

\$~20

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ CS(COMM) 739/2022 & I.A.17325/2022, I.A.1325/2023,
I.A.1326/2023, I.A.1327/2023, I.A.1328/2023

FOOT LOCKER RETAIL, INC Plaintiff
Through: Ms. Anuradha Salhotra and
Ms.Sharika Vijh, Advs.

versus

SMT. GEETA KEWALANI Defendant
Through: Mr. Dhruv Tailor and
Mr.Dhananjai Shekhawat, Advs.

CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR

J U D G M E N T (O R A L)

% **02.02.2023**

I.A.17325/2022 (under Order XXXIX Rules 1 & 2 of the CPC)

1. The plaintiff Foot Locker Retail, Inc. is a company incorporated in the United States in 1974. The plaintiff claims to be involved in manufacture and sale of footwear, under the “FOOT LOCKER” brand and since 1974 internationally. The plaintiff holds registrations of the brand “FOOT LOCKER” in over 100 international jurisdictions. In India, the device ~~FOOT LOCKER~~ was registered in favour of the plaintiff in Class 35, which deals with “shoes, footwear and athletic clothing”, with effect from 31st October 1988. The plaintiff also has an online presence through the websites www.footlocker.com and www.kidsfootlocker.com , both created in 1995.

2. The plaintiff has, in the plaint, referred to various awards and


encomiums which it has earned over a period of time and contends that it has, by now, become a world famous brand.



3. Though the plaint asserts that the plaintiff was commercially using “FOOT LOCKER” as a brand in India, at least since 2015, the invoices placed on record with the plaint indicate such user since 2018.

4. On 22nd January 2021, the plaintiff applied with the Registry of Trademarks for registration of the word mark “FOOT LOCKER” in Class 35, which covers “retail stores services featuring clothing, footwear and headgear, online retail store services, featuring clothing, footwear and headgear”. The registration, as applied, was granted by the Registry to the plaintiff on 24th September 2021.

5. Thereafter, in January 2022, the defendant filed an application before the Registrar of Trademarks under Section 57 of the Trademarks Act, 1999, seeking rectification of the register and removal, therefrom, of the registration granted to the plaintiff of the “FOOT LOCKER” word mark in Class 35. The defendant in the said application, did not disclose any earlier registration for the mark “FOOT LOCKER”, whether in word or in device form, granted to it. The application was predicated on a plea of prior user. The defendant claimed user of the “FOOT LOCKER” mark since 2001.

6. The plaint avers that, on the said rectification being filed and on notice thereof being received by the plaintiff, inquiries were made, which revealed that the defendant had, in fact, obtained a registration



for the  mark in Class 25 on 4th February 2013. Ms. Salhotra, learned Counsel for the plaintiff emphasised the fact that, in the rectification application filed by it in March 2022, this earlier registration held by the defendant was not disclosed.

7. The plaintiff came to learn, on further enquiry, that the defendant was also engaged in sale of footwear using the  mark from a shop in Jaipur. The plaintiff, thereupon, addressed notices to the defendant, calling upon the defendant to cease and desist from using the  mark as the plaintiff already held valid and subsisting registrations for the said “FOOT LOCKER” mark both in Classes 25 and 35. On the notices failing to elicit any favourable response, the plaintiff has instituted the present suit before this Court, seeking an injunction against the defendant from using the “FOOT LOCKERS” mark whether in word or in device form, apart from ancillary reliefs of delivery or rendition of accounts, costs and damages.

8. Written statement has been filed by way of response to the suit.

9. The plaintiff has also filed I.A.17325/2022, with the plaint, under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC), seeking grant of interim relief. I have heard Ms. Anuradha Salhotra, learned Counsel for the plaintiff and Mr. Dhruv Tailor, learned Counsel for the defendant, at length on this application and proceed, by this judgement, to dispose of it.

10. Ms. Salhotra submits that this is a clear case of infringement.

The  mark of the defendant is clearly imitative of, and deceptively similar to, the registered  mark the plaintiff. The addition of a terminal 'S' would make no difference.

