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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.201 OF 2015

IN

SUIT NO.937 OF 2014

Datamatics Global Services Limited	...Plaintiff
vs.	
Royal Datamatics Private Limited	...Defendant
.....	

Mr. Amir Arsiwala, a/w. Mr. Nikhil Mengde, i/b. Sameer P. Khedekar, for the Plaintiff.

Mr. Alankar Kirpekar, a/w. Mr. Piyush Pande, i/b. MAG Legal, for the Defendant.

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CORAM : S.C. GUPTE, J.

RESERVED ON : 29 OCTOBER 2015.

PRONOUNCED ON : 28 MARCH, 2016

JUDGMENT :

. This is an infringement suit filed by the Plaintiff in respect of its registered trade mark "Datamatics". The Plaintiff seeks to permanently restrain the Defendant from infringing the trade mark "Datamatics" by using it in its name and business processes and also seeks damages for such infringement. The Notice of Motion seeks interlocutory relief in terms of the permanent injunction prayed for in the suit.

2. The Plaintiff was incorporated on 3 November 1987. It is,

however, the Plaintiff's case that its promoters have been using the name "Datamatics" to represent their business from the year 1975, when they formed a company by the name of "Datamatics Consultants Pvt. Ltd." The Plaintiff's case is that the word "Datamatics" is made up and coined by the founders of the Plaintiff, as an amalgam of the words "data" and "matic". The word "data" is derived from Latin, and is a common word which means "transmittable and storable computer information", whereas the word "matic" is a common suffix derived from the Greek word "matos" that means "willing to perform", or also "automate". It is submitted that the trademark "Datamatics" of the Plaintiff was well known even in the 1980's, when companies associated with the Plaintiff were conducting IT business in India and Overseas. The Plaintiff claims to be part of a group of companies, several of whom have been using the word "Datamatics" as part of their corporate names. There are at least 21 Companies forming part of the Plaintiff group, which use the word "Datamatics" as part of their corporate or trading name. The Plaintiff claims to have applied for registration of the trade mark "Datamatics" through its group company, Datamatics Ltd., on 26 June 2006 in class 42 in respect of scientific and technological services and other services, including design and development of computer hardware and software, etc. The registration was granted on 22 March 2010. The registered proprietor of the trade mark, "Datamatics Ltd.", was merged into "Datamatics Technologies Ltd." with effect from 28 December 2008. Thereafter, the name of the Company was changed from "Datamatics Technologies Ltd." to "Datamatics Global Services Ltd." - the current name of the Plaintiff. The Plaintiff has also registered the "Datamatics" trademark in class 35 *inter alia* in respect of business consultancy, computer databases, etc. As the Plaintiff has operations across the globe, it has procured registration of the trademark "Datamatics" in

many other jurisdictions, including US, UK and EU.

3. The grievance of the Plaintiff is that, around the month of August 2013, the Plaintiff came to know of the existence of the Defendant with the word “Datamatics” as part of the latter's trading name and style, namely, “Royal Datamatics Pvt. Ltd.” A cease and desist notice was, thereupon, issued to the Defendant in September 2013. The Defendant, in reply to the notice, claimed that it had been bonafide using the word “Datamatics” as part of its trading name to represent its services since the year 1996; that it had gained recognition by rendering services to well known companies; and that the names of the Defendant and the Plaintiff were dissimilar and there was no cause for confusion, particularly, since the Defendant had been representing its services under the brand “Royal Datamatics Pvt. Ltd.”, which was distinct from the Plaintiff's trademark “Datamatics”. In September 2013, i.e. after the cease and desist notice of the Plaintiff, the Defendant even filed an application to the Registrar of Trademarks, New Delhi, for registration of its trademark “Royal Datamatics Pvt. Ltd.” That application has since been pending. The Plaintiff, in the premises, has filed the present suit claiming a permanent injunction restraining the Defendant from using the word “Datamatics” in any way in connection with its business or activities, including as part of its corporate or trading name.

