behalf of the plaintiff and the very fact that the defendants have adopted the mark knowing well about the existence of a product with a similar mark cannot succeed only on the contention that they are the first in India. When the defendants were aware of the existence of the plaintiffs' predecessor, they could not have assumed that they would not enter the Indian market when in fact the sale was made in 1974 and application was filed in 1976 and that too in the background that there was trade restrictions for some time. In fact on the other hand DW-3 who is the distributor of the defendants' product in his evidence has stated that he had heard of Tiger Balm at the time when the defendants had approached them in 1968-67 for distribution of their product. Therefore, considering all the aspects, to the said extent, it can be stated that the plaintiffs had established that the said product had trans-border reputation."

91. Therefore, it is clear from the evidence produced that the mark 'PRIUS' initiation as the world's first hybrid car in 1995 at the Tokyo Motor Show, its subsequent commercial launch in 1997 and hold that the PRIUS does enjoy trans-border reputation in India, from a period much prior to the year 2001. The launch of the first hybrid car in the world under the trademark PRIUS was a significant not only in the automobile industry in general, but also for environmentalists across the world. Thus, the launch of the first hybrid car in the world under the trademark PRIUS is an undeniable and a well-established fact. The cognizance of this fact by persons across the world need not be required to be established through documentary evidence.

92. On the basis of the above, it is evident that the immense goodwill and reputation of the Toyota PRIUS, as it is enjoyed in several countries across the world, could have validly spilled over into

India in 2001, irrespective of the fact that its physical use in India commenced only in the year 2010 as well as the documentary evidence available on record in relation to its PRIUS is sufficient to establish that the immense reputation and goodwill that it enjoyed globally, had also spilled over into India.

93. A well-known mark has been defined under Section 2 (1) (zg) of the Act as being a mark *in relation to any goods or series, meaning a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering services between those goods or services and a person using the mark in relation to the first mentioned goods or services.*

94. Section 11(6) of the Act stipulates the requirement in order to establish a mark as being well-known. Section 11(6) reads as under:-

“(6) The Registrar shall, while determining whether a trademark is a well-known trademark, take into account any fact which he considers relevant for determining a trademark as a well-known trademark including—

(i) the knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trademark;

(ii) the duration, extent and geographical area of any use of that trademark;

(iii) the duration, extent and geographical area of any promotion of the trademark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trademark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that

trademark under this Act to the extent they reflect the use or recognition of the trademark;

(v) the record of successful enforcement of the rights in that trademark; in particular, the extent to which the trademark has been recognised as a well-known trademark by any court or Registrar under that record.”

95. It cannot be denied by defendants that the plaintiff’s automobile PRIUS was the world’s first concept car with a hybrid engine engineered and developed at a time when the world was gearing up to face the challenges of global pollution, the plaintiff gave the world a fitting answer through its environment friendly PRIUS even being a first car introduced by the plaintiff.

96. The plaintiff’s PRIUS is famous and well revered not only amongst members of the automobile industry alone, but also amongst members of the purchasing public. Thus, the trademark PRIUS has become exclusively associated with the plaintiff, as is evidenced from the following:

- a. There is a great flow of tourism as well as of business people, students etc. between India and foreign countries and a large number of such people including Indians rent out Toyota cars such as PRIUS in USA, Europe, Japan, Australia, New Zealand etc.
- b. The plaintiff has an existing business relationship with India through its joint venture partner the Kirloskar Group and it has the additional advantage of direct use in India inter alia of its PRIUS automobile. This is evidenced of the following documents filed by the plaintiff under Ex.PW2/5.

97. The plaintiff takes active steps to maintain and update its websites in order to meet the needs of millions of consumers across the world. This is also evidenced from the following documents under:

S. No	Exhibit Numbers	Particulars
1.	Ex.PW-2/13	Printouts from the website www.toyota.com
2.	Ex.PW-2/14	Printouts from the website www.toyota.com/prius-hybrid

98. The plaintiff's PRIUS has been the recipient of numerous awards and recognitions such as the prestigious California Air Resources Board (CARB) *Super Ultra Low Emission Vehicle*.

99. The plaintiff's trademark PRIUS is so well recognized across the world that several online dictionaries attribute the word PRIUS itself to a hybrid car developed by the plaintiff, as is established through the following documents:

S. No	Exhibit Numbers	Particulars
1.	Ex.PW-1/23	(Online Britannica edition attributing PRIUS as being a hybrid vehicle developed by the Plaintiff)
2.	Ex.PW-1/24	(Online Wikipedia edition attributing PRIUS as being a hybrid vehicle developed by the Plaintiff)

100. The plaintiff's first adopted the trademark PRIUS in the year 1990 as is evident from the numerous international trademark applications filed by the plaintiff in the said year itself. The said dates of applications filed in Japan on 19th June, 1990 in Class 12 bearing registration No. 2711749 and in Australia on 26th June, 1990 in Class 12 bearing registration No. 536893 of the trademark PRIUS cannot be

denied. The plaintiff under any circumstances cannot manipulate the said dates as it is a clinching evidence of adoption of the mark internationally. The plaintiff, therefore, has coined the trademark 26 years as of today. It is difficult to accept the contention of the defendants that they were unaware about the mark PRIUS at the time of adoption and user of the mark by the defendants. There is also no force in the submissions of the defendants that as PRIUS is not an invented word, thus, the status of well-known mark cannot be given. Firstly, the mark at the time of adoption was not commonly used and secondly, as per definition of the mark, any word becomes a mark and the mark can become a well-known mark, once the conditions of Section 2(1)(zg) are fulfilled. Most of the well-known trademarks in the world are not invented words; they were adopted from common parlance, still those have become well-known marks for example Whirlpool, Yahoo, Phillips, Reliance, TATA, etc.

101. Upon adopting the mark in the year 1990, the plaintiff introduced the world's first concept car with a hybrid engine called PRIUS in 1995 at the Tokyo Motor Show. The first commercial sale of the PRIUS model NHW10 went on sale in December 1997 in Japan. Subsequently, it was imported to United Kingdom, Australia and New Zealand. It made its debut in the United States as well as Europe in the year 2000, while it was launched on Australian soil in 2001 after the Sydney Motor Show. The said record is a Government record which cannot be managed or manipulated by anyone. As a matter of fact, it is conclusive, cogent and clear evidence. Thus, the plaintiff has been using the trademark PRIUS continuously and extensively on a commercial scale since the year 1995, i.e. over a period of twenty years.

102. From the overall facts and evidence, it appears to Court that the plaintiff's trademark PRIUS has attained the status of being a well-known trademark in accordance with the provisions with Sections 2(1) (zg) read with Sections 11(6) and 11(9) of the Act respectively and the plaintiff has been able to satisfy the Court that all the conditions are fulfilled in the present case by the plaintiff who has discharged its burden of proof of issue No.5. The same is accordingly decided in favour of the plaintiff and against the defendants.

103. Now, I shall take up issue No.7 which reads as under:-

Whether the Defendants are the registered proprietors of the trademark PRIUS? OPD

It is the admitted position that the defendants have obtained registrations for the mark PRIUS under class 12 bearing registration Nos.1163954 and 1086682. The plaintiff has filed rectification proceedings against the defendants' such registrations and the supporting documents have been filed by the Plaintiffs in the present suit. The case of the plaintiff is that the defendants' adoption of the mark PRIUS itself was dishonest, tainted and malafide. The factum of registrations secured by the defendants is irrelevant for the determination of the action of passing off initiated by the plaintiff against the defendants in the present suit in relation to their trademark PRIUS.

104. I agree with the submissions of the plaintiff that in an action of passing off, the registration of the same mark by the other rival party is immaterial. The plaintiff can succeed in an action of passing off against the registered proprietor if a case of earlier user, goodwill and reputation is made out. But the fact remains in the matter that as of today the defendants are the registered proprietors of trademark

PRIUS. The effect of registrations obtained by them is being discussed while deciding issue No.7. As far as issue No.7 is concerned, the plaintiff cannot deny the fact that as on today the defendants No.1 to 3 are the registered proprietors of trademarks. The rectification filed by the plaintiff is still pending and unless the mark(s) are cancelled, the defendants have to be treated as registered proprietors of PRIUS in relation to goods in which the registrations are obtained. Thus, this issue is accordingly disposed of by holding that the defendants are the registered proprietors of the trademark PRIUS. The defendants have discharged their burden on this issue.

105. Now, I shall discuss the case on issues No.3 & 9:

(i) ISSUE NO. 3 (amended issue)

Whether the Defendants are passing off the trademarks PRIUS TOYOTA, INNOVA and TOYOTA device of the plaintiff?
OPP

(ii) ISSUE NO.9

Whether the use of the mark PRIUS is protected under the provisions of the Trademarks Act, 1999? OPD

106. Firstly, I shall discuss as to whether the use of the mark PRIUS by the defendants is protected under the provisions of the Act being registered proprietor in an action for passing off and in case the plaintiff is able to establish that the plaintiff is the owner of the mark by virtue of prior adoption and user in overseas countries where under those circumstances, the plaintiff is entitled for relief or not. This Court has already given its findings that the plaintiff's mark PRIUS has acquired unique reputation and goodwill in relation to goods and the mark PRIUS owned by the plaintiff is well-known mark within the meaning of the Act.

107. It would be appropriate to discuss the issue about the maintainability of the suit against the defendants who are registered proprietors.

108. Very recently, same issue has been discussed by the Supreme Court in the case of **S. Syed Mohideen v. P. Sulochana Bai**, 2016 (66) PTC 1 (SC), who in paras 24 to 30 and 33 after extensive discussions held as under:

“24. The effect of registration is provided in Chapter IV of the Act in Section 27. This Section provides that no infringement will lie in respect of an unregistered trademark. However, Section 27(2) recognises the common law rights of the trademark owner to take action against any person for passing off goods as the goods of another person or as services provided by another person or the remedies thereof. Section 27 reads as under:

“27. No action for infringement of unregistered trademark.—(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.”

25. Section 28 which is very material for our purpose, as that provision confers certain rights by registration, is reproduced below in its entirety:

“28. Rights conferred by registration.—(1) Subject to the other provisions of this Act, the registration of a trademark shall, if valid, give to the registered proprietor of the trademark the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered and to obtain relief in respect of

infringement of the trademark in the manner provided by this Act.

(2) The exclusive right to the use of a trademark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trademarks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”

26. A bare reading of this provision demonstrates the following rights given to the registered proprietor of the trademark:

(i) Exclusive right to use the trademark in relation to the goods or services in respect of which the trademark is registered.

(ii) To obtain relief in respect of infringement of trademark in the manner provided by this Act.

27. Sub-section (3) of Section 28 with which we are directly concerned, contemplates a situation where two or more persons are registered proprietors of the trademarks which are identical with or nearly resemble each other. It, thus, postulates a situation where same or similar trademark can be registered in favour of more than one person. On a plain stand-alone reading of this Section, it is clear that the exclusive right to use of any of those trademarks shall not be deemed to have been acquired by one registrant as against other registered owner of the trademark (though at the same time they have the same rights as against third person). Thus, between the two persons who are the registered owners of the trademarks,

there is no exclusive right to use the said trademark against each other, which means this provision gives concurrent right to both the persons to use the registered trademark in their favour. Otherwise also, it is a matter of common sense that the plaintiff cannot say that its registered trademark is infringed when the defendant is also enjoying registration in the trademark and such registration gives the defendant as well right to use the same, as provided in Section 28(1) of the Act.

