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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION**

**NOTICE OF MOTION NO.516 OF 2017
WITH
NOTICE OF MOTION NO.1841 OF 2018
IN
COM IPR SUIT NO.630 OF 2017
AND
COM MISCELLANEOUS PETITION (L) NO.11130 OF 2022**

Abdul Rasul Nurallah Virjee and Jalalluddin ...Plaintiffs
Nurallah Virjee
V/s.
Regal Footwear ...Defendant

Mr. Ravi Kadam, Senior Advocate, Mr. Ashish Kamat, Mr. Himanshu Kane, Mr. Rohan Kadam, Mr. Ashutosh Kane, Mr. Nikhil Sharma & Ms. Maitri Asher i/b. W. S. Kane and Co. for the Applicants / Plaintiffs.
Dr. Birendra Saraf, Senior Advocate, Mr. Rohan Sawant, Ms. Deepakar Livingston, Mr. Akshay Naik, Mr. Shantanu Kanade, Mr. R.P. Shirole and Ms. Vilasini Balasubramanian i/b. Vishal Hegde for Defendant.
Mr. Sandeep R. with Ms. Kanan Soni i/b. Rivina Rajpal for Petitioners in COMMP(L) No.11130 of 2022.

CORAM: R.I. CHAGLA, J.

JUDGMENT RESERVED ON 30TH AUGUST, 2022.

JUDGMENT PRONOUNCED ON 2ND JANUARY, 2023.

J U D G M E N T (Per R.I. Chagla, J.).

1. By this Notice of Motion, the Plaintiffs have sought relief against the Defendant restraining the Defendant from

infringing and passing off the Plaintiff's registered trade mark "REGAL" by using impugned trade mark "REGAL" / "REGAL FOOTWEAR" upon and in relation to identical goods / services / footwear retail.

2. The Plaintiffs are the registered proprietor of the mark "REGAL" under the Trade Marks Act, 1999 having Registration No.284961 in Class 25 for footwear and Class 42 under Registration No.1278782 for "retailing of footwear, articles made of leather or imitation of leather, travelling bags, belts, socks, shoe polish, shoe brush, accessories of aforesaid goods, running shops / stores for sale of aforesaid goods".

3. A brief background of facts is necessary.

4. It is the Plaintiffs case that since 1954 they and their predecessor i.e. partners / proprietors of M/s. Regal Footwear have been carrying out business as manufacture, distributor, trader and exporter of footwear. The business is under the name and mark REGAL / REGAL FOOTWEAR / REGAL SHOES. The Plaintiffs and their permitted users which are M/s. Regal Shoes and Regal Shoes

(India) Pvt. Ltd. have retail outlets in Maharashtra, Gujarat, Punjab, Rajasthan, Tamil Nadu, Chandigarh, Hyderabad, Chennai and have been exporting footwear to United States of America, Italy, West Indies, Kenya, Sudan, Canada, UAE, Singapore, Uganda, Switzerland, Fiji Islands and other countries. The Plaintiffs have claimed that they have a total sale of Rs.4,25,54,18,433 from 1954 to 2017 and have expended amount of Rs.7,88,83,111/- towards the advertisement expenses. The Plaintiffs had relied upon documents showing number of sales, invoices sales bills and income tax assessment orders which are at Exhibit B1 to B48 / Pages 30 to 188 of the Plaint. The advertisements and sales promotional materials are at Exhibit C1 to C18 / Pages 189 to 206 of the Plaint.

5. The Plaintiffs have relied upon various advertisements which are from 30th August, 1955 to 31st December, 1978 showing the Plaintiffs' trading name and mark "REGAL".

6. On 5th April, 1961 one Habib Dharmashi Shivani (H.D. Shivani) sole proprietor of Defendant entered into leave and license agreement with one Mr. Shamshuddin Ismail in respect of

Defendant's Regal footwear located at 26, M.G. Road, Pune. The leave and license agreement is on record at Exhibit 1 of Written Statement.

7. The Defendant claims to have adopted the trade mark name / trade mark "Regal Footwear" / "Regal" on 21st April, 1963 and have been continuously using the same. The Defendant's store is located at 26, M.G. Road, Pune since 1963. The Defendant has claimed that the current business / store of Defendant was established initially as a sole proprietorship concern in the year 1963 under the trade mark name Regal / Regal Footwear by H.D. Shivani.

8. On 25th July, 1963, the Defendant claims to have obtained license under the Bombay Shops and Establishment Act, 1948 and the same was subsequently renewed until 2016.

9. The Plaintiffs' predecessor made an application on 27th December, 1972 for registration of trade mark "REGAL" in respect of the footwear included in Class 25 and secured

Registration No.284961 with user claim from 1954. This is at Exhibit E-1 and Exhibit E-2 of the Complaint.

10. The Defendant has claimed to have paid property tax to Pune Cantonment Board in respect to the premises occupied by the Defendant Regal Footwear on 26, M.G. Road, Pune from 1973 to 1984.

11. The Defendant has claimed that Mr. Ismail, brother-in-law of Karim Virjee, founding partner of Plaintiffs' firm, purchased a property being Shop No.39 in Wonderland Society on 14th September, 1984. It is claimed that the said shop was 300 mtrs. from the Defendant's store and the Plaintiffs conducted their business from 1984 to 1990.

12. The Defendant has relied upon photographs which they claim to have taken in 1988 with Defendant's partners and their relatives inside Defendant's Regal Footwear store at 26, M.G. Road, Pune.

13. On 5th May, 1994, a Deed of Partnership came to be executed between Mr. H.D. Shivani, Ms. Munira Virani and

Mr. Akabar Jafar Virani and the sole proprietorship was converted into a registered partnership firm by the name of 'Regal Footwear' and entered into Registrar of Firms on 26th December, 1994.

14. On 23rd December, 1999, a fire broke out at the Defendant's store at 26, M.G. Road, Pune and the entire building including the Defendant's store was affected due to fire and all the goods and stock were burned.

15. The Defendant has claimed that in the year 2004, the Plaintiffs opened a store in M.G. Road, Pune diagonally opposite the Defendant's store and therefore had knowledge of Defendant's existence.

16. The Plaintiffs made an application on 15th April, 2004 for registration of trade mark 'REGAL' under Class 42 in respect of business of sale of footwear, articles made with leather and secured registration having no.1278782 with user claim from 1954. This is annexed at Exhibit E-3 of the Plaint.

17. The Plaintiffs and / or their permitted users have also been extensively using and continue to use the domain name regalshoes.co.in.

18. On 20th February, 2006, the Defendant filed trade mark application No.1422577 for word mark 'REGAL' under Class 35 in relation to retail services claiming user since 25th July, 1963.

19. The Plaintiffs in February, 2008 came across the advertisements of Defendant's Application No.1422577 in Class 35 for registration of the trade mark 'Regal' in respect of the retailing services for selling, branding footwear published in the trade mark journal No.1372 dated 16th July, 2007 (which was made available to the public on 18th October, 2007). The Plaintiffs have filed Notice of opposition on 14th February, 2008 to the Defendant's application under the provisions of Section 21(1) of trade mark Act, 1999.

20. The Defendant has filed its counter statement dated 20th October, 2008 under Section 21(2) of trade mark act

and contended that it has adopted the trade mark on 21st April, 1963 and has used the same in respect of retailing services.

21. In the year 2017, Defendant proposed opening another outlet at Seasons Mall under the mark REGAL and Plaintiffs had also come to learn that Defendant had started selling footwear bearing the trade mark 'REGAL'.

22. The Plaintiff has filed the present Suit with Notice of Motion (L) No.443 of 2017 and by order dated 24th July, 2017, this Court directed the Defendant to file a Reply within two weeks and thereafter list the Notice of Motion for hearing on 7th September, 2017.

23. This Court in Commercial Appeal (L) No.54 of 2017 challenging the order dated 24th July, 2017 had not granted ad-interim relief as the Notice of Motion was kept on 1st week of September, 2017 by recording the statement of the Defendant that the Defendant will not claim any equities on the basis of starting a new shop and dismissed the Appeal.

24. On 28th July, 2017, the Defendant opened a new shop at Seasons Mall under the trade mark name / trading style 'REGAL'.

25. From 11th September, 2017 till 3rd November, 2017 correspondence was exchanged between the Advocates of the Plaintiff with the Advocates for the Defendant in respect of the inspection of documents annexed to the Affidavit in Reply of the Defendant in Notice of Motion No.516 of 2017 as well as inspection of documents annexed to the Plaint.

26. On 16th December, 2017, the Defendant renewed its shop and establishment license under the Bombay Shop and Establishment Act.

27. On 25th July, 2018, a leave and license agreement was entered into between the Approach Properties Pvt. Ltd. and Defendant for the premises bearing No.10 on ground floor at Premier Plaza Mall, Pimpri, Chinchwad, Pune for a period of five years for a third shop. An email dated 27th August, 2018 recording that the Defendant had taken a shop on ground floor, Premier

Plaza Mall, Pimpri to run the store in the name of Regal footwear on leave and license basis for a term of five years.

28. This Court by an order dated 4th September, 2018 passed in Notice of Motion No.1841 of 2018 directed that the Defendant may open a new shop (third shop) without claiming any equities and in the event the Defendant is desirous for opening any new shop, they shall give four weeks advance notice to the Plaintiff.

29. On 2nd March, 2019 and 4th March, 2019, one Swati Jagtap, consumer complained vide a contact form available on Plaintiff's official website, www.regalshoes.in complaining about the quality of product. The Plaintiffs upon learning of the complaint realized that the product was purchased from Defendant's shop and not from any of Plaintiffs' shops. Similar complaint was made by consumer Mrs. Prabha Davadge posting a complaint vide a contact form available on Plaintiff's official website.

30. An order dated 11th February, 2020 was passed by the Deputy Registrar of trade mark on application No.1422577 in Class 35 in the name of Defendant and opposition no.BOM-719652 filed by the Plaintiffs, whereby the Registrar held the Plaintiffs to be a prior adopter / user of mark Regal and that the Defendant could not establish beyond doubt its earliest adoption and uninterrupted use of the mark. The opposition No.BOM-719652 was allowed and Defendant's application No.1422577 was refused registration.

31. On 10th February, 2022, a letter was addressed by the Advocate for Defendant to the Advocate of the Plaintiff informing that the Plaintiff intended to open a new shop in Phoenix Market at Pune.

32. The present Notice of Motion was thereafter listed for final hearing and has been heard.

33. Mr. Ravi Kadam, the learned Senior Counsel appearing for the Plaintiffs has submitted that the Plaintiffs are the registered Proprietors of two "REGAL" trade marks, one with user

claimed from 1954 under Registration No.284961 (w.e.f. 27th December, 1972) in Class 25 for footwear. The mark was also advertised in the trade mark Journal with user claimed from 1954. The Plaintiffs are also registered proprietors of the trade mark “REGAL” under registration No.1278782 (obtained on 15th April, 2004) in Class 42 for retailing of footwear as well as other articles with user claim from 1954.

34. Mr. Kadam has submitted that it is not disputed that the Defendant is using an identical trade mark as that of the Plaintiffs upon and in relation to identical goods / services. The Plaintiffs registrations are not in dispute in these proceedings. The Defendant has not even challenged these registrations through substantive rectification proceedings till date. The Plaintiffs entitlement to an injunction for trade mark infringement can only be resisted by the establishment of statutory defences under the Trade Marks Act and / or the equitable defence of acquiescence against the grant of an injunction. This, particularly considering that there is presumption that the use of the identical trade mark “REGAL” by the Defendant in relation to identical goods / services as that of the Plaintiffs is likely to cause confusion on the part of

the public. The defence taken by the Defendant of prior continuous user under Section 34 and which defence is hopelessly misconceived and without merit. Mr. Kadam has submitted that honest and concurrent use is not a defence to an infringement action. The Trade Marks Act, 1999 does not contemplate it as a defence. In any event the Defendant has failed to establish honesty and / or concurrent continuous use. The Defendant's case of acquiescence blithely ignores the basic requirements for sustaining the said plea. The Defendant has attempted to equate delay in bring the Suit and knowledge of infringement with acquiescence, a contention urged by other litigants and rightfully repelled by this Court on number of occasions.

