

## Parallel imports held to be infringement

In the recent case of *Samsung Electronics Company Limited & Anr. v. G. Choudhary & Anr.* [MANU/DE/3161/2006], the plaintiff, registered owner of the trademark 'SAMSUNG', filed a suit against the defendants for importing from China and selling ink cartridges and toners branded 'SAMSUNG', manufactured by the plaintiff itself in China. The plaintiff's case rested on the main ground that although the products were genuine, they were not meant for Indian markets. The reasons cited by the plaintiff included that the descriptions that accompanied the products were in Chinese, there was no warranty offered and that the use of these products was likely to constitute a breach of the warranty of other legally purchased machinery.

India follows the principle of international exhaustion of trademarks. The issue of exhaustion was not expressly addressed in the old Trade and Merchandise Marks Act, 1958 which was repealed by the Trade Marks Act, 1999. However, Section 30 (3) of the Trade Marks Act, 1999 provides that where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of the trademark if the goods have been put on the market under the registered trade mark by the proprietor or with his consent.

While finding that parallel imports per se could not be held to be infringement in view of the legal provisions in India, it was held that a cause of action for trademark infringement may be available to the proprietor against an importer where genuine goods have been materially altered without proprietor's consent after placing them in the market. Further, a cause of passing off is also available if the proprietor can show that the importer is passing off the goods in a misleading or improper way causing confusion in the minds of the public.

In the circumstances, the court held that there was a prima facie case for injunction since it was certain that the goods and evidence to substantiate the complaints would be removed if an injunction was not granted. Accordingly, the defendants were enjoined from importing , exporting, distributing, selling, offering for sale, advertising, directly or indirectly dealing in grey market ink cartridges or toners or any other products of the plaintiff bearing the mark SAMSUNG, thereby leading to infringement of the plaintiff's marks.

This is perhaps the first decided case by the High Court of Delhi on parallel imports and trademark infringement.