

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.01.2016

CORAM

THE HONOURABLE MR.JUSTICE **M. SATHYANARAYANAN**

C.S.No.493 of 2008

and

O.A.No.556 of 2008

Financial Software and Systems Private
Ltd., rep. by its Head - Finance
G.Sivakumar .. Plaintiff

Vs.

Brilliant Tutorials Private Limited
doing business as Firstware Software
Solutions rep. by its Director
Thanu Neelakandan .. Defendant

Plaint filed under Order VII Rule 1 of Code of Civil
Procedure read with Order IV Rule 1 of Original Side Rules,
1956, Sections 135 and 158 of The Trade Marks Act, 1999,
Section 62 of the Copyright Act, 1957 and Sections 20 and
22 of Companies Act, 1956.

For Plaintiff .. Ms.Gurmeet Kour
for M/s.R & P Partners
For Defendant .. No appearance

JUDGMENT

The plaintiff would aver as follows:

(i)The plaintiff is carrying on business, inter alia, of providing online, real time, electronic transaction processing and switching for financial and non-financial transactions from/to multiple delivery channels and payment systems and co-networks including Automated Teller Machines (ATMs), Point of Sale Terminals (PoS), ATM deployment and management and other related services and it also provides value added services such as mobile top up, utilities bills payments as an application service provider to various banks and financial institutions and it has been selling its products and rendering various services under the trade mark, artistic work under the name and style "FSS" ever since the year 1991. The plaintiff was incorporated under the corporate name and style "Financial Software and Systems Private Limited" and also duly obtained a certificate of incorporation and ever since, it has been continuously using the abbreviation "FSS" without any interruption as its trade mark/service mark/brand name.

WEB COPY

(ii)The plaintiff would further aver that it also obtained registration of the said mark as an artistic work under the Copyright Act, 1957 from the Registrar of Copyrights vide certificate No.ROC No.A-4796/2003 dated

21.07.2003 and also obtained registration of the said mark under the Trade Marks Act, 1999, vide Application No.933179, with effect from 20.06.2000. Thus the plaintiff claims that it is using the said mark "FSS", of which, it is a sole and absolute owner and also had a turn over of Rs.1,12,06,36,362/- for the financial year ended on 31.03.2007 and the turn over of the plaintiff at the end of the financial year ended on 31.03.2011 was around Rs.239 crores and it has also spent Rs.30 lakhs approximately for advertising, promoting and familiarising the said mark viz., "FSS". The plaintiff also developed a website having a URL viz., <http://www.fss.co.in> and spent a sum of Rs.60,000/- per annum approximately from the year 2001 onwards towards upkeep and maintenance of the aforesaid website.

(iii) It is the case of the plaintiff that the defendant, in order to unduly gain popularity and exploit the goodwill of the plaintiff, deliberately and with a malafide intention used/been using the mark "FSS", of which, the plaintiff is the sole and absolute owner and thereby infringing the said trade mark. The plaintiff would further state that the defendant used the trade mark "FSS", which is identical/similar to that of the plaintiff's mark

and it is unauthorised and illegal, for which, it is also liable to be prosecuted under the provisions of Trade Marks Act and Indian Penal Code. The defendant is also guilty of unlawfully indulging in such activities which are prejudicial to the interest of the plaintiff. The only purpose for which the defendant is indulging in such an illegal act is to make quick money at the cost, expenses and goodwill of the plaintiff. Therefore, the plaintiff came forward to file the present suit.

2. The defendant has filed the written statement denying the allegations and would state that it is a leading institution established in the year 1971 and pioneer in conducting postal education, personal coaching classes for students who are preparing for various entrance examinations for professional courses such as medical colleges, engineering colleges and Indian Institute of Technology (IIT) and All India Institute of Medical Sciences (AIIMS), Jawaharlal Institute of Post Graduate Medical Education and Research (JIPMER), IAS, IES, MBA, GATE, GRE etc., and also developed study materials for the said purpose and would further state that the 'Firstware Software Solutions' is the software development division of Brilliant Tutorials Private Limited, which was started in

the year 1996 and it is also assessed at Level 3 as measured against the Software Engineering Institute's capability maturity model. The defendant would further state that the suit filed by the plaintiff is under wrong provision of law with a view to deliberately mislead the Court and as a result, the relief sought for by the plaintiff cannot be granted.