28. However, what is stated above is the reflection of Section 28 of the Act when that provision is seen and examined without reference to the other provisions of the Act. It is stated at the cost of repetition that as per this Section owner of registered trademark cannot sue for infringement of his registered trademark if the appellant also has the trademark which is registered. Having said so, a very important question arises for consideration at this stage, namely, whether such a respondent can bring an action against the appellant for passing off invoking the provisions of Section 27(2) of the Act. In other words, what would be the interplay of Section 27(2) and Section 28(3) of the Act is the issue that arises for consideration in the instant case. As already noticed above, the trial court as well as the High Court have granted the injunction in favour of the respondent on the basis of prior user as well as on the ground that the trademark of the appellant, even if it is registered, would cause deception in the mind of the public at large and the appellant is trying to encash upon, exploit and ride upon on the goodwill of the respondent herein. Therefore, the issue to be determined is as to whether in such a scenario, the provisions of Section 27(2) would still be available even when the appellant is having registration of the trademark of which he is using.

29. After considering the entire matter in the light of the various provisions of the Act and the scheme, our answer to the aforesaid question would be in the affirmative. Our reasons for arriving at this conclusion are the following.

30. Firstly, the answer to this proposition can be seen by carefully looking at the provisions of the Trademarks Act, 1999 (the Act). Collective reading of the provisions especially Sections 27, 28, 29 and 34 of the Trademarks

Act, 1999 would show that the rights conferred by registration are subject to the rights of the prior user of the trademark. We have already reproduced Section 27 and Section 29 of the Act.

30.1 From the reading of Section 27(2) of the Act, it is clear that the right of action of any person for passing off the goods/services of another person and remedies thereof are not affected by the provisions of the Act. Thus, the rights in passing off are emanating from the common law and not from the provisions of the Act and they are independent from the rights conferred by the Act. This is evident from the reading of the opening words of Section 27(2) which are "Nothing in this Act shall be deemed to affect rights...."

30.2 Likewise, the registration of the mark shall give exclusive rights to the use of the trademark subject to the other provisions of this Act. Thus, the rights granted by the registration in the form of exclusivity are not absolute but are subject to the provisions of the Act.

30.3 Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trademarks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and thus the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3) which clearly states that the rights of one registered proprietor shall not be enforced against the another person.

x x x x x

33. Fourthly, it is also a well-settled principle of law in the field of the trademarks that the registration merely recognises the rights which are already pre-existing in common law and does not create any rights. This has been explained by the Division Bench of the Delhi High Court in *Century Traders v. Roshan Lal Duggar & Co.*[Century

Traders v. Roshan Lal Duggar & Co., 1977 SCC OnLine Del 50 : AIR 1978 Del 250] in the following words: (SCC OnLine Del para 10)

"10. '16. ...First is the question of use of the trademark. Use plays an all-important part. A trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout 'the State and it established the record of facts affecting the right to the mark. Registration itself does not create a trademark. The trademark exists independently of the registration which merely affords further protection under the statute. Common law rights are left wholly unaffected.' [Ed.: As observed in L.D. Malhotra Industries v. Ropi Industries, 1975 SCC OnLine Del 172, para 16.] " (emphasis supplied)

33.1. The same view is expressed by the Bombay High Court in *Sunder Parmanand Lalwani v. Caltex (India) Ltd.* [*Sunder Parmanand Lalwani v. Caltex (India) Ltd.*, 1965 SCC OnLine Bom 151 : AIR 1969 Bom 24] in which it has been held vide AIR para 32 as follows: (SCC OnLine Bom paras 1 & 2)

"1. A proprietary right in a mark can be ['Iruttukadai Halwa'] obtained in a number of ways. The mark can be originated by a person, or it can be subsequently acquired by him from somebody else. Our Trademarks law is based on the English Trademarks law and the English Acts. The first Trademarks Act in England was passed in 1875. Even prior thereto, it was firmly established in England that a trader

acquired a right of property in a distinctive mark merely by using it upon or in connection with goods irrespective of the length of such user and the extent of his trade, and that he was entitled to protect such right of property by appropriate proceedings by way of injunction in a court of law. Then came the English Trademarks Act of 1875, which was substituted later by later Acts. The English Acts enabled registration of a new mark not till then used with the like consequences which a distinctive mark had prior to the passing of the Acts. The effect of the relevant provision of the English Acts was that registration of a trademark would be deemed to be equivalent to public user of such mark. Prior to the Acts, one could become a proprietor of a trademark only by user, but after the passing of the Act of 1875, one could become a proprietor either by user or by registering the mark even prior to its user. He could do the latter after complying with the other requirements of the Act, including the filing of a declaration of his intention to use such mark. See observations of Llyod Jacob, J. in *Vitamins Ltd.'s Application*, In re [Vitamins Ltd.'s Application, In re, (1956) 1 WLR 1: (1955) 3 All ER 827: 1956 RPC 1] at RPC p. 12, and particularly the following: (WLR p. 10)

'... A proprietary right in a mark sought to be registered can be obtained in a number of ways. The mark can be originated by a person or can be acquired, but in all cases it is necessary that the person putting forward the application should be in possession of some proprietary right which, if questioned, can be substantiated.'

2. Law in India under our present Act is similar."
(emphasis supplied)

109. The said judgment is squarely applicable to the issue mentioned above and is also binding upon this Court which decides the issue in hand that if the plaintiff is able to establish its case within the four corners of passing off, the suit against the registered proprietor is

maintainable and once the passing off is established, the registered proprietor's trademark would not be protected under the provisions of the Act. Even otherwise, no contrary arguments are addressed on behalf of the defendants that the suit against the registered proprietor is not maintainable. Therefore, the issue No.9 is decided in favour of the plaintiff and against the defendants.

110. Passing Off

In the present case, I have held that as far as the trademarks TOYOTA, TOYOTA device as well as INNOVA is concerned, the defendants are guilty of infringement of trademarks. With regard to PRIUS mark, it has been established by the plaintiff on record that the plaintiff is the prior adopter of the mark in question. As far as prior user is concerned, it is proved by the plaintiff that the plaintiff has been using the mark in many countries of the world (except) in India prior to the defendants. In India, it is to be examined as to whether the plaintiff is entitled to benefit of spill over its goodwill and reputation in relation to goods as per the law established.

111. It is also to consider as to whether the defendants are passing off the trademark PRIUS of the plaintiff. Section 27 also provides that nothing in the Act shall be deemed to affect rights of action against person for passing off goods or services as goods of another person or as services provided by another person, or the remedies in respect thereof.

The plaintiff has instituted the present suit against the defendants to restrain them from passing off their goods and services as those emanating from the plaintiff. The plaintiff's such claim for passing off pertains to the trademark PRIUS, which is used in relation

to the world's first hybrid engine car developed by the plaintiff in the earlier part of the 1990's.

112. A claim for passing off, in order to succeed, must establish three pertinent criteria, as defined in the landmark judgment of ***Reckitt & Colman Ltd v Borden Inc.***, [1990] 1 All E.R. 873 (also known as the Jiff Lemon case), namely:

- (i) Goods and services of the plaintiff must enjoy reputation and goodwill, such that they are distinguished from others in the market;
- (ii) Misrepresentation of the goods and services from the defendant, either intentional or unintentional, causing consumers to be confused into drawing an association between such goods and those of the defendant; and
- (iii) The plaintiff must suffer damage to such goodwill as a result of the misrepresentation of the plaintiff and the defendants.

113. The plaintiff's claim for passing off essentially hinges upon establishing that the mark PRIUS enjoyed significant goodwill and reputation in India, in addition to establishing that the defendants had misappropriated such goodwill.

114. It is the case of the plaintiff that the mark PRIUS was adopted in 1990 and in the year 1994, the plaintiff's team designed a concept car with a hybrid engine for the year 1995 Tokyo Motor Show. The vehicle was named "PRIUS", derived from the Latin word meaning 'prior' or 'before'. The first PRIUS model NHW10 went on sale in December 1997 in Japan.

115. It was later imported privately to the United Kingdom, Australia and New Zealand. In the year 2000 PRIUS was marketed in United States followed by sales in Europe the same year. The California Air Resources Board (CARB) classified the car as a Super Ultra Low Emission Vehicle. The official launch of the PRIUS in Australia occurred in 2001 after the Sydney Motor Show.

116. The plaintiff's car under the trademark PRIUS is sold in more than 40 countries and regions, with its largest markets being those of Japan and North America. In May 2008, global cumulative sales for the car PRIUS reached the 1 million vehicle mark, and by August 31, 2008, it reached worldwide cumulative sales of 1.43 million units. As a top seller of PRIUS cars, the US market made up more than half of the 1.2 million sales of the PRIUS cars by early 2009. The detail for sales units by annually is shown in the paragraph 77.

117. The plaintiff's car PRIUS was officially launched in India in 2010, whilst it was previously showcased under the trademark PRIUS at the 18th International Engineering and Technology Fair, Bangalore (IETF) and at Fourth International Environmentally Friendly Vehicle Conference, New Delhi (IEFVC) in February and November 2009 respectively.

118. The plaintiff is the registered proprietor of the trademarks TOYOTA, QUALIS and INNOVA in several countries across the globe, including India.

119. The plaintiff has filed over 1000 patents in relation to the PRIUS. The plaintiff sold around 400,000 units of the PRIUS in the year 2010 alone and its production capacity had increased to 50,000 units per month i.e. 600,000 annually.

120. In India, the plaintiff displayed its PRIUS at the 18th International Engineering and Technology Fair (IETF) in February 2009 in Bangalore and at Fourth International Environmentally Friendly Vehicle Conference IEFVC) in November 2009 in New Delhi, India. The plaintiffs eventually launched the PRIUS on a commercial scale in the year 2010 in India. Various newspaper articles covering the PRIUS' statistics abroad as well as its launch in India have been filed in the present proceedings.

121. As regards the trademark PRIUS, the plaintiff has secured registrations in numerous countries across the world. In India, the plaintiff has filed an application for registration of the mark PRIUS, which is still pending registration. Consequently, the plaintiff asserts common law rights in the mark PRIUS.

122. The defendant No.1, Mr.Deepak Mangal and the defendant No.2, Mr.Sandeep Verma are partners in Prius Auto Industries, the defendant No.3. The defendant No.3 engages in the manufacture and sale of spare parts of automobiles, from its location at WZ-496, Shree Nagar, Shakur Basti, Delhi-110056. The defendant No.4, Prius Auto Industries Limited is a sister concern of defendant No.3 is also engaged in the manufacture and sale of spare parts of automobiles. The defendants began their business activities in the year 2001.

123. The defendants were making use of PRIUS as a prominent part of their trading name and as part of their activities of selling spare parts of automobiles that are compatible with various TOYOTA branded cars manufactured by the plaintiff. To this effect, the defendants' products/package display the trademark TOYOTA, the TOYOTA DEVICE, the trademark INNOVA and PRIUS.

124. The defendants have secured two registrations for the trademark PRIUS in class 12 in India bearing registration Nos. 1163594 and 1086682. In addition to such registrations, an application by the defendants for registration of the mark PRIUS is still pending.