4. The Defendant has filed a reply, relying on several documents in support of its case. It is submitted in defence that the Defendant is a reputed service provider. It adopted its existing corporate name in the year 1996 and, ever since then, has been continuously using such corporate name in the course of trade. The Defendant's applications in respect of

registration of its trade name “Royal Datamatics Pvt. Ltd.” as a trade mark in classes 9, 16, 35, 41 and 42 have been pending. It is submitted that the trade name of the Defendant, namely, “Royal Datamatics Pvt. Ltd.”, is distinct from the Plaintiff’s registered trade mark “Datamatics”. It is submitted that the word “Datamatics” in relation to software services and business is common to the trade. It is descriptive and generic in the field of computer, internet and worldwide web. It is submitted that there are close to 50 other active companies, whose corporate names contain the word “Datamatics” and some of whom have been providing similar services as those of the Plaintiff and the Defendant. In any event, it is submitted that the Defendant has built an extensive reputation in relation to its company or name “Royal Datamatics Pvt. Ltd.” over a period of 18 years. The Defendant relies on several documents in support of its case, including the certificate of its turnover as also the turnover of its US Subsidiary in the five preceding financial years, as also particulars of other companies having the word “Datamatics” as part of their corporate names together with particulars of their annual turnovers and balance sheets etc. The Defendant also contests the Plaintiff’s locus to file the present suit, since the latter’s name does not appear in the register as a proprietor of the mark “Datamatics”.

5. On these pleadings and in the light of submissions made across the bar, there are four aspects of the case which fall for consideration of this Court, namely, (i) whether the Plaintiff has title to the trade mark “Datamatics” and can maintain the suit? (ii) whether the word “Datamatics” is of common use or is generic or descriptive? (iii) whether the defence of honest and concurrent user is available to the Defendant ? and (iv) where does the balance of convenience lie – whether in favour of the

Plaintiff or the Defendant ?

6. On the title of the Plaintiff to the registered trademark “Datamatics”, it is submitted by the Plaintiff that the original proprietor of the trademark, namely, “Datamatics Ltd.”, was merged into “Datamatics Technologies Ltd.” It has produced an order of this Court sanctioning the merger between “Datamatics Ltd.” and “Datamatics Technologies Ltd.” “Datamatics Technologies Ltd.” was the former name of the Plaintiff Company. The Plaintiff has produced a certificate of Registrar of Companies showing the change of name to “Datamatics Global Services Limited.” The Plaintiff also relies upon a deed of assignment of the trademark “Datamatics”, then an unregistered trademark, along with goodwill between “Datamatics Ltd.” and the Plaintiff (in its former name) as of 9 April 2006. As held by our Court in the case of **SKOL Breweries Ltd. v. Som Distilleries & Breweries Ltd.**¹, Section 45 of the Trademarks Act, 1999 does not contain any bar against the Court recognising or giving effect to an assignment or transmission of a trademark where the assignee or transmittee has not been registered as a subsequent proprietor of the registered trademark. Whether or not the application under Section 45 for registration of the assignee or transmittee as the subsequent proprietor of the trademark is made or is pending, the Court is not barred from recognising or giving effect to an assignment or a transmission. The bar, in any event, does not operate at an interlocutory stage if the Plaintiff makes out a prima facie case of being entitled to be registered as a proprietor. The Plaintiff, being a successor of the original proprietor of the registered trademark by virtue of a merger sanctioned by the Company Court and also by the reason of the deed of assignment executed in its

¹ 2010(42) PTC 389 (Bom.)

favour by the registered proprietor, is entitled to maintain the present suit and seek an interlocutory injunction against the Defendant who is claimed to be an infringer.

7. As for the plea that “Datamatics” is a word of common use in so far as information technology services are concerned, the Defendant has relied upon the fact that there are close to 50 other active companies containing the word “Datamatics” as part of their corporate names. The material relied upon by the Defendant does indicate that there are several companies, many of whom are into information technology and solutions, which use the word “Datamatics” as part of their trade name. The words “data” and “matic” being words of common use and even the word “Datamatics” being an obvious combination of the former two words for services in relation to transmission and analysis of data and solutions in connection therewith, clearly lends support to the Defendant's case that the word “Datamatics” has come to be used as a word indicating the type of services rendered by the service providers who use the word as part of their trading name or style. Learned Counsel for the Plaintiff submitted that mere fact that others have used the same or a similar mark does not *per se* indicate either that the mark has become *publici juris* or has come to be regarded as a word of common description or usage. It is submitted that the mere fact that the mark is used by others is not sufficient and that the infringer defending the use of the offending mark must establish the extent of user and reputation built up by others in the market. In this behalf, it is pertinent to note that we are today at a *prima facie* stage and the material produced by the Defendant is good enough to establish that several companies are not only using the word “Datamatics” as part of their trading name and style but that these companies are very much active and doing

