

IN THE HIGH COURT OF SINDH, KARACHI

H.C.A. No. 269 of 2014

Hamdard Laboratories (Waqf) Pakistan

vs.

Mohammad Fahim

Before: **Mr. Justice Sajjad Ali Shah, Chief Justice**
 Mr. Justice Zulfiqar Ahmad Khan

Appellant: Through Mr. Sultan Ahmed, Advocate

Respondent: Through Mr. Shamshad Ali Qureshi, Advocate

Date of Hearing: 15.03.2016

J U D G M E N T

Zulfiqar Ahmad Khan, J. :- Through instant appeal order dated 25.09.2014 passed by on the learned Single Judge on applications filed by the rival parties under Order 39 Rule 1 & 2 and Order 39 Rule 4 respectively in Suit titled *Injunction against Infringement of Trade Mark, Passing off, Unfair Competition, Damage and Account of Profit*, are assailed, where the learned Single Judge while holding that pursuant to registration of a trademark, the registered proprietor acquires exclusive rights in the registered trademark, held that since the respondent's trademark 'Rooh-e-Samar' is not similar with the appellant's famous and well known trademark 'Rooh Afza', no deception or confusion has taken or likely to take place, thus declined the application seeking injunction against the respondent from selling its goods under Rooh-e-Samar trademark. The relevant paragraphs of the impugned order are reproduced as follows:

"14. I have before me the label (s) of both produces i.e. 'Sharbat Rooh Afza' and 'Rooh-e-Samar'. It is worth to make it clear again that it should not be a mere claim of similarity but claim of similarity should qualify the test that it (similarity), overall, should be so resemble that an ordinary consumer may not differ between that he intended to purchase or what is presented to him. A bare look, nowhere, results into any confusion

because not only the colour scheme but also the calligraphy and its manner are quite different from each other. Mere having photo-graph/ picture of different fruits is not sufficient to believe the plea of the plaintiff that label of the defendant's product 'Rooh-e-Samar' shall cause 'confusion' or 'deception' to its customers of 'Sharbat Rooh Afza'. The color scheme(s) of these two are entirely different with considerable distinction to an ordinary eye; the calligraphy is also differently posed and even picture of fruits is different from that of 'Sharbat Rooh Afza'.

15. In view of above examination I am not of the view that label of the product of the defendant (Rooh-e-Samar) is being presented / labeled or marketed in a manner or fashion that it could result in causing a 'deception' or 'confusion' to the customer of the plaintiff whose brand 'Sharbat Rooh Afza' is well renowned and very much known to its customers, therefore, no case of 'confusion' or 'deception' is appearing to me. Accordingly, I am not inclined to sail with the view of the plaintiff but conclude that plaintiff has no prima facie case in its favour so as to deprive the defendant from doing/continuing the lawful business or trade. Therefore, application for injunction is hereby dismissed. In consequence whereof the CMA No.11282/2014 stands dismissed being infructuous."

Brief facts of the case are that the appellant manufactures and sells syrup under the coined name Rooh Afza for decades and have had the said trademark registered under the Trademark Act, 1940 (the 1940 Act) in the British India on 03.08.1942 in class 32. Various versions of the said trademark have been regularly registered by the appellant and from the details provided, we note that about eight registration between years 1961 upto 1984 have been sought by the appellant in respect of the said trademark giving rise to contention that the appellant is very alert in respect of protection and enforcement of its rights in the said trademark. Being a household name used for over a half century, the said trademark has acquired extreme popularity, which also attracts new incumbents to disguise their trademarks and trade-dress similar or confusingly similar to that of the appellant. The appellant's counsel contended that the Appellant became aware of the respondent's intended use of its trademark on 29.06.2014 when the latter advertised its products in the daily Dawn newspaper. Being alerted with the deceptive name and confusing similarities in the label used by the respondent, it was clear that the respondent intended to deceive the customers of the appellant and to take

benefit of the hard earned reputation and market space created by the appellant for over 73 years; the appellant commenced legal action which culminated in its filing of the instant suit against the respondent on account of alleged infringement and passing off of appellant's well-known trademark by the respondent. Along with the said suit, the appellant filed an application seeking injunction against the respondent, while an interim injunction was granted to the appellant, however, in terms of the impugned order, the earlier injunction granted was dismissed.

The counsel for the appellant brought to our attention an application moved by the respondent for registration of its trademark filed at the Trademarks Registry bearing No.316901 dated 22.03.2012 in class 30. The learned counsel contended that when advertised, the said application was also opposed by the appellant which opposition bearing No.1662/2013 is still pending adjudication by the Registrar of Trademarks.