125. The plaintiff learnt of the defendants' wrongful registrations and applications for the trademark PRIUS in October, 2009 when it conducted a search on the website of the Trademarks Registry. Upon learning of the defendants' registrations, the plaintiff filed rectification petitions for cancellation of the impugned marks registered under Nos.1163594 and 1086682 in class 12 before the Trademark Registry, New Delhi.

126. Subsequently, the plaintiff had procured samples of the defendants' products, which clearly bore the plaintiff's trademarks TOYOTA, INNOVA, QUALIS, PRIUS and TOYOTA DEVICE. It is stated that when the plaintiff came to know about the defendants use of such trademarks by the defendants in relation to their products and their packaging, the plaintiff filed the present suit seeking permanent injunction restraining *inter alia* infringement of the marks TOYOTA, INNOVA and the TOYOTA Device and passing off in relation to the plaintiffs' mark PRIUS.

127. As far as the trademark TOYOTA, its device and INNOVA are concerned, I have already given my finding to the effect that the defendants are guilty of infringement as they are using the identical trademark in the same script. In fact, they were breaching the orders of the Division Bench. Learned counsel for the defendants during

arguments has made the statement that the defendants undertake to strictly comply with the orders of the Division Bench. Learned counsel for the plaintiff submits that if the defendants would comply with the same, then the plaintiff may not have any objection, however, for the last more than five years, they are not complying with the same.

128. The defendants in the present suit have contended that the trademark PRIUS cannot be held to have acquired trans-border reputation in India, especially at the time the defendants adopted the mark PRIUS as their trading style and trademark in India. However, the defendants' contentions are untenable and the plaintiff has established the immense trans-border reputation acquired by it in the following paragraphs.

129. Although the PRIUS car was actually launched in India in the year 2010 and was first exhibited in 2009, its reputation had long before travelled into Indian borders and it was very well known amongst consumers and especially amongst members of the automobile industry.

130. The principles of trans-border reputation were recognized by the Supreme Court in the case of **N.R. Dongre v. Whirlpool Corporation**, (1996) 5 SCC 714, wherein it was stated:

"10. Even advertisement of trademark without existence of goods in the market is also to be considered as use of the trademark. It is also not necessary however that the association of the plaintiff's marks with his goods should be known all over the country or to every person in the area where it is known best."

131. In the case of **Century Traders v. Roshan Lal Duggar & Co.**, AIR 1978 Delhi 250, the Court held as under :

"14. Thus, the law is pretty well-settled that in order to succeed at this stage the appellant had to establish user of

the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action passing off and the mere presence of the mark in the register maintained by the trademark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trademarks. In our opinion, these clear rules of law were not kept in view by the learned Single Judge and led him to commit an error."

132. It is the admitted position that the Supreme Court has clearly held that the real test for establishing prior use is to determine who is first in the world market. In the case of **Milmet Oftho Industries & Ors. v. Allergan Inc.**, (2004) 12 SCC 624, the Supreme Court has held as under:

"The Court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the Applicant in India and the user by the overseas company. The Court must ensure that public interest is in no way imperiled. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical Mark in respect of a similar drug is allowed to be sold in India. However one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market." (para 8)

"In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market." (para 9)

133. The position of law up to **Milment** (supra) has been followed in many Courts in India by placing reliance on the said decision and the Courts have proceeded to grant interim orders and prevented the misuse of the said brands by protecting trans-border reputation subject to fulfilling of essential characteristics necessary to prove trans-border reputation. The decision in the case of **Milment** (supra) was rendered in the year 2004 when the impact of internet, e-commerce, social media was yet to be seen and realized.

134. In the case of **Cadbury U.K. Limited & Anr v. Lotte India Corporation Ltd.**, reported in 2014 (57) PTC 422 (Delhi) speaking through my respected brother Dr. Justice S. Muralidhar wherein the decision of law relating to trans-border reputation has been further strengthened and has been taken to another level wherein the court has not merely relied upon the decision of **Milment** (supra) and **Whirlpool** (supra) but has also extended the principle of trans-border reputation by observing that the existence of a merchant on web pages which are of foreign origin and social media are sufficient to show the trans-border nature of reputation without having any activity in India at the relevant time. Though it is very broad extension of the concept of trans-border reputation, but it is a question of fact in each case as to how the internet documents are sufficient to show the global character of the trademark and the reputation attached to the same. The impact of the said decision which has been given very recently is yet to be seen and analyzed by the other Courts in India in

the upcoming times. Effectively, the concept of trans-border reputation and goodwill is interesting in academic sense. However, due to advent of internet media, international travel, the insistence on the localized business as well as trans-border reputation is nowadays more or less dealt with in a kind of presumptive approach rather than by actual establishment of the same. As the international businesses grow and proximity between the markets would increase, over the time this concept will become weaker and on one good day world will be treated as one market and injunction order could be passed against the registered proprietor on the basis of unregistered trademark in an action of passing off as held in the case of **Whirlpool** (supra).

135. In **Cadbury UK Limited** (supra) in para 33 of the said decision, the following principles have been summarized:

“Legal principles summarized

33. The position, therefore, that emerges from the above case law is:

(a) The concept of goodwill is derived from reputation but the reputation need not be necessarily a local reputation. It can even be a spill over in India of the international reputation enjoyed by the Plaintiff's mark.

(b) It is not necessary for the Plaintiff to actually show the presence of or sale of its products in India as long as it is able to establish that it enjoys a spill over reputation in India. In other words, the reputation of a product may precede its introduction and may exist without trade of the product in the country.

(c) The proof of reputation can be in the form of advertisements in the media and general awareness which in the modern day context would include advertisements or display on the internet and social media. The reputation must be shown to exist at the time the Defendant enters the market.

(d) A mechanical incantation of reputation is not sufficient. There must be some material that the product is known to the Indian consumer. The material will be scrutinised by the Court from many relevant perspectives including the class of consumers likely to buy the product (See the decision dated 15th March 2010 of this Court in CS (OS) 626 of 2006 Roca Sanitario S.A. v. Naresh Kumar Gupta).

(e) Although in the internationalisation of trade there could be a possible confusion with the domestic trader bona fide adopting business names similar to names legitimately used elsewhere, a dishonest adoption or use of a mark similar to one having a reputation in the market, with a view to causing deception or confusion in the mind of the average consumer, may invite an injunction including the class of consumers likely to buy the product (See the decision dated 15th March 2010 of this Court in CS (OS) 626 of 2006 Roca Sanitario S.A. v. Naresh Kumar Gupta).

(f) Although in the internationalisation of trade there could be a possible confusion with the domestic trader bona fide adopting business names similar to names legitimately used elsewhere, a dishonest adoption or use of a mark similar to one having a reputation in the market, with a view to causing deception or confusion in the mind of the average consumer, may invite an injunction."

136. The plaintiff has sales in India and spent millions of dollars on Research and development of its products in India. However, sales of a mark have no relevance when there has been dishonest adoption of a mark. This Court in the case of **Jolen Inc. v. Doctor & Company**, 2002 (25) PTC 29 (Del), (para 30), held as follows:

"As regards advertisements, sales figure in respect of sale of cosmetic cream of the Defendant in India from 1981 to 1983, it is of no relevance if the adoption of the trademark

is subsequent, tainted and dishonest. In such a case even long user, reasonable reputation and goodwill of the trademark cannot vest the right in the Defendant to protect it."

As far as prior adoption and user is concerned, in the judgment delivered by the Supreme Court in the case of **Neon Laboratories Ltd. v. Medical Technologies Ltd. and Ors.**, 2015(64) PTC 225 (SC), the same aspect has been dealt with wherein by referring its another decision in **S. Syed Mohideen** (supra) prior to the **Neon's** case (supra), the Supreme Court held as under:

"The 'first in the market' test has always enjoyed pre-eminence. We shall not burden this judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only N.R. Dongre v. Whirlpool Corporation (1996) 5 SCC 714 : 1996(16) PTC 583 (SC) and Milmet Oftho Industries v. Allergan Inc. (2004) 12 SCC 624. In Whirlpool, the worldwide prior user was given preference nay predominance over the registered trademark in India of the defendant. In Milmet, the marks of pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in S. Syed Mohiden v. P. Sulochana Bai (2015) 7 SCALE 136, this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trademark. Learned Counsel for the Defendant-Appellant has endeavoured to minimize the relevance of Whirlpool as well as Milmet by drawing the distinction that those trademarks had attained worldwide reputation.

However, we think that as world shrinks almost to global village, the relevance of the transnational nature of a trademark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will

have ever increasing importance. At the present stage, the argument in favour of the Defendant-Appellant that we find holds more water is that in both Milmet and Whirlpool, as distinct from the case before us, the prior user of the successful party predated the date of application for registration of the competing party.

The question to examine, then, would be whether prior user would have to be anterior to the date of application or prior to the user by the Defendant-Appellant. In other words, the question before the Court would remain whether the situation on the date of application for registration alone would be relevant, or whether the developments in the period between this date and the date of grant of registration would have any bearing on the rights of the parties. All these considerations will be cast into a curial cauldron to be appreciated by the Court before which the suit is being contested. In these premises, we cannot conclude that a prima facie case has not been disclosed by the Plaintiff-Respondents."

137. The reputation of a person can transcend boundaries by virtue of its advertisement in the newspapers, media circulation, expatriate reputation due to cultural akinness and all other relevant factors which connect one country's business with that of another. It has been explained by the Division Bench of this Court in the case of **N.R.Dongre v. Whirlpool Corporation**, AIR 1995 Delhi 300 wherein the concept of trans-border reputation was approved in the following words:-

"25. Thus a product and its trade name transcend the physical boundaries of a geographical region and acquire a trans border or overseas or extraterritorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trade and its trademark can be available at a place where goods are not being marketed and consequently not being used. The manner in which or the source from which the knowledge has been acquired is immaterial".