35. Mr. Kadam has dealt with the aforementioned defence raised. He has referred to Section 34 of the trade mark Act and submits that for a Defendant to take the benefit of Section 34, he must establish continuous use of the rival mark prior to (i) the date of registration of the suit mark or (ii) the date of first user of the Plaintiffs' suit mark, whichever is earlier. If the Plaintiffs using of the Plaintiffs' trade mark as in the present case is prior to date of obtaining registration, then the burden is upon the Defendant to

show user even prior to the Plaintiff's user. He has placed reliance upon decisions of this Court in *Kamat Hotels (India) Ltd. V. Royal Orchid Hotels*¹ paragraphs 26 and 27 in this context. Mr. Kadam has submitted that in the present case it is the Defendant's claim that they have been user from 1963 of their trade mark "REGAL". Whereas the Plaintiffs trade mark registration relates back to a user date of 1954. These registrations have not been challenged.

36. Mr. Kadam submits that the Plaintiffs in any event have successfully demonstrated user from 1954 by producing cogent, clear and unimpeachable documentary evidence. Reliance has been placed on the advertisements published as far back as 1955 in the Times of India, advertising the Plaintiffs user of the trade mark "REGAL". Further reliance has been placed on the Income Tax Assessment order dated 23rd July, 1958 for the AY 1956-57 and varied IT Assessment Orders from 1955 upto 1998. The Plaintiffs have also permitted M/s. Regal Footwear, M/s. Regal Shoes and M/s. Regal Shoes (India) Pvt. Ltd to use "REGAL". Their combined certified sales and advertisement expenses as on the date of the suit are tabulated at Exhibit A to the Plaint. Sales

¹ 2011 BOM CR 416.

figures of certain years have not been tabulated since the same was not readily available with the Plaintiffs as has been pleaded at paragraph 3 of the Plaint. Further, reliance is placed on the invoices at pages 178 to 188 of the Plaint and pages 297 to 355 of the Rejoinder. The Plaintiffs and their permitted users maintain a website at www.regalshoes.co.in.

37. Mr. Kadam has submitted that the aforementioned material clearly substantiates the Plaintiffs open, extensive, uninterrupted and continuous use of the trade mark REGAL and the long-standing goodwill and reputation that has accrued in the same, since 1954. Mr. Kadam has submitted that the Defendant has challenged the statement of sales on the ground that sales figures for certain years are blank and that an inference should be drawn that no business had been conducted in those years. The Defendant has also disputed the evidentiary value of some Assessment Orders by alleging that they were unsigned and that no inspection of the originals was given. However, the Defendant has been unable to challenge material that ex-facie demonstrates the Plaintiffs' open, exclusive and continuous user of their trade mark REGAL from 1954. Mr. Kadam has referred to the

nearly 23 newspaper advertisements / articles from 1955 all the way upto 2017. Further, the material that evidences the Plaintiffs' conduct of running a footwear / footwear retail business under REGAL by way of invoices, letters, certificates of inspection for export, third party invoices from 1974 to 2005 and further signed Assessment Orders from 1956 to 1998.

38. Mr. Kadam has submitted that even if the Court was to ignore the sales certificate and some unsigned assessment orders, there is still sufficient material that demonstrates the Plaintiffs prior, open, uninterrupted and continuous user since 1954. He has submitted that the material on record demonstrates the subsistence and continuance by the Plaintiffs of a long standing established footwear / footwear retail business under the trade mark "REGAL" since 1954 i.e. much prior to the alleged adoption and use of the trade mark REGAL by the Defendant. Mr. Kadam has relied upon decision of this Court in ***Consolidated Foods Corporation Vs. Brandon and Co.***², page 612 and paragraph 13 and decision of the Supreme Court in ***Satyam Infoway Vs. Siffynet Solutions Pvt. Ltd.***³ in support of his contention that priority in

² 1961 (66) BOM L.R.

³ 2004 6 SCC 145.

adoption entails superiority in title. The Plaintiffs hold superior title to “REGAL” over the Defendant.

39. Mr. Kadam has submitted that it is well settled that where the Defendant sets up a defence under Section 34, the consequence of allowing it is to dilute the protection afforded to a proprietor of a registered trade mark. This has been held by this Court in *Kamat Hotels (Supra)* . The Defendant must establish that in relation to goods, there is a course of continuous trading leading to the generation of goodwill connecting the trader and his goods in the course of trade with the trade mark in question to fall within the provision of Section 34 of the Trade Marks Act. The Defendant must establish through production of cogent and unimpeachable proof of continuous use of the mark and for which the volume of sales and promotional expenditure assumes significance.

40. Mr. Kadam has referred to Section 2(2) (c) of the Trade Marks Act, 1999 namely definition of ‘use of mark’ viz. “in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever to such goods”. This definition applies also in relation

to services. He has submitted that for the Defendant to prove use of the impugned trade mark REGAL, with respect to footwear, ought to have produced material referencing the use of REGAL upon or in any physical or in any other relation whatsoever, to footwear. He has relied upon the decision in the case of *Arun Mills Ltd. Vs. Marda Textiles Corp. and Anr.*⁴ and in particular, paragraphs 9,12,20 to 24 which holds that user must be proved by way of sales invoices, inquiries, orders, publicity materials. He has further relied upon the decision of this Court in *Munshi Bidi Works V Puranmal Tiwadi*⁵ which holds that sales could be proved by producing the books of accounts and / or assessment orders.

41. Mr. Kadam has submitted that the Defendant whilst baldly claiming user from 1963 has failed to produce invoices and / or sales enquiries. Further, no publicity materials such as advertisements / brochures and / or pamphlets have been produced between 1963 and 2010. Only one advertisement of 2010 has been produced.

⁴ MISC. PETITION NO.13 OF 1991.

⁵ MISC. PETITION NO.1521 OF 1976.

42. Mr. Kadam has submitted that the Defendant has only sought to rely upon a Leave and License Agreement executed in 1963 and Shop License issued in 1963. Further, subsequent Bills and Receipts issued by the landlord to Mr. Shivani from 1976 to 1998 and some scattered tax receipts (which do not indicate in respect of which kind of business, tax was paid for) have been relied upon. The Defendant has placed reliance upon Fire Register Report of 1999 and news report of the fire, letter sent by Defendant to the Insurance Company and Memo raised by Shroff & Co. for the years 2000 to 2004. The Defendant has relied upon sales figures for the years 2005 to 2017. Deed of Partnership of 2007, Shops and Establishment License of 2017.

43. The material produced ex-facie do not prove use let alone continuous use of the Trade Mark REGAL. Mr. Kadam has submitted that there is complete lack of relevant material on the Defendant's part. The leave and license agreement relied upon by the Defendant is only proof of a premises being taken on rent. Further, a shop license is a requirement under the Bombay Shops and Establishments Act, 1948 which as per its long form title, is a legislation to consolidate and amend the law relating to the

regulation of conditions of work of employees in shops, etc. It does not necessarily establish that there was a running business of footwear under REGAL. Such a certificate is not a proof for ownership/ possession/ right to property of the premises. The sales tax consultant Shroff's certificate relied upon by the Defendant does not certify that the sale tax matters between 1969-2015 were with respect to the sale / retail of footwear under the impugned trade mark REGAL. Further, the sale tax challans produced from 1993 – 1997 do not indicate as to whether the sales tax was levied and paid with respect to the sale of footwear under the trade mark REGAL. Further, the income tax assessment acknowledgments only evidence payment of tax and not that they were paid in respect of the business of footwear. The Defendant has asserted that the law does not require it to retain copies of income tax orders and / or sales tax orders for a period greater than ten years misses the wood for the trees. In the event, if the Defendant's contention is accepted anyone, by relying upon the said provision, would be able to claim prior and continuous use of a subsequently (dishonestly) adopted trade mark.

44. Mr. Kadam has submitted that the Defendant has sought to blame the complete absence of materials from 1963 till 1999 on a fire that took place in 1999. However, the Defendant has not produced a single invoice from 1999 onwards and / or statement of sales between 2000 and 2005 inspite of the Defendant's case that its business continued to run even immediately after the fire.

45. Mr. Kadam has submitted that the Defendant's case that a fire had destroyed documents is wholly unbelievable and belied by Defendant's own documents. Mr. Kadam has in that context referred to the Fire Register Report produced by the Defendant wherein there is no finding that the first floor residence of Mr. Shivani, the predecessor of the Defendant, was destroyed by fire. The documents were allegedly stored at the first floor residence. Further, the Report exhaustively describes the articles damaged in the respective stores namely, Regal Footwear, Kandy Dress and Carona Footwear. Further, there is no mention of the documents being destroyed. The Defendant has during the oral arguments misconstrued the words "different companies boots" in the Report and has erroneously suggested that it reads as "different

companies books”. This suggestion belies logic since it is not the Defendant’s case that it is part of a Group of Companies that maintained their records at the store and/or residence. Further, the Police Panchnama only speaks of damage to shoes of different companies and does not even speak of damage to documents and/or records. He has accordingly submitted that the claim of fire destroying the Defendant’s documentary records is wholly suspect and unworthy of belief. If the Defendants’ case was believed, this does not explain how the Defendant has produced certain other documents prior to year 1999.

46. Mr. Kadam has accordingly submitted that there is no material for the Court to arrive at prima facie case that the Defendant has used the trade mark REGAL since 1963 much less openly, extensively, and continuously.

47. Mr. Kadam has submitted that the Defendant’s plea of honest concurrent use is also misconceived. Mr. Kadam has submitted that this plea must fail in limine since ‘honest concurrent user’ is not a defence recognized under the Trade Marks Act. He has submitted that trade mark Act, 1999 addresses “honest and

concurrent use” only in a limited context as a defined special enabling circumstance under Section 12 that permits the Registrar of Trade Marks to register a trade mark which is identical/similar to an existing registered trade mark and for identical/similar goods. A statutory prescription limited to enable the Registry to register a trade mark in special cases cannot be enlarged to the Defendant’s case of infringement. He has submitted that had the Parliament intended it as a defence, it would have expressly provided for the same such as when it specifically prescribed a savings and safe harbor for prior users under Section 34. There is no answer from the Defendant to the submission that the Legislature, whilst expressly preserving the rights of prior using under Section 34, did not provide for honest concurrent use, as a defence to infringement in the same breath. It has been held by the Delhi High Court that whilst reviewing the statutory provisions of the Trade Marks Act arrived at the conclusion that ‘honest concurrent use’ is not a statutory defence. This has been held in *KEI Industries Ltd v Raman Kwatra & Anr.*⁶. Further, in *Hindustan Pencils Private Ltd. v. India Stationary Products*,⁷ the Delhi High

⁶ Del HC CS (COMM) 9/2021.

⁷ AIR 1990 Del 19

Court held that honest concurrent use is not a shield against the grant of an injunction. Honest concurrent use may defeat a claim of damages, but the relief of injunction should not be refused. This view has been approved of by the Division Bench of this Court in *Cadila Pharmaceuticals Ltd v/s Sami Khatib of Mumbai & Anr*⁸ (paras 23A and 23B). The Hindustan Pencils' principle was also followed by this Court in *Winthrop Products Inc v Eupharma Laboratories*⁹ [Paras 17-19,] and *Kirloskar Diesel Recon Pvt. Ltd v Kirloskar Proprietary Ltd & Ors.*¹⁰.

48. Mr. Kadam has submitted that assuming while denying that such a defence is available against trade mark infringement, it nevertheless must fail for the reason that honest adoption is a pre-requisite for establishing honest concurrent use. He has in this context relied upon the decision of the Calcutta High Court in *Bengal Immunity Co v. Denver Chemical Manufacturing*

8 2011 (47) PTC 69 (Bom) (DB)

9 1998(18) PTC 213

10 1997 17 PTC 469 at 454.