substantial business as disclosed by their balance sheets and accounts produced by the Defendant. From the material produced before the Court at least this much is clear that there are several service providers offering services similar to the parties herein, which use the word “Datamatics” as part of their trading name, and if the word “Datamatics” has been used so extensively in the trade, it is a plausible inference to draw that customers who use these services, who could clearly be regarded as knowledgeable customers using highly specialised services offered by the service providers, are more likely to go by the other features or elements of the respective trade names of service providers rather than simply go by the word “Datamatics” forming a common element of such names and be confused between the identity of the service providers. It is legitimate to suggest that the customers are more likely to go by the full contents of the trade names of service providers and distinguish between them on that basis notwithstanding the word “Datamatics” singularly forming part of their trading names.

8. The Plaintiff's reliance on cases such as **Ultra Tech Cement Limited v. Alaknanda Cement Pvt. Ltd.**², and submission based thereon that the defendant itself having applied for registration of a mark with the word “Datamatics” as part of it, is estopped from contending that the word is descriptive or generic or common to the trade, does not take the Plaintiff's case any further. Firstly, the Defendant has not applied for registration of the mark “Datamatics”, but the mark “Royal Datamatics Pvt. Ltd.”, which is distinct from the former mark. Secondly, we are not saying so much as to suggest that the descriptiveness or genuineness *per se* of the word “Datamatics” is clearly established, but that the trade and the

2 2011(5) Bom.C.R. 588

purchasing public, going by the many names containing the word “Datamatics” as part of them, are more likely to pay attention to the other elements or features in the names than focus on the word “Datamatics”.

9. Even on the question of honest and concurrent user, there is adequate material placed by the Defendant before this Court that the Defendant has been using the word “Datamatics” as part of its trading name for the last more than 19 years. Such long and continuous use, with services provided to clients such as Microsoft, Adobe, Manhattan Associates, Delhi Chamber of Commerce and other reputed organisations in and outside India, would certainly sustain a defence of honest and concurrent use. There is nothing *prima facie* to suggest that the Defendant has opted the word “Datamatics” as part of its corporate name dishonestly or with intent to profit by, or trade on, on the reputation or goodwill of the Plaintiff. The Plaintiff claims to have been incorporated in November 1987. The various figures of sales and marketing produced by the Plaintiff relate to the period between 2008-2009 and today. The application for registration before the Trademark Registry in India was made by the Plaintiff in June 2006 and the registration was granted on 22 March 2010. In the premises, there is nothing on record to indicate either that the Defendant was aware of the Plaintiff's registered trademark or corporate name and trading style or that the Plaintiff had built up so substantial a reputation and goodwill at the time that the Defendant must be taken to be aware of the same when it adopted the word “Datamatics” for coining its corporate name. On the other hand, there is material on record which suggests that many similar service providers were actually using the word as part of their trading names. It is *prima facie* believable that the adoption of the word “Datamatics” by the Defendant, in the facts and circumstances

of the case noted above, was bonafide and honest. The Defendant has continuously and extensively used the word “Datamatics” as part of its corporate name for over 19 years. In the premises, the Defendant is, *prima facie*, entitled to urge the defence of an honest and concurrent user. The Defendant has applied for registration of its trademark on the basis of such honest and concurrent user. It is for the Registrar of Trademarks to consider whether or not and with what conditions and limitations such registration ought to be allowed, but at least as far as the interlocutory application is concerned, the honesty and concurrence of user claimed by the Defendant is sufficient to enable the Defendant to resist a temporary injunction pending trial of the suit.

10. Since I have not considered the element of delay in the Plaintiff approaching this Court whilst denying the injunctive relief, it is not necessary for me to consider the contention of the Plaintiff that on a mere delay or laches a permanent injunction ought not to be denied and the cases cited in support.

11. As for the balance of convenience, as against the Plaintiff's case of infringement and dilution of its registered trademark, the prospect of which is not very palpable, as I have noted above, the denial to the Defendant at this *prima facie* stage of the use of its own trading or corporate name whilst providing services, which it has done over the last more than 19 years with the attendant building up of goodwill and reputation, is likely to cause greater harm to the Defendant than corresponding harm to the Plaintiff if the temporary injunction were to be refused.

12. In the totality of circumstances, the Plaintiff, in my view, is not

entitled to the equitable relief of an interlocutory injunction. The Notice of Motion is, accordingly, dismissed. There shall be no order as to costs.

(S.C. GUPTE, J.)