

World Trademark Review *Daily*

Toyota fails to obtain exclusivity over use of PRIUS mark
India - Nishith Desai Associates - Legal & Tax Counselling Worldwide

Confusion
Dilution
Passing off

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The Delhi High Court has rejected [Toyota's](#) request for a permanent injunction preventing Prius Auto Industries from using the PRIUS mark.

Toyota, the Japanese automobile giant, has owned registrations for the trademark PRIUS in over 40 countries since 1990. However, it did not own a registration for PRIUS in India. Prius, a partnership firm incorporated in India in April 2001, is the registered proprietor of the trademark PRIUS in India for automobile parts and accessories in Class 12 of the [Nice Classification](#). Prius has been using the mark since March 2002.

Toyota initially sought a permanent injunction in an action for infringement of its registered trademarks TOYOTA, TOYOTA (and design) and INNOVA. It also sought a permanent injunction against use of the PRIUS mark in an action for passing off.

In particular, Toyota argued as follows:

- It is the registered proprietor of the trademark PRIUS in numerous countries and adopted the mark before Prius.
- In 1994 it designed a hybrid car called Prius, which is the Latin word for 'prior' or 'before'.
- It has advertised the vehicle extensively in national and international publications.
- Prius was using the registered trademarks TOYOTA, TOYOTA (and design) and INNOVA, as well as the name Prius in its trade name and on its products, without Toyota's authorization. This amounted to infringement, passing off and dilution of Toyota's trademarks.
- Prius's claim that Toyota was aware of Prius's existence due to the advertisement of its products in various Indian automobile publications was unjustified.

In contrast, Prius raised the following arguments:

- Bills and invoices showed that it had been doing business under the trade name Prius Auto Industries since 2003. Further, reputed automobile companies, such as [Mahindra & Mahindra](#), [Hyundai Motor Company](#) and [General Motors India](#), have placed orders to purchase Prius's automobile accessories.
- *OverDrive* and *Auto Car*, India's leading automobile magazines, advertised Prius's products in 2003 and 2004 with the phrase "Prius - the name you can trust". The advertisements clearly showed that Prius was supplying accessories for various vehicles, including Maruti 800, Indica, Santro Xing, Zen, Omni and Qualis, which is manufactured by Toyota. Prius thus informed purchasers that it was selling accessories which were suitable for these vehicles. This substantiated the assertion that, as early as April 2003, Toyota was aware that Prius was using the name Prius. Hence, there was considerable delay in filing suit on the part of Toyota.

Relying on previous judgments, and based on the argument of the parties, the court first observed that:

- foreign magazines in which Toyota's Prius car was advertised were high-priced publications which were not easily available to the average Indian reader; and
- both parties were aware of the magazines *OverDrive* and *Auto Car*, and were advertising their products therein.

The court further held that Toyota's contention that it became aware of Prius's presence only in 2009 was contradicted by documentary evidence placed on record. If Prius was prevented from using the PRIUS mark after more than seven years of use, it would suffer huge financial and reputational losses.

In addition, the court stated that Prius used the marks TOYOTA, TOYOTA (and design) and INNOVA on its packaging mainly to demonstrate the compatibility of its products with certain vehicles and to identify its goods, in accordance with honest commercial practices.

The court also held that Toyota, despite being aware that Prius was the registered proprietor of the trademark PRIUS, had failed to disclose this fact in its complaint. Hence, the court was not aware of this fact when it granted the interim injunction.

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With respect to the meaning of '*prius*', the court found that this word:

- was a Latin term that was not commonly used in India;
- was included in English dictionaries; and
- was not an invented word.

Hence, Toyota could not claim to have a monopoly over use the word '*prius*', as Prius has adopted its name in good faith. The court further held that bills, invoices and purchase orders provided by Prius proved that it was actively conducting business under the trade name Prius.

Finally, the court found that Prius's trade dress was different from that of Toyota, and that the purchasers of the parties' goods were different.

Based on these observations, the court concluded that:

- Toyota would suffer no irreparable loss or injury, as it had not launched its Prius hybrid car in India;
- Toyota had failed to make a *prima facie* case that Prius should be prevented from using the PRIUS mark;
- the balance of convenience lay in favour of Prius; and
- the interim injunction in favour of Toyota should be set aside.

Accordingly, the action was dismissed.

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