*Co & Ors*¹¹ paras 19 and *Munshibhai Bidi Works v. Puranmal Tiwadi & Sons & Anr*¹², Pg.9-10 in this context.

49. Mr. Kadam has submitted that none of the pleadings which includes Affidavits and Written Statement filed by the Defendant in these proceedings did the Defendant ever explain and / or produce materials that supplied its reasons for adopting the trade mark REGAL for retailing / manufacturing footwear. It was only in March 2022 that the Defendant filed Affidavit in Sur-Rejoinder which purports to explain the circumstances in which REGAL was adopted by the Defendant as a mark. The Defendant has pleaded a case that the Defendant's predecessor Shivani was desirous of adopting the mark ROYAL for footwear but on account of there being an existing ROYAL Shoes shop on M.G. Road in Pune, Shivani searched for synonyms of ROYAL and ultimately ended up adopting REGAL. The Defendant has produced materials evidencing the existence of existence of ROYAL Shoes.

¹¹ AIR 1959 Cal 636

¹² Misc Petition No. 1521/1976.

50. Mr. Kadam has submitted that the Defendant's claim of honest and concurrent adoption is unworthy of belief since it relates to events that took place in 1963. The Deponent of the Sur Rejoinder which explains the circumstances in which REGAL was adopted is 39 years old and born in or around 1983. It is inconceivable that he would have personal knowledge of this claim. He has submitted that there is no documentary material been adduced to substantiate this plea. It is mere hearsay and cannot be believed. The case for adoption is thus an afterthought and a deliberate gambit to avoid an injunction now that the Notices of Motion has been finally heard. Further, the case of Mr. Shivani being inspired by 'ROYAL' is contradicted by the Defendant's own document, namely a photocopy of a purported Leave and License Agreement dated 8th April 1963 between Shivani and one S. Ismail which suggested that Ismail had licensed the use of a pre-existing REGAL Footwear to Shivani.

51. Mr. Kadam has submitted that the absence of a plausible explanation by the Defendant for adopting REGAL must be assessed in the context of the fact that the Plaintiff's REGAL shop was on Mumbai's premier shopping address (Colaba

causeway). The advertisements relied upon by the Plaintiffs which are on record give reference of the Plaintiffs' "REGAL FOOTWEAR" store as a landmark. Further, Mumbai and Pune are satellite cities whereby thousands of people commute daily by train. The Defendant's predecessor was allegedly in the same trade. The Defendant and its predecessor belong to the same religious community as that of the Plaintiffs, which is considered as a close knit community. The advertisements relied upon by the Plaintiffs wherein they advertised REGAL since 1955 were in Mumbai edition of the Times of India, a national newspaper of record. The Times of India, Mumbai edition at the relevant time had circulation in Pune. Mr. Shivani is the only one who could give, confirm or deny his knowledge of Plaintiffs' store at the relevant time, has not filed any affidavit stating he was unaware of the Plaintiffs' "REGAL" store at the time of adopting the trade mark "REGAL".

52. Mr. Kadam has accordingly submitted that it is impossible to suggest that the Defendant's predecessors were unaware of the Plaintiffs. He has relied upon the decision of this

Court in *Gorbatschow Vodka KG v John Distilleries Ltd.*¹³, [Para 18] in that context.

53. Mr. Kadam has submitted that the Defendant is not even commercially honest. The Defendant was aware that in 2008, the Plaintiffs had opposed its trade mark application of REGAL. At that time the Defendant was well aware that the Plaintiffs were the registered proprietor of the trade mark REGAL. In spite of this, in 2017 around the time the Plaintiffs filed the present Suit, the Defendant, far from distancing itself from the Plaintiffs, was using the same font and lettering as that used by the Plaintiffs for their REGAL trade mark, along with the ® symbol as if to suggest that the Defendant was a registered proprietor. There was no conceivable reason for the Defendant to adopt the Plaintiffs' lettering and font style and for it to represent itself as a registered proprietor when it was admittedly not one. Further, the brazenness and dishonesty are corroborated by the Defendant's conduct even post filing of the Suit. The Defendant opened its third shop right next to the Plaintiffs' shop in Pimpri, Pune. Its proposed fourth shop is also in the same mall as that of the

¹³ 2011 (47) PTC 100 (BOM).

Plaintiffs. Far from the Defendant distancing itself from the Plaintiffs, it has strained every nerve to imitate them. The Defendant has even failed to establish concurrent continuous use apart from failure to establish honesty.

54. Mr. Kadam has thereafter made submissions on there being no case of acquiescence made out for resisting an injunction for trade mark infringement. He has submitted that the Defendant's pleaded case of acquiescence rests on claim that knowledge of the Defendant coupled with tardiness of coming to Court amounts to the Plaintiffs acquiescing in the Defendant's use of the mark. The Defendant's case is that the Plaintiff at two occasions i.e. 1985 and 2004 despite having a REGAL shop opposite to the Defendant's shop did not object to the Defendant's conduct of business. Mr. Kadam has submitted that it is the case of the Defendant that, one Ismail Sahebudin Mulji the brother-in-law of a former partner of the Plaintiffs viz. Mr. Karim Virjee had opened the shop in around 1985 near the Defendant's shop. He has submitted that there is no substance in this case in view of the said Mr. Karim Virjee having retired from the Plaintiffs' partnership firm as far back as 1976 relinquishing all his rights in the trade mark

REGAL. Further, the Plaintiff was not aware of any such shop being opened and had not permitted the same. There is no material produced by the Defendant as to their contention that there was legal correspondence exchanged between the parties with regard to an alleged cease and desist notice issued by the Plaintiffs. The Defendant has infact pleaded a completely different version of events in the trade mark registration proceedings where they have taken a plea that after exchange of the alleged correspondence, the parties settled their disputes. In the present proceedings, the Defendant had alleged acquiescence on a case that the Plaintiffs issued alleged cease and desist notice but thereafter did not prosecute their remedy. On the contrary such a case of the Defendant would only go to show that the Defendant was aware that someone else is the proprietor of trade mark REGAL. If despite notice of the Plaintiffs' rights, the Defendant continued to use REGAL, it did so at its own peril. Reliance has been placed on the case of *Schering Corp v Kilitch Co.*¹⁴.

55. Mr. Kadam has submitted that the Defendant's case of acquiescence is contrary to the decision of the Supreme

14 1994 IPLR 1

Court in *Power Control Appliances v Sumeet Machines Power*¹⁵ paras 26-28 which has laid down the requirement for establishing acquiescence. In *Power Controls (Supra)*, the Supreme Court held that, there must be honest adoption by a junior user and the person who alleges acquiescence should have been acting in ignorance of title of the other man and that other man should have known that ignorance and not mentioned his own title. The superior title holder must positively encourage use by the junior user. There must be a commission of positive acts. Acquiescence must be of such degree as to lead to the inference of a license sufficient to create a new right in the Defendant. Thus, acquiescence is different from a mere negligence.

56. Mr. Kadam has submitted that the record overwhelmingly demonstrates that the Defendant's adoption is dishonest. No plausible explanation has been given for adoption. Therefore, the Defendant fails at the first threshold of honest adoption which is an essential ingredient for acquiescence as laid down in the decision of the Supreme Court in *Power Controls (Supra)* for establishing acquiescence. The Defendant has further

¹⁵ 1994 2 SCC 448

failed to show that he is acting in the ignorance of the Plaintiff's title. The facts and circumstances unequivocally indicate that the Defendant was all throughout aware of the Plaintiffs' title over the trade mark "REGAL". Further, mere inaction and / or laying by is not a positive act. On the contrary, the Defendant has been unable to cite a single positive act by the Plaintiffs encouraging its business. The Defendant at the highest has established the Plaintiffs' knowledge of the Defendant's mark in 2006 and nothing else. By filing notice of opposition against the Defendant's application for registration of the trade mark 'REGAL' constitutes a 'negative act' on the part of the Plaintiff, whereby the Plaintiffs not only specifically apprised the Defendant their statutory and common law rights in the trade mark 'REGAL' but also put the Defendant to notice as to their objection of the Defendant's impugned trade mark REGAL.

57. Mr. Kadam has relied upon the decision of the Division Bench of this Court in *Torrent Pharmaceuticals v/s Wockhardt Pharma*¹⁶, in support of his contention that tardiness and knowledge of the Defendant is not a positive

¹⁶ Comm Appeal No.125 of 2017 in NMS(L) No.35 of 2017 in Comm Suit (L) No.32 of 2017 dated 17th November, 2017.

act. He has further relied upon the decision in *Aristo Pharma v. Shalina Labs*¹⁷ in support of his contention that opposition of an application for trade mark registration militates against acquiescence. The Plaintiffs have since succeeded in having the Defendant's application rejected.

58. Mr. Kadam has submitted that the decisions relied upon by the Defendant namely *Essel Propack v Essel Kitchenware Ltd.*¹⁸ and *Unichem Laboratories Limited v Eris Lifesciences Pvt. Ltd.*¹⁹ is misconceived since the entire line of cases have effectively been reversed by the ratio decidendi of the decision of the Division Bench of this Court in *Torrent Pharmaceuticals Limited (supra)*. Mr. Kadam has submitted that the decision of the Single Bench in *Torrent Pharmaceuticals Ltd. Vs. Wockhardt Pharma Ltd.*²⁰ which had returned a finding of acquiescence by stating that the Plaintiff and its predecessors stood by and allowed the Defendant's sale to increase and holding that

¹⁷ NMS No. 1368/2011 in Suit No. 904/2011.

¹⁸ 2016 SCC Online Bom 937.

¹⁹ Judgment dated 07.08.2014 in Notice of Motion (L) No.1852 of 2014.

²⁰ 2017 SCC OnLine Bom 318.

tardiness and knowledge of the Defendant as argued in the present case constitutes acquiescence was reversed by the Division Bench of this Court in Appeal. The Division Bench of this Court held that ‘mere tardiness and knowledge did not mean acquiescence’. The Division Bench of this Court in *Torrent Pharmaceuticals (Supra)* held that acquiescence must be evidenced by positive acts and supported by weighty materials to that effect. The Division Bench’s Judgment in *Torrent Pharma (Supra)* has been upheld by a reasoned Order by the Hon’ble Supreme Court in *Wockhardt Limited v Torrent Pharmaceuticals Limited*²¹.

59. Mr. Kadam has submitted that weighty materials is all the more necessary since acquiescence entails an equitable defeasement of a statutory right conferred upon a party. Mr. Kadam has submitted that the Plaintiffs knowledge and mere delay in coming to the Court is not a positive act that evidences acquiescence. This is more so since during this time, the parties were contesting the opposition proceedings before the Trade Marks Registry. He has submitted that the Division Bench of the Delhi High Court in *Mex Switchgears Pvt. Ltd. V Omex Cables Industries*

²¹ (2018) 18 SCC 346.

*& Anr.*²², has held that the judgment of the Single Judge failed to consider the prior decision rendered in *Hindustan Pencils (Supra)* and the Supreme Court's decision in *Midas Hygiene v Sudhir Bhatia*²³. It is now well settled that upon notice of a Plaintiff's rights, if a Defendant continues to use the mark, it does so at its own peril. Thus, the delay in bringing the Suit if at all, does not dis-entitle the Plaintiff to an interim injunction, more so since the Defendant is dishonest. Despite having known of the Plaintiffs' title, the Defendant continues its infringement at its own peril and therefore, is liable to be enjoined.

60. Mr. Kadam has submitted that the Plaintiffs have made out a case for passing off. The Plaintiffs have been able to establish through overwhelming material that the Plaintiffs had goodwill and reputation in their mark 'REGAL' since the year 1954. The Defendant is evidently a junior user.

61. Mr. Kadam has dealt with the Defendant's allegations of suppression and / or mis-statement. He has

²² 2017 SCC Online Del 9139.

