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IN THE HIGH COURT OF DELHI AT NEW DELHI

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CS(COMM)117/2017

SANDISK CORPORATION

..... Plaintiff

Through

Ms. Shwetashree Majumder
with Ms. Pritika Kohli,
Advocates

versus

J K ELECTRONICS & ORS

..... Defendants

Through

None

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Date of Decision: 30th May, 2018

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J: (Oral)

1. Present suit has been filed for permanent injunction restraining infringement of trade dress, copyright, passing off, rendition of account of profits, damages, delivery up, etc. against the defendants.

The prayer clause in the present suit is reproduced hereinbelow:-

“23. It is, therefore, prayed that the following reliefs may be granted to the Plaintiffs:

a) An order for permanent injunction restraining the Defendants, their partners, proprietors, servants, agents and all others in active concert or participation with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in packaging and/or products that are identical or

deceptively similar to the products bearing the Plaintiff's trademarks "Red Frame" logo, with/without identical or deceptively similar product packaging, product get-up, trade dress, colour scheme, layout, overall look and feel as that being used by the Plaintiff or passing off their goods as those of the Plaintiff or doing business in a manner as may suggest a connection or association with the Plaintiff.

- b) An order for permanent injunction restraining the Defendants, their partners, proprietors, servants, agents and all others in active concert or participation with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in packaging and/or products which infringe the Plaintiff's copyright in the artistic work comprised in the "Red Frame" logo, colour scheme, product layout or any substantial part thereof.*
- c) An order for rendition of accounts of profit directly or indirectly earned by the Defendants from the infringing activities and wrongful conduct and a decree for the amount so found due to be passed in favour of the Plaintiff.*
- d) An order for delivery up to the Plaintiff by the Defendants of all infringing goods, advertising material, blocks, dies etc. bearing the Plaintiff's marks and/or product literature that appears on its packaging for the purposes of erasure/destruction.*
- e) A sum of Rs.2,00,06,000/- for a decree of damages as valued for the purposes of this suit towards loss of sales, reputation and goodwill of the Plaintiff's trademarks and copyright caused by the activities of the Defendants.*
- f) An order as to the costs of the proceedings.*

g) Any further order as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case."

2. Vide order dated 24th November, 2015, this Court had granted an *ex parte ad interim* injunction in favour of the plaintiff. The relevant portion of the *ex-parte* injunction order is reproduced hereinbelow:-

"In the circumstances, till the next date of hearing, the Defendants, their partners, proprietors, servants, agents and all others in active concert or participation with them are restrained (i) from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in packaging and/or products that are identical or deceptively similar to the products bearing the Plaintiffs trademarks "Red Frame" logo, with/without identical or deceptively similar product packaging, product get-up, trade dress, colour scheme, layout, overall look and feel as that being used by the Plaintiff or passing off their goods as those of the Plaintiff or doing business in a manner as may suggest a connection or association with the Plaintiff and (ii) from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in packaging and/or products which infringe the Plaintiffs copyright in the artistic work comprised in the "Red Frame" logo, colour scheme, product layout or any substantial part thereof."

3. On 24th November, 2015, the learned Predecessor of this Court also appointed two Local Commissioners. During the local commission, defendant nos. 2 and 3 were also found infringing the plaintiff's rights and vide order dated 16th November, 2016, were impleaded as defendant nos.2 and 3.

4. The following is the inventory of infringing products seized from the locations of Defendant Nos. 1, 2 and 3 respectively :-

A) At Defendant No.1's premises:-

Product	Quantity of Products	Price (per unit)	Total Cost of seized products
SanDisk Cruzer Blade USB Flash Drive	4	Rs.400	Rs.1600
MicroSD cards bearing the SanDisk trademarks	15	Rs.650	Rs.9750
Banner bearing the trademark SanDisk	1	--	--
	Total	Rs.11,350	

B) At Defendant No.2's premises:-

Products	Quantity	Price (per unit)	Total cost of products seized
SanDisk micro SD card – 32 GB	12	Rs.650	Rs.7800
SanDisk micro SD card – 4 GB	3	Rs.475	Rs.1425
SanDisk Ultra Memory Card – 64 GB	2	Rs.2000	Rs.4000
SanDisk Ultra Memory Card – 32 GB	2	Rs.1300	Rs.2600
SanDisk Ultra Memory Card – 16 GB	10	Rs.800	Rs.8000
Pen Drives – 32 GB	15	Rs.700	Rs.10500
USB Pen Drive – 32 GB	4	Rs.700	Rs.2800
USB Pen Drive – 16 GB	28	Rs.450	Rs.12600
SDHC Memory Card – 4 GB	7	Rs.415	Rs.2905

SDHC Memory Card – 8 GB	3	Rs.500	Rs.1500
SDHC Memory Card – 16 GB	2	Rs.630	Rs.1260
Total – 88 Products			Rs.55,390

