

# IN THE HIGH COURT OF SINDH AT KARACHI

High Court Appeal 369 of 2018

Present: **Muhammad Ali Mazhar** and **Agha Faisal, JJ.**

M/s. Ismail Industries Limited  
vs.  
Mondelez International  
and Others

For the Appellants: Mirza Mahmood Baig, Advocate

For the Respondents: Khawaja Shoaib Mansoor, Advocate

Date of Hearing: 14.11.2018 & 27.11.2018

Date of Announcement: 24.12.2018

## JUDGMENT

**Agha Faisal, J:** The present appeal has been preferred against the order of the learned Single Judge of this Court dated 05.09.2018 (“**Impugned Order**”) in determination of CMA 909 of 2014 (“**Application**”), preferred in Suit 12 of 2014 (“**Suit**”). It may be pertinent to reproduce the operative constituent of the Impugned Order by virtue whereof the Application was dismissed.

“By that as it may, while I have no hesitation in granting the prayer of the plaintiff that the defendants should not disturb the plaintiff’s use of the trademark RITE, I must hold that the plaintiff be permitted to use the said trademark in colour and getup as registered by it under Registration No.176689 strictly and not to adopt the distinctive colour of the defendants’ packaging or their biscuits itself. And in case the plaintiff by adopting a colour scheme and colour of biscuits choses to sail closer to the products/wrappers of the defendants, passing off action would sustain and any continuous use of the trademark out to be restrained.

In these circumstances where a grant of the instant application where the Plaintiff aims to use deceptively similar packaging of defendants’ products, having travelled far away from the registration obtained by the Plaintiff will only facilitate passing off, the instant application is dismissed.”

2. Mirza Mahmood Baig, Advocate set forth the case on behalf of the appellant and argued that the Impugned Order was otherwise than in conformity with the law and exceeded the ambit of the Application in addition to having gone beyond the scope of the very Suit itself. The arguments of the learned counsel are encapsulated and presented herein below:

- i) The appellant is stated to be the largest manufacturer and exporter of confectionary items, biscuits, potato chips and snack foods, which are marketed and purveyed under the well-known trademarks / house marks of Candyland, Bisconni, Snacks City and Astropack. It was submitted that in the year 2002 the appellant introduced a sandwich biscuit encompassing two quality chocolate biscuits with a vanilla flavored center, under the trademark RITE. It was submitted that the exclusive proprietary rights with respect to the trademark RITE were duly registered with the Trademark Registry Intellectual Proprietary Organization vide registration dated 16.03.2002. In addition thereto the packing of the products and all artistic works are protected under the copyright law.
- ii) Learned counsel submitted that since the launch of the product the appellant has been routinely updating its packaging while retaining its characteristic branding, which is highly distinctive and recognizable. It was further submitted that RITE is distributed all over Pakistan and is also exported to numerous international jurisdictions across the globe.

- iii) It was next submitted that the appellant received a legal notice, issued by the counsel for the respondents, dated 28<sup>th</sup> November, 2013 (“**Legal Notice**”) wherein the appellant was, inter alia, called upon to immediately cease the production, distribution and sale of the RITE biscuits and destroy all the production and packaging of the said product by December, 2013. Aggrieved by the said Legal Notice, the appellant filed the Suit against the respondents for declaration, permanent injunction and damages under the Trademarks Ordinance, 2001 (“**Ordinance**”). Along with the Suit, the appellant preferred the Application, relevant content whereof is reproduced herein below:

“It is humbly submitted that for the reasons disclosed in the accompanying affidavit and in the interests of justice this Honourable Court may be pleased to restrain the defendants, their agents, representatives and/or any persons acting on their behalf or under their authority, from interfering in the plaintiff’s business and specifically from disrupting the plaintiff’s manufacture, supply, distribution, promotion, sale or export of product RITE, and/or from participating in unfair competition in any manner whatsoever till disposal of the Suit.”

- iv) It was demonstrated from the record that notice of the Suit / Application was issued by a learned Single Judge of this High Court on 24.01.2014 and the following ad-interim order was rendered with respect to the Application

“2. Notice to defendants for 13.02.2014. Till the next date ad-interim orders on CMA No.909/2014 in terms that the defendants and persons acting under or on behalf of defendants are restrained from disrupting the Plaintiff’s manufacture, supply, distribution, promotion, sale or export of product RITE.”

- v) Subsequent thereto the respondents appeared to contest the proceedings in the Suit and after a hearing conducted with respect to the Application the Impugned Order was rendered. It was argued by the learned counsel that the Suit had been filed

seeking protection of the appellants' rights and the application sought interim measures in such regard. The Impugned Order while expressly stating that the learned Single Judge has no hesitation in granting the prayer of the plaintiff proceeds to dismiss the application with adverse unmerited findings having been rendered against the present appellant.