11. Ms Salhotra points out that the plaintiff has priority of registration, dating back to 31st October 1988. Even though the defendant pleads priority of user, Ms. Salhotra invokes Section 29(1) and (2)¹ read with Section 34² of the Trademarks Act, to justify the prayer for interlocutory injunction. She submits that Section 34 disentitles the plaintiff from injuncting the defendant only if the user of the impugned mark by the defendant is prior in point of time both to the registration as well as the user of the mark by the plaintiff. Inasmuch as the plaintiff's registration dates back to 1988 and, even as per its showing, the defendant's registration is of 2013, claiming user of 2001, she submits that Section 34 would not act as an embargo against the plea for injunction advanced by her. As the case is one of

¹ 29. **Infringement of registered trade marks.** –

(1) A registered trade mark 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 trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark 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 because of –

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

² 34. **Saving for vested rights.** – Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior –

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only of the registration of the first-mentioned trade mark.

a similar mark being used for identical goods, she submits that there is every chance of an unwary customer, who comes across the goods of the defendant bearing the impugned mark, believing the goods to be those of the plaintiff. As such, she submits that a clear case for injunction is made out.

12. Mr. Dhruv Tailor on the other hand, initially places reliance on the judgment of the Supreme Court in *Neon Laboratories v. Medical Technologies Ltd.*³ emphasising paras 9, 10 and 11 thereof which reads thus:

“9. Section 34 of the Trade Marks Act, 1999 (the Act) deserves reproduction herein:

“**34. Saving for vested rights.**—Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor-in-title of his has continuously used that trade mark from a date prior—

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor-in-title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor-in-title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second-mentioned trade mark by reason only of the registration of the first-mentioned trade mark.”

This section palpably holds that a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user commenced prior to the user or date of registration of the proprietor. This “first user” rule is a seminal part of the Act. While the case of the respondent-

³ (2016) 2 SCC 672

plaintiffs is furthered by the fact that their user commenced prior to that of the appellant-defendant, the entirety of the section needs to be taken into consideration, in that it gives rights to a subsequent user when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier. In the facts of the case at hand, the appellant-defendant filed for registration in 1992, six years prior to the commencement of user by the respondent-plaintiffs. The appellant-defendant was, thus, not prevented from restraining the respondent-plaintiffs' use of the similar mark PROFOL, but the intention of the section, which is to protect the prior user from the proprietor who is not exercising the user of its mark prima facie appears to be in favour of the respondent-plaintiffs.

10. Section 47 of the Act is in the same vein and statutory strain inasmuch as it postulates the possibility of a registered mark being taken off the register on an application being made by any aggrieved person, inter alia, on the ground that for a continuous period of five years and three months from the date on which the trade mark was registered, there was no bona fide use thereof. In the case in hand, prima facie, it appears that for over five years after a registration application was made by the appellant-defendant, the mark was not used. Facially, the Act does not permit the hoarding of or appropriation without utilisation of a trade mark; nay the appellant-defendant has allowed or acquiesced in the user of the respondent-plaintiffs for several years. The legislative intent behind this section was to ordain that an applicant of a trade mark does not have a permanent right by virtue of its application alone. Such a right is lost if it is not exercised within a reasonable time.

11. We must hasten to clarify that had the appellant-defendant commenced user of its trade mark ROFOL prior to or even simultaneous with or even shortly after the respondent-plaintiffs' marketing of their products under the trade mark PROFOL, on the appellant-defendant being accorded registration in respect of ROFOL which registration would retrospectively have efficacy from 19-10-1992, the situation would have been unassailably favourable to it. What has actually transpired is that after applying for registration of its trade mark ROFOL in 1992, the appellant-defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant-defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for

themselves in the market. 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 Corpn.*⁴ and *Milmet Oftho Industries v. Allergan Inc.*⁵ In *Whirlpool*⁴, the worldwide prior user was given preference nay predominance over the registered trade mark in India of the defendant. In *Milmet*⁵, 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*⁶ 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 trade mark. The learned counsel for the appellant-defendant has endeavoured to minimise the relevance of *Whirlpool*⁴, as well as *Milmet*⁵ by drawing the distinction that those trade marks had attained worldwide reputation. However, we think that as world shrinks almost to a global village, the relevance of the transnational nature of a trade mark 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 appellant-defendant that we find holds more water is that in both *Milmet*⁵ and *Whirlpool*⁴, 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 appellant-defendant. 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 respondent-plaintiffs.”

