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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CS(COMM) 1168/2018, I.A. 13925/2018, I.A. 7026/2024 & I.A.**
7027/2024
SANDISK LLC & ANR. Plaintiffs

Through: Ms. Devyani Nath and Mr. Srinivas
Venkat, Advs.
versus

MAHAVISHNU MOBILE ACCESSORIES & ANR. Defendants

Through:

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

% **ORDER**
24.04.2024

I.A. 7027/2024 (Exemption from filing original/clearer copies etc.)

1. Exemption is granted, subject to all just exceptions.
2. Applicant shall file legible, clear, and original copies of the documents on which the applicant may seek to place reliance before the next date of hearing.
3. Accordingly, the present application is disposed of.

I.A. 7026/2024 (under Order XIII-A, CPC seeking summary judgment)

1. This application has been filed under Order XIII-A of the Code of Civil Procedure, 1908 by the plaintiff seeking summary judgment in terms of



Prayer in para 49 (a) – (f) of the plaint.

2. The said suit had been filed seeking a decree of permanent injunction restraining the defendants, and all those acting for and, on their behalf, from manufacturing, marketing, selling, promoting, directly or indirectly dealing in any product bearing the plaintiff's registered mark 'SanDisk', the  logo, 'Cruzer Blade' and the 'Red Frame Logo', or any other mark which is confusingly or deceptively similar thereto, amounting to infringement of the plaintiff's registered trademark.

3. Subsequent to notices and summons being issued, defendant Nos.2-4 did not appear and were proceeded *ex parte*. Defendant No.1 did not appear despite service, after initially engaging the plaintiff for settlement. His right to file written statement was closed on 04th March, 2024 by the order of the Joint Registrar. In these circumstances, summary judgment is sought by the plaintiff.

4. Plaintiff No.1 is an entity organised under the laws of State of Delaware in the United States of America. While plaintiff No.2 is an Indian company and a wholly owned subsidiary of plaintiff No.1. The plaintiff has registrations in the following marks:



Trademark	Registration Number	Class	Status	Registration Date	Valid up to
SanDisk	1249761	09	Registered	14.11.2003	14.11.2033
SanDisk	2632942	09	Registered	25.11.2013	25.11.2033
Red Frame Logo 	1805766	09	Registered	13.04.2009	13.04.2029
Cruzer Blade	2261469	09	Registered	04.01.2012	04.01.2032

5. The plaintiff also sells its memory cards in a unique and distinct packaging which are pictorially represented as under:



6. The grievance was against the defendants, who were found to be engaging in marketing and selling counterfeit Micro SDHC Cards and USB flash drives under the registered trademarks of the plaintiff and in a packaging identical/deceptively similar to that of the plaintiff.



7. Plaintiff claims that the SanDisk brand is recognised all through the world and is based on the pioneering flash memory technologies. An *ex parte ad interim* was passed in their favour on 08th October, 2018 in the following terms:

Consequently, till further orders, the defendants, their proprietors, partners, servants, agents and all others in active concert with them are restrained from manufacturing, marketing, selling, offering for sale, advertising, directly or indirectly dealing in any product or any product packaging bearing the plaintiffs' registered trademarks SanDisk, the **SanDisk** logo, 'Cruzer|Blade' and the Red Frame Logo and/or any mark/s confusingly or deceptively similar in any manner whatsoever.

8. This Court had recorded the background facts of this matter in the said decision on 08th October, 2018 which are reproduced as under:



It is pertinent to mention that the present suit has been filed for permanent injunction restraining infringement of trade mark and copyright, rendition of account of profits, damages and delivery up etc.

It is stated in the plaint that the plaintiff no.1 is a company founded in 1998 and 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 no.1 designs, develops and manufactures data storage solutions in a range of form factors using the flash memory, controller and firmware technologies. It is stated that the plaintiff no.2 is the wholly owned subsidiary of the plaintiff no.1 and is the registered user of the trademarks 'SanDisk' the **SanDisk** logo, 'Cruzer Blade' and the Red Frame Logo.

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 plaintiffs spend hundreds of millions of dollars in Research and Development of their products and on advertising.

It is stated in the plaint that the plaintiffs possess both common law trade mark rights as well as trade mark registrations for the mark SanDisk in more than 150 countries worldwide. It is stated that the plaintiffs are 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



2013 and 2009 respectively, under Class 9 of the Trade Marks Act, 1999 and all these trademarks are valid and subsisting.

