

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Pronounced on: 15.11.2011

+ CS(OS) 244/2008

INFOSYS TECHNOLOGIES LTD. Plaintiff

Through: Mr Prashant Gupta, Adv.

versus

ADINATH INFOSYS PVT. LTD & ORS. Defendants

Through: None.

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

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| 1. Whether Reporters of local papers may be allowed to see the judgment? | Yes |
| 2. To be referred to the Reporter or not? | Yes |
| 3. Whether the judgment should be reported in Digest? | Yes |

V.K. JAIN, J. (ORAL)

1. The plaintiff-company, which was initially incorporated in the name and style of Infosys Consultants Private Limited and which changed its name to Infosys Technologies Private Limited on 2nd June, 1992, is engaged in the business of providing IT services, solutions,

consulting and business process management. The business of the plaintiff-company includes designing enterprise architecture, enterprise data and information security, software product development, customized software development, application maintenance, infrastructure maintenance, application testing, package application implementation roll-out and maintenance, business process modeling, business process outsourcing, business consulting and operations consulting, engineering design for products/hardware, or any combination thereof. These services and solutions are being offered by the plaintiff-company across various industry segments like banking, capital markets, insurance, healthcare, life sciences, retail, high-technology, discrete manufacturing, communication service providers, automobiles, aerospace, resources, energy and utilities. The plaintiff-company has its presence in various countries and has offices in Atlanta, Bellevue, Bidgewater, Charlotte, Detroit, Fremont, Houston, Lake Forest, Lisle, New York, Phoenix, Piano, Quincy, Reston, and Toronto in North America; Brussels, Copenhagen, Frankfurt, Geneva, Helsinki, London, Milan, Oslo, Paris, Stockholm, Stuttgart, Utrecht and Zurich in

Europe; Beijing, Hong Kong, Mauritius, Melbourne, Shanghai, Sharjah, Sydney and Tokyo in Asia Pacific; and Bangalore, Bhubaneswar, Chandigarh, Chennai, Hyderabad, Mangalore, Mumbai, Mysore, New Delhi, Pune and Thiruvananthapuram in India.

2. INFOSYS is the registered trademark/service mark of the plaintiff-company in various Classes including Class 16 in respect of computer software. This is the case of the plaintiff-company that on account of continuous, extensive and substantial use of the mark INFOSYS by it over two decades combined with the excellent services offered by it under the aforesaid name this mark has become distinctive of the plaintiff-company in the eyes of the customers not only in India but in other countries as well. This is also the case of the plaintiff-company that use of the mark INFOSYS implies that the goods/services being offered under this mark are originating from the plaintiff-company and the user of this mark is in some manner or the other associated with the plaintiff-company. It is claimed that the software development by the plaintiff-company are of excellent quality and acclaimed throughout the world for their utilitarian value. The plaintiff-company claims to have

received a number of awards as detailed in para 14 of the plaint and had revenue of Rs.9028 crore in the year 2005-06 and Rs.3655 crore in one quarter of the year 2006-07.

3. The defendant company is engaged in the business of website development and is offering web design & management and providing computer training courses affiliated to Aptech Computer Education. It is alleged that the business of the defendants relates to computer related products/services and is directly relatable to plaintiff's business. The defendant has been using the expression INFOSYS as a part of its corporate name. The website of the defendant company also uses the expression INFOSYS as a part of the domain name of the defendant No.1 company. The plaintiff sent a cease and desist notice to the defendants on 3rd January, 2005. The defendants, however, continued to use the expression INFOSYS as a part of their corporate/trade name. The plaintiff has sought an injunction restraining the defendants from using the mark/expression INFOSYS as a part of their corporate/trade name. They have also sought an injunction restraining the defendants from passing off their goods and services as those of the plaintiff-company by using the name

of INFOSYS. The plaintiff has sought delivery up of the material containing the name INFOSYS and damages amounting to Rs.20 lac.

4. The defendants were proceeded ex parte vide order dated 17th September, 2008 since they did not put an appearance despite service on them. An interim order was passed on that day restraining the defendants from using the mark INFOSYS as their corporate name and from marketing any product or service under the aforesaid mark or any other mark deceptively or confusingly similar to the mark INFOSYS during pendency of the suit. The defendants were also restrained from using the aforesaid mark as their domain name.

5. The plaintiff has filed an affidavit of Mr Utham Chengappa, its Principal Legal Counsel, who also happens to be the constituted attorney of the plaintiff-company. In his affidavit by way of evidence, Mr Chengappa has affirmed on oath the case set out in the plaint.