13. He submits, relying on the said passages from the decision, that the inaction, on the part of the plaintiff, in using the **FOOTLOCKER** mark

⁴ (1996) 5 SCC 714

⁵ (2004) 12 SCC 624

⁶ (2016) 2 SCC 683

for 30 years till 2018, despite having obtained registration of the mark in its favour in 1988, disentitles the plaintiff from either pleading infringement or seeking any injunctive relief. He submits, relying on *Neon Laboratories*³, that Sections 34 and 47(1)⁷ of the Trademarks Act have to be read in conjunction, and if so read, would disentitle the plaintiff to any relief in the present application.

14. Apropos the claim of user of the “FOOT LOCKER” mark by the plaintiff since 2015, Mr. Dhruv Tailor submits that there is no corroborative material available on record. He submits that the plaintiff never advertised its products in India, and does not have any India specific website, whereas it has specific websites for access in other countries targetted by it. He further submits that there is no evidence whatsoever of the plaintiff having any goodwill or reputation in the Indian market. All awards and encomiums, to which the plaintiff has eluded, he points out, are overseas.

⁷ 47. **Removal from register and imposition of limitations on ground of non-use. –**

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the High Court by any person aggrieved on the ground either –

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of Section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or

(b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:

Provided that except where the applicant has been permitted under Section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the Registrar or the High Court, as the case may be, is of opinion that he might properly be permitted so to register such a trade mark, the Registrar or the High Court, as the case may be, may refuse an application under clause (a) or clause (b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to –

(i) goods or services of the same description; or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered.

15. Adverting to Section 29(6)⁸ of the Trade Marks Act, Mr. Dhruv Tailor submits that the plaintiff's goods are neither sold nor exposed to trade in India within the meaning of clause (b) of the said provision.


16. Mr. Tailor has also placed reliance on the judgment of a Division Bench of this Court in *Veerumal Praveen Kumar v. Needle Industries (India) Ltd.*⁹ for the proposition that inordinate disuse of a mark would disentitle the proprietor of the mark from injuncting any subsequent user of the same mark. Mere registration, he submits, does not entitle the proprietor of a mark to an injunction, if the proprietor leaves the mark unused for years at a stretch. In the present case, he seeks to point out, the plaintiff used the registered "FOOT LOCKER" mark for the first time, even as per the plaint, only 30 years after registration was obtained.

17. Mr. Dhruv Tailor has also pointed out that the decision in *Veerumal Praveen Kumar*⁷ was subsequently followed by this Court in *Radico Khaitan Ltd v. Devans Modern Breweries Ltd*¹⁰.

18. Responding to the submission of Mr. Tailor in rejoinder, Ms. Salhotra submits that the emphasis, by Mr. Tailor, on the failure, on the part of the plaintiff, to use the **FOOTLOCKER** mark of which it had obtained registration in 1988 for several years was of no consequence, as the plaintiff's mark was not vulnerable to cancellation on that



⁸ (6) For the purposes of this section, a person uses a registered mark, if, in particular, he—
(a) affixes it to goods or the packaging thereof;
(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
(c) imports or exports goods under the mark; or
(d) uses the registered trade mark on business papers or in advertising.

⁹ 93 (2001) DLT 600 (DB)

ground, in view of the stipulations contained in Section 47 of the Trademarks Act. She points out that, though the defendant claims to have commenced user of the impugned  mark in 2001, it obtained registration of the mark only in 2013, i.e. after 12 years in Class 25. In a case of clearcut infringement such as the present, she also emphasises the aspect of dishonesty, as she submits that it could not be a mere coincidence that the defenanant decided to adopt the very same “FOOT LOCKER” mark in which the plaintiff had international recognition in over 80 countries.