It is averred in the plaint that the plaintiff no.1 sells its memory cards in a unique packaging and some of the key elements which are common to its product packaging are reproduced hereinbelow:

- A. Red product packaging with white lettering.
- B. A "Red Frame Logo" which describes the capacity of the memory card, on the top right corner.
- C. The **SanDisk** logo in a unique font with white lettering prominently at the bottom.

It is averred in the plaint that the plaintiffs also provide a similar product packaging for its USB flash drives which are marketed and sold under the trademark 'Cruzer Blade' which also comprises of a 'Red Frame Logo' which describes the capacity of the flash drive on the top right corner. It is averred that the trademark 'Cruzer Blade' appear on the packaging in a unique font and white lettering along with the phrase 'USB flash drive' and the blurb 'Easy, reliable storage solution' on the top left corner.

Learned counsel for the plaintiffs states that in early September 2018, it came to the plaintiffs' knowledge that third parties in Orchid City Centre Mumbai were engaged in marketing and selling counterfeit microSDHC cards and USB flash drives bearing identical 'SanDisk' and 'Cruzer Blade' trademarks as the plaintiffs' products. He states that the counterfeit



microSDHC cards and USB flash drives were also being sold in counterfeit packaging, identical/deceptively similar to the packaging of the plaintiffs' products.

Learned counsel for the plaintiffs states that pursuant to the receipt of the said information, the plaintiffs' deputed an investigator to carry out an investigation to ascertain the identity of the unauthorized manufacturers/wholesalers/retailers. He states that during the investigation the investigator visited the premises of defendant no.1 and noticed that the premises contained large quantities of counterfeit 'SanDisk' microSDHC cards and 'Cruzer Blade' USB flash drives. He states that the some of the microSDHC cards being sold at the defendant no.1's premises had a deceptively similar product packaging as that of the plaintiffs' microSDHC cards but were bearing the trademark 'Platina'. He states that the investigator also purchased some samples of the memory cards and USB flash drives along with a 'Kaccha' invoice. He states that the analyses of the sample products, obtained from defendant no. 1, were confirmed to be counterfeit by the plaintiffs. He also states that during the investigation the investigator observed that multiple shops/establishments in the said area were also engaged in business of marketing and selling counterfeit microSDHC cards and USB flash drives.

A photographic comparison of the plaintiffs' and defendants' products is reproduced hereinbelow:-



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Learned counsel for the plaintiffs states that the following features further make it apparent that the aforesaid products of the defendants are pirated/counterfeit:-

- Poor quality packaging of both the microSDHC cards and the USB flash drives easily flips open and does not tear.
- The counterfeit 16 GB microSDHC cards of Defendant No.1 come in simple plastic blister packaging where the memory cards are kept in place by an ordinary white paper strip bearing adhesive. Likewise, the 32 GB counterfeit USB flash drives of Defendant No.1 also come in simple plastic packaging with rough edges. The Product packaging of the Defendant No.1's products do not match the superior quality of the Plaintiff's products bearing their registered trademarks 'SanDisk' and 'Cruzer Blade'.
- The plastic packaging of the 32 GB counterfeit USB flash drives



of Defendant No.1 do not contain the unique code/serial number and symbols as are borne on the Plaintiff's products. The import stickers affixed on the packaging of the said counterfeit USB flash drives are also fake, being hand torn squares of paper with the label printed on them and not from proper machine tools.

- d) Further there are material discrepancies in the key elements and information contained on the product packaging of the Defendant No.1's counterfeit microSDHC cards and USB flash drives when compared to the original genuine product packaging of the Plaintiff's products being marketed and sold under the trademarks 'SanDisk' and 'Cruzer Blade'.

Keeping in view the aforesaid, this Court is of the opinion that a *prima facie* case of infringement is made out in favour of the plaintiffs and balance of convenience is also in their favour. Further, irreparable harm or injury would be caused to the plaintiffs if an interim injunction order is not passed.