²³ 2004 3 SCC 90

submitted that these allegations are misconceived and untenable both in law and in facts. Mr. Kadam has submitted that the charge of suppression is pressed on the fact that in Para 17 of the Plaint, the Plaintiff claim knowledge of the impugned mark from 2008 whereas the invoices on record show that the Plaintiff would have knowledge of the impugned trade mark from at least December, 2006. He has submitted that alleged non disclosure of about 14 months of purported knowledge from December, 2006 to February, 2008 is thoroughly irrelevant. At best, any such non-disclosure would imply delay; which is simply not available as a defence in an infringement action. He has relied upon the decision of the Supreme Court in *Midas Hygiene (Supra)* in that context. Mr. Kadam has further submitted that there is no reason for the Plaintiff to have indulged in any falsehood of suppression on their part as the Suit has been filed on 20th July, 2017 i.e. 9 years after accepted knowledge (February 2008). It would thus make no and/or little difference to the Plaintiffs' case or the Defendant's defence, whether the disclosure of the date of knowledge was December, 2006 or February, 2008.

62. Mr. Kadam has submitted that on the comparable strength principle laid down by the Supreme Court in *Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd*²⁴, para 17, the Plaintiffs possess a stronger case for trade mark infringement and passing off. It has been held by the Supreme Court that at the interlocutory stage in trade mark matters, the Court must test the comparable strength of the respective cases of the parties. He has submitted that in view of the aforementioned submissions and considering the marks are identical, the case being use of identical goods / services as well as the Plaintiffs being registered proprietors of the REGAL trade marks having prior user of 1954 as against the Defendant not being a registered proprietor, its application for registration having been refused by the trade mark registry, the Plaintiffs have stronger comparable strength than the Defendant. In that view of the matter, he has submitted that the relief sought for in the Interim Application be granted.

63. Dr. Saraf, the learned Senior Counsel appearing for the Defendant has submitted that the Plaintiffs have approached this Court with a false case and with unclean hands

24 2001 5 SCC 73

and sought relief by suppressing vital and material facts and documents from this Court. The Plaintiffs are dis-entitled from any interim relief on this count alone.

64. Dr. Saraf has submitted that the Plaintiffs have approached this Court with a false case that they became aware of the Defendant's trade mark REGAL in or about February, 2008 when the Plaintiffs came across the Defendant's application dated 20th February, 2006 for registration of the trade mark 'REGAL. The Plaintiffs have further made a false statement that after 2008 till 2017, they believed that the Defendant would not use the mark. The Plaintiffs have further stated that it is now i.e. in 2017 when the Plaint was filed that it became clear that the Defendant is bent upon using the mark.

65. Dr. Saraf has submitted that these averments in the Plaint are ex-facie false and dishonest. The Plaintiffs were aware of the Defendant's use of the trade mark "Regal" much prior to the year 2008. Even after 2008, the Plaintiffs knew that the Defendant continued to use the mark. He has placed reliance on certain facts which he has claimed that the Plaintiffs have

suppressed from this Court. These facts included the fact that the Plaintiff had a shop diagonally opposite that of the Defendant from 2004 and therefore knew the existence of the Plaintiffs much prior to 2008. In 2006, the Plaintiffs had 4 shops in Pune. He has submitted that in 1984-1989, a Regal Shoes Shop was opened 300 meters away from the Defendant's shop between 1984 and 1989 by the Plaintiffs and/or the relative of the Plaintiffs' partner. He has submitted that the Plaintiffs' issued cease and desist notice in 1984 and there was consequent settlement thereafter. He has submitted that the Plaintiffs' stand that after 2008 till 2017, it believed that the Defendant had stopped using the mark is false since the Defendant continued running the shop at M.G. Road diagonally opposite that of the Plaintiffs all throughout this period.

66. Dr. Saraf has submitted that the Plaintiffs' for the first time in the Written Submissions filed before this Court and tendered during the course of the arguments have admitted that they had opened shop in Pune in 2006. Though the statement is also misleading as it does not mention the existence of the shop at M.G. Road, diagonally opposite to the Defendant's shop, but only states that the Plaintiffs opened the shop in Pune in 2006. Dr. Saraf

has placed reliance upon the overleaf / back side of the invoice in its Complaint which shows that the Plaintiff had three “Regal” Shoes shops and one “Rocia by Regal”. Thus, the Plaintiffs had total four footwear shops in Pune, 2006. The Complaint is completely silent on the aspect of any of the said four stores in Pune under the name "REGAL" and further one more store under the name “Rocia by Regal” on the same M.G. Road. The Plaintiffs have thus come to this Court with a false case that the Plaintiffs became aware about the Defendant’s trade mark only in 2008. He has submitted that the Plaintiffs’ thus are not entitled to any interim relief in the present Notice of Motion. The injunction sought for by the Plaintiffs are equitable in nature and a party coming with a false case and suppressing vital and material facts and documents is disentitled from seeking injunctions from this Court.

67. Dr. Saraf has relied upon the decision of this Court in *Brihan Karan Sugar Syndicate Pvt. Ltd. Vs. Karma Veer Shankarrao Kale Shahakari Sakhar Karkhana Ltd.*²⁵ at paragraphs 1, 14 to 22, 30 to 33 and 36 to 42. He has further relied upon the

²⁵ 2018 (3) M.H.L.J. 746

decision of this Court in *Essel Propack Vs. Essel Kitcheware*²⁶ at paragraphs 10 to 14 in this context.

68. Dr. Saraf has submitted that the Plaintiffs approached this Court with the stand that from 2008 to 2017, they believed that the Defendant would not use the mark. This stand is ex-facie false and clearly an attempt to mislead this Court. The Plaintiffs were expressly aware of the fact that the Defendant was carrying on and continued to carry on business of selling footwear under the mark “REGAL” even after the receipt of the Notice of oppositon. He has submitted that the Plaint is entirely silent on any steps whatsoever being taken by the Plaintiffs to verify whether or not the Defendant had in fact stopped using the mark REGAL for footwear. Dr. Saraf has relied upon the case of *Shri Gopal Enginnering and Chemical Works Vs. Promx Laboratory*,²⁷ and *Warner Bros Entertainment Ltd. Vs. Harinder Kohli*,²⁸ in support of his submission that where statements made by the Plaintiffs were found to be misleading the Court by suppressing true facts, this would disentitle the grant of injunction.

²⁶ (2016) 3 BCR 466.

²⁷ DRJ 1992 (22).

²⁸ ILR 2009 I DEL 722.

69. Dr. Saraf has submitted that the Defendant is a prior adopter and prior user and there has been open, continuous and uninterrupted use of the mark REGAL and REGAL FOOTWEAR from 1963. He has relied upon the leave and agreement dated 8th April, 1963 as well as license and renewals under the Shops and Establishment Act, 1948 applied for and obtained on 25th July, 1963. The engagement of consultants Shroff and Co. and sales tax related documents from 1978 onwards have also been relied upon. Further, the sales tax refund adjustment order dated 11th June, 1980 issued for the period 1st April, 1976 to 31st March, 1978 showing that M/s. Regal Footwear, the Defendant was making statutory payments in the 1970s. He has also relied upon photographs of 1988 taken inside the store of the Defendant at M.G. Road which shows that the name REGAL on the shop walls as well as on the shoe boxes. The photograph at page 336A is of the partner of Defendant and deponent herein. The other partner of Defendant Mr. Akbar Virani can also be seen in the photograph at page 336B standing next to the shoes and calendar seen in the photograph. The deponent of pleadings on behalf of the Defendant who is seen as a child in the photograph is today 39 years old. Further, he has relied upon the property tax payments as well as

acknowledgments issued in the year 1980 by the Tahasildar, Pune recording that property tax was paid for the period 1973-74 to 1979 -80. There are Income tax acknowledgment for assessment years 1983 – 84 by the Defendant's consultant M/s. Shroff & Co. issued in the name of Regal Footwear. The sample letter head dated 6th July, 2000 evidences the business undertaken at the first shop. There is a newspaper report dated 23rd August, 2000 regarding the fire at the Defendant's shop clearly recording that the shop was named M/s. Regal Footwear.

70. Dr. Saraf has thereafter submitted that the Defendant has been severely handicapped in production of documents to substantiate its use on account of the fire which took place in the building where the first shop is located, on 23rd December, 1999. The fire is claimed to have destroyed the entire building and the documents, goods and stock available in the store were burnt to ashes. The documents relating to the period 1963 to 1999 have been razed in the fire He has relied upon the fire register report dated 23rd December, 1999 which according to him records that the 'different companies books damaged due to fire, heat and water', in respect of Regal Footwear. He has submitted

that the Plaintiffs have sought to contend that the fire register report does not record that the document at the shop M/s. Regal Footwear were destroyed or that the first floor residence was destroyed by fire. However, this is contrary to the reading of the words in the fire register report. He has submitted that the Plaintiffs have sought to misread the words 'Different Companies Books' as 'Different Companies Boots'. He has submitted that this is factually incorrect, since the Defendant sells only shoes and footwear designed / manufactured by the it through its vendors. He has placed reliance upon paragraph 42 of the Affidavit in Reply to the Notice of Motion No.516 of 2017, wherein the Defendant specifically pleaded that the Defendant's business model is that of 'Exclusive Showroom' for Regal Footwear designed and manufactured by the Defendant whereas, the Plaintiffs' business is that of 'Super Market', where different brands are assembled and sold under one roof. He has submitted that words in the fire register report should be read as 'Different Companies Books' and that only evidences that the books maintained by the Defendant were lost in fire.

71. Dr. Saraf has submitted that the Defendant having executed a license deed for running a shop under the name Regal Footwear and the obtaining of a license under the Shops and Establishment Act in the year 1963 is prima facie proof that the Defendant has been carrying on business in shop M/s. Regal Footwear for more than 50 years. He has submitted that the aforementioned documents relied upon by the Defendant cannot be dissected individually as sought to be done by the Plaintiffs. The documents taken as a whole prima facie shows user of the mark Regal by the Defendant for more than 50 years. He has submitted that the mark need not only be physically affixing the mark on the goods or sealing the goods. All steps taken towards commencing sale of goods would also be construed as use of the mark. He has drawn reference to the words ‘in any other relation whatsoever’ in sub-section 2(b) and (c) of the Trade Marks Act as being wide in its scope and ambit and not to be interpreted in a restrictive sense. He has relied upon the decision of *Hardie Trading Ltd. & Anr. Vs. Addisons Paint & Chemicals Ltd.*²⁹ at paragraphs 37 and 41 to 45 in that context. He has submitted that the reliance placed by the Plaintiffs on the case of *Arvind Mills (Supra)* in support of their

²⁹ (2003) 11 SCC 92.

contention that use of trade mark could only be shown by invoices, advertisements, income tax assessment orders, books of accounts and pamphlets and brochures is misconceived as these documents are only illustrative documents. The said decision in paragraph 12 uses the words 'such as' and 'etc' shows that the documents mentioned therein were illustrative. He has drawn distinction in the facts of the present case and he has submitted that the mark 'Arvind' in that case was a personal name of the Petitioner and Respondent did not provide reasons for adopting 'Arvind'. Whereas in the instant case "REGAL" is a dictionary word and has a meaning / usage in common parlance which anyone in the industry can chance upon or adopt.

72. Dr. Saraf has submitted that a preliminary examination of the evidence on record produced by both parties in their pleadings would demonstrate that the Plaintiffs have no original documents to support its user claim any time prior to 1987 i.e. 24 years after Defendant honestly adopted and commenced using its mark 'REGAL FOOTWEAR'. The original documents produced by the Defendant demonstrate the Defendant to be the prior user and the preponderance of probability would indicate the

same. He has submitted that there is no substance in the contention of the Plaintiffs that the deponent of the said Affidavit is of an age where he would not be in a position to depose to certain facts. The Plaintiffs have themselves filed the Suit through Constituted Attorney Mr. Imran Virjee who has absolutely no person knowledge of the facts and circumstances of the present case as can be seen from the verification clause.