3. It is further stated by the defendant that it has never used the logo as allegedly registered by the plaintiff. The plaintiff has failed to prove any malafide intention on the part of the defendant to misuse the letters "FSS" for profit and the defendant, immediately on receipt of the summons from this Court, has removed the letters "FSS" and it has never used "FSS" as a trade mark or service mark in the course of trade. It is also stated by the defendant that "FSS", which is the acronym of the defendant's division 'Firstware Software Solutions' and its bonafide use of the defendant's own name and hence, the plaintiff has no right to prohibit or restrain the defendant from using the acronym of its own name in a bonafide manner and it has never used "FSS" as a service mark in respect of software business solutions in the course of trade and also not released any advertisement

under the mark "FSS" and the bonafide use of acronym of the defendant's division 'First Software Solutions' is not contrary to law and hence prayed for dismissal of the suit with exemplary costs.

4.The plaintiff, pending disposal of the suit, filed an application in O.A.No.556 of 2008 praying for an order of ad interim injunction restraining the respondent/defendant to cease and desist from using of the mark "FSS" or any identical or deceptively similar mark. An exparte order of ad interim injunction was granted on 30.04.2008.

5.This Court, upon perusal of the pleadings and other materials on record, has framed the following issues for consideration:

1.Whether the relief of injunction sought by the plaintiff is maintainable as the defendant is not using the acronym FSS in trademark sense in relation to their business in the course of trade?

2.Whether the plaintiff can claim any monopoly over an acronym, which cannot be

expressed in any other manner?

3. Whether the plaintiff can claim monopoly over a part of the device mark, when it does not hold a separate registration under Sec.17 of the Trademarks Act?

4. Whether mere use of the acronym FSS along with the full name FIRSTWARE SOFTWARE SOLUTIONS would amount to passing off and whether the plaintiff proved the acts of passing off alleged against the defendant?

5. Whether plaintiff has established criteria required for substantiating the alleged acts of infringement and passing off?

6. Is not the defendant entitled to use the letters FSS as acronym to denote the name of their division FIRSTWARE SOFTWARE SOLUTIONS?

7. Whether the suit is liable to be dismissed on any other ground including inordinate delay, laches and acquiescence?

8. To what relief is the plaintiff entitled

to?

6.The Head - Finance of the plaintiff's company examined himself as P.W.1 and in lieu of chief examination, filed his proof affidavit and marked Exs.P1 to P8. The Director of Firstware Software Solutions - division of the defendant has filed the proof affidavit in lieu of chief examination and marked Exs.D1 to D4. Both witnesses were cross- examined.

7.The learned counsel appearing for the plaintiff has drawn the attention of this Court to the proof affidavit of P.W.1 in lieu of chief examination as well as in his cross examination and would submit that admittedly, the mark "FSS" was registered as an artistic work under the provisions of Copyright Act, 1957 as evidenced under Ex.P3 and it was also registered under the Trade Marks Act, 1999 as evidenced under Ex.P4 with effect from 20.06.2000 and being a registered holder of the artistic work as well as the trade mark, it is entitled to protection and the defendant, knowing pretty well about the registration of the trade mark, has started using the same, in a malafide and illegal manner, with a view to cash on the goodwill

generated by the plaintiff by use of the said trade mark. It is the further submission of the learned counsel for the plaintiff that the plaintiff had a turn over of Rs.1,12,06,36,362/- for the financial year ended on 31.03.2007 as evidenced under Ex.P6 and it also developed a website as evidenced under Ex.P7 and therefore the defendant, cannot claim the trade mark "FSS" is acronym so as to enable them to use the same and would submit that the act of the defendant in using the said trade mark without any authorisation or permission from the plaintiff is wholly illegal and unjustifiable. Learned counsel appearing for the plaintiff has drawn the attention of this Court to para 16 of the written statement as well as the proof affidavit of D.W.1 and would contend that the defendant, on its own volition, has clearly averred that it has no intention to use the letters "FSS" in the web pages and also stated that the reference contained in one page has already been removed and therefore, the suit is to be decreed as prayed for with exemplary costs.

8.The suit was listed for hearing on 02.11.2015 and on that date, the Court has recorded the fact that the learned counsel for the plaintiff was ready and at the request of the learned counsel for the defendant, the matter was twice

adjourned and the learned counsel for the defendant remained absent and therefore, the matter was directed to be listed on 04.11.2015. On that date also, it was represented by the learned counsel for the defendant that they are no longer appearing for the defendant and also filed a memo to that effect and the Registry was directed to verify and print the name of the counsel on behalf of the defendant, if any and call the matter on 26.11.2015. The matter is listed today once again by printing the name of M/s.Brinda Mohan as counsel for the defendant and the matter has been called twice. However, the learned counsel for the defendant has filed a memo vide Diary No.43420/2015 praying for removal of their name as counsel for the defendant.

9.Though the name of the defendant appears in the cause list, there is no representation on their behalf.