138. The said judgment of **Whirlpool** [supra] decided by the Division Bench of this Court has been approved by the Supreme Court in the case of **N.R. Dongre and Ors. v. Whirlpool Corpn. and Anr.**, (supra) wherein the law laid down by the Division Bench of this Court was again reiterated. The case of **Whirlpool** [supra] has been again reconsidered in the case of **Allergan Inc. v. Milment Optho Industries**, 1999 PTC (19) (DB) 160 wherein Ruma Pal, J. has carefully analyzed the interplay between the goodwill and reputation in a case of passing off action and has laid down that the Courts in India have followed the third approach which is a middle path wherein strict insistence of localized business is not necessary. However, reputation which is sought to be protected has to be substantial one having global character. The observation made by the Hon'ble Judge is as under:-

"13. Reputation is the connection that the public makes between a particular product or service and a particular source which may or may not be known. Some Courts have held that reputation which is built up on the basis of trade within the country is entitled to protection from passing off. Others Court have made some concession to the communication explosion and held that if the plaintiff has a reputation in another country, his right to the mark will be protected if it is coupled with some actual or proposed business activity within the country (See *Alain Beniardin et Cie v. Pavilion Properties*, (1967) RFC 581; *Amway Corporation. v. Eurway Int. Ltd.* (1974) RFC 82."Still other Courts have held that with the increase in international commerce, mass media communications and the frequency of the foreign travel, political and geographic boundaries do not stem the exchange of ideas and instant information. Local business is not an essential ingredient of a passing off action. However, the reputation must be well established or a known one See : *Panhard et Levassor v. Panhard Motor Co. Ltd.*, (1901) 18 RPC 405; *Sheraton*

Corpn. v. Sheraton Motels, (1964) RPC 202; Orkin Exterminating Co. Tnd. v. Pest Co. of Canada (1985) 5 Canadian Patent Reporter 433; Vitamins L. D.'s Application for Trademark, 1956 (1) RPC 1. The decisions which reflect the first and second view have so held for reasons which are partly historic, partly geographic and partly because reputation was equated with goodwill. Goodwill has been defined as the benefit derived from reputation. It is not the reputation required to found a passing off action. The law of passing off is not trammelled by definitions of goodwill developed in the field of revenue law [per Hockhart J., Conagra Inc. v. McCain Foods (Aust) P. Ltd., 1993 (23) IPR 193 231]. It is an asset of a business assessable in terms of money and transferable (See IRC v. Muller, (1901) AC 217, Trego v. Hunt (1896) AC 7; ITC v. B.C. Srinivas Shetty. In my opinion reputation framing the basis of a passing off action need not be so localised. Whatever the compulsion for the Courts taking the first or second view in other countries, as far as this country is concerned, Courts in India prescribe to the third view and have held that a plaintiff with a reputation which is established internationally can sue to protect it in this country even if it does not have any business activity here. In other words reputation of a product may precede its introduction and may exist without trade in such product in the country. See N.R. Dongre v. Whirlpool Corporation, (DB); J. N. Nichols (Vimto) Ltd. v. Rose & Thistle, 1994 PTC 83 (DB); Calvin Klein Inc. v. International Apparels, (1995) FSR 515 : 1995 IPLR 83; Conagra Inc. v. McCain Foods (Supra) at p. 133."

139. Furthermore, this principle was recognized in numerous other decisions over the years such as in **Milmet Oftho Industries** (supra) by the Supreme Court, relevant para whereof reads as under:-

"9. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market."

140. Admittedly, from the material available on record, the plaintiff was the first in the world market to make use of the trademark PRIUS in relation to automobile and parts thereof. The plaintiff's automobile

PRIUS had already attained global fame since its display in Tokyo Motor Show in 1995 and subsequent launch in Japan in the year 1997. Therefore, it is undeniable that the plaintiff's mark had already attained global fame and was known at least amongst members of the trade well before the defendants' adoption in the year 2001.

141. The principle of trans-border reputation was further discussed by in **Jolen Inc.** (supra) relevant para whereof reads as under:-

"21. It is not necessary that the association of the plaintiff's mark with his goods should be well known in the countries other than its origin or to every person in the area where it is known best. Mere advertisement in other countries is sufficient if the trademark has established its reputation and goodwill in the country of its origin and countries where it is registered."

142. In the case of **Daimler Benzaktiegesellschaft and Anr. v Eagle Flask Industries Ltd.**, AIR 1994 Delhi 239, this Court has held as under:-

"15. The Trademark Law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially when the reputation extends world-wide. By no stretch of imagination can it be said that use for any length of time of the name "Benz" should be not objected to."

143. This Court, while recognizing the principles of trans-border reputation in India, gave another criteria by which such reputation can be held to have been successfully established in the case of **Kiran Jogani and Anr. v. George V Records**, 155 (2008) DLT 739, relevant para whereof reads as under:-

"15. It is not as if there is a motivated article in one newspaper or magazine, but the vast coverage given to the restaurant and the music in international press and the magazines including transmission of programs through television channels to show even the participation of Indian

designers. It is this which seems to have awakened the appellants-defendants to think of utilizing the trademark BUDDHA-BAR as it has failed to give any other justification as to how it deciphered the mark BUDDHA-BAR."

144. At the time of final arguments advanced in the present case, the defendants contended that the documents filed by the plaintiffs were insufficient to establish trans-border reputation, the plaintiff has only very few documents prior to the year 2001 (the year of adoption of the mark PRIUS) by the defendants which were filed by the defendants. The said documents being newspaper articles were insufficient to establish trans-border reputation.

145. The said argument of the defendants has no force and is not tenable as the plaintiff has filed sufficient documents in the present proceedings to establish trans-border reputation on account of prior adoption and use of the marks.

146. Upon learning of the defendants' two registrations for the PRIUS trademark, the plaintiff proceeded to file rectification petitions against such trademarks. The following documents have been filed by the plaintiff, in support of the rectification proceedings initiated against the defendants' trademarks.

S. No	Exhibit Numbers	Particulars
1.	EX.PW-2/21	Rectification Petition to seek cancellation of the impugned trademarks registered under no. 1163594
2.	EX.PW-2/22	Rectification Petition to seek cancellation of the impugned trademarks registered under no. 1086682

147. The defendants have given contradictory justifications for adopting the trademark PRIUS in relation to their business. On the one hand, the written statement attributes the adoption of PRIUS as the defendants were the first to manufacture 'Add on Chrome Plated Accessories'. However, on the other hand, the evidence affidavit of Mr. Deepak Mangal attributes the adoption of the trademark PRIUS to an additional reason of the defendant No. 3 firm being his 'first joint venture' with Mr. Prem Kumar Verma.

148. The explanation given for not choosing to adopt 'Pehla Prayas' as the trademark of the defendants was that it was not stylish and catchy enough. The following are the answers given by DW-1 to Questions 117 -120:

Cross – Examination of Defendants' witness DW-1 on March 29, 2012:

Q. 117 You have stated in your affidavit paragraph-3 that this was your first joint venture with Sandeep Verma and you wanted to pioneer in chrome plated accessories. This is the reason given by you for having chosen Pehle Prayas. Why did you not chose the expression Pehla Prayas as your trademark?

A. 117 Since this was our first effort or Pehla Prayaas in the field of manufacturing and the idea of manufacturing add-on chrome plated accessories was well ahead of that time as nobody else was manufacturing these types of accessories for the After Market so we looked for a word which is stylish, catchy and at the same time portrayed our above intention. This is the reason we did not chose Pehla Prayas as our trademark.

Q118: Please see paragraph 15 of the Written Statement which you have stated that you were the first in India to manufacture add-on chrome plated accessories and this is the reason given by you to chose the word Prayas. You have further stated that being your first attempt the expression become Pehla Prayas. Is the reason for not choosing Pehla

Prayas as a trademark the same as given in question to answer 177?

A 118: I had already given the answer to question 117 that we were looking for a stylish, catchy word and this is the main reason for not choosing Pehla Prayaas as a trademark.

Q.119 Are the word Pehla Prayas not stylish and catchy?

A.119 No, they are not.

Q.120 Why not?

A. 120 Its our own perception

149. The defendants' choice of choosing the Latin word PRIUS came only after the defendants sought to look for an English equivalent of the term 'Pehla Prayas' coined in Hindi as evident from the response given by DW-1 to Questions 121 -126:

Cross – Examination of Defendant's witness DW 1 on March 29, 2012:

Q.121 Is it correct that you underwent a series of steps before hitting upon the word 'Prius' namely you dropped the word Pehla and looked up an English dictionary to hunt for words which were similar sounding to Prayas. Is this not what you did?

We only searched the appropriate word in the dictionaries, which suitably portrayed our intention that we were the first and the pioneer of add-on chrome plated accessories.

Q. 122 Why did you not originally chose a word in English language rather than Pehla Prayas and thereafter why did you find the need to drop the word Pehla when the concept of 'first' is most important to your explanation and finally how did you locate a word like Prius while looking for Prayas in an English dictionary to finally settle for a Latin word. Please explain the methodology?

Since we had started our business in 2001 so at that time we had no knowledge of choosing the brand name, so we

searched the dictionaries to choose an English word and found the word 'Prius'.

Q. 123 You finished your college in 1996 and started your business in 2001. In between 'Prius' was launched by the Plaintiff in Japan as the world's first hybrid car. The publicity of this launch was global including vast number of publications in India. Are you saying that you never came across the word 'Prius' or never heard of the world's first Hybrid Xar prius before 2001?

A. 123. Yes I was not aware about Hybrid Car Prius.

Q. 124 Please see extracts of the publication being shown to you namely the magazine Auto India 1997, marked DW/1 where Prius was photographed at page-6 and written about on the last page. Did you not come across any such publication? (Objected to as the full and original magazine is not being shown and the extracts do not say which magazine it's shown from)

A. 124. Extracts shown to me do not show the magazine name from which they have been taken.

Q. 125 Please see an extract of Business Line Newspaper dated 1st May, 1998 marked DW 1/B where Toyota Prius car has been praised for contributing to the environmental awareness. Did you come across this Publication? (Objected since full newspaper wasn't shown)

A.125 No

Q. 126 So according to you, you selected the word Prius by thinking in Hindi translating in English and choosing in Latin being totally oblivious of a world movement on environment although you and your partner's father were in the automobile industry?

A. 126 we selected the word Prius from English Dictionary, I was not in automobile industry in 1997 or 1998.

150. It appears that the witness tried to give multiple reasons about the adoption of the mark by the defendants during the course of the

present proceedings, those are not only contradictory but they seem to be mere afterthoughts.

DW-1 denied having sued the plaintiff or to file the counter-claim despite the defendants' alleged claim of prior user of PRIUS and being registered proprietor. Response to Question 228, Deposition of DW-1 are as under:

Q. 228 Why did you not sue TOYOTA (plaintiff) if Prius was your trademark?

A. 228. It's our own internal decision not to sue TOYOTA regarding Prius.

151. Further, the website of the defendants, namely www.priusauto.com was also registered for the first time in 2011, i.e. two years after the institution of the present suit. DW-1 has replied the following questions in his cross-examination:-

Q. 221 Is it correct that to this date you do not have any active website under the domain name comprising the word PRIUS?

A. 221 No. We have the website under the name www.priusauto.com and it is under construction.

Q 222 Here is a print of your website (EXH DW 1/P5) as being under construction please have a look at this and let me know when had you registered this domain name to which the website revolves?

A. 222 I can't remember.

Q 223 Let me refresh your memory by showing you 'Whois' record which shows the creation date as 28th May, 2011 (Ex DW-1/P6). This domain name was registered by you after the institution of the suit was it not?

A. 223 Yes

Q 224: And to this date the website to which this domain name pertains is under construction?

A. 224 yes

Q 225 So you never had an active website of your own under the trademark/name PRIUS?

A. 225 No website is under construction and we are in the process of developing it.

152. Mr. Deepak Mangal had further stated that the accessories manufactured by the defendant are made in such a manner that they are bound to match with genuine parts as appears from Question 105, of deposition of DW – 1:

Cross – Examination of Defendant’s witness DW 1 on March 29, 2012:

Q. 105 Are you saying that you did not confirm or verify that the parts of Toyota cars were genuine or authorized before you made accessories to match those parts?

A. 105 We made sure that whatever accessories we made for any company it should be matched with their genuine parts.

153. However, upon being asked as to how did Mr. Mangal determine whether the parts he purchases are genuine parts of an automobile, Mr. Mangal answered that such knowledge is sourced from the fact that the defendants are situated in Kashmiri Gate, which is also called the 'After Market'.

