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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CS(COMM) 901/2017**

SANDISK LLC, & ANR Plaintiffs
Through Mr. Prithvi Singh and Mr. Karan
Kamra, Advocates.
versus

VINOD KUMAR & ANR Defendants
Through None

% Date of Decision: 06th July, 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 marks and copyright, passing off, rendition of account of profits, damages and delivery up against the defendants. The prayer clause in the present suit is reproduced hereinbelow:-

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

- a) An order of permanent injunction restraining the Defendants, their partners, proprietors, servants, agents, affiliates, sister concerns and al others in active concert or participation with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in products bearing the Plaintiff's registered trademarks “SanDisk” and “SanDisk” logo in a manner which amounts to an infringement of the Plaintiff's registered trademarks;*

- b) *An order of permanent injunction restraining the Defendants, their partners, proprietors, servants, agents, affiliates, sister concerns and all others in active concert or participation with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in products that are identical or deceptively similar to the products bearing the Plaintiff's trademarks "SanDisk", "SanDisk" logo, "Red Frame" logo and "Cruzer Blade", with/without identical or deceptively similar product packaging 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;*
- c) *An order of permanent injunction restraining the Defendants, their partners, proprietors, servants, agents, affiliates, sister concerns and all others in active concert or participation with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in products which infringe the Plaintiff's copyright in the artistic work comprised in the "SanDisk" logo, "Red Frame logo" and "SanDisk" packaging or any substantial part thereof;*
- d) *An order for rendition of accounts of profits 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;*
- e) *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;*
- f) *A sum of Rs.20,00,000/- 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;*
- g) *An order as to the costs of the proceedings;*

h) 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 22nd October, 2013, this Court granted an *ex parte ad interim* injunction in favour of the plaintiff. The relevant portion of the *ex-parte* injunction order is reproduced hereinbelow:-

"11. Accordingly till further orders, the Defendants are restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly, dealing in such products in any manner, that infringe the Plaintiff's trademarks, 'SanDisk' and its 'SanDisk' logo and/or are identical or deceptively similar to the Plaintiff's product packaged and sold under the trademark 'SanDisk', 'SanDisk' logo and 'Red Frame' logo and 'Cruzer Blade'.

3. On 22nd October, 2013, this Court appointed a Local Commissioner to visit the premises of the defendant, however the Commission was not executed.

4. Vide order dated 28th February, 2014 the *ex parte ad interim* was confirmed till the disposal of the suit.

5. The defendants entered appearance and filed their written statement. Vide order dated 23rd May, 2014, issues were framed in the present suit. However, despite the plaintiff filing its evidence by way of affidavit, the defendants did not conduct any cross-examination.

6. On 23rd February, 2018, I.A. No. 14285/2017 was allowed and counsel for the defendants were discharged. Subsequently, none appeared on behalf of the defendants and vide order dated 23rd April, 2018, they were proceeded *ex parte*.

7. Today, learned counsel for the plaintiff gives up prayers 17 (d) to (f) of the prayer clause to the suit.

8. The relevant facts of the present case are that the plaintiff, 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 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.

9. It is stated in the plaint that the plaintiff'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 250,000 storefronts worldwide stock and sell the plaintiffs' products.

10. It is stated in the plaint that 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" house mark, since 2005 under Class 9 of the Trade Marks Act, 1999 and the  logo and the Red Frame logo, since 2003 under the same Class and all these trademarks are valid and subsisting. It is stated that the plaintiff also owns common law rights in the "Red Frame Logo" and the word mark "Cruzer Blade".

11. It is averred in the plaint that the plaintiff sells its products with a unique packaging bearing the **SanDisk** logo as well as the “Red Frame Logo”. He states the said packaging constitutes an “original artistic work” within the meaning of Section 2(c) of the Copyright Act, 1957 and the plaintiff is entitled to copyright protection under the provisions of Section 14 of the Copyright Act, 1957.

12. The annual revenue generated by the plaintiff in the year 2013 from sale of its products under the mark SanDisk was USD 6.17 billion and the plaintiff spent USD 716 million on advertising, research and development of its products .

