

NAFR

HIGH COURT OF CHHATTISGARH, BILASPUR**Order reserved on 27.9.2019****Order delivered on 24.10.2019****Misc. Appeal No.83 of 2019**

- Black Diamond Motors Pvt. Ltd Through Its Director Shri Pushpinder Singh Bhatia, Aged 51 Years, S/o Late S. Swarn Singh Bhatia, Plot No. 119b, Sirgitti Industrial Estate, Bilaspur, Tehsil And District Bilaspur, Chhattisgarh. (Plaintiff), District : Bilaspur, Chhattisgarh

----Appellant**Versus**

1. Black Diamond Track Parts Pvt. Ltd Through Its Director Raminder Singh Bhatia, Plot No. 20, Sector - C, Sirgitti Industrial Estate, Bilaspur, Tehsil And District Bilaspur, Chhattisgarh. (Defendant No. 1), District : Bilaspur, Chhattisgarh
2. Raminder Singh Bhatia S/o S. Parvinder Singh Bhatia R/o 25 Bungalow Colony Bhartiya Nagar, Bilaspur, Tehsil And District Bilaspur Chhattisgarh. (Defendant No. 2), District : Bilaspur, Chhattisgarh
3. Charanpal Singh Bhatia S/o S. Parvinder Singh Bhatia R/o 412 Indira, Vihar, Transport Nagar, Korba, Tehsil And District Korba Chhattisgarh. (Defendant No. 3), District : Korba, Chhattisgarh

---Respondents

For appellant : Shri Ajay Majithia and Shri Rupesh Shrivastava, Advocates
 For respondents : Shri Dhiraj Wankhede and Shri Mayank Kumar, Advocates

Hon'ble Shri Justice Ram Prasanna Sharma**CAV Order**

1. This miscellaneous appeal preferred under Section 104 read with Order XLIII Rule 1(r) read with Section 151 of the Code of Civil Procedure, 1908 is against impugned order dated

06.8.2019 passed by District Judge, Bilaspur in Civil Suit No.34A/2019 wherein the said Court dismissed the application filed by the appellant under Order 39 Rule 1 & 2 read with Section 151 of CPC.

2. As per the appellant, respondent No.1 was incorporated as Private Limited Company under the Companies Act, 1956 by the Registrar of the Companies under the name of Black Diamond Track Parts Pvt. Ltd. and main object was to manufacture, assemble, sell, purchase, job, repair, fabricate develop and otherwise deal in undercarriage and track parts of all mining machineries and their spares, chains, conveyor structures, steel structures, steel and its components and any of the bye-products which will be obtained in the process of manufacturing. The appellant/plaintiff is registered in the name of Black Diamond Motors Private Limited which manufactures bodies of Tippers, Tip Trailers etc. Both are distinct and separate corporate entities under the Companies Act. On 15.9.2005/21.9.2005, the appellant/ plaintiff was incorporated as Private Limited Company and in the month of December 2006 they commenced its operation. The appellant company was issued certificate of Registration of Trade Mark in Class 12 which is exclusively for Tipper, Tip Trailers, Flat Bed Trailers , Ash Handling Bulkers & Trailer made Carriers. On 31.03.2018, respondent No.1 applied for registration of Trade Mark under Class-12 which is pending before Registrar, Trade Mark, Mumbai. The respondents with

malafide intent to cause loss of goodwill and personal monetary gain, copied the mono and sticker of the appellant company and had put up an identical sticker bearing the registered Trade Mark of the appellant company. Aggrieved by the act of the respondents, the appellant company instituted Civil Suit before the trial Court for grant of declaration and permanent injunction and also to restrain the respondents from using the identical name and Trade Mark, but the trial Court rejected the same contrary to the factual matrix and legal aspects of the matter. As per the appellant, he has made prima facie case, balance of convenience and irreparable injury in his favour, therefore, injunction ought to have been granted by the trial Court in favour of the appellant. He placed reliance in the matters of **Ruston and Hornby Ltd. vs. Zamindars Engineering Co.** reported in **AIR 1970, SC 1649**; **Consolidated Food Corporation vs. Brandon and Co. Private Ltd.** reported in **AIR 1965 Bombay 35**; **Ramdev Food Products Pvt. Ltd. vs. Arvindbhai Rambhai Patel & Ors.** reported in **AIR 2006 SC 3304** and **Dhunseri Tea & Industries Ltd. vs. Dhansiri Plantation Pvt. Ltd.** reported in **AIR 2008 (NOC) 2271 (Cal)**.