Response to Question 109, Deposition of DW - 1 :

Cross – Examination of Defendant’s witness DW 1 on March 29, 2012:

Q 109 In answer to question 105 you referred to genuine parts. My question is: How do you determine that the parts which you have purchase from the After Market are genuine so tha you can rely upon their specifications and dimensions before investing large sums of money in developing accessories for such parts?

A. 109 Since we have a shop in Kashmire Gate which is the After Market so it is very easy for us to recognize the shop which is selling the genuine parts of any branch of vehicle.

154. When he was confronted with documents pertaining to the frequent Police Raids that occur in Kashmere Gate market on account of the numerous spurious and counterfeit automobile parts sold therein. Ex.DW-1/P9 to Ex.DW-1/P12 contain the extracts showing frequent raids at Kashmere Gate, Delhi for counterfeit auto parts.

155. He was also confronted with a presentation from Mahindra and Mahindra (*with whom the defendants have an active business relationship*) highlighting the large number of raids regarding counterfeit auto parts at Kashmere Gate. Ex.DW-1/P9 extracts from the website of Mahindra and Mahindra disclosed the same.

156. However, upon being inquired as to his knowledge regarding the frequent raids conducted at Kashmere Gate, Delhi; Mr. Mangal stated that he had no awareness of any such raids. Mr. Mangal's lack of knowledge regarding such raids is more shocking especially as the defendants claim to supply accessories to Mahindra and Mahindra.

157. It is also evident that the defendants were aware of the plaintiff's trademarks as Mr.Sandeep Verma's (defendant No.2) Father (Mr.Prem Kumar Verma) was in the auto trade since the early 1990s and helped the defendants set up their business under the mark PRIUS. (Qs. 23, 33 to 37 of DW-1's deposition)

"Cross – Examination of Defendant's witness DW 1 on December 21, 2011

Q.23: Do you know since when he deals in auto parts?

A. 23 Yes, since approx 10 years

Q 33: He had 10 years experience in 2001?

A. 33 Yes approximately

Q 34: Please go back to the answer you gave in question 23 where you stated that Mr.Prem Kumar Verma's experience is 10 years. You were referring to his experience in 2001. Where you not? (Objected to)

A. 34 Yes I mean to say that Mr.Prem Kumar Verma has been in trading business ion automobile sector since about 10 years before 2001.

Q.35 Therefore please see you answer to question 23 again and confirm that Mr.Prem Kumar Verma's experience in the automobile sector is now more than 20 years?

A. 35 No he closed the automobile business in the year approx 2002.

Q.36: In other words, Mr.Prem Kumar Verma was in the automobile businss roughly for 10 years prior to the commencement of your business and roughly stopped his business when you started business with his son. Is that correct?

A. 36: Yes/ he closed his automobile business and started the new business which is real estate business

Q.37: Mr.Prem Verma offered his feedback and experience of having worked 10 years in the automobile business and nothing more. Is that correct?

A. 37: He helped us financially also."

158. The defendants are trying to justify their adoption of the trademark 'PRIUS' on account of them being first in India to manufacture 'Add on Chrome Plated Accessories'. The defendants contend that they first conceptualized this attempt as PRAYAS and while researching found the word "Prius" meaning "to come first". Actually, the defendants have taken different stand about the adoption of the mark PRIUS. It appears to the Court clearly that since the defendants are in the same trade and knowledge of foreign mark can be gathered in a short span of time, thus, it is difficult to accept the

justification given by the defendants that they were not aware about the plaintiff's mark PRIUS in overseas countries and more particularly, the defendants and father of defendant No.1 prior to adoption and user were dealing with the other trademarks of the plaintiff. Thus, the reason for adoption by the defendants is merely an after-thought on part of the defendants and the justification is farfetched and in defiance of common sense.

159. The defendants, in fact, have totally failed to justify about the adoption of the mark. Thus, their adoption and user was not bonafide and they must be aware about the mark PRIUS of the plaintiff at the time of adoption. Therefore, the entire user is not honest and it has to be treated as in bad faith.

160. In light of the above, it is clear that Mr. Mangal's testimony that his experience in the trade coupled with Kashmere Gate being the 'After Market' gives him enough expertise to tell the difference between a spurious and a genuine auto-part is untenable on account of the fact that there are frequent police raids against counterfeiting of auto-parts at the Kashmere Gate market.

161. Further, second witness DW-2 Mr. Sunil Kumar in spite of having worked previously with Mahindra & Mahindra (*with whom the defendants have an active business relationship*), claims to have no knowledge about PRIUS despite the Reva Car (acquired by Mahindra & Mahindra) being exhibited alongside the PRIUS car globally at various conferences as far as back in 1998.

162. The defendants' third witness DW-3 Mr. Inderjit Singh also filed his evidence affidavit without conducting any market survey or investigation studies in the automobile industry or even collect data from different institutes/government bodies on industry perspectives.

Without having conducted any research and without any basis he states that 'nobody is ever confused' between original and counterfeit parts. In fact, he admitted to signing the affidavit in the Counsel's office and not in the presence of a notary public.

163. PW-1 has not denied the fact in his cross-examination that PRIUS car was launched in India in January, 2010 and prior to that in 2009, the plaintiff decided to register the trademark in India and on the basis of a search report, the plaintiff came across the defendants' mark in class-12 and first time discovered the same. But at the same time in his cross-examination, he denied that the defendants are the prior users for the reason that in 1997, PRIUS as the first hybrid vehicle in the world was launched and it was highly appreciated through different magazines and newspapers and other media attracting attention of all different sources. The defendants during the cross-examination tried to point out that complete text of article is not filed, however, he referred the TOYOTA website and other documents including trademarks registration certificates of other countries in order to establish that the mark PRIUS was adopted and used by the plaintiff prior to the defendants and as a matter of fact, it has been proved. He also refused and denied the factum of having seen the advertisements of the defendants from the year 2004. He specially gave the answer to question No.85 that he did not know.

164. It appears from the statement of witnesses, particularly, the testimonies of PW-1 and PW-2 that various objections were raised at the time of exhibiting the documents. Firstly, the plaintiff has filed the affidavit in the prescribed manner under Section 65B of the Evidence Act. Even if the said documents are ignored for the sake of arguments as objected by the defendants, still this Court is of the opinion that

there is other clear and cogent evidence available to establish that the plaintiff has been able to prove that the plaintiff is the prior adopter and user of the mark PRIUS in various countries of the world and from the documents filed it has been proved in evidence, that the case of trans-border goodwill and reputation is established beyond any doubt.

165. As far as common fields of activities of business of two parties are concerned, though it is not argued on behalf of the defendants that there could not be any confusion and deception, rather the defendants' claim is that they are the first user and prior adopter and user of the mark in question. Even otherwise, law in this regard is quite settled.

- (i) In the case of ***Essel Packaging Ltd. v. Essel Tea Exports Ltd.***, 1999 PTC (19) 521, the High Court of Bombay held that common field of activity is not conclusive for deciding whether there can be passing off action, although at one point of time the said test was treated as conclusive. It was held that with the passage of time the law of requirement of common field of activity in a passing off action has undergone a radical change and as such there was no requirement for a common field of activity to found a claim on passing off action, because the real question in each of such cases is, whether there is, as a result of misrepresentation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiff is likely to be caused and if that is taken to be the test then the focus is shifted from the external objective test of making comparison of activities of the parties, to the state of mind of public, in deciding whether it will be confused.

- (ii) In the case of ***Corn Products Refining Co. v. Shangrila Food Products Ltd.***, AIR 1960 SC 142, the Supreme Court held as under:

"20. It is true that in both the above-mentioned cases the two competing trademarks were absolutely identical which is not the case here. But that in our opinion makes no difference. The absolute identity of the two competing marks or their close resemblance is only one of the tests for determining the question of likelihood of deception or confusion. Trade connection between different goods is another such test. Ex hypothesis, this latter test applies only when the goods are different. These tests are independent tests. There is no reason why the test of trade connection between different goods should not apply where the competing marks closely resemble each other just as much as it applies, as held in the "Black Magic" and "Panda" cases, where the competing marks were identical. Whether by applying these tests in a particular case the conclusion that there is likelihood of deception or confusion should be arrived at would depend on all the facts of the case."

- (iii) In the case of ***Bajaj Electricals Limited v. Metals and Allied Products and Anr.***, AIR 1988 Bombay 167, the Court held as under:

"8. Mr. Tulzapurkar submitted that it is not really necessary to consider different judgments of the House of Lords because Lord Denning had also observed that the defendants would have no defence if the user of the name of the defendants is likely to deceive irrespective of the fact whether the user was honest and that conclusion of Lord Denning is also approved by Lord Devlin who was in minority. Mr. Tulzapurkar submitted that in the present case, there is a specific evidence on record that the word "Bajaj" was used by the defendants dishonestly and deliberately with a view to take advantage of the reputation earned by the plaintiffs. The learned

counsel referred to us to a passage at p. 408 in Kerly's Law of Trademarks and Trade Names, Twelfth Edition, and submitted that once intent to deceive is established, then the defendants could not claim that they were entitled to use word "Bajaj" as a trading sign. In support of the submission, the learned counsel invited our attention to the brochure (Ex. 'G' annexed to the plaint) wherein the defendants have claimed that Bajaj quality is well accepted and appreciated internationally. Mr. Tulzapurkar points out and it is not in dispute that the defendants have never marketed their goods abroad, nor have they even claimed that their goods are sold all over the country. Mr. Tulzapurkar is right and we agree with the learned trial Judge that the brochure published in the year 1987 is issued with a view to cause deception or confusion in the mind of the customers. The word 'Bajaj' has quite a great reputation in the country and abroad and the publication of the brochure in year 1987 clearly indicates that the defendants were not honest in the use of the word "Bajaj" and an attempt was made to pass off their goods with the mark "Bajaj" with the intention to secure advantage of the reputation earned by the plaintiffs.

The submission of Mr. Tulzapurkar was controverted by Mr. Cooper by urging that the goods manufactured by the plaintiffs and the defendants are totally different and, therefore, there is no cause or apprehension that the use of the word "Bajaj" is likely to cause deception or confusion in the mind of the public. Mr. Cooper submitted that the articles manufactured by the defendants are utensils and those marketed by the plaintiffs are electrical goods or appliances and, therefore, it is unlikely that the purchasers of utensils would be confused by the use of the word "Bajaj" on the articles of the defendants. The learned counsel submitted that the plaintiffs' goods are sold under registered mark under Class 11, while the goods manufactured by the defendants fall under Class 21. Class 11 refers to installations for

lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, and other purposes, while Class 21 refers to small domestic utensils and containers (not of precious metal nor coated therewith). The submission of Mr. Cooper is that as the articles manufactured by the plaintiffs and the defendants are different, the question of deception would not arise. It is not possible to accept the submission. The articles manufactured by the plaintiffs and the defendants are kitchen wares and are commonly used in almost every kitchen in this country. The mere fact that the articles manufactured by the contesting parties are different in nature is no answer to the claim that the defendants are guilty of passing off. We entirely agree with the conclusion recorded by the learned trial Judge that there is identity of the goods, the mark and the consumer and the goods manufactured by both the plaintiffs and the defendants are sold under one shop. Mr. Cooper complained that the electric goods manufactured by the plaintiffs and the stainless steel utensils manufactured by the defendants are not sold in one shop. The submission is not accurate because it is common experience that kitchen ware or kitchen appliances like mixers, grinders, pressure cookers, and stainless steel utensils are sold in the same shop. At this interim stage, we are not prepared to accept the submission of Mr. Cooper on this count and we see no reason to take different view from that of the learned single Judge on this aspect. In our judgment, prima facie, it is clear that the defendants have intentionally and dishonestly tried to pass off their goods by use of name "Bajaj".

