

IN THE HIGH COURT OF SINDH AT KARACHI

High Court Appeal 359 of 2018

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

Shahnawaz Jalil
vs.
Rani & Company and Others

For the Appellant : Mr. Shahzaib Akhtar Khan
Advocate

For the Respondent No. 1 : Mr. Samiullah Siddiqui
Advocate

Dates of Hearing : 18.01.2019, 25.01.2019
01.02.2019 & 28.02.2019

Date of Announcement : 13.03.2019

JUDGMENT

Agha Faisal, J.: The present appeal has been filed against the order dated 24.09.2018 ("**Impugned Order**") rendered by a learned Single Judge of this Court in Suit 2089 of 2017 ("**Suit**") wherein by way of an interim injunction the appellant was *inter alia* restrained from using its registered trademark, notwithstanding the pendency of proceedings before the Registrar Trademarks ("**Registrar**") wherein the respondent's opposition to the appellant's trademark remained pendent adjudication.

2. Briefly stated, the salient features of the controversy are that the appellant claims to have been using trademark *Rami* since 2008 and has at least eight (08) variant trademarks registered in such regard and further that the said trademark, with its color and label, are

also stated to be registered as copyright protected works in the Central Copyright Office of Pakistan. The record demonstrates that the appellant has been using its branding since 2008, however, the earliest registration of its trademark took place in 2014. The respondent No. 1 has instituted opposition proceedings there against before the Registrar and in the said proceedings numerous hearings were held and after leading of evidence the matter was fixed for final hearing. The record reflects that the final notice for hearing in the opposition proceedings was issued by the Registrar on 25.08.2017. However, instead of proceeding with the pending matter the Suit was filed before a learned Single Judge of this Court by the respondent No.1, wherein *inter alia* permanent injunction was sought against the appellant seeking to restrain the appellant from using the trademark *Rami*; seeking an order directing the appellant to recall all the stocks bearing the trademark *Rami* for destruction and handing over the same to the respondent No. 1; for an order directing the appellant to deliver all its unsold stocks bearing its trademark *Rami* to the respondent No. 1; and an order directing Registrar to suspend the proceedings in respect of the applications / oppositions being contested between the parties *inter se*. An *ex-parte* order was granted in the Suit and on the first date of hearing, being 27.09.2017, wherein the proceedings before the Registrar were restrained and thereafter while hearing the same interlocutory application the Impugned Order was delivered. It may be pertinent to reproduce the content of the Impugned Order herein below:

“Heard the counsel. The case of the Plaintiff is that he is the creator of trademark RANI, which he registered in the year

1986 in various forms, in Paragraph-5 of the plaint details of those trademarks are given. He states that his trademark is also registered in a number of different countries, in particular, the distinctive getup is also subject matter of the copyright certificate dated 31.08.2009 under Registration No.20161, Plaintiff has reproduced their wrapper as well as that of the Defendant No.1 (page-13) and states that adoption by the Defendant No.1 of a similar wrapper is causing deception in the market place as well people are made to believe that the goods emanating from the Defendant No.1 are those emanating from the Plaintiff and thus passing off as well as violation of Plaintiff's rights is in the offing.

Learned counsel for Defendant No.1 states that Defendant No.1 is also using the trademark from the year 2008 however only got it registered in the year 2015, reference is made the newspaper where advertisement for registration of defendant's copyright was published in daily Azad Riasat however it is only dated 08.03.2016. Counter affidavit filed by Defendant No.1 is utterly evasive and even does not mention the registrations sought by the defendants nor the year of first use.

A comparison of the competing wrappers shows that the defendants have left no stone unturned to copy distinctive features of the Plaintiff's trademark. To me "moran is a hurry" and "classical trinity" tests have passed. (See 2016 CLD 1064). In the circumstances at hand, the instant application is allowed. The Defendant No.1 is restrained from using any wrapper similar, identical or deceptively similar to the Plaintiff's wrapper reproduced at page-07 and from passing off its business as of the Plaintiff and violating the trade mark "RANI" of the Plaintiff, as registered in Pakistan under 90443, 111523, 90445, 90444, 111522, 230678, 115298, 230683 and 230680 through the use of the deceptively similar trademark "RAMI" or any other mark confusingly similar to the trade mark "RANI" of the Plaintiff and from exporting goods under the trade mark "RAMI" and from manufacturing, producing, selling, offering for sale, marketing, advertising or otherwise passing off or attempting to pass off "RANI" branded products of the Plaintiff or persons having business connection with the Plaintiff, by use of the mark "RAMI" or adopting a trade dress with whatsoever trademark, likely to deceive or cause confusion in the market place".

3. Mr. Shahzaib Akhtar Khan, advocated the case of the appellant and submitted that the primary issue between the contesting parties was usage of the respective registered trademarks *Rami* and *Rani*. It was submitted that while *Rani* was registered in 1986 it had not been