13. Learned counsel for the plaintiff states that in October 2013, the plaintiff, through market resources, came to know about the counterfeiting activities of unauthorized third parties in Palika Bazar, near Connaught Place, New Delhi. Subsequently, the plaintiff commissioned an investigation into the said area and became aware that the defendants were selling counterfeit products bearing the plaintiff’s trademarks.

14. He states that upon further enquiry the investigator found that the defendant no.1 was the proprietor of the M/s Shree Sai Arts i.e. defendant no.2 and that he deals in wholesale quantities of office bags, file bags, purses and travelling bags of various description in addition to keeping a ready stock of electronic equipment, including flash drives and memory cards.

15. Learned counsel for the plaintiff states that the investigator purchased some sample counterfeit microSDHC cards and pen drives and handed the same over to the plaintiff. A photographic comparison of the original

SanDisk products of the plaintiffs and the counterfeit products of the defendants is reproduced hereinbelow:

Plaintiff



Defendant



16. Learned counsel for the plaintiff states that the defendants have infringed upon the statutory and common law rights of the plaintiff by selling its counterfeit products in a packaging that is an exact replica/imitation of the plaintiff's packaging with the sole intent of duping unwary customers and to ride on the plaintiffs reputation and goodwill.

17. The plaintiff has filed its *ex parte* evidence by way of affidavit of Mr. Vishal Garg the Constituted Attorney of the Plaintiff.

18. Mr. Pawan Kumar, investigator deputed by the plaintiff, has also filed his affidavit. He has deposed as under:-

- “5. That during the said investigation, I made a visit in the second week of October, 2013 to the Palika Bazar area and was initially directed to a temporary display counter near Gate No. 1 of Palika Bazar, which was lined with flash drives and memory cards of various capacities bearing the ‘SanDisk’ brand. Upon inquiring where I could purchase ‘SanDisk’ brand memory cards, I was directed to the shop premises of the Defendants, trading under the name of M/s Shree Sai Arts at Shop No. 198, Palika Bazar, Near Connaught Place, New Delhi – 110 001 and was introduced to a person called Mr. Vinod Kumar. I asked Mr. Vinod Kumar for memory cards of the ‘SanDisk’ brand and was informed that he had some stock available at the shop premises and that he could arrange for bulk orders with a couple of days’ notice.*
- 6. That, consequently, I was able to purchase ‘SanDisk Mobile microSDHC’ cards and ‘SanDisk Cruzer Blade’ flash drives from the Defendants and observed and noted that the Defendants were selling the said flash drives and memory cards of various capacities at a price as low as Rs. 150/- for a single Mobile microSDHC card and Rs. 200/- for a single flash drive at even lower prices for bulk orders.*
- 7. That I also observed and noticed that there were several stacks of such counterfeit memory cards on display and were being openly traded by the Defendants out of their shop premises. Upon further investigation, I noted investigation, I noted that the Defendants claim to be wholesalers in the business of selling office bags, file bags, purses and travelling bags of various descriptions but also keep a ready stock of electronic equipment, including flash drives and memory cards, most of which happen to counterfeit products.”*

19. In the opinion of this Court, the defendants have no real prospect of defending the claim as despite entering appearance and filing a written

statement, they have neither denied the documents of the plaintiffs nor lead any evidence.

20. This Court is of the view that due to extensive use, the plaintiff's mark SANDISK, and Red Frame logo have acquired reputation and goodwill globally as well as in India.

21. 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 plaintiff's registered trade mark.

22. Consequently, the defendants are using the registered trade mark SANDISK of the plaintiff and its product packaging to sell counterfeit products with a view to trade upon and benefit from the immense reputation and goodwill of the plaintiff's mark and pass off its services as that of the plaintiff.

23. In view of the aforesaid, the suit is decreed in favour of the plaintiff and against the defendants in accordance with prayer clause 17 (a) to (c) of the plaint. Registry is directed to prepare a decree sheet accordingly. Consequently, the present suit and application stand disposed of.

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MANMOHAN, J

JULY 06, 2018

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