C) At Defendant No.3's premises:-

Products	Quantity	Price (per unit)	Total cost of products seized
Memory Cards			
4 GB	10	Rs.415	Rs.4150
8 GB	313	Rs.500	Rs.1,56,500
16 GB	9	Rs.630	Rs.5,670
16 GB (Ultra)	10	Rs.800	Rs.8,000
32 GB	5	Rs.650	Rs.3250
Pen Drive			
32 GB	21	Rs.700	Rs.14,700
16 GB	4	Rs.450	Rs.1,800
4 GB	5	Rs.210	Rs.1,050
SD Card			
16 GB	3	Rs.415	Rs.1,245
32 GB	4	Rs.650	Rs.2600
USB Drives			
16 GB	22	Rs.450	Rs.9,900
32 GB (Flash Drive Ultra)	1	Rs.1300	Rs.1,300
Packing Covers	200	--	
Total – 407 products packaging			Rs.2,10,165

5. Vide order dated 4th April, 2018 the defendant no.1 was proceeded ex-parte. As none appears for defendant nos. 2 and 3, despite service, they are proceeded ex-parte.

6. The contentions and submissions advanced by learned counsel for the plaintiff are as under:-

- i. The plaintiff is a company organized and incorporated under the laws of State of Delaware and has been using the trademark SanDisk since 1988 for consumer electronic goods all over the world.
- ii. The plaintiff is one of the world's largest dedicated provider of flash memory storage solutions under the mark **SANDISK** and has been directly selling its products in the Indian market since 2005. The plaintiff is a Fortune 500 and S&P 500 company which designs, develops and manufactures data storage solutions in a range of form factors using the flash memory, controller and firmware technologies.
- iii. The annual revenue generated by the plaintiff in the year 2011 from the sale of its products under the mark **SANDISK** was US\$ 5.66 Billion. The plaintiff made an expenditure of US\$513 million on advertising and research and development.
- iv. The plaintiff possesses both common law trade mark rights as well as trade mark registrations for the mark **SANDISK** in more than 150 countries worldwide. The said trademark has been in extensive, continuous and uninterrupted use globally since 1995 and in India since 2005 and in addition to the worldwide

trademark registrations, the plaintiff is also the registered proprietor of both a variety of word marks and device marks in India including the SanDisk logo. The plaintiff is also the registered proprietor of the “Red Frame Logo”.

- v. The plaintiff sells its memory cards in a unique red and white packaging with the “Red Frame Logo” which qualifies as an original artistic work within the meaning of Section 2 (c) of the Copyright Act, 1957.
- vi. In last week of October, 2015, the plaintiff came to know that large quantities of counterfeit SanDisk memory cards were being sold in the market. The Local Commissioners seized infringing goods from the premises of the defendant nos. 1, 2 and 3 as mentioned hereinabove.
- vii. The defendant nos. 2 and 3 belatedly filed their written statement along with an application for condonation of delay. The same was directed to be taken on record subject to the payment of total costs of Rs10,000 of which 50% was payable to the plaintiff and 50% to the Army Welfare Fund Battle Casualties. However the defendants failed to furnish any proof of payment of costs to Army Welfare Fund Battle Casualties. Consequently, in the eyes of law there is no written statement on record.
- viii. Learned counsel for the plaintiff prays that the suit be decreed in accordance with Para 23 (a), (b) and (f) as well as damages of Rs11,350 from the defendant no. 1, Rs 55,390 from the defendant no.2 and Rs2,10,165 from the defendant no.3.

7. A perusal of the written statement reveals that the defendant no.3 has taken a defence that he is not the proprietor of M/s Saikripa Telecom and that no infringing goods were found at the premises. However, the claims are contrary to the report filed by Local Commissioner dated 20th January, 2016, wherein the Learned Local Commissioner has stated that the defendant no.3 introduced himself as the proprietor of M/s Saikripa Telecom, and directed his employee to sign the attendance sheet and furnish his ID. Also, the said defence of defendant no. 3 has already been rejected by the learned Joint Registrar vide order dated 16th November, 2016 while allowing plaintiff's impleadment application. The said order has attained finality.

8. In the opinion of this Court, the defendants have no real prospect of defending the claim. Further, the plaintiff is the registered user of the trademark and logo in question. This Court is also of the view that the defendants are liable to pay to the plaintiff the value of the goods seized by the Local Commissioners and the legal costs incurred by the plaintiff.

9. Consequently, the suit is decreed in favour of the plaintiff and against defendants in terms of para 23(a), (b) and (f) of the plaint along with compensation of Rs. 11,350/- to be paid by the defendant no.1, Rs 55,390 by the defendant no.2 and Rs 2,10,165 by the defendant no.3 for the value of goods seized at the premises of the defendants. The costs shall amongst others include the lawyers' fees as well as the amounts spent on purchasing the court fees. The plaintiff is given liberty to file on record the exact cost incurred by it in

adjudication of the present suit, if not already filed. The defendants shall hand over the goods seized by the Local Commissioners to an authorised representative of plaintiff for destruction within three weeks.

10. Registry is directed to prepare a decree sheet accordingly. Accordingly, the present suit stands disposed of.

MAY 30, 2018
rn/sp

MANMOHAN, J