10.This Court has perused the pleadings, oral and documentary evidence and also the submissions of the learned counsel for the plaintiff.

11.A perusal of exhibits would disclose that the mark "FSS" was registered as an artistic work under Ex.P3 under

the Copyright Act, 1957 and it was also registered under the Trade Marks Act under Ex.P4 with effect from 20.06.2000. The plaintiff, by marking Ex.P6, has established the fact that it had a turn over of Rs.1,12,06,36,362/- for the financial year ended on 31.03.2007 and on account of the goodwill generated on the use of the said mark and it has also developed a web site as evidenced under Ex.P7. A perusal of Ex.P7 would disclose that the defendant is using the words 'Firstware Software Solutions', using the abbreviation FSS, which is similar to the mark of the plaintiff.

12.The defendant, in para 16 of the written statement as well as D.W.1, in his proof affidavit in lieu of chief examination, has averred among other things that the defendant has never used the logo as allegedly registered by the plaintiff and the defendant, also on receipt of summons in the suit, has removed the letters "FSS" from its website.

13.Issue No.1: In the light of the overwhelming oral and documentary evidence and the plaintiff being the registered holder of trade mark as well as the copyright of

the letters "FSS", it cannot be said that the use of "FSS" by the plaintiff is an acronym and therefore, Issue No.1 is answered in affirmative in favour of the plaintiff.

14.Issue Nos.2 and 6: In the light of the findings given by this Court in respect of Issue No.1 and considering the stand of the defendant in para 16 of the written statement as well as the proof affidavit of D.W.1 in lieu of chief examination, the plaintiff can claim monopoly over an acronym, which cannot be expressed in any other manner. Therefore, Issue Nos.2 and 6 are answered in favour of the plaintiff.

15.Issue No.3: Since the plaintiff has registered the letters "FSS" under the Trade Marks Act vide Ex.P4 with effect from 20.06.2000, it is entitled to claim monopoly over a part of the device mark and therefore Issue No.3 is answered in favour of the plaintiff.

16.Issue No.4: The defendant, in the written statement as well as D.W.1 in the proof affidavit in lieu of chief examination has conceded to the effect that after receipt of the summons in the suit, they have immediately removed

the letters "FSS" from their website and they have never used "FSS" as a trade mark or service mark in the course of business and prior to that, it was established that the defendant was using acronym "FSS" along with full name 'Firstware Software Solutions' as evidenced under Ex.P7. Therefore, the plaintiff has proved the act of passing off on the part of the defendant and therefore, Issue No.4 is answered in favour of the plaintiff.

17.Issue No.5: In view of the admission made by the defendant in para 16 of the written statement coupled with admission of D.W.1 in the proof affidavit in lieu of chief examination, the plaintiff has established the alleged acts of infringement and passing off on the part of the defendant and therefore, it is answered in affirmative and in favour of the plaintiff.

18.Issue No.7: Since the plaintiff is a registered holder of the copy right as well as the trade mark of the word "FSS" and concedingly, the defendant, after receipt of the suit summons, has removed the mark "FSS" from its materials as well as website, it cannot be said that the plaintiff is guilty of delay and laches. Hence Issue No.7

is answered in favour of the plaintiff.

19.**Issue No.8:** So far as the quantification of the damages concerned, except Ex.P6, which reflected the turnover, no material has been provided by the plaintiff and further in view of the fact that the defendant has conceded that it used the mark "FSS", this Court is of the view that the plaintiff is entitled to some amount of damages. The defendant is directed to pay damages to the tune of Rs.2,00,000/- (Rupees Two Lakhs only).

20.In the result, there shall be a judgment and decree for (i) permanent injunction restraining the defendant and/or its directors and/or officers, men, agents, servants, representatives, nominees, assigns and/or any other persons acting through or under the defendant to cease and desist from using of the mark "FSS" or any identical or deceptively similar mark and permanent injunction restraining the defendant and/or its directors and/or officers, men, agents, servants, representatives, nominees, assigns and/or any other persons acting through or under the defendant from passing off/infringing the

goods and/or services as that of the plaintiff using the mark "FSS". The defendant is also directed to render account of profits earned using the trade mark "FSS" and pay the same to the plaintiff together with interest at the rate of 6% per annum from the date of plaint till realisation. The plaintiff is also entitled to damages of Rs.2,00,000/- (Rupees Two Lakhs only) and also costs of this suit as well.

Consequently, connected O.A. is closed.

Sd/M.S.N.J

19.01.2016

//Certified to be a true copy//

Dated this the day of 2016

S.s/08.06.2016

COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of the Order/Judgment Decree in this format.

सत्यमेव जयते

WEB COPY