

21

\$~

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 855/2017 & I.A.No.15019/2017

SANDISK LLC, & ANR

..... Plaintiffs

Through

Ms. Shwetasree Majumder, Advocate
with Mr.Utkarsh Joshi, Advocates.

versus

DEVARAM CHOUDHARY & ANR

..... Defendants

Through

None

%

Date of Decision: 07th May, 2018

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J: (Oral)

I.A.15019/2017

None appears for the defendants today. Even on the last date none had appeared for the defendants. Consequently, *ex parte ad interim* injunction order dated 15th December, 2017 is confirmed till the disposal of the present suit.

CS(COMM) 855/2017

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

2. Vide order dated 15th December, 2017 this Court appointed a Local Commissioner to visit the premises of the defendants. The Local Commissioner visited the premises of the defendants on 27th December, 2017 and seized 128 units of microSDHC cards and 159 units of pen drives bearing the plaintiffs' SANDISK trademark/product packaging. The seized products were sealed by the Local Commissioner and were delivered on *Superdari* to the defendant no.1. The relevant portion of the Local Commissioner's report is reproduced hereinbelow:-

“11. Thereafter, the Commissioner requested Defendant No.1 to let him undertake an inspection and inventory of all stock bearing the Plaintiff's trademark. At the said premises 287 units of infringing products and packaging bearing the Plaintiffs' trademark were found. The details of the inventory of the infringing products and packaging seized is as under:

A. Micro SD Cards		
1.	SanDisk Ultra Micro SDHC UHS-1 Card (16 GB)	5 Units
2.	SanDisk Ultra Micro SDHC UHS-1 Card (32 GB)	6 Units
3.	SanDisk Ultra Micro SDHC UHS-1 Card (64 GB)	1 Unit
4.	SanDisk Micro SDHC TM Card (8 GB)	52 Units

5.	<i>SanDisk Micro SDHC™ Card (16 GB)</i>	<i>40 Units</i>
6.	<i>SanDisk Micro SDHC™ Card (32 GB)</i>	<i>24 Units</i>
Total Micro SD Cards (A)		<i>128 Units</i>
B. Pendrives		
1.	<i>SanDisk Dual Drive M.3.0 (16 GB)</i>	<i>51 Units</i>
2.	<i>SanDisk Dual Drive M.3.0 (32 GB)</i>	<i>22 Units</i>
3.	<i>SanDisk Dual Drive M.3.0 (64 GB)</i>	<i>12 Units</i>
4.	<i>SanDisk Cruzer Blade (4 GB)</i>	<i>23 Units</i>
5.	<i>SanDisk Cruzer Blade (8 GB)</i>	<i>4 Units</i>
6.	<i>SanDisk Cruzer Blade (16 GB)</i>	<i>40 Units</i>
7.	<i>SanDisk Cruzer Blade (32 GB)</i>	<i>2 Units</i>
8.	<i>SanDisk Ultra USB 3.0 Flash (16 GB)</i>	<i>3 Units</i>
9.	<i>SanDisk Ultra USB 3.0 Flash (64 GB)</i>	<i>2 Units</i>
Total Pendrives (B)		<i>159 Units</i>
Total (A+B)		<i>287 units</i>

3. Since the defendants have not yet filed their written statement despite entering appearance on 27th April, 2018 nor have they filed their vakalatnama, they are proceeded *ex parte*.

4. At this stage, learned counsel for the plaintiff gives up prayers 25 (c) and (e) of the prayer clause to the suit. She prays that in view of the judgment of this Court in *Satya Infrastructure Ltd. & Ors. Vs. Satya Infra & Estates Pvt. Ltd., 2013 SCC OnLine Del 508*, the present suit be decreed qua the relief of injunction and costs. The portion of the said judgment relied upon by learned counsel for the plaintiff is reproduced hereinbelow:-

“I am of the opinion that no purpose will be served in such cases by directing the plaintiffs to lead ex parte evidence in the form of affidavit by way of examination-in-chief and which invariably is a repetition of the contents of the plaint. The plaint otherwise, as per the amended CPC, besides being verified, is also supported by affidavits of the plaintiffs. I fail to fathom any reason for according any additional sanctity to the affidavit by way of examination-in-chief than to the affidavit in support of the plaint or to any exhibit marks being put on the documents which have been filed by the plaintiffs and are already on record. I have therefore heard the counsel for the plaintiffs on merits qua the relief of injunction.”

5. The relevant facts of the present case are that the plaintiff No. 1, a company founded in 1998, is one of the world's largest dedicated providers of flash memory storage solutions under the house mark SanDisk and has been directly selling its products in the Indian market since 2005. The plaintiff No. 1 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. The plaintiff no. 2 is the registered user of the trademarks SanDisk, **SanDisk** and the Red Frame Logo belonging to the plaintiff no. 1.