73. Dr. Saraf has submitted that the Plaintiffs have not been able to demonstrate with credible material their claim of user since 1954 and are not the prior users of the mark REGAL since 1954. He has submitted that the purported income tax assessment orders relied upon by the Plaintiffs to evidence alleged user since 1954 are not admissible in evidence and do not prove 'use' of the mark under the Trade Marks Act. He has submitted that the purported income tax assessment orders for assessment years 1956 – 57 to 1986 – 87 and for assessment years 1990 – 91 to 1992 – 93 are not originals or certified copies for which inspection has not been granted. Further, most of the photocopies of the documents do not bear the sign / seal of any officer of Income Tax Department. An unsigned order of assessment is not in conformity

with the provisions of the Income Tax Act, 1961. There has been manipulated tax filings pertaining to the years 1954-63 (i.e. prior to the Defendant coming into existence) as reflected in the assessment orders relied upon by the Plaintiffs to claim use of the mark. He has submitted that it is apparent from the Income Tax Assessment Order for assessment years 1987-88, 1988-89 and 1990-91, that the Plaintiffs have been engaged in fraudulent transaction, scams and tax evasions and Investigation was conducted by EoW, Mumbai Police, Excise Department, Sales Tax Department and IT Department which revealed the same.

74. Dr. Saraf has further submitted that the sale figures produced by the Plaintiffs annexed to the Chartered Accountant's Certificate at Exhibit A are at variance with the sale figures produced by the Plaintiff along with evidence in support of the opposition filed by the Plaintiffs with the Registrar of Trade Marks. He has highlighted the variance in the sales figures. He has further submitted that though the statement of advertisements expenses shows that though Regal Shoes and Regal Shoes (India) Pvt. Ltd. are said to be carrying on sales of products from 2004 onwards, the advertisements have been issued by Regal Shoes from

1958 and Regal Shoes India Pvt. Ltd from 2005. There are no advertisement expenses at all either by Regal Footwear partnership or proprietorship. Furthermore, in various years where no sales figures are provided, there are advertisements shown. He has referred to the blanks in figures in the statement of sales and advertisement expenses. This has not been explained in the Plaint save and except a general statement that the Plaintiffs do not have the figures ready. The Chartered Accountant certificate being purely based on assessment orders cannot in any event be relied upon as the assessment orders themselves are unreliable and inadmissible on account of inspection of the originals not being provided. Dr. Saraf has submitted that it is settled law that for the purpose of claiming and proving the user, mere newspaper advertisements or marketing / promotions will not suffice under the Trade Marks Act. He has placed reliance upon the decisions which have also been relied upon by the Plaintiffs, viz. ***Power Control and Kamat Hotels (Supra)*** and which hold that mere advertisements do not prove use.

75. Dr. Saraf has submitted that without prejudice to the Defendant's case that the Defendant is prior user of the

trade mark, in any case, the Defendant is an honest and concurrent user of the said trade mark. He has submitted that it is settled law that the claim of 'prior user' is wide enough and embodies within it, the claim of 'honest and concurrent user'. The Courts have recognized the defence of honest and concurrent user is not available in an action for infringement of trade mark or passing off. He has submitted that the decision relied upon by the Plaintiffs in *Kia Industries (Supra)* is misplaced as the said decision has not taken into consideration the earlier judgments which take have taken into consideration honest concurrent user as a defence to an action for infringement. This has been held by the Delhi High Court in the case of *Lowenbrau AG & Anr. Vs. Jagpin Breweries Ltd. and Anr.*³⁰ at paragraphs 6, 23, 27, 29 and 31. Dr. Saraf has in this context relied upon the following decisions apart from *Lawenbrau AG (Supra)*:-

(i) *M/s. Wattan Singh & Sons vs. the Registrar of trade marks & Ors.* 1976 SCC Online Del 95 (paras 6 and 7).

30 39 PTC 627.

(ii) Euro Panel Products Pvt. Ltd. & Anr. vs. Eurobond Industries Pvt. Ltd., 2015 SCC Online Bom 8763 (para 24).

(iii) Kalpataru Properties Pvt. Ltd. vs. Kalpataru Build-tech Corp. Ltd. & Ors., 2015 SCC Online Bom 5817 (para 14).

(iv) Goenka Institute of Education and Research vs. Anjani Kumar Goenka & Anr., ILR 2009 VI Del 415 (paras 10 and 13).

(v) Kores (India) Ltd. (supra) (paras 1, 2, 7, 9, 10, 13, 16, 17, 25, 31 and 32).

(vi) London Rubber Co. Ltd. vs. Durex Products Inc & Anr., AIR 1963 SC 1882 (paras 2, 8, 15, 16, 19, 20, 21).

(vii) Gopal Hosiery vs. Dy. Registrar of trade marks & Ors., AIR 1982 Cal 53 (paras 6, 7, 9 and 10).

(viii) Jain Rubber Industries vs. Crown (P) Ltd., 1988 PTC 82 (paras 5 and 6).

(ix) **Vikas Makhija vs. Bengal Phenyle & Allied Products (P),**
2001 SCC Online Del 643 (paras 13 and 14).

76. The above decisions are in support of his submission that relevant factor to be considered in the defence of honest and concurrent user is honesty in adoption by user which is commercial honesty and the circumstances which led to the adoption of the mark. Mere knowledge of the existing trade mark would not lead to a presumption of dishonesty. Even knowledge of registration of an identical mark is an important factor but not conclusive on the point of honesty of adoption. Adoption by a proprietor of an identical mark in a completely different part of the country even with the knowledge of existing trade mark may not lead to a presumption of dishonesty. The prior adopter must establish such goodwill in the trade mark that the subsequent adoption of the trade mark by another proprietor would lead to a conclusion that such subsequent adopter intended to encash upon the goodwill of the prior adopter. It is sufficient that there is commercial use and the volume would depend on the Defendant's capacity. Extensive sales are not required. A business larger than the opponent is not required. The question of discharging the

burden of establishing that there was no reasonable probability of confusion cannot arise in a case of honest concurrent use.

77. Dr. Saraf distinguished the decisions relied upon by the Plaintiff in contending that for honest and concurrent user, damages may not be granted, however, injunction should follow. This in the case of *Winthrop Products Inc V Eupharma Laboratories (supra)* and *Kirloskar Diesel Recon Pvt. Ltd. Vs. Kirloskar Proprietary Ltd. & Ors.*³¹. He has submitted that these decisions were on the facts which arose in those cases and which are entirely different from the facts in the present case.

78. Dr. Saraf has submitted that there is honest adoption of the Defendant's mark by H.D. Shivani in 1963. He has submitted that the mark was adopted after market survey and after ascertaining that no similar mark existed in respect of the said goods. The Plaintiffs' goods were admittedly not available in Pune and hence would not be shown in any market survey in Pune. The adoption of the trade mark by the Defendant were to be appreciated in the background that the Defendant adopted the

31 1997 (17) PTC 469.

mark in 1963 when the facilities and tendency that exist today were not available. The Plaintiffs on their own showing have shown no sales for the years 1964 to 1967, 1969 and 1973 to 1985. It is apparent from the Plaintiffs own case that they have no presence at least in the year 1964, in or around when the Defendant adopted its trade mark.

79. Further, Dr. Saraf has submitted that when the Defendant applied for registration of the trade mark Regal Footwear on 20th February, 2006, the Plaintiff's mark was not cited as a conflict in trade mark by the Registrar in the examination report. Thus, the Defendant's adoption of the trade mark Regal / Regal Footwear in 1963 was honest and bonafide.

80. Dr. Saraf has submitted that there is proper explanation provided for adoption by H.D. Shivani of the Defendant's mark Regal in 1963. Mr. H.D. Shivani was desirous of adopting Royal or Royal Footwear, but in view of there being an existing shop with a similar name, the Defendant adopted Regal Footwear. Regal being one of the synonyms of Royal. Regal being a dictionary word as opposed to a coined word, it is not possible for

the Plaintiffs to suggest that no other person except the Plaintiffs would adopt the said trade mark. The Defendant has produced the documents to evidence that there was a shop with name Royal Boot and Shoe Marts in Pune since 1956. The explanation contained in the sur-rejoinder is in consonance with the explanation for adoption contained in the written submissions filed by the Defendant before the Registrar of Trade Marks on 5th October, 2019 in the opposition proceedings. Dr. Saraf has dealt with the Plaintiffs contention that the adoption of the mark 'REGAL' provided in the sur-rejoinder is contrary to the license agreement dated 8th April, 1963 wherein there already existed a shop under the name Regal Footwear which had been taken over by the Defendant. He has submitted that this contention is misconceived and an erroneous interpretation of the license agreement dated 8th April, 1963. The reference to Regal Footwear in the license agreement is to identify the shop and does not evidence the fact that the landlord Mr. Shamsuddin Ismail was carrying on business on that date. The landlord was in respect of the entire building and hence it was necessary to identify the shop on the ground floor.

81. Dr. Saraf has submitted that the Plaintiffs' submission that the Defendant has acted dishonestly by using identical trade mark, identical font, encircled R symbol are not legitimate and sustainable. The Defendant being unaware and illiterate thought that they could only use "TM" when they apply for Registration of a trade mark which they have done in 2006 and during the pendency of such Application. The Defendant being illiterate was not aware that symbol encircled R symbol is to be used only after securing trade mark Registration from the Registrar of trade marks. The Defendant had forthwith stopped using the said encircled R symbol upon it being brought to its notice in the Plaint. There was no malafide intention in using the same prior to the Suit. Further the Defendant had adopted and used the same font and style since 1963. It is the Plaintiffs who had changed their font, style and logo which can be seen by comparing their old mark with the new mark.

82. Dr. Saraf has submitted that the Defendant has produced documents before this Court which evidences the presence of the Defendant since 1963. He has placed reliance upon the decision of the Delhi High Court in ***Watan Singh (Supra)*** which

holds that concurrent user need not be continuous and uninterrupted for Section 12(3) of the trade mark Act.

83. Dr. Saraf has made submission in so far as on the plea of acquiescence. He has submitted that the plea of acquiescence is admittedly a complete defence to an action for infringement of trade mark. Acquiescence is a facet of delay and if the Plaintiff stands by and allows the Defendant to carry out business in the manner complained of, to acquire a reputation and to expend money, he cannot then after a long lapse of time, turn around and say that the business ought to be stopped. Positive acts on the part of the Plaintiff can also be inferred from the conduct of the Plaintiff. If the Plaintiff stood by and knowingly let the Defendant build-up a valuable trade until it became necessary to crush it, then the Plaintiff would be stopped by his acquiescence. Acquiescence is essentially a question of fact and the positive act involved to support the plea of acquiescence would vary from case to case.

84. Dr. Saraf has submitted that in the present case there has been acquiescence on the part of the Plaintiffs in

allowing the Defendant to conduct its business since 1963 at M.G. Road, Pune. Reference has been made to the opening of the shops of the Plaintiffs near the Defendant's shop and despite knowledge / existence of the Defendant's shop, no action was taken by the Plaintiffs. Further, reference has been made to the fact that despite notice of opposition dated 14th February, 2008, the Plaintiffs took no steps to restrain the Defendant from using their trade mark for a period of almost 10 years till the filing of the Suit on 20th June, 2017. It is the Plaintiffs own case that the Defendant was opening a new shop and that the cause of action for filing the Suit which is the expansion of business by the Defendant and not the use of the mark by the Defendant. The Plaintiffs have waited, permitted the Defendant to carry on business for more than 50 years, expand substantial monies and virtually given its implied consent to the Defendant to continue to use the said marks. He has submitted that the conduct of the Plaintiffs clearly amounts to acquiescence / implied consent and waiver. The Defendant is entitled for protection by virtue of Section 30(2) (c) (i) of the trade marks Act, 1999.

85. Dr. Saraf has further relied upon the decision which has also been cited on behalf of the Plaintiffs i.e. ***Power Control (Supra)*** in support of his contention that where the Plaintiffs stood by knowingly and let the Defendants build up an important trade until it had become necessary to crush it, then the Plaintiffs would be stopped by their acquiescence. Dr. Saraf has relied upon ***Unichem Laboratories (Supra)*** and ***Essel Propack Ltd. (Supra)*** as well as ***Yonex Kabushiki Kaisha Vs. Philips International***³² in support of his contention that there has been acquiescence of the Plaintiffs in the present case by allowing the Defendant to expend money over considerable period in building up its business without taking steps to prevent the Defendant which would clearly amount to acquiescence on the Plaintiffs' part. In ***Essel Propack (Supra)***, this Court has held that the reference to 'positive act' in ***Power Control (Supra)*** in the context of acquiescence cannot be suggested to be an actual green light, or else there would be no distinction at all between consent and acquiescence.

