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High threshold for evidence in recent cases to prove trans-border reputation of trademarks in India

Manisha Singh and Ritika Agrawal of LexOrbis compare two recent cases that exemplify the high standards required for claimants to prove trans-border reputation in order to uphold their trademarks.

According to the principles of trans-border reputation, it exists when a trademark gains reputation across the border or beyond the territorial limits of the geographical region through promotions, commercial publicity, advertisements, and its market presence at large. Distribution of information about a product's trademark through advertisements and publicity in media amounts to the use of a trademark even if the advertisement is not combined with the actual presence or use of the product in the market.

Trademarks having a trans-border reputation in India are well-protected under Indian law; however, a claimant needs to prove that their trademark has a trans-border reputation in India through documentary evidence. Courts in India have time and again laid down various tests to examine if a claimant's mark has a trans-border reputation or not. In the recent cases of February 2023, the Delhi High Court has set high standards for the claimants to prove that their marks have a trans-border reputation in India and based its decision on the evidence provided to establish the same.

The Alphard case

In the recent case of *Toyota Jidosha Kabushiki Kaisha vs. Tech Square Engineering Pvt. Ltd* decided on February 3, 2023, the Court rejected Toyota's rectification application on the ground that it has failed to establish trans-border goodwill and reputation of the mark 'ALPHARD' in India.

Background of the case

The Petitioner, Toyota, claimed to have launched



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its product – a minivan, under the name Alphard in 2002, stating that they have been using it in China, Russia, Indonesia, the Philippines and Japan. In India, Toyota applied to register the mark 'ALPHARD' on a "proposed to be used" basis, under Class 12 (vehicles; apparatus for locomotion by land, air, or water) in 2017. However, the same stood rejected by the Registry on the ground of its similarity with the Respondent Techsquare's mark 'ALPHARD'. On the other hand, Techsquare registered the mark 'ALPHARD' in 2015 under Class 9 (different scientific, nautical, life-saving apparatus, computer, and computer software etc.), Class 12 (for car covers, horns, visors, bumper horns, and other car-related accessories), and Class 27 (Carpets, rugs, mats and matting, linoleum, and other materials for covering existing floors; wall hangings). Techsquare has two more applications awaiting registration for the 'ALPHARD' word mark and device mark under Class 12 for land vehicles that were opposed by Toyota in 2017 (word mark) and 2018.

In a series of registrations, oppositions, and refusals, the dispute reached the Delhi High Court when Toyota sought the cancellation of Techsquare's mark by filing a rectification petition. However, it is interesting to note that Toyota does not use the ALPHARD mark in India, but instead sells the same vehicle under the name 'Vellfire'.

Decision of the Court

Tracing the footsteps of the *Toyota vs. Prius* judgment, the Court rejected Toyota's rectification application on the ground that it had failed to prove the goodwill and reputation of the ALPHARD

mark in India. Two important observations by the Court in the present order were its reliance on the strict test regarding the 'territoriality principle' and the difference between the application of the 'spill-over effect' of the transborder reputation in passing off and rectification cases.

Firstly, the Court dismissed all the evidence produced by the Petitioner, to hold that apart from establishing ALPHARD's goodwill abroad, Toyota had not established ALPHARD's goodwill in India. The Court noted that the petitioner failed to place on record any invoice to show that it had sold any car under the brand 'ALPHARD' in India. The trademark application filed on behalf of the petitioner in November 2017 was on a "proposed to be used basis". Regarding the evidence of Toyota, the Court stated that the Petitioner has not advertised its brand in India in any manner. Various documents placed on record by the Petitioner such as international brochures/ annual reports, awards, worldwide trademark registration certificates/renewal certificates and promotional material, were considered to be for international usage of the aforesaid trademark. The Court stated that, though these documents show that the trademark 'ALPHARD' has acquired goodwill and reputation in several other jurisdictions around the world, as per the 'territoriality principle', none of the aforesaid documents filed by Toyota showed that the brand 'ALPHARD' has acquired goodwill and reputation in India. The Court noted that the documents filed by the Petitioner relating to India were screenshots from third-party websites showing that it had listed a few cars under the brand 'ALPHARD' for sale in India, which is not enough to prove the goodwill of its mark in India. It was also pointed out by the Court that the aforesaid imports have not been made by the Petitioner but by private parties.