166. The confusion caused between the plaintiff and the defendants is inevitable because the defendants makes use of an identical trademark and name (PRIUS) in relation to identical and related products (accessories and spare parts for automobiles) having the

identical market (car-owners wanting to purchase spare parts and accessories).

167. The plaintiff also advertises its products and services under the trademark PRIUS in leading automobile magazines and journals of India. Interestingly, the plaintiff itself advertises its automobiles and other products under the trademark TOYOTA in the same journals in India. This was also recognized by this Court in its order dated 19th March, 2010. Therefore, any person upon viewing such advertisements of the defendants using the marks TOYOTA, PRIUS, INNOVA and TOYOTA DEVICE is bound to be misled into believing that

- (i) The goods and services of the defendants actually emanate from the plaintiff instead; or
- (ii) A nexus exists between the plaintiff or the defendants; or
- (iii) The plaintiff has licensed the use of its trademarks to the defendants.

168. In light of the fact that the plaintiff is the true and first proprietor of the well-known mark PRIUS all across the world, as well as in India and that the defendants' adoption of the mark PRIUS is blatantly dishonest, the defendants are guilty of passing off their goods and services as those of the plaintiff.

169. If the entire object of the Trademark Law is examined, it is obvious that the date of adoption of the mark by a party is the relevant date. In case, on the date of adoption, it is found that he was aware about the mark of the rightful owner, the using of the said mark and filing of the application in the Trademarks office is fraudulent. As dishonesty starts from the beginning itself, the subsequent user is to be considered as tainted, as the party was aware that the mark actually belongs to other party and he is not the owner of the same. It is totally immaterial if the registration is objected to a copied mark

of a party who adopted and used the mark at earlier point of time. There is not much difference, if the registration is obtained on the basis of non-filing of opposition. The main reason is that it is for the Court to decide the common law remedy wherein the interim order can be passed. The Trademarks Registry or the Appellate Board are not empowered to pass an interim order against the party who has appropriated the mark deliberately.

170. In the matter of an application brought by **J.R. Parkinson and Co. Ltd.**, (1946) 63 RPC 171 at page 181 that “in my judgment, the circumstances which attend the adoption of a trademark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently”. It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history.”

171. The party who has appropriated the mark cannot claim the benefit of concurrent user because the governing principle of concurrent user lies on account of honesty. It is also immaterial if the defendant has filed the application prior in time or claiming as its owner of the mark by way of user as proposed to be used if the mark is already known, adopted and used in overseas countries prior in time. The filing of such application is to be treated as fraudulent act by a party. The stolen property can never become rightful property in this manner.

172. From the evidence adduced by the defendant Nos. 1 to 3, it is clear in my mind that the defendants have been using the PRIUS as a trade name/corporate name from the year 2001-2002 as M/s Prius

Auto Industries, the firm started its business in April, 2001 in which PRIUS formed part of its trading style. As far as mark PRIUS is concerned, the first application for registration of trademarks was filed on 13th March, 2002 and second application on 2nd January, 2003. It appears to the Court that the defendant Nos.1 to 3 at least started using the trademark since the year 2002-2003. The defendant No.4 was incorporated and commenced its business in the year 2006. At the best, if the user claimed by the defendants is taken as correct, still it is apparent on the face of the record that it is the plaintiff who adopted and used the mark PRIUS prior in time in overseas countries. The plaintiff has placed large number of documents to show that prior to adoption and use of mark PRIUS by the defendants, the plaintiff has used the product in many countries of the world, even the plaintiff has filed application for registration of the same mark prior to the alleged use of the defendants. Not only that, the plaintiff has been able to prove before this Court by way of documentary evidence that the mark PRIUS has been advertised in many ways by way of publication of articles, seminar held and in the magazines which are available in India, directly or indirectly. If the entire evidence produced by the plaintiff is examined even in a casual manner, the same speak that it is the plaintiff who is the owner/proprietor of the mark PRIUS. The defendants, under no circumstances, can allege that it is the defendants who adopted or used the mark PRIUS first time in the world. The bonafide claim of the defendants becomes more doubtful when it has come in evidence that the father of the Managing Partner i.e. defendant No.1 was aware about the goodwill and reputation of the trademarks of the plaintiff. The father of Mr. Deepak Mangal was dealing with the parts of Toyota and its device; the firm of the father

was closed and the present firm M/s Prius Auto Industries was started in 2001.

173. The explanation given by defendants No.1 to 3 about bonafide adoption is not trustworthy. It may be true that at the time of adoption of mark PRIUS as trade name and later on by filing of applications for registration of trademark, the plaintiff may not be using the mark PRIUS in India but the cars of the plaintiff were available in many countries on that date and year. People are rightly mentioning for the last many years that the world is becoming very small. The goodwill, name and reputation can travel in other countries even within less than a period of one month. In the present case, the plaintiff adopted the mark in the year 1990 and started using it in 1995-96, when the defendants were not in the trade at all. When the mark was adopted or used by the defendants, the plaintiff had already taken many steps to launch the car in other countries prior to five years than the defendants' use. The defendants have been giving lame excuses from time to time changing its stand in order to show bonafide adoption which, in fact, seems to be untrue, as the defendants and father of defendant No.1 were earlier aware about the trademarks of the plaintiff. It appears to the Court that it was systematically moved by the defendants to start the firm as well as to adopt the identical trademarks. The conduct of the defendants would speak for itself. It is a matter of record that despite of directions issued by the Division Bench of this Court in appeal, the defendants did not respect the orders by complying with the same. When the main suit was heard after more than 4 years, it was pointed out the evidence filed by the plaintiff to the defendants that they have been using TOYOTA, its device and INNOVA as trademarks and not in a

manner directly by the Division Bench. The counsel very reluctantly made the statement on behalf of the defendants that they would change the same. Even as of today, the plaintiff is not aware as to whether the defendants have changed or not the packaging in view of the orders of Division Bench. Even statements of accounts were regularly filed by the defendants as directed by the Division Bench.

174. It is correct that the suit was filed in 2009 i.e. after about 6-7 years from the date of user of trademark and trade name by the defendant Nos.1 to 3. As far as defendant No.4 is concerned, it commenced its business in 2006. No cogent and clear evidence has been produced by the defendants that the plaintiff was positively aware about their activities. During this period, no doubt, the defendants obtained the registration of the trademark PRIUS. The plaintiff's rectification to cancel the trademark is pending. Had the plaintiff was aware about the use of the mark PRIUS of the defendants prior to 2008-09, the plaintiff could have opposed the marks of the defendants under Section 21 of the Act. Rather, it proves that the plaintiff was unaware about the activities of the defendants. Mere products of both the parties published in the same Auto Journal do not prove about the positive knowledge of the plaintiff and no benefit can be derived by the defendants on this aspect.

175. Learned counsel for the defendants has filed the photocopies of various judgments. However, during the course of arguments, the following judgments are read and relied upon:

- i. ***Veerumal Praveen Kumar v. Needle Industries (India) Ltd. & Anr.***, 2001 PTC 889 (Del) (DB).
- ii. ***Rhizome Distilleries P. Ltd. and Ors. v. Pernod Ricard S.A. France and Ors.***, 2010 (42) PTC 806 (Del).

- iii. ***UAS Pharmaceuticals Pty. Ltd. & Anr. v. Ajantha Pharma Ltd.***, 2009 (41) PTC 234 (Mad.).
- iv. ***M/s. Smithkline Beecham Plc. & Ors. v. M/s. Hindustan Lever Limited & Ors.***, 1999 PTC 775.
- v. ***The Gillette Company and Ors. v. A.K. Stationery and Ors.***, 2001 PTC 513 (Del.).
- vi. ***Exide Industries Ltd. v. Exide Corporation***, 2013 (53) PTC 137 (Del).
- vii. ***Roca Sanitario S.A. v. Naresh Kumar Gupta and Anr.***, 2010 (7) RAJ 634 (Del)
- viii. ***Cluett Peabody & Co. Inc. v. Arrow Apparels***, 1998 (18) PTC 156 (Bom)

176. Having gone through the said judgments, it appears to the Court that none of the judgments would help the case of the defendants.

177. In the case of ***Veerumal Praveen Kumar*** (supra), the injunction was refused by the Division Bench merely on the ground that despite of registration, the trademark was not used for decades together. The Court held that if there was a non-user for a long period of time, the mark would lose its distinctiveness or is permitted to die for non-user of the same. The said order was passed while considering the appeal filed in the injunction application. The facts in the present case are totally distinct. It is not a case of the defendants themselves that the trademarks TOYOTA, Toyota Device and PRIUS are been used in overseas countries and in India. It is the admitted case of the defendants that the plaintiff has used the trademark PRIUS continuously in India after 2009-2010. Thus, the facts are materially different.

In the case of ***Rhizome Distilleries P. Ltd. and Ors.*** (supra), the Court was of the opinion that the two trademarks are not deceptively similar and secondly in para 27 of the said judgment, it is held by the Division Bench that there are several other manufacturers who exist of the word IMPERIAL. Therefore, the injunction was not granted in the said case. There is no such position in the present case.

The facts of ***UAS Pharmaceuticals Pty. Ltd.*** (supra) are quite different. In para 23 of the said judgment, the Court had come to the conclusion that the filing of the sales achieved by the plaintiff worldwide over a period of 7 years was only about USD\$470,000. However, the plaintiff has been able to achieve the said turnover after spending about USD\$180,000. Therefore, it was not possible to achieve the claim of the plaintiff with regard to trans-border reputation. The said facts are quite distinct from the facts of the present case. In the present case, admittedly, the goodwill and reputation have already been established by the plaintiff under the impugned trademark PRIUS which is unique and residual in million of rupees. Further, the test while deciding the interim application and the main suit is different. While deciding the interim application, the balance of convenience has to be struck between the parties and one of the factors at that time was relevant that whether the plaintiff was entitled for injunction. Under these reasons, the Court did not pass the order in the said case. In the present case, the plaintiff has been able to establish prior adoption and user of the trademarks. Further all the trademarks used by the defendants are the same.

In ***Smithkline Beecham Plc. & Ors. v. M/s Hindustan Lever Limited & Ors.***, 1999 (19) PTC 775 held that ".....In order to prove

trans-border goodwill and reputation the plaintiffs have relied upon materials published in the dental journal which admittedly has very restricted circulation. Mere publication of such advertisement and materials in dental journal cannot and would not establish a trans-border reputation. Such reputation, if any, was confined to a particular class of people i.e. the persons subscribing to the said specialized journals and cannot be said to be extended to the general consumers."