32 (2007) 35 PTC 345.

86. Dr. Saraf has submitted that mere addressing of a notice of opposition dated 14th February, 2008 does not aid the Plaintiffs in explaining delay. The Plaintiff has even not issued a cease and desist notice after becoming aware of the use of the mark by the Defendant purportedly in 2008, let alone filing a Suit for injunction at that time.

87. Dr. Saraf has submitted that the ratio laid down in *Unichem Laboratories (Supra)* and *Essel Propack (Supra)* have not been overruled by the decision of the Division Bench in *Torrent Pharmaceuticals (Supra)*. These decisions have not even cited or referred to in the judgment. Thus, there is no dilution of these judgments. The important point of distinction is that whilst in *Unichem Laboratories (Supra)* and *Essel Propack (Supra)*, there was a delay between the date of knowledge of the Defendant's mark and filing of the Suit, which was sought to be explained by suppressing facts and taking a dishonest stand, in *Torrent Pharmaceuticals (Supra)*, there was absolutely no delay between the knowledge of the Defendant's use and filing of the Suit. Further, the Defendant had adopted the mark after the Plaintiff's

registration, with complete open eyes with respect to the existing proprietary rights of the Plaintiffs in the marks.

88. Dr. Saraf has distinguished the decision relied upon by the Plaintiff viz. *Aristo Pharmaceuticals (Supra)* to demonstrate that filing opposition proceedings establishes non-abandonment of rights in respect of mark and non acquiescence in the Defendants using the mark. He has submitted that the reliance on this decision is completely misplaced. The said decision in *Aristo Pharmaceuticals (Supra)* is merely an ad-interim order passed in the Notice of Motion and is not an order passed after finally hearing the parties. In that case the Plaintiff's become aware of the actual use of the trade mark by the Defendant in the year 2011 which was just before the Suit was filed. The Plaintiffs' trade mark was registered in the year 1986 whereas the Defendants applied for registration of the trade mark in the year 2006 claiming user from 2006. It was admitted by the Defendants that their sales were only by way of exports and that they did not have any domestic sales in India. Hence, the Court held that it cannot be assumed that the Plaintiffs would be aware of the actual use of the mark since 2006. The timeline also between filing of the

Suit and awareness of the application for registration was only around 4 to 5 years. It was in these circumstances that the Court found the notice of opposition to be sufficient. As opposed to this case, in the present case the Defendant has been in the domestic market almost 50 years prior to its application for registration. It is not even pleaded by the Plaintiffs that the Plaintiffs made any efforts or did not find the Defendant's goods in the market. This judgment, is therefore, not applicable.

89. Dr. Saraf has submitted that the Plaintiffs have failed to establish the case of passing off and / or the 1st requirement in establishing passing off i.e. any goodwill or reputation in favour of the Plaintiffs with respect to its mark REGAL. On the contrary, the documents relied upon by the Plaintiffs would demonstrate that the Plaintiffs are not an international brand or multi-national brand and do not possess goodwill / reputation as portrayed by the Plaintiffs. There is a categorically finding by the Income Tax Authorities that the "REGAL" is not a multi-national brand like BATA and it is ridiculous to compare the operation of multi-national brand like BATA with that of the assessee i.e. Plaintiffs herein.

90. Dr. Saraf has submitted that there have been alleged instances of confusion or deception for which the Plaintiffs have relied upon the alleged conversation purportedly exchanged between the Plaintiffs and Ms. Seema Singh, Ms. Prabha Dabadge and Ms. Swati Jagtap through their official Facebook page 'REGAL Shoes'. However, this cannot be relied upon by the Plaintiffs as the Plaintiffs have failed to provide inspection of the same. He has submitted that a bare reading of the alleged complaints demonstrate that the same are got up documents, self-serving documents and issued by the said persons if at all, only at the instance of the Plaintiffs. Though these complaints are allegedly of the year 2017 and 2019, the same are filed only in the Affidavit in Rejoinder dated 14th February, 2022 to the Notice of Motion No.1841 of 2018. Further, the surfacing of such complaints only in 2017 and 2019 shows that there was no confusion between the goods from 1963 till date.

91. Dr. Saraf has submitted that the present proceedings are at the interim stage and it is trite that at the hearing of an interim application, the Court is not expected to conduct a mini trial. In the present case there are various disputed

questions which require adjudication at a trial. The Plaintiffs have not been able to establish their case with certainty. Further the Defendant has produced substantial material before this Court to demonstrate that there are serious disputed issues on various relevant and pertinent issues including as to which party is the prior user of Regal / Regal Footwear. In the alternative, whether the Defendant is an honest and concurrent user of the trade mark. Further, is the Defendant using the mark to the knowledge of the Plaintiffs from 1984 or at least from 2004 without any action taken by the Plaintiffs in this regard. Is the Plaintiffs guilty of acquiescence. Have the Plaintiffs have come to the Court with false case suppressing facts from this Court. Dr. Saraf has relied upon the case of *Shree Gopal Engineering and Chemicals Works*³³, wherein the Court has held that it is not that at an interim stage the Court shall keep its 'eyes closed', accept every word the Plaintiff says as Gospel truth and lock-jaw the Defendant."

92. Dr. Saraf has submitted that while weighing the case for grant of interim relief, an unexplained inordinate delay, the conduct of the Plaintiffs in making false statements and

33 DRJ 1992 (22) 504.

suppressing facts are all facts which are relevant and ought to be considered by this Court. Dr. Saraf has relied upon the decision of the Supreme Court in *Gujarat Bottling Co. Vs. Coca Cola Co. & Ors.*³⁴ and *Wander Ltd. Vs. Antox India P Ltd.*³⁵ paragraphs 9 and 10, where this Court has considered the need of granting interim relief needs to be weighed against the corresponding need of a Defendant to be protected against injury resulting from him having been prevented from exercising his own rights for which he could not be adequately compensated. Further, in *Wander Ltd. (Supra)* this Court had considered whether the Defendant is yet to commence his enterprise or whether he has already been doing so in which case, consideration somewhat different from those that apply to a case where the Defendant is yet to commence his enterprise are attracted. Dr Saraf has relied upon the decision in *Essel Propack (Supra)* wherein this Court had held that law relating to grant of injunction is not displaced in case of Intellectual Property Matters.

34 (1995) 5 SCC 545.

35 (1990) SUPP SCC 727

93. Dr. Saraf has submitted that if injunction is granted, the Defendant who has been carrying on business in “REGAL” since 1963 and garnered a great deal of goodwill would gravely and prejudicially suffer and its livelihood and business developed over the years may even to come to a standstill. On the other hand, the Plaintiffs who have approached this Court with unexplained inordinate delay, with false justifications and suppressing material facts can always be compensated by damages at the hearing of the Suit. The balance of convenience tilts heavily in favour of the Defendant. An irreparable loss will be caused to the Defendant if the injunction is granted. He has accordingly submitted that the Notice of Motion be dismissed in limine with costs.

94. Having considered the submissions, a preliminary ground has been raised by the Defendant that the Plaintiffs have come with a false case and with unclean hands and sought relief by suppressing vital and material facts and documents from this Court and on this ground alone the Plaintiffs are disentitled from any interim relief. The Defendant has relied upon paragraphs 8 and 17 of the Plaint, which read thus:-

"8. In or about February 2008 the Plaintiffs came across advertisement of the Defendant's application No. 1422577 dated 28th February 2006 in Class 35 for registration of the trade mark "REGAL" in respect of "Retailing services for selling of branded footwear" published in the Trade Marks Journal No. 1372 dated 16th July 2007 and made available to the public on 18th October 2007. According to the said advertisement, the Defendant claimed that it has been using the said trade mark since 25th July, 1963. Being aggrieved by the said application, the Plaintiffs filed Notice of Opposition dated 14th February 2008 to the said application, under provision of Section 21(1) of the Trade Marks Act, 1999. The Defendant has entered into its defence by filing Counter Statement dated 20th October 2008 as provided under section 21(2) of the Trade Marks Act, 1999. By the said Counter Statement the Defendant has falsely contended that it has adopted the trade mark on 21st April 1963 and has since then used the same in respect of its retailing services. The Defendant has further contended that in the year 1984-85 the predecessors of the Plaintiffs had issued a Notice to the predecessors of the Defendant alleging infringement and passing off; that the Defendant's predecessors had replied to the said Notice; and that the disputed issue was settled between the Plaintiffs' predecessors and the Defendant's predecessors. However, the Defendant has not produced any documents or other material to support their said contention. The Plaintiffs say and submit that from the records of its predecessors available to the Plaintiff, no such correspondence was exchanged between the Plaintiffs' predecessors and the Defendant's predecessors."

"17. The Plaintiffs submit that in view of the following facts and circumstances there is no delay on their part in approaching this Hon'ble Court. The Plaintiffs say that as stated hereinbefore, they came to learn about the Defendant's trade mark "REGAL" in

respect of retailing of branded footwear in February 2008 when they immediately filed opposition to the Defendant's application for registration of its trade mark "REGAL". The Plaintiffs have filed their evidence in support of the said opposition within the prescribed time. Thus, the Plaintiffs have been diligently attending to the said matter. However, due to delays in the office of the Registrar of Trade Marks, the said opposition has not been heard and disposed of. During this period the Plaintiffs believed that knowing that the Plaintiffs have objection/opposition to the Defendant using and registering the impugned trade mark, the Defendant would not use the impugned trade mark REGAL. The Plaintiffs were also advised that if despite the Plaintiffs' opposition, the Defendant uses the impugned trade mark then the Defendant cannot claim any equities in its favour. If the Defendant has used the impugned trade mark despite the Plaintiffs' opposition then the Defendant has done so at its own peril and such user cannot be set up as a defence. The Plaintiffs say and submit that now that it has become clear that the Defendant is bent upon selling REGAL brand footwear and opening a new outlet at Seasons Mall, Pune, the Plaintiffs have immediately filed the present suit and sought relief of injunction."

95. It is contended on behalf of the Defendant that the Plaintiffs have made a false statement that they came to know about Defendant's use in 2008 when they noticed the Defendant's application for registration of its mark. It is contended that the Plaintiffs had a shop diagonally opposite to the Defendant's shop from 2004 and they knew about the existence of the Defendant's impugned mark prior to 2006. In 2006, the Plaintiffs had other

shops in Pune. Further, contention is that in 1984 to 89, Regal Shoe shop was operating 300 meters away from the Defendants shop and which shop was opened by the Plaintiffs and / or relatives of the Plaintiffs' partner. It is further contended that there was earlier a cease and desist notice issued by the Plaintiffs in 1984 and consequent settlement thereafter. Further contention is that the Plaintiffs' stand that they stood by from 2008 to 2017 upon the belief that the Defendant had stopped using its mark is false since the Defendant continued running the shop at M.G. Road, Pune, diagonally opposite that of the Plaintiffs all through out this period. Accordingly, there was no reason on the part of the Plaintiffs to believe that the Defendant has stopped or would stop using its mark.

96. Having considered these contentions on behalf of the Defendant, in my view the statement made in paragraph 8 of the Plaint that in or about February, 2008 the Plaintiffs coming across advertisements of the Defendant's Application No.1422577 dated 28th February, 2006 in Class 35 for registration of the trade mark 'Regal' in respect of the retailing services for selling, branding footwear published in the trade mark journal No.1372 dated 16th

July, 2007 and made available to the public on 18th October, 2007 cannot be read in the manner the Defendant intends it to be read. The Plaintiffs have not stated that they did not know of the Defendant's mark prior thereto. Further, it is only from the said advertisement that the Plaintiffs have learnt that the Defendant claimed user of its trade mark since 25th July, 1963. In that context the Plaintiffs have referred to the notice of opposition dated 14th February, 2008 filed by them.