6. Ex.PW-1/3 is the certificate, whereby the mark Infosys was registered in favour of the plaintiff-company in class 16 in respect of computer software, computer stationery and computer manuals, etc. The plaintiff-

company also holds the following trademark registrations in its favour:

Trade Mark No.	Registration date	Class	Description of Goods.
475269	15.07.1987	16	Computer stationery, computer manuals, printed matter for computer instructions and teaching materials.
475267	15.07.1987	9	Computer hardware, computer interfaces, peripherals, electronic telex interfaces.
484837	27.01.1988	7	Machines, machine tools and motors (not for land vehicles)
873683	30.08.1999	34	Tobacco, smoker's articles, matches and all goods in class 34
873669	30.08.1999	20	Furniture and all materials of plastic
873672	30.08.1999	23	Yarns and threads for textile use
873673	30.08.1999	24	Textile goods and all goods included in class 24
873682	31.01.1996	33	Alcoholic beverages, all being goods in class 33
873666	30.08.1999	17	Rubber, flexible pipes, insulating materials
873668	30.08.1999	19	Building materials, non-metallic, transportable buildings.
873664	30.08.1999	14	Precious metals, alloys and jewellery
873665	30.08.1999	15	Musicals instruments all being goods included in class 06
873658	30.08.1999	6	Common metals and

			alloys, metal building material, and all goods included in class 06
873662	30.08.1999	12	Vehicles, apparatus for locomotion by land, air or water, all being goods included in class 12
637315	18.08.1994	9	Computer hardware, data modules, motion control devices, warehouse management system, Customer service management systems as used in banks, automatic teller machines, computerised interactive machines all being goods in class 09
637314	18.08.1994	16	Computer software, stationery, manuals, printed matter, brochure, instructional and teaching material.

7. The case of the plaintiff-company is that the business in which defendant No. 1-company is engaged being computer software, use of the name INFOSYS by defendant No. 1-company directly as its corporate name and/or domain name infringes its registered trademark since, defendant No. 1-company is engaged in the same business, for which plaintiff-company also is using the mark INFOSYS.

8. The defendants have not come forward to explain why they chose to use the expression INFOSYS as a part of the corporate name of defendant No.1-company. Considering the widespread reputation and goodwill which the trademark INFOSYS enjoys not only in India but also in various other countries, in the field of IT services. The defendants seem to be providing IT related services under the name Adinath Infosys Pvt. Ltd., use if the expression 'INFOSYS' by the defendant-company, even in conjunction with the word Adinath would constitute infringement within the meaning of Section 29(1) of the Trademarks Act since the consumer would identify the products/services of the defendant with the mark INFOSYS even where this mark is used in conjunction with some other word such as Adinath, when the defendants No. 1-company is engaged in the same business in which the plaintiff company is engaged and is providing services similar to those which the plaintiff-company is providing under its registered trademark INFOSYS.

Since the trademark INFOSYS on account of its continuous user by the plaintiff-company for the last many years and on account of considerable efforts made and

expenditure incurred by the plaintiff-company in building and promoting this brand name, coupled with the excellent quality of the products and services which the plaintiff-company offers under this brand name has become distinctive to the plaintiff company, a person who is offered IT related services under a brand name which includes the expression INFOSYS as its key component is likely to presume that either the defendant-company is in some manner or the other associated with the plaintiff-company or has been licensed by it to provide such services and that is why the expression INFOSYS is being used as a key component of the corporate name/brand name of the defendant-company. This impression is likely to cause confusion in the mind of the customer as regards the source of the services being offered to him. Hence, use of the expression INFOSYS by the defendant-company while offering IT related services also constitute infringement within the meaning of Section 29(2) of the Trademarks Act.

10. Section 29(5) of the Trade Marks Act provided that a registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the

name of his business concern dealing in goods or services in respect o which the trade mark is registered. Therefore, by using the word INFOSYS which is the registered trade mark of the plaintiff as the key feature of its corporate name, defendant No. 1 has clearly infringed the registered trade mark of the plaintiff.

11. In **Montari Overseas Ltd. vs. Montari Industries Ltd.** 1996 PTC (16), the plaintiff Montari Industries Ltd. was incorporated on January 17, 1980. The defendant/appellant Montari Overseas Ltd. was incorporated later on April 21, 1993. On coming to know of the existence of the appellant/defendant, the plaintiff/respondent filed a suit seeking injunction against the use of the name 'Montari' in the corporate name of the defendant. It was contended on behalf of the appellant/defendant that there was no evidence to show that any confusion had been created in the mind of the customers or members of the public by the use of the word Montari in the corporate name of the appellant/defendant nor was there any evidence to show that the business of the plaintiff/respondent had been diverted by the appellant.

Rejecting the contention of the appellant/defendant a Division Bench of this Court, inter alia, observed as under:-

“It is well settled that an individual can trade under his own name as he is doing no more than making a truthful statement of the fact which he has a legitimate interest in making. But while adopting his name as the trade name for his business he is required to act honestly and bonafidely and not with a view to cash upon the goodwill & reputation of another. An individual has the latitude of trading under his own name in recognition of the fact that he does not have choice of name which is given to him. However in the case of a Corporation the position is different. Unlike an individual who has no say in the matter of his name, a company can give itself a name. Normally a company cannot adopt a name which is being used by another previously established company, as such a name would be undesirable in view of the confusion which it may cause or is likely to cause in the minds of the public. Use of name by a company can be prohibited if it has adopted the name of another company.