Analysis


19. I have heard learned Counsel for both sides and perused the material on record.


20. Mr Tailor has not contested the allegation of infringement, perhaps advisedly. That the  mark of the defendant is deceptively similar to the  device mark, and the “FOOT LOCKER” word mark, both of which stand registered in the plaintiff’s favour, is self-evident. One is “FOOT LOCKER”; the other “FOOT LOCKERS”. The terminal ‘S’ makes no difference to a consumer of average intelligence and imperfect recollection – the mythical creature from whose point of view infringement and passing off are to be assessed.¹¹ *F. Hoffman-La Roche*¹² emphasizes the fact that the average consumer who constitutes, as it were, the nodal test

¹⁰ 258 (2019) DLT 177


¹¹ Refer *Corn Products Refining Co. v. Shangrila Food Products Ltd*, AIR 1960 SC 142; *Amritdhara Pharmacy v. Satyadeo Gupta*, AIR 1963 SC 449; *F. Hoffman-La Roche & Co. Ltd v. Geoffrey Manner & Co. Pvt Ltd*, (1969) 2 SCC 716; *Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd*, (2001) 5 SCC 73; *Mahendra & Mahendra Paper Mills Ltd v. Mahindra & Mahindra Ltd*, (2002) 2 SCC 147; *Satyam Infoway Ltd v. Sifynet Solutions Pvt Ltd*, (2004) 6 SCC 145

¹² (1969) 2 SCC 716

for assessing infringement and passing off is a man of “imperfect recollection”, and this emphasis has continued, throughout, till *Satyam Infoway*¹³ and even thereafter. Viewed thus,  is clearly deceptively similar to **FOOTLOCKER**.

21. The visual dissimilarity between  and **FOOTLOCKER** pales into insignificance, given the near identity of the marks otherwise. Brand logos keep changing, and, therefore, where the marks are otherwise identical or deceptively similar, the mere fact that they may be written differently cannot impact the aspect of infringement. In any event, identity of the marks is not necessary for Section 29 to apply; where the goods on which the marks are affixed are the same, similarity of the marks, as would lead to confusion, or a presumption of association between the impugned mark of the defendant and the plaintiff, is sufficient.

22. The **FOOTLOCKER** mark is registered in favour of the plaintiff since 1988. That registration is, till date, valid and subsisting. No application for rectification of the register or otherwise, *qua* the said mark, has been filed by anyone including the defendant.

23. The mark which is registered in favour of the defendant in 2013 is . “FOOT LOCKER” cannot be treated as an ordinary or a descriptive mark or as *publici juris*. It is, quite clearly, an invented mark, which is, therefore, entitled to additional protection even on that ground. It is difficult for this Court to believe that, as an entity involved in manufacture and sale of footwear, the defendant was

¹³ (2004) 6 SCC 145

unaware of the **FOOTLOCKER** mark of the plaintiff, especially in view of the international recognition that it commands (which Mr Tailor has not sought to question) . The adoption of the **FOOT LOCKERS** mark by the defendant is, therefore, *prima facie*, with a view to capitalise on the plaintiff's goodwill.

24. Section 29 of the Trademarks Act deals with infringement. The present case, on its facts, would attract sub-sections (1) and (2) of Section 29¹, inasmuch as (i) the defendant's **FOOT LOCKERS** mark is deceptively similar to the **FOOTLOCKER** mark of the plaintiff, (ii) the defendant is using the impugned **FOOT LOCKERS** mark for goods which are identical to the goods in respect of which the plaintiff uses its registered **FOOTLOCKER** mark i.e. footwear and (iii) in such circumstances, there is every likelihood of confusion, in a customer of average intelligence and imperfect recollection, who may be lured into believing that the products of the defendant, bearing the **FOOT LOCKERS** mark actually emanate from the plaintiff or are, at the very least, associated with the plaintiff.

25. The fact that the plaintiff has not used the **FOOTLOCKER** mark for 30 years after it was registered in the plaintiff's favour cannot be a ground to hold that there is no infringement, as the mark is valid and subsisting even as on date. Para 5 of the report in *Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia*¹⁴ places the matter beyond pale of doubt:

“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright normally an

¹⁴ (2004) 3 SCC 90

injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.”