- vi) It was stated that there was no issue of trademark infringement or usage before the Court and the entire controversy in the Suit pertained to seeking protection against groundless threats. It was argued that the Impugned Order went beyond the scope of the Application and the Suit and recognized purported rights of an entity that had no intellectual propriety mark registered in the country over those of the appellant that enjoyed registration and protection under the intellectual property laws of Pakistan.
- vii) Learned counsel demonstrated by way of an illustrative diagram that the respondents have been using various kind of packaging to sell their product OREO and that initially the said product was sold in tin packaging. The object of demonstrating the varying types of packaging used by the respondents was to show that a manufacturer could not be restricted to the use of the packaging originally envisaged for a product.
- viii) In conclusion, it was argued that the entire controversy in the Suit remains whether there was a groundless threat and if so whether the appellant was entitled to relief sought in the said Suit, however, the Impugned Order while ignoring the real controversy entered into a collateral domain and rendered findings in favour of

the respondents, and against the appellant, which were prima facie unsubstantiated and uncorroborated. Therefore, it was prayed that the Impugned Order be set-aside forthwith.

3. Khawaja Shoaib Mansoor, Advocate submitted the arguments on behalf of the respondents and supported the Impugned Order in its entirety. It was argued that since the respondents never claimed to be registered proprietors of any trademark in Pakistan, therefore, a suit for groundless threat could not be maintained there-against. It was further argued that the Legal Notice required the appellant to revert to its earlier packaging as its new packaging was similar to the worldwide packaging of OREO, which is proprietary product of the respondents, hence, it was argued that the Impugned Order was in due consonance with the law and merited no interference in appeal.

4. We have heard the respective learned counsel and have considered the record arrayed before us. We remain cognizant that the controversy between the parties remains to be determined after exchange of pleadings, framing of issues and leading evidence in the Suit, hence, our scope remains restricted to determine whether the Impugned Order suffers from any infirmity.

5. It is discerned that while the operative part of the Impugned Order begins when the learned Single Judge expressing a lack of hesitation in granting the prayer of the plaintiff, however, the Impugned Order ends with the findings that the Application is dismissed. The two observations are contradictory, since if the appellant was determined to be entitled to the grant of the Application then the dismissal of the said Application would appear to be erroneous and if the Application merited dismissal

then determination of the plaintiff's entitlement to the grant of the Application would be erroneous.

6. It is also observed that the appellant has been directed, inter alia, not to adopt the distinctive colour of the respondents' packaging or their biscuits themselves. The Impugned Order does not refer to any determination having taken place which would confer exclusive rights upon the respondents with respect to any packaging or the biscuits themselves. Therefore, such findings at a nascent stage of the Suit appear to be unmerited in the present facts and circumstances.

7. The Impugned Order also records that adopting the colour scheme and colour of biscuits amounts to sailing closer to the products / wrappers of the respondents and a passing off action would sustain and any continuous use of the trademark ought to be restrained. This determination is prima facie outside the ambit of the Application and the Suit and amounts to delivering a judgment / granting a relief without any proceedings having been filed to seek such relief. There has been no juridical determination of any proprietary right of the respondents whatsoever and in the absence thereof no benefit could accrue in their favour in such regard. It is apparent that no issues have been framed and / or evidence led with regard to any proprietary entitlement of the respondents and even otherwise such a determination could only be undertaken in proceedings seized of the said issue. It is also the considered view of this Court that eventually the Suit would either be allowed or dismissed, however, neither eventuality would determine any claim of the respondents in the absence of a counter claim. Therefore, relief that could not have been given upon final disposal of the Suit could not be given upon an interim application made therein.

8. An interim order, pursuant to Order XXXIX Rules 1 and 2, is intended to be a preventive or prophylactic remedy for the purposes of preserving the status quo or preserving the corpus of the litigation pending the final determination thereof. Reliance is placed in such regard upon the pronouncements of the superior Courts in *Islamic Republic of Pakistan & Others vs. Zaman Khan & Others* reported as 1997 SCMR 1508 and *Rahat Khan vs. Tahir Naveed* reported as 2009 CLC 433. The Impugned Order does not preserve the corpus of the litigation and it is apparent that while maintaining the appellant's entitlement to the grant of relief, the same has been denied, and conversely unjustifiable rights have been conferred without such rights ever having been adjudicated or even being within the contemplation of the Suit.

9. In view of the foregoing, and with utmost respect to the learned Single Judge, it is concluded that the Impugned Order is not sustainable, hence, the same is hereby set-aside. As a consequence hereof the Application stands revived to the stage where it was immediately prior to 05.09.2018 and the said Application may be determined by a learned Single Judge in accordance with the law after providing due opportunity to the parties to be heard.

10. The appeal is allowed in terms herein contained.

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