It is well settled that no company is entitled to carry on business in a manner so as to generate a belief that it is connected with the business of another company, firm or an individual. The same principle of law which applies to an action for passing off of a trade mark will apply more strongly to the passing off of a trade or corporate name of one for the other. Likelihood of deception of an unwary and ordinary person in the street is the real test and the matter must be considered from the point of view of that person. Copying of a trade name amounts to making a false representation to the public from which they have to be protected.

Besides the name of the company acquires reputation and goodwill, and the company has a right too to protect the same. A competitor cannot usurp the goodwill and reputation of another. One of the pernicious effects of adopting the corporate name of another is that it can injure the reputation and business of that person.”

In **Mahendra & Mahendra Paper Mills Ltd. vs. Mahindra & Mahindra Ltd.** 2002(24) PTC 121 (SC), the respondents before the Supreme Court was a company incorporated under the name ‘Mahindra & Mahindra Ltd.’ The appellant/defendant was incorporated under the name ‘Mahendra & Mahendra Paper Mills Ltd’. A suit was filed by the plaintiff/respondent ‘Mahindra & Mahindra Ltd.’ against the appellant/defendant ‘Mahendra & Mahendra Papers Ltd.’ seeking injunction against the use of the words ‘Mahindra & Mahindra’ and words deceptively similar to ‘Mahindra & Mahindra’. ‘Mahindra’ was the registered trade mark of the plaintiff in respect of the goods in Class 12 of the Trade & Merchandise Marks Act, 1958. The case of the plaintiff was that the words Mahendra & Mahendra were phonetically, visually and structurally almost identical or deceptively similar to its corporate name and use of this name was intended to deceive the member of the public into

believing that the defendant was an offshoot of the plaintiff or was in some way connected with it. The contention of the appellant/defendant was that it was not an action for infringement of trade mark but was an action for passing off and in the absence of any similarity of the goods manufactured or; sold by the parties, test of deception or confusion amongst the consumers did not arise. Noticing that the name 'Mahindra & Mahindra' had acquired a distinctiveness and a secondary meaning in the business and trade circles and people had come to associate the name 'Mahindra' with a certain standard of goods and services, the Supreme Court was of the view that any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs' group of companies. During the course of the judgment, the Supreme Court, inter alia, observed as under:

“Without intending to be exhaustive some of the principles which are accepted as well settled may be stated thus; that whether there is a likelihood of deception or confusion arising is a matter for decision by the Court, and no witness is entitled to say whether the mark is likely to deceive or to cause confusion; that all factors which are

likely to create or allay deception or confusion must be considered in combination; that broadly speaking, factors creating confusion would be, for example, the nature of the market itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in course of trade, and others.”

12. A person is well within his right to sell his goods or render services using any trade name for the purpose. With the passage of time the goods sold or the services rendered by him, as the case may be, may acquire certain reputation or goodwill in the market which becomes the property of that person and needs to be protected by the court. It is not permissible for any other person to start selling goods or rendering services either using the same name or imitating that name so as to cause injury to that person and enrich himself at the cost of the person who had already been using that name and had acquired a certain reputation with the passage of time and on account of the quality of the goods sold or services rendered by him. Any attempt on the part of a person to enrich upon the goodwill generated by any other person needs to be curbed by the court whenever approached by the aggrieved party in this regard.

13. During pendency of the suit, defendant No. 1-company has changed its name from ADITECH INFOSYS PRIVATE LIMITED to ADITECH INFOTECH PRIVATE LIMITED, as is evident from the Certificate of Incorporation, issued to defendant No.1-company on 25th May, 2008. This certificate also shows that the previous name of defendant No.-1-company was ADITECH INFOSYS PRIVATE LIMITED which was later changed to ADITECH INFOTECH PRIVATE LIMITED. The name of defendant No.1-company having been changed only on 12th January, 2008, it is obvious that the plaintiff-company had a cause of action when it filed the present suit on 22nd January, 2008.

14. For the reasons given in the preceding paragraphs, defendant No. 1 is restrained from using the expression 'INFOSYS' or any other expression which is identical or deceptively similar to the trademark 'INFOSYS' as a part of its corporate name or for providing any of the services in which the plaintiff-company is engaged. In the facts and circumstances of the case, I see no justification to award any damages to the plaintiff-company. No other relief needs to be granted to the plaintiff-company. Since the trademark of the plaintiff company has been infringed by defendant

No.1, which is a corporate entity, no injunction needs to be issued against the other defendants, who are the Directors of defendant No.-1 company. There shall be no order as to costs.

Decree sheet be drawn accordingly.

(V.K. JAIN)
JUDGE

NOVEMBER 15, 2011
vn/bg