26. There is also some substance in Ms. Salhotra’s contention, in this context, that, when the defendant applied for registration of its **FOOT LOCKERS** mark, the plaintiff’s **FOOT LOCKER** mark was cited as an earlier registered mark but that, nonetheless, the **FOOT LOCKERS** mark was registered in favour of the defendant merely on the defendant’s contention that the marks were not similar. She points out that the defendant’s only response to the First Examination Report of the Examiner, who cited the plaintiff’s **FOOT LOCKER** as a pre-existing mark to which the proposed **FOOT LOCKERS** mark of the defendant was deceptively similar, was that the marks were not similar. To say the least, the grant of registration to the defendant’s **FOOT LOCKERS** mark appears to be irregular. While, no doubt, Section 31(1)¹⁵ of the Trade Marks Act accords presumption of validity to a registered trade mark, it is merely a presumption, and no more, and, as held in *R.S. Sujatha v. State of Karnataka*¹⁶, following *Harihar Banerji v. Ramshashi Roy*¹⁷, *Gujarat Electricity Board v. Atmaram Sugomal Postani*¹⁸, *Shimla Development Authority v. Santosh Sharma*¹⁹ and *Dr. Sunil Kumar Sambhudayal Gupta v. State of Maharashtra*²⁰, every presumption is rebuttable. Where the grant of registration is *prima facie* unjustified, the presumption cannot enjoy any welcome greater than it deserves.

¹⁵ 31. **Registration to be prima facie evidence of validity.** –

(1) In all legal proceedings relating to a trade mark registered under this Act (including applications under Section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.

¹⁶ (2011) 5 SCC 689

¹⁷ AIR 1918 PC 102

¹⁸ (1989) 2 SCC 602

¹⁹ (1997) 2 SCC 637

27. In such circumstances, it is difficult for this Court to hold that any equity is vested in the defendant merely because of the fact that it has obtained a registration for the mark **FOOT LOCKERS** in 2013 for footwear when, in fact, more than 25 years prior thereto, the **FOOT LOCKER** mark already stood registered in favour of the plaintiff, in India, for footwear.

28. The submission of Mr. Taylor that the plaintiff would not be entitled to injunction merely because it had allowed the FOOT LOCKER mark, after obtaining registration in 1988, to remain unused for 30 years, though attractive at first blush, does not, on a deeper scrutiny, commend acceptance. *Veerumal Praveen Kumar*⁹, on which Mr. Taylor placed reliance, was a case in which, even on the date when the suit was filed, the asserted mark was not in use. It was in these circumstances that the Division Bench of this Court held that there was no enforceable right in the plaintiff, which deserved protection by way of grant of injunction. Para 29 of the report in the said case indicates this position, which reads thus:


“29. We are in agreement with the view of the learned Single Judge of the Bombay High Court that if there is non-user for a long period of time then by mere registration of the mark continuing the respondents would not be entitled to any injunction. This view is further reinforced by the judgment in *Imperial Group's case*²¹ wherein it was held that *where there is no trading to give rise to a goodwill there is no interest to be protected by a trademark and such a trademark cannot exist in vacuum.*”



(Emphasis supplied)

29. *Per contra*, in the present case, the plaintiff, even if after considerable delay, did commence commercial use of the **FOOT LOCKER**

²⁰ (2010) 13 SCC 657

²¹ *Imperial Group Ltd v. Philip Morris & Co. Ltd*, 1983 FSR 72

mark at least in 2018. Thereafter, despite having been called upon by the plaintiff to desist use of the  mark in respect of which it had an earlier registration, the defendant did not do so.

30. Apropos Section 34 of the Trademarks Act, Ms. Salhotra is correct in her submission that the said provision would not act as an inhibitor to grant of injunction in her favour. Section 34 would disentitle a plaintiff to an injunction against an infringing defendant only where the *user by the defendant of the infringing mark is prior in point of time both to the registration as well as the user of the mark asserted by the plaintiff*. In the present case, the plaintiff's registration, of the  mark, is anterior to both the registration, as well as the user, by the defendant, of the impugned  mark. Section 34, therefore, would not disentitle the plaintiff to an injunction against the defendant.

31. Adverting, now, to paras 9, 10 and 11 of *Neon Laboratories*³, on which Mr. Tailor placed reliance, the said paragraphs, properly and holistically read, do not come to his assistance. Rather, in para 9 of the report, the Supreme Court has clearly held that the right conferred by Section 34 on a subsequent user, against an injunction being issued against it, was “when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier”, thereby supporting the finding in para 30 *supra*.