From the documents, we of course see that the respondent has also attempted to protect Rooh-e-Samar trademark under the copyright laws by making an application on 10.04.2014, we are not sure about the fate of the said application, however, even if registered that does not give any right to use the said label by the respondent in respect of any goods. Pursuant to the said registration, all it is entitled to do, is to frame the said paper label and hang it on the wall as a *work of art*, or to stop someone selling identical copies of the said paper label. The moment, some goods are wrapped in the said label, it loses to act as work of art (protected by copyright laws) and falls into the domain of trademark laws, for which procedure for registration is provided by the applicable laws, of which the Trade Marks Ordinance, 2001 having repealed the 1940 Act, is currently in force.

Referring to the impugned order, the counsel contended that though the order admits concept of similarity comparisons between the two marks, however, the learned single Judge went on microscopic level to say that “...mere having photo-graph/picture of different fruits is not sufficient to believe the plea of the plaintiff that label of the defendant’s product ‘Rooh-e-Samar’ shall cause ‘confusion’ or ‘deception’ to its customers of ‘Sharbat Rooh Afza’. The color scheme(s) of these two are entirely different with considerable distinction to an ordinary eye; the calligraphy is also differently posed and even picture of fruits is different from that of ‘Sharbat Rooh Afza’. The counsel further submitted that such conclusion reached by the learned Single Judge is not founded on the legal principles and it negates the remedies provided by the trademark law, the counsel prayed that being one of the most popular trademark of Pakistan filed and protected as of 1942, courts must come forward to grant protection to the appellant’s well-known trademark.

The counsel for the respondent, on the other hand placed heavy reliance on the grounds leveled in the impugned order and tried to take us at microscopic level to show minute difference between the rival marks (e.g. colour of grapes being green in the appellant’s mark, while grapes of red colour appear in the respondent’s mark) as well as the learned counsel contended that the calligraphy used by the respondent is of different style as compared to that of the appellant. Counsel also contended that while oranges appearing on respondent’s wrapper is with skin, the appellant’s orange is peeled! While counsel came with many astonishing contentions, one of it included mentioning of Article 18 of the Constitution, which provided for freedom of trade as well as to the novel contention that while customers of appellant’s trademark are repeat customers and they purchase the appellant’s products by using the brand name Roof Afza, while the respondent being a new entrant in the market, it has only first time buyers who after satisfied with the product place repeat orders. The

counsel also stated that since the appellant's trademark is so popular that consumers ask for it by name, no confusion or deception could take place as respondent's trademark has not reached to that level of popularity and it is only purchased as *Lal-Shurbat* or by its own name Rooh-e-Samar. The counsel loaded us through a series of judgments, where Courts have held the trademark having different suffix and prefix can co-exist. He, inter alia, cited the examples of Coca-cola and Pepsi-cola in support of his client's case, which to us are of no influential value since we are dealing here with a mark that is probably most powerful Pakistani brand with unparalleled repute and domestic heritage and have achieved 6bis well-known trademark's protection under section 86 of the Trade Mark Ordinance 2001.

Heard learned counsel and perused the record. To us it appears to be a simple case of enforcement of registered trademark rights as accrued to a trademark under section 21 of the Act, 1940 and under section 40 of the Trademark Ordinance, 2001. Since the instant appeal is filed in the year 2004 though the mark was registered under 1940 Act, we would only consider the remedies available to the appellant under the 2001 Ordinance. Since section 40 has host of possibilities for trademark to be infringed, we reproduce them hereunder:

40. Infringement of registered trade mark.-

(1) A person shall infringe a registered trade mark if such person uses in the course of trade a mark which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person shall infringe a registered trade mark if such person uses in the course of trade a mark because- (a) the mark is identical with the trade mark and is used in relation to goods or services similar to the goods or services for which the trade mark is registered; or (b) the mark is deceptively similar to the trade mark and is used in relation to goods or services identical with or similar to the goods or services for which the trade mark is registered there exists a likelihood of confusion on the part of public, which includes the likelihood of association with the trade mark.

(3) A person shall infringe a registered trade mark if the person uses in the course of trade a mark which is identical with, or deceptively similar to, the trade mark in relation to- (a) goods of the same description as that of goods in respect of which the trade mark is registered; (b)

services that are closely related to goods in respect of which trade mark is registered; (c) services of the same description as that of services in respect of which the trade mark is registered; or (d) goods that are closely related to services in respect of which the trade mark is registered.