The Court further pointed out that articles in various trade/automobile magazines and newspaper reports regarding the Petitioner considering the launch of a vehicle under the brand 'ALPHARD' in India, were published after the trademark 'ALPHARD' had already been registered by the Respondent in India. The Court further noted that the vehicle under the brand 'ALPHARD' was never launched in India. The same model was launched in India in February 2020 under the brand 'Vellfire'. Therefore, no reliance could be placed on these articles to show that the brand 'ALPHARD' has acquired goodwill and a reputation in India.

Secondly, the Court rejected Toyota's claim of the trans-border reputation of 'ALPHARD' in the Indian market and its reliance placed on 'MAC Personal Care' and 'Keller Williams Realty' since these judgments were in the context of passing off and not rectification, indicating that to establish

the spill-over effect of transborder reputation in case of rectification application, the petitioner must satisfy a different standard of proof than the ones prescribed in passing off. However, no further explanation was given by the Court on this point.

The Court dismissed the petition basis that sufficient proof was not presented by Toyota to demonstrate the spill-over of the reputation of the mark in question in India.

The Bolt case

In the recent case of *Bolt Technology OU vs. Ujoy Technology Private Limited and Ors.* decided on February 24, 2023, the Delhi High Court refused to grant an interim injunction in favor of Bolt



Technology OU in relation to the use of the trademark 'Bolt' for electric vehicle charging stations in India by Ujoy Technology Private Limited.

Background of the case

The Plaintiff, Bolt Technology OU, formerly known as Taxify OU, is an Estonian Company operating as a taxi aggregator. It also provides ride-hailing, food and grocery delivery, rental of cars, e-bikes and scooters and EV (electric vehicle) charging stations/docks.

It was Bolt's averment that Ujoy Technology's use of the trademark 'Bolt' in respect of EV charging stations in India was an act of passing off its products and services as those of Bolt's. Bolt further stated that it conceptualized and adopted the brand "BOLT" in 2018, and through continuous use, the mark 'Bolt' has amassed considerable goodwill and reputation, being exclusively associated with its products and services.

Bolt alleged that the international reputation and goodwill of its trademark 'Bolt' had spilt

over in India much before the adoption of the impugned mark by the Defendant. It relied on data gathered from the internet that indicated the number of times Bolt's App was accessed by drivers in Indian cities like Ahmedabad, Pune, Surat, Chennai, and Kolkata.

The Defendant, Ujoy Technology denied Bolt's claim that its mark 'Bolt' was entitled to be regarded as a 'well-known trademark' under Section 2(1)(zg) of the Trade Marks Act, 1999. The Defendant also alleged that it is the largest player in India in the EV charging stations market and that the Plaintiff is not engaged in the business of EV charging stations/docks and thus, does not enjoy any goodwill or reputation for the same.

It was argued by the Defendant that the use of the 'Bolt' mark by the Plaintiff for EV charging docks/stations in Tallinn (Estonia), Lithuania and Portugal, cannot be considered as trans-border/worldwide reputation having spilt over into India.

The Court observed that since the Plaintiff is not engaged in providing EV charging services anywhere in the world and has merely installed EV charging stations in a handful of locations to charge its vehicles, no trans-border reputation in providing EV charging services could be credited to it that can be said to have spilled over into India.

Decision of the Court

The Court noted that the Plaintiff admittedly has no trademark registration in India, though it has applied for registration of the trademark 'Bolt Charge' and device mark 'Bolt', which are pending with the Registrar of Trade Marks.

It was found by the Court that the Plaintiff has no business whatsoever in India and added that establishing the tort of passing off first requires the Plaintiff to establish its goodwill and reputation in India, or that its goodwill and reputation garnered abroad is so considerable that it has spilled over into India.