32. Insofar as the reference to Section 47 of the Trademarks Act, in Section 10 of the report, in *Neon Laboratories*³ is concerned, a conjoint reading of paras 10 and 11 of the report make it clear that the

Supreme Court has, in the said paras, merely held that, if *the defendant* has allowed the impugned mark to remain in disuse for several years, that could afford an additional ground of challenge to a plaintiff. The said passages cannot be read, in any manner, as disentitling a plaintiff to injunction against an infringer even where the factum of infringement is clearly established.

33. In the aforementioned circumstances, there is a clear *prima facie* case in favour of the plaintiff. The balance of convenience would also be in favour of the plaintiff as the plaintiff has been using the mark at least since 2018 and, as Ms. Salhotra correctly points out, there is no application seeking rectification of the register *qua* the mark which is asserted in the present case. Once infringement is established, para 5 of *Midas Hygiene*¹⁴ clearly mandates grant of injunction, delay or no delay. In a somewhat similar vein, in *Laxmikant V. Patel v. Chetanbhai Shah*²², while setting aside an order of the High Court refusing to grant injunction in a case where the defendant had passed off its goods as those of the plaintiff, the Supreme Court observed (in para 14 of the report) thus:

“14. In the present case the plaintiff claims to have been running his business in the name and style of Muktajivan Colour Lab and Studio since 1982. He has produced material enabling a finding being arrived at in that regard. However, the trial court has found him using Muktajivan as part of his business name at least since 1995. The plaintiff is expanding his business and exploiting the reputation and goodwill associated with Muktajivan in the business of colour lab and photo by expanding the business through his wife and brother-in-law. On or about the date of the institution of the suit the defendant was about to commence or had just commenced an identical business by adopting the word Muktajivan as a part of his business name although till then his business was being run in the name and style of Gokul Studio. The intention of the defendant to make use of the business name of the plaintiff so as to divert his

²² (2002) 3 SCC 65

business or customers to himself is apparent. It is not the case of the defendant that he was not aware of the word Muktajivan being the property of the plaintiff or the plaintiff running his business in that name, though such a plea could only have indicated the innocence of the defendant and yet no difference would have resulted in the matter of grant of relief to the plaintiff because the likelihood of injury to the plaintiff was writ large. It is difficult to subscribe to the logic adopted by the trial court, as also the High Court, behind reasoning that the defendants' business was situated at a distance of 4 or 5 km from the plaintiff's business and therefore the plaintiff could not have sought for an injunction. In a city a difference of 4 or 5 km does not matter much. In the event of the plaintiff having acquired a goodwill as to the quality of services being rendered by him, a resident of Ahmedabad city would not mind travelling a distance of a few kilometres for the purpose of availing a better quality of services. *Once a case of passing-off is made out the practice is generally to grant a prompt ex parte injunction followed by appointment of Local Commissioner, if necessary. In our opinion the trial court was fully justified in granting the ex parte injunction to the plaintiff based on the material made available by him to the court.* The trial court fell in error in vacating the injunction and similar error has crept in the order of the High Court. The reasons assigned by the trial court as also by the High Court for refusing the relief of injunction to the plaintiff are wholly unsustainable.”

(Emphasis supplied)

34. Non-grant of interim relief would also result in irreparable loss to the plaintiff.

35. In the aforementioned circumstances, the defendant, as well as its partners, associates assignees in business, licensees and all others acting on its behalf would stand enjoined from using the “FOOT LOCKERS” mark, whether as a word mark or a device mark, on footwear or any other associated items or like goods, or in promoting or advertising the said mark, pending disposal of the present suit. The defendant would also stand enjoined from releasing, in the market, any goods which bear the infringing mark, even if already manufactured and lying in stock.

36. The application stands allowed in the aforesaid terms.

I.A. 1325/2023 (under Section 10, CPC for stay of suit)

37. List this application for hearing and disposal on 15th February 2023.

C.HARI SHANKAR, J

FEBRUARY 2, 2023/kr

HIGH COURT OF DELHI



भारतमेव जयते