9. This Court has perused these facts, and considering that they stand un rebutted by the defendants, this Court is of the opinion that the plaintiff is entitled to a summary judgment. Documents related to the averments have also been perused by the Court. It is also noted that Local Commissioners have been appointed by the Court on 08th October, 2018 and seizures were made which are tabulated in para 26 of the application, and are extracted as under:

Defendant	Quantity of counterfeit products seized
Defendant No.1	625



Defendant No.2	351
Defendant No.3	134
Defendant No.4	193
Defendant No.5	58

10. Accordingly, a decree is being passed in terms of Prayer in para 49 (a) and (b) of the plaint, which are as under:

- a) An order for permanent injunction restraining the Defendants, their proprietors, partners, servants, agents and all others acting in active concert with them from manufacturing, marketing, offering for sale,

selling, advertising, directly or indirectly dealing in any product bearing the Plaintiffs' registered trademarks '**SanDisk**', the **SanDisk** logo, '**Cruzer Blade**' and the '**Red Frame Logo**' and/or any mark/s confusingly or deceptively similar thereto, amounting to infringement of the Plaintiffs' registered trademarks as are mentioned in Paragraph 15 of the Plaint.



- b) An order for permanent injunction restraining Defendants, their partners, proprietors, servants, agents and all others in active concert with them from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in any product packaging identical or deceptively similar to the product packaging of the Plaintiffs' products bearing the registered trademarks 'SanDisk', 'Cruzer Blade', the **SanDisk** logo and the 'Red Frame Logo' amounting to infringement of copyright of the Plaintiffs in the said product packaging.

11. In respect of costs and damages, the decision of this Court in *Koninlijke Philips N.V. v. Amazestore*, 2019 SCC OnLine Del 8198, as also in *Inter Ikea Systems BV v. Sham Murari*, 2018 SCC OnLine Del 11221, are apposite. In *Koninlijke Phillips (supra)*, this Court has stated as under:

“41. Keeping in view the aforesaid, this Court is of the view that the rule of thumb that should be followed while granting damages can be summarised in a chart as under:—

#	<i>Degree of mala fide conduct</i>	<i>Proportionate award</i>
(i)	<i>First-time innocent infringer</i>	<i>Injunction</i>



(ii)	<i>First-time knowing infringer</i>	<i>Injunction + Partial Costs</i>
(iii)	<i>Repeated knowing infringer which causes minor impact to the Plaintiff</i>	<i>Injunction + Costs + Partial damages</i>
(iv)	<i>Repeated knowing infringer which causes major impact to the Plaintiff</i>	<i>Injunction + Costs + Compensatory damages.</i>
(v)	<i>Infringement which was deliberate and calculated (Gangster/scam/mafia) + wilful contempt of court.</i>	<i>Injunction + Costs + Aggravated damages (Compensatory + additional damages)</i>

42. *It is clarified that the above chart is illustrative and is not to be read as a statutory provision. The Courts are free to deviate from the same for good reason.”*

12. The said decision was cited with approval also in ***Puma SE v. Ashok Kumar*** 2023 SCC OnLine Del 6764.

13. In ***Inter Ikea Systems BV*** (*supra*), the issue of damages has been dealt



with, *inter alia*, in para 20 wherein reference to ***Hindustan Unilever Limited v. Reckitt Benckiser India Limited***, ILR (2014) 2 Del 1288, was made. It has been noted that the Courts have upheld the usage of rough and ready calculation for award of damages.

14. Reference is also made to the Delhi High Court Intellectual Property Rights Division Rules, 2022, in particular, to Rule 20, which provides a basis for assessment of damages, as is extracted under:

“20. Damages/Account of profits

A party seeking damages/account of profits, shall give a reasonable estimate of the amounts claimed and the foundational facts/account statements in respect thereof along with any evidence, documentary and/or oral led by the parties to support such a claim. In addition, the Court shall consider the following factors while determining the quantum of damages:

- (i) Lost profits suffered by the injured party;*
- (ii) Profits earned by the infringing party;*
- (iii) Quantum of income which the injured party may have earned through royalties/license fees, had the use of the subject IPR been duly authorized;*
- (iv) The duration of the infringement;*
- (v) Degree of intention/neglect underlying the infringement;*
- (vi) Conduct of the infringing party to mitigate the damages being incurred by the injured party;*



In the computation of damages, the Court may take the assistance of an expert as provided for under Rule 31 of these Rules.”

15. Taking a holistic perspective keeping in account the facts and circumstances as noted above, Rs. 1,00,000/- (Rupees One Lakh Only) per defendant is awarded in favour of the plaintiff.
16. Decree be drawn up accordingly in terms of the abovesaid directions.
17. Suit is disposed of. Pending applications, if any, are rendered infructuous.
18. Order be uploaded on the website of this Court.

ANISH DAYAL, J

APRIL 24, 2024/MK