In the case of **Roca Sanitario S.A. v. Naresh Kumar Gupta and Anr.**, 2010 (7) RAJ 634 (Del), the Court did not grant the interim injunction as the Court held that there was no sufficient evidence of use of trademark ROCA. Even the evidence on the basis of trans-border reputation cannot be taken into consideration. Facts in the present case are materially different. Admittedly, despite of the order passed by the Division Bench passed at the time of interim stage, the defendant has been breaching the said order by using of the mark Toyota Device and INNOVA as a trademark as is evident from the evidence produced by the plaintiff. The said use was contrary to the direction passed by the Division Bench. It is an undisputed fact that the trademark TOYOTA and TOYOTA Device have been used in India for the last three decades, even when the defendants No.3 and 4 were not incorporated. There was a direct use of the said trademarks. The trademark PRIUS has been used in many countries of the world. The plaintiff has been able to establish the trans-border reputation by virtue of the evidence produced before this Court. Therefore, the facts are quite different in the present case. The said case was also decided on the interim application. The situation, facts and circumstances are entirely different. It is always observed and

particularly in trademarks matter that each matter depends upon its own facts. In the trademarks cases, the Court has to see the overall conduct of the party. In the present case, the defendants have not only disobeyed the order of the Division Bench but have also earned undue profits by using five trademarks of the plaintiff knowingly and intentionally.

The case of **Cluett Peabody & Co. Inc.** (supra) is not applicable which was based purely on striking the balance between the parties and the injunction was refused on the basis of non-user. The trademark ARROW could not be used by the plaintiff on the ground of being Government Policy import instruction. On the other hand, the defendant was using the trademark for the many years when the suit was filed. The plea was taken by the defendant about the non-user of the trademark in India. The said government policy was later on relaxed. In the case of **N.R. Dongre and Ors. v. Whirlpool Corpn. and Anr.** (supra), the concept of trans-border and reputation has been accepted after the relaxation of the policy.

The case of **Exide Industries Ltd.** (supra) is not applicable. As a matter of fact, the main suit filed by the plaintiff was decreed against the defendant bearing the trademark EXIDE which was being used by the plaintiff in India. The defendant No.1 in the counter claim claimed prior user of the trademark EXIDE in India since 1st September, 1902 till about 1950. There was an agreement between the parties whereby some parts of the countries of the world were allotted to the defendants and after 1950 defendant No.1 did not use the trademark existed in India. When the defendant No.1 tried to introduce its products in India in the year 1997 suit for infringement of trademark was filed by the plaintiff disclosing all the facts that the

defendant No.1 did not any right to use the trademark EXIDE in India in view of the agreement arrived at between the parties. On the other hand, the stand of the defendant was that during the period from 1902 to 1950 the said trademark EXIDE in India there was no division between the parties. Therefore, the defendant tried to take the advantage of the said user claiming i.e. as the prior user, the Court did not accept the argument of the defendant and passed the decree for permanent injunction against the defendant. Thus, the facts in the present case are totally different. The finding of the Court did not help the case of the defendant.

The judgment of ***The Gillette Company and Ors.*** (supra) is not applicable to the facts and circumstances of the present case. The main trademark of the defendant was EKCO FLEXGRIP. The FLEXGRIP was the generic name used by both the parties. The Court had already come to the conclusion that two trademarks EKCO FLEXGRIP and LUXOR MAT FLEXGGRIP were not similar. One of the factors was that the FLEXGRIP was not used by the plaintiff in India. Therefore, while striking the balance between the parties, the injunction was not granted. The facts are totally different in the present case. Here the trademark used by the defendants is identical. All the trademarks of the plaintiff were adopted prior to the use by the defendants. The trademark TOYOTA, Toyota Device and INNOVA are admittedly used in India by the plaintiff prior to the defendants. As far as trademark PRIUS is concerned, the same was used in many countries except in India. In India, the plaintiff was able to prove its case to show that the trans-border reputation has travelled by virtue of magazines, articles and interviews prior to the date of the user claimed by the defendants.

Under these circumstances, the judgments referred by the defendants are totally different and distinct from the facts and circumstances of the present case.

178. Even otherwise, if the party is guilty of flagrant and rank case of dishonesty and the Court finds that the date of adoption is tainted, the entire user would become dishonest and such adoption and user is to be treated as in bad faith. If on the date of filing of application for registration of the same mark with the knowledge of the party that it belongs to another one, the filing of application for registration, the claim of ownership has to be rejected as per scheme and object of the Act.

Under these circumstances, as explained, I am clear in my mind that the defendants have adopted the trademark/name PRIUS with the sole intention of enjoying the benefits that flow from the tremendous reputation and goodwill that exists in favour of the plaintiff's identical trademark. The defendants were well aware of the tremendous international reputation and goodwill acquired by the plaintiff in the trademark PRIUS and have no apparent justification for adopting the said mark. The fact that the defendants were aware of the plaintiff's trademarks, is well evidenced from the deposition of the defendants' witnesses, which highlights the defendants' clear awareness of the plaintiff's hybrid car PRIUS in light of numerous events prior to 2001. A timeline representing the defendants' knowledge of the plaintiff's trademark PRIUS has been handed over during the course of the final arguments.

179. The case of ***Ciba Ltd. v M. Ramalingam***, AIR 1958 Bombay 56 states as under –

"7. The partner of the respondents was asked why out of the tens and thousands of words in the English language he happened to hit upon this word 'CiboV.'" **The respondents must be congratulated for their ingenuity in thinking of this explanation.** Apart from the ingenuity there is no truth whatever in this explanation because Cibol introduced into the world not a preparation for cuts, itches and boils, but a much simpler reparation for ringworms....**This explanation in our opinion, is patently untrue and dishonest."**

180. The Supreme Court in **Satyam Infoway v Sifynet Solutions**, (2004) 6 SCC 145 (Para 35) declined to hold the defendants' adoption of the trademark SIFY as untenable and stated that *"....The doubtful explanation given by the respondent for the choice of the word Sify coupled with the reputation of the appellant can rationally lead us to the conclusion that the respondent was seeking to cash in on the appellant's reputation."*

181. Even the test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of **Laxmikant V. Patel v. Chetanbhat Shah and Another**, reported in (2002) 3 SCC 65, wherein the Supreme Court while considering a plea of passing off and grant of ad-interim injunction held in no uncertain terms that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion,

has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

182. It was also held in **Laxmikant V. Patel** (supra) that the principles which apply to trademark are applicable to trade name also. Para 10 of the aforesaid judgment reads as under:-

"The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury."

In this case, the Supreme Court further observed that:

"Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently."

183. Therefore, such confusion caused in the minds of the consumers and members of the trade alike between the plaintiff and the defendants, owing to the defendants' illegal and unauthorized adoption and use of the trademark PRIUS amounts to an action of passing off. The use of the mark by the defendants as per settled law is not protected despite of registered trademark in their favour. The most closet case in the facts and circumstances of the case is **N.R. Dongre v. Whirlpool Corporation**, (1996) 5 SCC 714 wherein the trademark Whirlpool was a dictionary word; it was appropriated by the

defendants in India. It was the defendants who used the said trademark Whirlpool in India.

The defendants in the matter **Whirlpool** (supra) also obtained the registrations of the trademarks. Upon information, the plaintiff filed the rectification as well as filed the suit for passing off. The injunction was granted up to the Supreme Court. The plaintiff in the above said matter has been able to establish the classic case of passing off.

184. The plaintiff has discharged its burden by proving its case of passing off beyond any doubt. Thus, both issues are decided against the defendants.

185. I shall now discuss the matter on issue No.4 which reads as under:-

Whether the suit suffers from delay, laches and acquiescence? OPD

186. Normally, thumb rule is that the plaintiff must file an action as early as possible whenever infringement is noticed by the plaintiff whose legal rights are violated. The defence of laches or inordinate delay is a defence in equity. An equitable defence can be put by a party who has acted fairly and honestly. If the plaintiff had no knowledge of its infringement of rights, he cannot lose his right. Even delay by itself cannot be said to amount to consent waiver or acquiescence or estoppel. If the plaintiff was not aware which has been done by the defendant, benefit is always enjoyed by the defendant during unnoticed period. Delay in bringing the action is mostly relevant at the time of considering the interim application. In the main suit after trial, always the issue is whether the suit filed by

the plaintiff is time barred or not. Passing off action is one of the facets of law of tort. Section 22 of Limitation Act, 1963 provides that every act of tort gives to a party a fresh cause of action.

187. Laches and inordinate delay are not similar to acquiescence. The consent of acquiescence has been explained by KERLY in the Law of Trademarks and Trade Names, 310 (12th Edn., 1986), para 15.45. The same reads as under:-

"The classic case of acquiescence proper is where the proprietor, knowing of his rights and knowing that the infringer is ignorant of them, does something to encourage the infringer's misapprehension, with the result that the infringer acts upon bids mistaken belief and so worsens his position. It seems clear that something less than that is needed to offer a defence, but how much less is not clear. The current tendency is to hold that a defence of acquiescence or laches may be set up whenever it is unconscionable for the plaintiff to deny anything that he (consciously or unconsciously) has allowed or encouraged the defendant to believe. Mere failure to sue, without some positive act of encouragement, is not in general enough to give a defence. A defendant who infringes knowing of the plaintiff's mark can hardly complain if he is later sued upon it, nor is a defendant who starts to infringe without searching the Register of Trademarks in any better position than if he had searched and so learned of the plaintiff's mark. Acts of the proprietor done in ignorance of the infringement, or even done without his own registration in mind, will not amount to acquiescence. A defence of estoppel by acquiescence is to be distinguished from a defence that by delay the mark has become *publici juris*."

188. The plaintiff's conduct is free from blame if in order to curb the menace of manufacture of goods which are blatant violation of intellectual property intentionally and deliberately. At that point of time, it will always be proper for the Court to take into consideration

the interest of the general public in order to avoid any confusion and deception.

189. It is the case of the plaintiff that it was first made aware of the defendants in October 2009, when it came across the defendants' trademark registrations for the mark PRIUS in class 12 bearing registration number 1163954 and 1086682, upon conducting a search on the website of the Trademarks Registry. It is stated that as soon as the plaintiff gained knowledge of the said registrations by the defendants, it filed rectification petitions against the defendants being Ex.PW-2/21 & PW-2/22. After filing the rectification proceedings, the plaintiff had initiated the present suit for infringement and passing off against the defendants before this Court. In the testimony of witnesses, the similar statement is made. Even the defendants have not filed any document supporting the fact that the plaintiff had prior knowledge of the defendants or that the present suit suffers from delay or laches or acquiescence. An act of acquiescence involves a positive act from the plaintiff, enabling the defendants or giving it the impression that the plaintiff is aware of the violation of its rights and despite such knowledge, permits the defendants from continuing with such violation. From the defendants' evidence, no positive and cogent evidence is produced in order to establish that the plaintiff was fully aware about the defendants' activities prior to that or the date of user claimed by the defendants. It is also a case of infringement as well as passing off. In trademark matters, every sale gives fresh cause of action. The question of delay, laches and acquiescence does not arise. Even otherwise, it is the case where the defendants have used four well-known trademarks of the plaintiff. There is no valid justification given. Thus, the delay is not fatal. In the present case,

as soon as the plaintiff came to know the user in open market, the plaintiff has asserted and sought to protect its rights from being violated by the defendants by instituting the present suit before this Court and by initiating rectification proceedings against the defendants' such steps would establish that the plaintiff was serious about its right. The said issue is thus decided in favour of the plaintiff. The defendants have failed to discharge their onus of proving issue No.4.