97. Further, in paragraph 17, the Plaintiffs have only stated that it came to their knowledge that the Defendant's trade mark "REGAL" is in respect of retailing of branded footwear was in February, 2008, when they immediately filed opposition to the Defendant's application for registration of its trade mark "Regal". Though, there is no mention of the Plaintiff's shop being in operation prior there to i.e. from 2004 and which according to the Defendant was diagonally opposite the Defendant's shop, this non disclosure of the Plaintiffs shop in the Plaint is in my view irrelevant. The knowledge attributed to the Plaintiffs would at the highest be a couple of years prior to February, 2008 and at best would imply delay.

98. In *Midas Hygiene (Supra)* it has been held that delay is not available as a defence in an infringement action. Further, I am of the view that since the Suit has been filed on 20th July, 2017, over 9 years after accepted knowledge of the Plaintiffs i.e. February, 2008, it would make no difference to the Plaintiffs' case or the Defendant's defence, whether the disclosure of the date of the knowledge was December, 2006 or February, 2008. Further, it has been stated in paragraph 8 of the Plaint that the Defendant had claimed user of 25th July, 1963. Accordingly there would be no reason for the Plaintiffs to have suppressed the fact that they had knowledge in 2006 in view of a shop opened by the Plaintiffs diagonally opposite to the Defendant. Considering that this is a final hearing of the Notice of Motion, any misstatement alleged cannot come in the way of determination of the issue as to whether the Defendant has infringed the Plaintiffs trade mark and / or passed off its mark as the Plaintiffs trade mark. Further, the Defendant in the event of there being a finding of infringement and / or passing off, cannot be allowed to continue its illegal trade under the impugned mark and perpetuate deceit upon the members of the public at large, merely because of a misstatement.

99. The case of *Brihan Karan Sugar Syndicate Pvt. Ltd. (Supra)* relied upon by the Defendant has been decided on the facts of that case and is inapplicable in the present case. In that case knowledge was expressly pleaded by the Plaintiff that it had learnt of infringement only in 2011 whereas the facts demonstrated that it had knowledge much prior thereto. This false representation was to steal a march upon the Defendants. In the present case, the Plaintiffs at the ad-interim stage itself has only moved after giving notice to the Defendant. Thus, the present case is not a case of the Plaintiffs attempting to steal a march on the Defendant.

100. In so far as the contention of the Defendant that the Plaintiffs and / or relatives of the Plaintiffs partner had opened a shop in 1984 and which was operational from 1984 till 1989 is concerned, there is nothing on record to show that the Plaintiffs had at all opened a shop in 1984. Further, knowledge has been sought to be attributed to the Plaintiffs on the footing that in or around 1985 one Ismail Mulji, the brother-in-law of one of the founding partners of the Plaintiffs viz. Mr. Karim Virjee and uncle of the Plaintiffs had purportedly opened a shop in or around 1984

near the Defendant's shop. It is necessary to note that the said Mr. Karim Virjee had retired from the Plaintiffs partnership firm with effect from 1976 and relinquished all his rights in the trade mark REGAL. The Plaintiffs have contended that they were not aware of any such shop opened and had not permitted the same. Considering that the said Mr. Virjee had retired almost 8 years before the purported opening of shop, the contention of the Defendant that knowledge must be attributed to the Plaintiffs in the 1980's by virtue of opening of a shop by the brother in law of a former partner of the Plaintiffs cannot be accepted. Further, the contention that there was an alleged cease and desist notice purportedly issued by the Plaintiffs in 1984 and consequent settlement thereupon is not borne out by any documents produced by the Defendant. Thus, the case of the Defendant that the Plaintiffs have suppressed these facts cannot be accepted.

101. In so far as the statement made in paragraph 17 of the Plaint, this can only be read as a contention of the Plaintiff that in view of opposition to the Defendant's application for registration of the trade mark the Plaintiffs assumed that the Defendant would not use the impugned trade mark REGAL till

such opposition was decided. This has been followed by a statement made thereafter that “if the Defendant had used the impugned trade mark despite the Plaintiffs’ opposition, then the Defendants has done so at its own peril and such user cannot be set up as defence”. Thus, the contention of the Defendant that the Plaintiffs had made a false statement in the said paragraph of the Complaint is not acceptable as the Plaintiffs have not stated that the Defendant had stopped using the impugned trade mark REGAL.

102. Thus having arrived at finding that there has been no false case and / or suppression of material facts as alleged by the Defendant, it would be necessary to consider the prior user of the trade mark ‘REGAL’. It has been contended by the Plaintiffs that they are registered proprietors of the two REGAL marks with a user of 1954 recognized under the Trade Marks Act. It is further their contention that the registrations are valid, subsisting and binding. As against this, the Defendant has contended that they have been user of the trade mark ‘REGAL’ since 1963. However, it is necessary to note that the Defendant is not a registered proprietor, its application for registration having been refused by the Trade Mark Registry.

103. I have gone through the material on record and noted that it is an admitted fact that the Defendant is using the identical trade mark 'REGAL' as that of the Plaintiffs upon and in relation to identical goods / services. It is further an admitted fact that the Plaintiffs registrations of their trade mark are not in dispute under these proceedings. Further, the Defendant has not even challenged these registrations through substantive rectification proceedings, till date. The Defendant has taken the defence of prior continuous user under Section 34 of the Trade Marks Act. I find that for the Defendant to establish prior continuous user of their rival mark it will have to establish that it was user prior in point of time to the Plaintiffs' date of registration of the Suit mark or the date of the first user of the Plaintiffs' suit mark, whichever is earlier. This is provided for in Section 34 of the Trade Marks Act, 1999. Considering that the Plaintiffs' user of the registered trade mark is prior to the date of its obtaining registration, then the burden is upon the Defendant to show user even prior thereto. The Defendant has admittedly claimed user from 1963 and not from 1954. I prima facie find from the material on record produced, that the Plaintiffs have successfully demonstrated user from 1954.

104. There has been an attempt made by the Defendant to poke holes in some of the documents produced, in particular, the Income Tax Assessment orders which are unsigned and there are certain findings of the Income Tax Authorities that there has been manipulation in the accounts produced by the Plaintiffs by manipulating purchases of the goods bearing the 'REGAL' trade mark and there being discrepancies in sales, the explanations for which have not been convincing. However, there are Income Tax Assessment Orders which are on record for specific years which have been signed and where there are no such observations by the Income Tax Authorities. There are signed assessment orders from 1956 to 1998. Further, there are nearly 23 newspaper advertisements / articles from 1955 all the way upto 2017, i.e. year of filing of the Suit. There is further material to show the Plaintiffs running footwear / footwear retail business under REGAL by way of invoices, letters, certificates of inspection for export, third party invoices from 1974 to 2005. Thus, the Plaintiffs have been able to produce material to show that they were in prior open, uninterrupted and continuous use of their trade mark REGAL since 1954.

105. There is a contention raised on behalf of the Defendant that the sale figures, advertisement figures and Chartered Accountant's certificate is at variance with the figures produced by the Plaintiffs along with evidence in support of the opposition filed by the Plaintiffs with the Registrar of trade marks. However, even if this Court was to ignore the sale certificate and some unsigned assessment orders, there is sufficient material that demonstrates the Plaintiffs' prior, open, uninterrupted and continuous user since 1954.

106. As against this, I find that the Defendant has only relied upon a Leave and License Agreement and Shops and Establishment License in the year 1963. The Leave and License Agreement would merely show that the premises which have been referred to as Regal Footwear has been taken on rent by the Defendant's predecessor Mr. Shivani. Further, the Shops and Establishment License is a requirement under the Bombay Shops and Establishment Act, 1948 for regulating working conditions of employees in shops, commercial establishments, residential hotels and the like. This does not establish that there was a running business of footwear under Regal. The Defendant has produced

certificate from sales tax consultant M/s. Shroff and Co. certifying engagement for sales tax matters between 1969 to 2015 for drawing inference that the sales tax matters related to sale of footwear under Regal. However, upon perusal of the certificate of M/s. Shroff and Co., there is no certification that the sales tax matters were with respect to the sale / retail footwear under the impugned trade mark Regal. Further, the Sales Tax Challans produced by the Defendants from 1993 to 1997 do not indicate as to whether sales tax was levied and paid with respect to the sale of footwear under the trade mark Regal. The Income Tax Acknowledgments also produced evidenced payment of tax and not that they were paid in respect of the business of footwear.

107. The Defendant has contended that there is absence of material from 1963 till 1999 due to a fire that took place in 1999. However, there is no explanation as to the reason for the Defendant not producing a single invoice from 1999 onwards inspite of it being the case of the Defendant that it continued to run its business immediately after the fire. Further, the Defendant has also not explained why it had not produced statement of sales between 2000 to 2005 and / or advertisements

from 1999 to 2010. The Defendant has relied upon the Fire Register Report and has sought to read the words in the report as “different companies books” which have been lost and damaged in the fire.

108. I have perused the Fire Register Report as well as read the Police Panchnama which have been annexed to the Written Statement. In my prima facie view, the words in the Report are “different companies boots” as having been lost and damaged as this is also borne out from the Police Panchnama. Further, the Defendant has been selective in producing material on record for the years prior to the fire in 1999, which appears to have survived the fire. I am thus of the prima facie view that the Defendant has been unable to establish use of the trade mark Regal since 1963 much less open, extensive and continuous use.

109. This Court in *Consolidated Foods Corporation (Supra)* has held that priority in adoption of trade mark entails superiority in title. The Plaintiffs being prior adopters of their trade mark REGAL hold superior title to the Defendant apart from the

Plaintiffs trade marks being registered whereas Defendant has been unsuccessful in obtaining registration of its trade mark.

110. The next defence raised by the Defendant is of honest concurrent use of its trade mark 'REGAL'. Section 12 of the trade marks Act addresses honest concurrent use only in a limited context as permitting the Registrar of Trade Mark to register trade mark which is identical / similar to an existing registered trade mark and for identical / similar goods. Once such a trade mark is registered it is afforded statutory protection under Section 30(2) (e) of the Trade Marks Act. The registered trade mark is thus not infringed by use of another registered trade mark which is identical / similar and for identical / similar goods. It is well settled including in the decision of Delhi High Court in *Hindustan Pencils Private Ltd. (Supra)* that honest concurrent use is not a shield against the grant of an injunction. Honest concurrent use may defeat a claim of damages, but the relief of injunction should not be refused. Further, Section 34 of the trade mark Act 1999, though expressly preserving the rights of prior users, does not provide for honest concurrent use as a defence of infringement of trade mark. In a recent decision of the Delhi High Court in *Kia Industries*

(Supra) relied upon by the Plaintiffs it has been held that ‘honest concurrent user’ is not a statutory defence. It cannot be imported from Section 12 of the Trade Marks Act and press-ganged as defence to trade mark infringement. The aforementioned principle laid down in *Hindustan Pencils Private Ltd. (Supra)* has been followed in *Cadila Pharmaceuticals Pvt. Ltd. (Supra)* and *Winthrop Products Inc, (Supra)* decisions of this Court.

111. I further find that the explanation of the Defendants for adoption of the trade mark REGAL has surfaced for the first time in an Affidavit in Sur Rejoinder of the Defendant filed in March, 2022. The Deponent of the Affidavit aged 39 years, having been born in or around 1983, has related events which took place in 1963. The Deponent would have no personal knowledge of such events which relate to Mr. Shivani being initially desirous of the adopting mark Royal for footwear in 1963. In view of there existing a Royal Shoes shop on M.G. Road in Pune where the Defendant’s shop was opened, REGAL is claimed to have been chosen for being phonetically similar to ROYAL. I find that there is no documentary material adduced to substantiate this plea other than producing material which best corroborated the existence of

Royal Shoes. It is thus merely on the hearsay of the deponent of the Affidavit in Sur Rejoinder, who has no personal knowledge. Further, the Leave and License Agreement dated 8th April, 1963 between one Shivani and Mr. S. Ismail, suggests that the Ismail had licensed the use of a pre-existing REGAL footwear which is inconsistent with the Defendant's pleaded case that Shivani was the original adopter. Accordingly, I prima facie find that the case for adoption of the impugned trade mark Regal is not supported by cogent evidence.