6. It is stated in the plaint that the plaintiff no. 1's pioneering flash memory technologies, which are marketed directly to retail consumers and enterprises as well as to other equipment makers, are integrated into and/or used in a wide range of consumer electronic devices i.e. mobile phones, tablets, digital cameras etc. It is further stated that approximately 3,00,000 storefronts worldwide stock and sell the plaintiffs' products and the annual revenue of the plaintiff no.1 in the year 2015 was over USD 5 billion. The

plaintiff no.1 also spends hundreds of millions of dollars in Research and Development of its products and on advertising.

7. It is stated in the plaint that the plaintiff No. 1 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 No. 1 is also the registered proprietor of both a variety of word marks and device marks in India including the **SanDisk** logo and the Red Frame logo, since 2003 under Class 9 of the Trade Marks Act, 1999 and all these trademarks are valid and subsisting.

8. It is averred in the plaint that the plaintiff no. 1 sells memory cards with a unique packaging. The key elements of the product packaging are described hereinbelow:-

- a. Red product packaging with white lettering.
- b. A “Red Frame Logo” which described the capacity of the memory card on the top right corner.
- c. The **SanDisk** logo in a unique font in white lettering prominently at the bottom.

9. Learned counsel for the plaintiffs states that in November 2017, it came to the knowledge of the plaintiffs that certain unauthorised third parties in Chennai, were selling counterfeit microSDHC cards and pen drives bearing the SanDisk marks, either loose or in counterfeit (locally printed) packaging. Subsequently, the plaintiffs deputed an investigator to visit the premises of the defendants, in Chennai, wherein he noticed

microSDHC cards and pen drives with the mark SanDisk lying at the display window.

10. Learned counsel for the plaintiff states that upon enquiry, the investigator found that the defendant no.1 was the owner of defendant no.2 and that he deals in wholesale quantities of mobile phone accessories and paraphernalia, including retail packaged microSDHC cards and flash drives bearing the mark SanDisk which appear to be counterfeit products and are identical in packaging to the plaintiff no.1's packaging but not of the same quality. She states that the said microSDHC cards in retail packaging were sold to the plaintiffs' investigator with a *kaccha* invoice. A photographic comparison of the original SanDisk products of the plaintiffs and the counterfeit products of the defendants is reproduced hereinbelow:

microSDHC cards

Plaintiffs

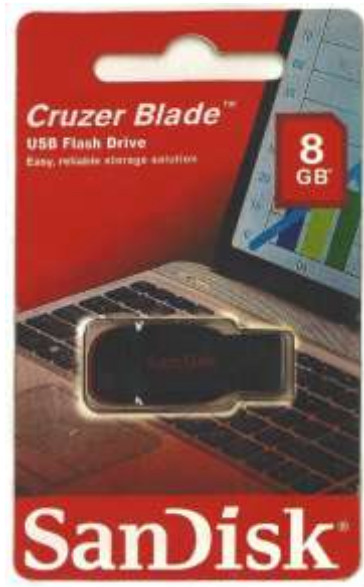


Defendants



Flash Drive

Plaintiffs



Defendants



11. Learned counsel for the plaintiff states that the defendants have infringed upon the statutory rights of the plaintiffs' by copying each and every element of the plaintiffs product and/or product packaging, with the sole intent of duping unwary customers by selling counterfeit products and to ride on the plaintiffs reputation and goodwill.

12. She states that the sample products procured by the investigator have been analysed by the plaintiffs and the same have been determined to be counterfeit.

13. Order XIII-A of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 empowers this Court to pass a summary judgment, without recording evidence, if it appears that the defendants have no real prospect of defending the claim.

14. In the opinion of this Court, the defendants have no real prospect of defending the claim as they have not filed their written statement despite entering appearance on 27th April, 2018, as stated above, nor denied the documents of the plaintiffs. Moreover, as the defendants are selling counterfeit products bearing the plaintiffs SanDisk trademark and product packaging, it is a clear case of infringement of the plaintiffs' registered trade mark.

15. This Court is also of the view that the defendants are using the registered trade mark SANDISK of the plaintiffs and its product packaging to sell counterfeit products with a view to trade upon and benefit from the immense reputation and goodwill of the plaintiffs' mark and pass off its services as that of the plaintiffs.

16. In view of the aforesaid, the suit is decreed in favour of the plaintiffs and against the defendants in accordance with prayer clause 25 (a) and (b) of the plaint along with the actual costs. Prayer (d) is allowed to the extent that the 287 units of infringing goods seized by the Local Commissioner shall be delivered by the defendants to the plaintiffs for destruction within 14 days of passing the order. The costs shall amongst others include the lawyers' fees as well as the amounts spent on purchasing the court fees. The plaintiffs are given liberty to place on record the exact cost incurred by it in adjudication of the present suit, if not already filed. Registry is directed to prepare a decree sheet accordingly. Consequently, the present suit and application stand disposed of.

MANMOHAN, J

MAY 07, 2018

rn/rs