(4) A person shall infringe a registered trade mark if the person uses in the course of trade mark which-

- (a) is identical with or deceptively similar to the trade mark; and
- (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered.

where the trade mark is a well-known trade mark, or has a reputation in Pakistan, and the use of the mark being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

(5) A person shall infringe a registered trade mark if the person uses such registered trade mark as his trade name or part of his trade name.

(6) A person shall infringe a registered trade mark if the person uses such registered trade mark as his domain name or part of his domain name or obtains such domain name without consent of the proprietor of the registered trade mark, with the intention of selling such domain name to another including the proprietor of the registered trade mark.

(7) A person who applies a registered trade mark to material intended to be used for labeling or packaging goods shall be treated as a party to any use of the material which infringes the registered trade mark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) In all legal proceedings, a person who sells or offers or exposes goods for sale, or puts them on the market or has in possession for sale or any purpose of trade or manufacture any goods bearing a mark which infringes a registered trade mark shall be treated as a party to infringement of a registered trade mark, unless he proves that- (a) having taken all reasonable precautions, he had no reasons to suspect the genuineness of the mark; and (b) on demand made by tribunal, he gave all the information in his power with respect to the persons from whom he obtained such goods; or (c) he had otherwise acted innocently.

As to show how remedies available against infringement of a registered trade mark have expanded from the 1940 Act to form the possibilities enumerated in section 40 of the 2001 Ordinance, section 21 of the 1940 Act is also reproduced in the following:

Effect of Registration -

21(1) Subject to the provisions of sections 22, 25 and trade mark in respect of any goods shall give to that person the exclusive right to the use of the trade mark in relation to those goods and, registration. without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and

in such manner as to render the use of the mark likely to be taken either (a) as being used as a trade mark, or (b) to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.

As it could be seen from the above, the simple ‘identical’ or ‘nearly resembling’ requirement from the 1940 Act calculated to result in ‘deception’ or ‘confusion’ has been extensively broadened in the 2001 Ordinance to encompass a number of possibilities non-existent under the said old Act.

Notwithstanding the above broad protection, the learned Single Judge has though rightly based his findings on confusion and deception pre-requisites, however, seemingly has not channelized his thoughts through any established tests. Courts in a number of cases (2012 CLD 226, 2003 CLD 794, 2000 MLD 2057, 2000 PLD 192, 1987 MLD 2569, 1970 PLD 537, 1969 PLD 376, 1958 PLD 481) have discussed methods of finding confusion and deception in relation to rival trade marks primarily relying on the age-old and fundamental ‘reaping without sowing’ concept evolved in respect of trademarks in the year 1880 pursuant to the House of Lords judgment in the case of *Singer Manufacturing Co. vs. Loog* (18 CD 396) holding that no man has a right to put off his goods as the goods of a rival trader, and he cannot, therefore, in the language of Lord Langdale, in the case of *Perry vs. Truefitt*, (6 Beav. 66) be allowed to use names, marks or other indicia, by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person.

For the ease of reference, products of the rival entities are reproduced in the following:

Appellant’s	Respondent’s
Product	Product



Over the years some standard tests have been established in this regard. Most famous of these include “Moron in a Hurry” and “Lapp” tests arising out of *Morning Star Cooperative Society vs. Express Newspapers Limited* (1979 FSR 113) and *Interpace Corp. vs. Lapp, Inc.*, 721 F.2d 460 (3d Cir. 1983) respectively; and the famous age-old “Classic Trinity” test.

We will apply all these three tests in the case at hand. In “Moron in a Hurry” test (which is inverse of the ‘reasonable person’ test, in which courts take example of a hypothetical person belonging to a family of hypothetical figures-in-law including the right-thinking member of society, who is ultimately an anthropomorphic representation of the body care standards crafted by the courts and communicated through case law), courts look at the possibility of confusion between two trademarks, from the eyes of a less-than-prudent consumer. If even such a consumer is cheated by the similarities between the two rival products, test will pass and the defendant’s goods will be held to be infringing. A look at the shape and size of both the bottles (and their respective caps) as used by the instant rival parties being same, so the color of syrup therein, as well as, the wrapper embodying trademarks and other features placed through a wrist-band in the center portion of the bottle, one has no doubt that a moron in a hurry will not be able to distinguish the minute and microscopic difference between the color of the band and the placement of fruits on the wrapper, and being identical-looking bottles with similar colored contents, he is going pick the confusingly similar bottle of the

respondent instead of that of the appellant, hence the said test is passed in favor of the appellant.