It was held by the Court that there is nothing whatsoever to indicate that the Plaintiff was 'in the EV-charging market' at all, even to date. The 'market', in which Bolt was using the trademark in question 'Bolt', was a market of taxi-hailing services, with associated activities like food and grocery delivery and the like. It was not admitted by the Court that in the EV-charging market, the plaintiff can claim to be 'first'.

It was further noted by the Court that since the Plaintiff has no commercial existence in India, no services of Bolt could be availed even if any person downloaded its App. The Court also highlighted that the limited downloading of the plaintiff's App by persons who may be travelling abroad to countries where the plaintiff's services are available cannot, *prima facie*, be regarded as any sign of spill-over of the plaintiff's

Résumés

Manisha Singh is the Founder Partner of LexOrbis. Manisha is known and respected for her deep expertise in prosecution and enforcement of all forms of IP rights and for strategizing and managing global patents, trademarks, and designs portfolios of large global and domestic companies. Her keen interest in using and deploying the latest technology tools and processes has immensely helped the firm develop efficient IP service delivery models and provide best-in-the-class services. She is also known for her sharp litigation and negotiation skills for both IP and non-IP litigations and dispute resolution.

She is involved in a large number of intellectual property litigations with a focus on patent litigations covering all technical fields – particularly pharmaceuticals, telecommunications, and mechanics. She has been involved in and successfully resolved various trademarks, copyright, design infringement, and passing off cases in the shortest possible time and the most cost-efficient manner applying out-of-box strategies and thinking.

She is an active member of many associations like INTA, APAA, AIPLA, AIPPI, LES, FICPI, and is actively involved in their committee work. She is an active writer and regularly authors articles and commentaries for some of the top IP publications.

Ritika Agarwal is a qualified Advocate associated with LexOrbis, having started her career in August 2013. Since then, has been a part of trademark prosecution teams of prestigious IPR boutique firms. She has advised clients from diverse areas of business and understands the specific requirements of different industries when it comes to their brand and IP protection. Having worked extensively as a core team member dedicated to trademark prosecution, she has gained in-depth expertise in counselling, support, and strategy in trademark; search and watch including investigations, market surveys, negotiations for co-existence agreements, buy-outs; filing and prosecution of applications, oppositions, and cancellation actions; post-registration maintenance; assignment and licensing; representation before and liaison with the Trade Mark Registry.

reputation into India, much less in the EV charging arena.

The Court admitted that the Defendant Ujoy Technology is the first in the Indian market to provide EV charging services. The Court stated that in examining these aspects, it must acutely be conscious of the cautionary note sounded in 'Milmet Oftho' and 'Toyota' cases - that the Court must not permit large multinational corporations that have no intention of coming to India, to throttle an Indian company by not permitting it to sell its product in India.

The Court stated that there is no justification, therefore, *prima facie*, for the Court to, by allowing the application of the petitioner, who has no market exposure whatsoever in India, and, *prima facie*, no spill-over or percolation of its trans-border reputation into India, to jeopardize the market, or the repute, that the defendant has earned by use of the impugned mark, for providing EV charging services. The Court thus dismissed the plaintiff's application seeking an interim injunction.

Conclusion

In both above-mentioned cases, the plea of a trans-border reputation of the Petitioner/Plaintiff was not allowed by the Court as the respective

“ It can be safely concluded that these cases have set a high threshold for the need to produce evidence for claiming the trans-border reputation of a trademark in India. ”

parties failed to produce sufficient evidence to show that they had a trans-border reputation associated with their marks with regards to the same goods and business as the Respondent/Defendant in India. The key factor examined by the Court was whether the Petitioner/Plaintiff was able to show through its evidence or not that it had the intention to use its mark before the adoption of the same mark by the Respondent/Defendant in India. Another factor that came to light was the Court's attempt to protect the use, interest, and rights of the Indian businesses that use their marks in a bonafide manner against the unsubstantiated claim of the multinational businesses. It can be safely concluded that these cases have set a high threshold for the need to produce evidence for claiming the trans-border reputation of a trademark in India.

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