3. On the other hand, learned counsel for the respondents submit that their company has been established since 28.01.1999 which was incorporated as Private Limited Company and started business initially in the year 1983. Father of respondent No.2 namely Shri Parvinder Singh Bhatia started business in the name of Black Diamond Industries, a propriety firm having registered address at Korba, Chhattisgarh and later on the company became

a Private Limited Company with a name of Black Diamond Equipments which means the word 'Black Diamond' is collective mark under the Trade Mark Act and under the name of Black Diamond the answering respondents are running their business since 1983. It is further submitted on behalf of the respondents that one of the Director of their company namely Shri Pushpender Singh Bhatia has resigned from the Company on 31.3.2014 and now he is the Director of the appellant company. As per the respondents, this important fact was suppressed by the appellant before the trial Court and the same was duly noted by the learned trial Court in the impugned order. A copy of the resignation of Director Pushpender Sing Bhatia is filed and marked as Annexure-R/4. It is also submitted that one of the Director of the Company namely Charan Pal Singh Bhatia has also resigned from the respondent company on 05.8.2019. As the brand name 'Black Diamond' is used by the respondents side since 1983, they are the bonafide users of that name and having goodwill since 1991, whereas the appellant company got registered in the year 2006 and using brand name since 2009 which is subsequent to the use of the respondents. As the respondents Company is the prior user of the brand name, it cannot be prevented from using the said brand. Therefore, it is not a case where interference of this Court is required with the order of the trial Court. To support their arguments, learned counsel for the respondents placed reliance in the matters of **Best Sellers Retail (India) Private Limited vs. Aditya Birla Nuvo Limited and Others.** reported in

(2012) 6 SCC 792; Seema Arshad Zaheer and Others vs. Municipal Corpn. Of Greater Mumbai and Others. reported in **(2006) 5 SCC 282; M/s. R.J, Components and Shafts vs. M/s. Deepak Industries Limited & Ors.** reported in **2017 SC (Del) 3408; Wander Ltd. And Another vs. Antox India P. Ltd.** reported in **1990 (Supp) SCC 727; Neon Laboratories Limited vs. Medical Technologies Limited and Others,** reported in **(2016) 2 SCC 672 and S. Syed Mohideen vs. P. Sulochana Bai** reported in **(2016)2 SCC 683.**

4. The first question for consideration before this Court is as to which company is using brand name Black Diamond first in time. Prima facie from the documents produced by both sides, it appears that the respondents side is using the brand name Black Diamond since 1991, while the suit is filed by the appellant company on the basis of registration of Trade Mark in the year 2009. Therefore, the respondents side is prior user of the Trade Mark in question. There is nothing on record to show that any of the customer of the appellant side is confused with the Trade Mark of Black Diamond and shifted to the respondents company. The appellant himself was the Director of the respondent Company for some duration but that fact was not submitted before the trial Court that is why the trial Court noted that basic facts have been suppressed in the present case. When the appellant himself was the Director of the respondent Company he was fully aware of the use of Trade Marck 'Black Diamond' in that capacity. Creation of goodwill is not a short term job. It takes

time for creation of goodwill and its sustainability. When the respondents side started business in the year 1991, having created goodwill and sustainability for that long period. Therefore, rights of prior user are recognised superior than that of registration of the Trade Mark which is done in the year 2009. Even after registration, the appellant cannot disturb with the rights of the prior user. Rights conferred by registration are subject to the rights of the prior user of the trade mark. As per Section 34 of the Trade Mark Act, 1999 a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user commenced prior to the user or date of registration of the propriety.

5. It is not a case where the trial Court has exercised its jurisdiction arbitrarily or perversely or ignored the settled principles of law regulating grant or refusing interlocutory injunction. Looking to the facts and circumstances of the case, it appears that the appellant side was earlier the Director of the respondent company and therefore, the appellant side has no prima facie case against the prior user. Again balance of convenience is not in favour of the appellant as respondent side is prior user of the trade mark. As both sides are running the business in the same field and in absence of any evidence regarding shifting of customer from one side to another, no irreparable injury is caused to the appellant. The finding arrived at by the trial Court is not liable to be interfered with.

6. Accordingly, the appeal is liable to be and is hereby dismissed.

Sd/-
(Ram Prasanna Sharma)
JUDGE

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