112. I further find from the material on record that, the Plaintiffs were operating "Regal" shop at Colaba Causeway, a premier shopping address prior to 1963. There are advertisements on record which give reference to the Plaintiffs "Regal Footwear" as a landmark. The Plaintiffs shop being situated in Mumbai and the Defendant's shop situated in Pune are cities where people commute daily by train. The Defendant's predecessor being in the same trade of sale of footwear as well as fact that the the Defendant and his predecessor belong to same religious community which they consider to be a close knit community, would establish prima facie that the Defendant and its predecessor

had knowledge of the Plaintiffs use of the REGAL trade mark. Further, Mr. Shivani has not filed any Affidavit confirming or denying his knowledge of the Plaintiffs store at the relevant time.

113. I am also of the prima face view that there is no commercial honesty on the part of the Defendant in using their mark REGAL. I further find that in 2017, when the Plaintiff had filed the Suit, the Defendant was using their mark with the ® symbol as if to suggest that the Defendant was registered proprietor apart from using font and lettering which was similar to that of the Plaintiffs. Thus, the Defendant was attempting to imitate the Plaintiffs and by such conduct the Defendant has failed to establish commercially honesty.

114. The decisions relied upon by the Defendant in support of their contention of honest concurrent use as a defence against infringement are inapposite and distinguishable.

115. In so far as the defence of the Defendants of their being acquiescence on the part of the Plaintiffs for resisting injunction for trade mark infringement is concerned, in my prima

facie view, no case is made out by the Defendant. As aforementioned, there is no substance in the Defendants contention that, the Plaintiffs were aware of the Defendant since 1985 and which knowledge is attributable to a purported shop being opened by the brother-in-law of a former partner of the Plaintiffs. The partner of the Plaintiffs had as mentioned retired almost a decade earlier to the purported opening of the shop. It is very much believable that the Plaintiffs were not aware of such shop being opened and had not permitted the same.

116. The Defendant's case of acquiescence on the part of the Plaintiffs, in my prima facie view, does not satisfy the tests that establish a defence of acquiescence. The Defendant's case of acquiescence is that the Plaintiffs have knowledge of the Defendant coupled with tardiness of coming to the Court and which according to the Defendant amounts to the Plaintiffs acquiescence to the Defendant's use of its mark REGAL. The Supreme Court in *Power Control Appliances (Supra)* laid down the requirements for establishing acquiescence. These requirements have been highlighted in the submissions on behalf of the

Plaintiffs. It would be necessary to reproduce paragraph 26 of

Power Control Appliances (Supra) which reads thus:-

“(26) Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt V. White Sr. John Romilly said : “It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) and Co. V. Boehm. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendants as was laid down in Rodgers V. Nowill.

117. Thus, the Supreme Court in the said decision held that acquiescence implies positive acts, not merely silence or inaction such as involved in laches. This has been followed in by the Division Bench of this Court in *Torrent Pharmaceuticals (Supra)*. Paragraphs 88 to 89 are relevant to be reproduced and read thus:-

“(88) Equally, the learned Single Judge was wrong in refusing the injunction on the ground of delay and acquiescence. It was conceded by Mr. Dwarkadas before the learned Single Judge and before us as well that mere delay is inconsequential. Acquiescence is a facet of delay. However, the defence of acquiescence can succeed when the plaintiff assents to or lays by wholly to the acts of another person. The learned Single in para 34 correctly notes down the principle that mere silence or inaction of the kind involved in laches cannot be, therefore, laying by. The former principle, namely, sitting by or laying by is involved in laches and that means that the claimant knew of the invasion of his rights and did nothing about it. This conduct of the plaintiff is inconsistent with the claim of exclusivity. The learned Judge holds in this case that there is a refusal or failure to act on the part of the plaintiff despite knowledge of invasion and opportunity to stop it. The learned Judge says that this is not a case of pure delay or being late in coming to the court, but of tardiness with knowledge. When, the learned Judge says that acquiescence demands a positive act and nothing further, then, the aspect of delay or being late in coming to the court is not a positive act. It does not mean a letter of approval either. Acquiescence is the species of estoppel and therefore, rule of evidence and rule of equity. It essentially means an assent to an invasion of rights. Then, he culls out this principle and applies it to the facts and circumstances of the case.”

“(89) The learned Judge then attributes acquiescence to the plaintiff. The plaintiff's predecessor in title did not object to the trade mark registration application. It allowed others to do so and it is the plaintiff's failure to bring a suit on service of a caveat. Thus, there is no objection from the plaintiff. It only means that the plaintiff kept quiet when the application for registration was

made by the defendant. They failed to object to the advertisement of the defendant's application or when the defendant brought its project in market. They did not object to other entities introducing their products in the market either. This is enough to assume acquiescence. We do not think this to be the position on facts and in law. A plea of acquiescence to be raised in defence so as to succeed ought to be supported by weighty materials to that effect. Since the learned Single Judge has referred to the judgment of the Hon'ble Supreme Court in the case of M/s. Power Control Appliances and Ors. vs. Sumeet Machines Pvt. Ltd. (1994) 2 SCC 448 , we would refer to it in some details. Paras 4, 5, 7, 11, 12, 13, 14, 15 and 16 of this judgment were heavily relied upon by Mr. Tulzapurkar. In that, the facts and the submissions are summarized. Then, in para 20, the argument of the respondent before the Hon'ble Supreme Court was set out. In paras 27, 28, 29 and 30, the English judgments were noted and up to para 31. Thereafter, the decisions rendered by our Hon'ble Supreme Court and other courts have been noted."

118. The Division Bench of this Court has held that the aspect of delay or being late in coming to the Court is not a positive act. The plea of acquiescence to be raised in defence so as to succeed ought to be supported by weighty materials to that effect.

119. In my prima facie view, the requirement for establishing acquiescence laid down by the Supreme Court in *Power Control (Supra)* and followed by Division Bench of this

Court in *Torrent Pharmaceuticals (Supra)* has not been met in the present case. The Defendant has not been able to refer to a single positive act of the Plaintiffs encouraging its business. At the highest the Defendant has been able to establish the Plaintiffs knowledge of the Defendant in 2006. Infact, the Plaintiffs by filing notice of opposition against the Defendant's application for registration of the trade mark 'REGAL' constitutes a "negative act" on the part of the Plaintiff whereby the Plaintiffs have not only specifically apprised the Defendant of their statutory and common law rights in the trade mark 'REGAL' but also put the Defendants to notice as to their objection to the use of the Defendant's impugned trade mark REGAL. It has been held in *Aristo Pharma (Supra)* that opposition of application for trade mark registration militates against acquiescence. I do not accept the attempt made by Dr. Saraf to distinguish this decision on facts.

120. The Plaintiffs have succeeded in having the Defendant's application for registration of trade mark rejected. Reference is made to the Trade Mark Registrar's order dated 11th February, 2020 which is under challenge in Appeal filed by the Defendant before this Court.

121. The view taken by the Single Judge in *Essel Propack (Supra)* and *Unichem Laboratories (Supra)* that knowledge of Defendant coupled with tardiness in bringing an action for infringement amount to acquiescence is no longer good law in view of the decision of the Division Bench of this Court in *Torrent Pharmaceuticals (Supra)*. Further, the decision of the Single Judge of this Court in *Unichem Laboratories (Supra)* has not considered the decision of the Division Bench of this Court in *Schering Corp. (Supra)*, where the Division Bench has held that once the Defendant is put to notice of a Plaintiffs right, his continued infringement is at his peril. It could not thereafter claim equity. It is also necessary to note that the Single Bench decision in *Torrent Pharmaceuticals (Supra)* which has also held that tardiness and knowledge of the Defendant constitutes acquiescence has been reversed in Appeal by the Division Bench. Thus, for acquiescence there must be positive acts supported by weighty material as it entails an equitable defeasment of a statutory right conferred upon a party. The view taken by the Division Bench of this Court in *Torrent Pharmaceuticals (Supra)* has been upheld by the Supreme Court in *Wockhardt Ltd. (supra)*. Thus, in my prima facie view, the Defendant has not been able to establish a case of acquiescence.

122. I am of the prima facie view that the Plaintiffs have made out a case for infringement as well as of passing off. The Plaintiffs case of passing off is made out particularly considering that the rival marks are identical and used for identical goods / services. Further, the case for infringement is made out in view of the prima facie findings that the Plaintiffs have been able to establish user since 1954 including goodwill and reputation and the Defendant being a junior user, as well as other prima facie findings of the Defendant failing to establish honest concurrent use as well as its case of acquiescence not having been made out. I further find that the balance of convenience is also in favour of the Plaintiffs considering the “comparable strength” principle laid down by the Supreme Court in *Cadila Healthcare Ltd. (Supra)* which can be determined at the interlocutory stage in trade mark matters. There will be irreparable injury caused to the Plaintiffs in the event the interim reliefs are not granted which far outweighs the prejudice caused to the Defendant who had only one shop prior to the filing the Suit and thereafter has opened two shops on “no equities basis” as per ad-interim orders dated 24th July, 2017 and 4th September, 2018 passed by this Court in the present Notice of Motion.

123. In view thereof, the relief sought for in the Notice of Motion requires to be granted as under:-

(i) The Notice of Motion No.516 of 2017 is made absolute in terms of prayer clauses (a) and (b) which read thus:-

“(a) that pending the hearing and final disposal of the suit, the Defendant by itself, its partners, proprietors, servants, agents, dealers, distributors and all persons claiming under it be restrained by temporary order and injunction of this Hon’ble Court from infringing the Plaintiffs’ registered trade mark “REGAL” bearing Registration No.284961 in Class 25 by using the impugned trade mark “REGAL” as its trade name or part of its trade name or name of its business concern or part of name of its business concern dealing in footwear and/or by using the impugned trade mark “REGAL” or any other trade mark containing the word “REGAL” and/or any other trade mark identical with and are deceptively similar to the Plaintiffs’ said registered trade mark upon and in respect of footwear or similar goods or in any other manner whatsoever and from infringing the Plaintiffs’ registered trade mark “REGAL” bearing Registration No.1278782 in class 42 by using the impugned trade mark “REGAL”/ “REGAL FOOTWEAR” or any other trade mark containing the word “REGAL” and/or any other trade mark identical with and/or deceptively similar to the Plaintiffs’ said registered trade mark upon and in respect of retailing of footwear and/or for running shops/ stores for sale of footwear or similar services;”

“(b) that pending the hearing and final disposal of the suit, the Defendant by itself, its partners, proprietors, servants, agents, dealers, distributors and all persons claiming under it be restrained by temporary order and injunction of this Hon’ble Court from manufacturing, marketing, selling, trading in and/or otherwise dealing in footwear or the like goods under the impugned trade name “REGAL FOOTWEAR” or any other trade name containing the word REGAL or any other trade name deceptively similar thereto; and from manufacturing, marketing, selling, trading in and/or otherwise dealing in footwear bearing the trade mark “REGAL” or any other trade mark containing the trade mark REGAL or any other trade mark deceptively similar thereto, so as to pass off or enable others to pass off the Defendant’s goods and/or business as and for the Plaintiffs’ well known goods and/or business or in any other manner whatsoever;”

(ii) The Notice of Motion No.516 of 2017 is accordingly disposed of.

(iii) In view of this judgment and order, Notice of Motion No.1841 of 2018 does not survive and is accordingly disposed of.

124. Dr. Saraf, learned Senior Counsel appearing for the Defendant has sought for a stay of judgment and order. Considering that, the Defendant has been operating the shops

under the trading name and mark “REGAL” for considerable length of time, including the first shop which was opened according to the Defendant in 1963, there will be a stay to the execution and implementation of the judgment and order for a period of four weeks from today.

(R. I. CHAGLA J.)