Lapp test, which is a multi-factored test used to establish the existence of a likelihood of confusion, courts consider a number of factors which include (1) similarity of the marks; (2) strength of plaintiff's mark; (3) sophistication of consumers when making a purchase; (4) intent of defendant in adopting the mark; (5) evidence of actual confusion (or lack thereof); (6) similarity of marketing and advertising channels; (7) extent to which the targets of the parties' sales efforts are the same; (8) product similarity; identity/function/use; and (9) other factors suggesting that consumers might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in defendant's market, or expect the prior owner is likely to expand into defendant's market. We will consider each of these factors in the following table between the rivals marks.

Factor	Discussion	Test Results
Similarity of the marks.	Both the trade marks have identical prefix "Rooh" written in a confusingly similar manner and placed at same place in the wrapper.	+ve
Strength of plaintiff's mark.	Plaintiff's mark is registered for over 70 years and have acquired extensive goodwill and reputation, making it a household name, protected as a well-known trademark under Article 6bis of the Paris Convention embodied in section 86 of the 2001 Ordinance.	+ve
Sophistication of consumers when making a purchase.	Consumers come from all walk of life and since the product is low-priced, it is sold all over the country and for all type of consumers.	+ve
Intent of defendant in adopting the mark.	The very intend of the defendant appears to take benefit of the shape, size and get-up of the plaintiff. He had endless options to name his product or to distinguish it from plaintiff's goods (like in the case of Norus and Thadal etc), he made it sure to sail in the same boat along with the appellant.	+ve
Evidence of actual confusion (or lack thereof).	As discussed in the foregoing, both the goods carry similar shape, contents' color and get-up, if allowed marketing, respondent's goods will certainly cause confusion as per the Moron in a hurry test detailed out in the foregoing.	+ve

Similarity of marketing and advertising channels.	Goods of both the rival parties will use identical marketing and advertisement channels.	+ve
Extent to which the targets of the parties' sales efforts are the same.	Goods not allowed sale as yet.	NA
Product similarity identity/function/use	Goods of both the parties are for the same function and use, thus confusion is bound to take place.	+ve

With regards Classic Trinity, courts are required to consider following three aspects of the rival parties:

- a. Goodwill of the trade mark of the plaintiff in respect of identical or similar goods;
- b. Misrepresentation made by the Defendant; and
- c. Actual damage caused (or to be caused) to the Plaintiff from the acts of Defendant.

As one can see, classic trinity test, in a broader way, considers the same factors which the Lapp test does and now when we read all these tests in the light of the 1888 foundation judgment in the Singer case, the moral of all these tests remains the same. *No one is allowed to put off his goods as the goods of a rival trader by using names, marks or other indicia by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person.*

Beside the above tests, another important aspect that courts need to look at while considering rival trademarks for the possibility of passing test of infringement or passing off is to consider 'get-up' of the rival goods. *A Practical Guide to Trade Mark Law* by Amanda Michaels (Oxford University Press) defines 'Get-up' as the appearance of a trader's goods which are recognized by the customers. These features of appearance include the size, shape and colour schemes of a product as well as distinctive packaging or the arrangement of labels or the fascia, layout and fitting of a shop. Accordingly, get-up is often relied upon by a claimant in addition to the name or the trademark alone. In the instant case also,

when we compare get-up of the rival products, we see clear resemblances. These include identical caps, ribs at the bottom of the bottle, word “ROOH” as predominant feature of the respondent’s label, devices of fruits and the placement of wrapper at the same place as that on the appellant’s products. Thus the overall impression left in the mind of an unwary purchaser is nearly the same. One must keep in mind that a person (urban shopper) sees or hears about more than 1500 trade marks in a day (*Law for Business* by M. M Sulphay and Az-Har Basheer – PHI Learning 2013) and thus not each and every microscopic element of each brand resides in a person’s mind. There is a very limited sketch of a brand’s get-up that resides in the mind of a purchaser, therefore courts need to come forward and protect that hazy picture developed in the mind of a purchaser by the owner of the original trade mark.

In the light of the foregoing where all three tests produce results favoring the appellant, we are of the view that use of the intended trademark, trade dress and get-up by the respondent infringes common-law right of the Appellants as well as their statutory rights provided pursuant to its registration and continuous use of its Rooh Afza trademark and trade-dress, thus the instant appeal is allowed, the impugned order is sent aside and the respondent, its servants, agents, representatives and all persons claiming through it, are restrained from infringing the appellant’s registered trademark Rooh Afza & Label in any manner by selling, marketing, offering for sale, advertising or otherwise using on its syrup trade mark Rooh-e-Samar either alone or in conjunction with any other mark, words, figures or devices.

Karachi: 3rd May, 2016

JUDGE

CHIEF JUSTICE