190. As far as delay in filing of the suit is concerned, it is the admitted position in law that action of passing off is one of the facets of law of tort. Section 22 of the Limitation Act provides that on every act of tort, the fresh cause of action accrues. It is a recurring and continuous cause of action. For example, if a person hits another person every week under the law of tort, every week the person would have fresh cause of action and limitation of three years under Article 88 of the Limitation Act would occur. The question of laches and acquiescence does not arise because firstly, there is no evidence that the plaintiff was aware about the activities of defendant and secondly, the plaintiff is carrying on its business outside India. The defendants failed to discharge its burden by proving that the plaintiff had knowledge about their business prior to 2006 as the suit was filed in 2009, nor it is the case where the plaintiff has allowed the defendants to increase their business while sitting out across the road watching the business of the defendants. Even, it appears that the plaintiff was not aware about the advertisements of the marks in Trademarks Journals, otherwise the plaintiff could have opposed the same at that point itself. When the plaintiff now can file the suit for infringement and passing off as well as rectification who could have stopped them not to file the notice of

opposition under Section 21 of the Act, it shows the bonafide of the plaintiff.

191. In the case of ***M/s. Bengal Waterproof Ltd. v. M/s. Bombay Waterproof Manufacturing Co.***, AIR 1997 SC 1398, it was held as under:

“20.....It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trademark of another he commits a recurring act of breach or infringement of such trademark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper relief, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts.”

The ratio of the aforesaid decisions is squarely applicable to the facts of the present case. Thus, the suit is not barred by time or there is any delay, laches and acquiescence.

192. Issue No.8 is pertaining to concealment of facts if concealed by the plaintiff. The same is reproduced here as under:

“Whether the Plaintiff is guilty of concealment of material factors and has not approached this Court with clear hands?” OPD

193. The defendants have contended that the plaintiff has not approached this Court with clean hands and that it has suppressed material particulars relating to the registrations secured by the defendants for their mark PRIUS in India. The defendants have failed to produce any cogent and clear evidence to establish that the plaintiff is guilty of concealment of fact. The defendants have merely assumed when the marks of both the parties were published in the same publication prior to 2009. However, the defendants have not produced any independent witness who could depose that the plaintiff was aware about the defendants' act prior to date of knowledge claimed. It is only the argument that this Court draw inference in this regard which is not permissible in law.

194. Even, the plaintiff had disclosed the fact that the registrations secured by the defendants were challenged by the plaintiff at the time of securing the *ex parte* ad-interim injunction on 22nd December, 2009 since the order itself reads "...*The Defendant is using the trademarks TOYOTA, Toyota Device, INNOVA and PRIUS. The Plaintiff has filed the rectification to the registered trademark obtained by the Defendant No.3 in respect of auto parts and accessories.*"

195. The issue of awareness of user of marks has been discussed to some extent while deciding the issue No.4. In view of the same, it cannot be said that the plaintiff has concealed material particulars from this Court in the absence of any cogent proof.

196. The defendants have failed in proving issue No. 8 in their favour, hence, the same is decided against the defendants and in favour of the plaintiff.

197. Now, I shall deal with the last issue No.11, i.e. Relief. In the plaint, the plaintiff has sought the relief of damages in para 27(d) of

the plaint. However, during the course of hearing, the plaintiff has pressed the restricted relief of punitive damages.

198. It is contended by the plaintiff that the plaintiff is not only entitled to a relief of permanent injunction restraining infringement and passing off, but also entitled to claim damages against the defendants on account of the following factors:

- (i) Punitive damages as the defendants misrepresented to this Court that the use of the trademark TOYOTA, INNOVA, QUALIS and TOYOTA DEVICE was honest and in consonance with practices in industrial and commercial matters.
- (ii) Punitive damages as the defendants adopted the trademark PRIUS solely to ride upon the goodwill and reputation of the plaintiff's world renowned automobile PRIUS;

199. The defendants conducted business under the plaintiff's trademark PRIUS and have expanded their business from being a small business firm to a big company. Moreover, the defendants' products are at best merely compatible with some vehicles manufactured by the plaintiff. These goods do not match up to the high finesse and quality achieved by the plaintiff for its automobiles as well as spare parts and accessories under the mark TOYOTA, INNOVA, PRIUS and TOYOTA Device.

200. The defendants have also filed sales records of the defendants No.3 and 4, i.e. Prius Auto Industries and Prius Auto Accessories Limited for the years 2010 till 2015, which are reproduced below:

YEAR	AMOUNT
PRIUS AUTO INDUSTRIES – DEFENDANT NO. 3	
2010	
Jan to June	₹ 1,441,484
July to Dec	₹ 3,742,430
Total	₹ 5,183,914
2011	
Jan to June	₹ 9,938,136
July to Dec	₹ 16,572,922
Total	₹ 26,511,058
2012	
Jan to June	₹ 18,236,235
July to Dec	₹ 14,791,631
Total	₹ 33,027,866
2013	
Jan to June	₹ 17,981,264
July to Dec	₹ 21,732,112
Total	₹ 39,713,376
2014	
Jan to June	₹ 22,930,993
July to Dec	₹ 23,521,978
Total	₹ 46,452,971
2015	
Jan to March	₹ 15,795,584
April to Aug	₹ 24,538,587

Total	₹ 40,334,171
PRIUS AUTO ACCESSORIES – DEFENDANT NO. 4	
2010	
Jan to June	₹ 5,921,657
July to Dec	₹ 8,257,427
Total	₹ 14,179,084
2011	
Jan to June	₹ 7,639,393
July to Dec	₹ 4,725,392
Total	₹ 12,364,785
2012	
Jan to June	₹ 3,361,030
July to Dec	₹ 319,360
Total	₹ 3,680,390
2013	
Jan to March	₹ 160,090
TOTAL AMOUNT	₹ 22,16,07,705

201. It is argued on behalf of the plaintiff that the main sale made by the defendants is attributed to the mistaken belief in the minds of consumers with average intelligence and imperfect recollection that there exists some nexus between the plaintiff and the defendants. Hence, the plaintiff is entitled to a large portion of the sales revenues as claimed by the defendants who are liable to pay punitive damages as they misrepresented to this Court that the use of the trademarks TOYOTA, INNOVA, PRIUS and TOYOTA Device was honest and in consonance with practices in industrial and commercial matters.

202. It is argued by the learned counsel for the plaintiff that it is established by the plaintiff that the defendants' adoption of the trademark PRIUS was *malafide* and patently dishonest. The use by the defendants of the plaintiff's trademark has, therefore, caused damage to the immense reputation enjoyed by the plaintiff over its hybrid automobile. Moreover, it has severely threatened the plaintiff's trademark PRIUS from serving its primary purpose, i.e. identifying automobiles and parts thereof as bearing the said mark as emanating from the plaintiff itself.

203. No doubt, there is a force in the argument of the plaintiff's counsel that the defendants were well aware of the tremendous reputation enjoyed by the plaintiff's automobile PRIUS. However, it denied such knowledge and offered unreasonable and acceptable reasons for adoption of the said mark. The defendants continued to make false statements regarding their reason for adopting the trademark PRIUS and specifically denied having any knowledge of the plaintiff's mark. Being in the automobile industry, it is hard to fathom that the defendants were not aware of the world's first hybrid engine powered car which revolutionized environmental centric automobile engineering.

204. Sub-Section (1) of Section 135 of the Act provides that relief may be granted in any suit for infringement or passing off includes injunction and at the option of the plaintiff, either damages or an account of profits. The plaintiff has chosen the route of damages and requested for punitive damages.

205. The Courts have previously granted both exemplary and punitive damages against the defendants in *ex parte* matters of similar nature. In ***Time Incorporated v. Lokesh Srivastava & Anr.***, (supra) while

awarding punitive damages of Rs.5 lakhs in addition to compensatory damages also of Rs.5 lakhs, Justice R.C. Chopra observed that *"Time has come when the Courts dealing in actions for infringement of trademarks, copyrights, patents etc., should not only grant compensatory damages but also award punitive damages with a view to discourage and dishearten law breakers who indulge in violation with impunity out of lust for money, so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them."*

206. Further, this Court in **Microsoft Corporation v. Rajendra Pawar & Anr.**, 2008 (36) PTC 697 (Del.) decided on 27th July, 2007 has held *"Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade court proceedings in a systematic attempt to jettison the relief sought by the plaintiff. Such flagrancy of the Defendant's conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of court proceedings does not de facto tantamount to escape from liability. Judicial process has its own way of bringing to tasks such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective."*

207. As all issues framed are decided accordingly, the plaintiff is entitled for all reliefs as sought. The following reliefs are granted in favour of the plaintiff and against the defendants :-

- i) It is directed that permanent injunction restraining the defendants, their principal officers, servants, representatives and agents or any of them, from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in auto spare parts or any other product under the trademark/name TOYOTA, the Toyota Device, INNOVA or any other trademark/name identical with or deceptively similar thereto amounting to infringement of trademark Nos.506689, 506695, 506686, 506687, 506704, 506688, 506694, 506690, 506693, 506685, 506701, 506702, 506696, 506697, 506698, 506691, 506692, 506700, 508059, 752333, 1232944, 1243213, 1243214, 1243215, 1243207, 1243208, and 123209 and from using such trademarks in any other manner or on any other product so as to pass off or enable others to pass off the defendants' goods and/or business as that of the plaintiff and also from using the trademark/name PRIUS, TOYOTA, the Toyota device, INNOVA and PRIUS in any manner whatsoever on goods not originating from the plaintiffs or not made under the plaintiff's quality control thus leading to dilution of the distinctiveness of the said marks tarnishing the reputation of the plaintiff's said trademarks (except if the defendants would give an undertaking strictly within four weeks by way of affidavit that as per order of Division Bench, they would be allowed to use the same with the different writing style/fonts which do not indicate any manner if the defendants are using such description as a trademark of the plaintiff.)
- ii) The defendants are directed to deliver up to the plaintiff for destruction/erasure of all the goods, stickers, cartons, packing, dies, articles papers and other material of the defendants

bearing the impugned marks PRIUS, TOYOTA, Toyota device and INNOVA within the period of four weeks from today.

iii) As far as punitive damages are concerned, it appears that the defendants must have sold the goods under the similar trademarks and trade names for more than Rs.40 crores (Prior to 2010, the defendant No.4 has admitted in the written statement that they have sold the goods for more than Rs.20 crores and as per the statement of accounts filed by the defendants for subsequent period after 2010, the defendants have sold the goods for more than Rs.22 crores). Even if punitive damages are assessed at the rate of 0.5% of the total sales of the defendants, it would come to Rs.20 lakhs. However, in view of the facts of the present case, a sum of Rs.10 lakhs is awarded against the relief para 27(d) of the plaint. The plaintiff is also entitled for the actual costs and fee of the counsel spent on this litigation. Pending application also stands disposed of.

208. A decree be drawn accordingly. In the interest of justice, equity and fair play, the defendants are granted two months' time to change the impugned trademarks and trade names of defendants No.3 and 4 and dispose of the existing stocks.

(MANMOHAN SINGH)
JUDGE

JULY 08, 2016