in use for the eighteen (18) years as the proprietors had abandoned the market in the year 1995. On the contrary the trademark *Rami*, while having been registered in 2014, was in use since the year 2008. Learned counsel submitted that pursuant to Section 73(b) of the Trademark Ordinance, 2001 ("**Ordinance**") the registration is revocable if the bona fide use of the trademark has been suspended for an uninterrupted period of five years and there are no proper reasons for its non-use. Per learned counsel the respondent No. 1 had instituted proceedings before the Registrar assailing the appellant's trademark and the said proceedings had been continuing for more than two (02) years, however, at the stage of final hearing, the respondent No. 1 opted to file the Suit and stifle the proceedings, which had almost reached their conclusion. Learned counsel submitted that the issue with respect to the wrappers being used by the appellant could be put to rest, without prejudice to the appellant's rights in such regard, as the appellant has already changed the wrappers in question and the new packing was also arrayed before the Court to demonstrate that there was no similarity between the wrappers of the respondent No. 1 and those being used by the present appellant. It was next contended that the only remaining issue was with respect to the registered trademarks themselves and this issue was pending adjudication before the Registrar in proceedings initiated by the respondent No. 1 and the resort to the Suit was a mala fide attempt to circumvent the due process of law reaching its conclusion. Learned counsel argued extensively to demonstrate that the two trademarks could not be given identical protection and since the protracted non usage of *Rani* has already rendered the same as

voidable. Learned counsel adverted to the contents of the plaint filed and demonstrated that the primary issue therein was of wrappers being similar, however, the Impugned Order has restrained not only the proceedings before the Registrar, by virtue of the ad-interim *ex-parte* order having merged therein, but has also restrained the appellant from utilizing its registered trademark. In conclusion it was submitted that the Impugned Order amounted to deciding the case pending before the Registrar and also that final relief, in excess of what was sought, was granted at an interim stage, hence irrevocably harming the appellant and thus it was imperative that the Impugned Order be set aside forthwith.

4. Mr. Samiullah Siddiqui, Advocate appeared on behalf of the respondent No. 1 and controverted the arguments advanced on behalf of the appellant. It was accepted that the respondent No. 1 had followed the procedure of opposition prescribed under Section 30 of the Ordinance, however, submitted that the respondent had filed the Suit as it had lost confidence in the person holding the office of the Registrar at the said time. Learned counsel adverted to Section 14 of the Ordinance and submitted that the trademark of the appellant should never have been registered in the first place as it was applied for in bad faith. Learned counsel relied upon Section 17 of the Ordinance to argue that the appellant's trademark should have been refused on the grounds that it was either identical or similar to that of the respondent No. 1. Per learned counsel Section 5(2) of the Ordinance permits foreign use of the trademark so the trademark of the respondent No. 1 could not be deemed to have been voidable as

it was in use of overseas. It was submitted that the trademark of the appellant was deceptively similar to that of the respondent No. 1 and hence ought never to have been registered. Learned counsel denied that *Rani* was a common and generic word and adverted to the list maintained by the Registrar in such regard to demonstrate that the word *Rani* was not contained therein. The entire thrust of the arguments advanced by the learned counsel for the respondent No. 1 was that the registered trademark of the appellant was deceptively similar to that of the respondent No. 1 and hence the Impugned Order was in due accordance with law and merited no interference in appeal.

5. We have heard the respective learned counsel and have carefully considered the documentations arrayed before us. It is pertinent to record at the very onset that it is not the purview of this Court to determine any claim or opposition with respect to the trademarks of the parties herein. The only point for determination before us is whether during the pendency of appropriate proceedings before the Registrar, and during pendency of the Suit itself, the appellant could be restrained from using its registered trademark by virtue of an order passed in an interim application.

6. There is no cavil to the factum that the proceedings challenging / opposing the respective trademark was validly instituted by the respondent No. 1 against the appellant before the Registrar. It has also not been denied that the entire proceedings are at the stage of final hearing after conclusion of the evidence recorded therein. The learned counsel for the respondent No. 1 had expressly stated that

the Suit was instituted as the respondent No. 1 had lost confidence in the person holding the office of the Registrar at the said time. It was also admitted by the learned counsel for the respondent No. 1 that the said person is no longer in office as he has been succeeded by the present incumbent, against whom there is no ostensible objection. While we do not appreciate the levelling of unsubstantiated allegations impeaching the character of a public office holder, however, the said objection, even if considered, does not subsist any longer as the learned counsel has admitted that the person in respect whereof there were reservations is no longer holding the same office. We do not consider it appropriate to dilate further upon this issue as it is for the learned Single Judge to determine whether the proceedings in the Suit and those before the Registrar could mutually coexist or otherwise.

7. The objections and counter objections with regard to the registered trademarks of the contesting parties herein is also not dilated upon as the said issues are validly pending before the Registrar and also have a direct nexus with the Suit. The question of interim relief under similar circumstances was the subject of scrutiny before this Court as manifest from the Judgment titled *Aldo Group International AG vs. Aldo Shoes* reported as 2016 CLD 229. Under similar circumstances Munib Akhtar, J. had denied the grant of interim relief and observed as follows:

“Having considered this material, I am of the view that the plaintiff may well be unable to make out a case of either the balance of convenience being in its favour or that it will suffer irreparable loss and injury. Hence two of three "ingredients" for interim relief may be missing in the present context. However, I

expressly do not record any finding on this point at this stage. Furthermore, there is again the complication of the parties' respective pending applications in respect of registration under class 25. If the defendant is able to obtain registration of its mark, it would be able to sell its shoes using that mark. It would be incongruous in such a situation that it would not at the same time be able to use what would then be its registered mark also as part of its trade name. In my view therefore a consideration of the claim of alleged infringement on the basis of section 40(5) should, in the exercise of the Court's discretion, also be deferred till after a determination of the pending applications in respect of class 25".

8. It is patently evident that the contesting parties herein are the recorded holders of trademarks, hence, entitled to all the rights and privileges appurtenant thereto inclusive without limitation of the rights conferred by Section 39 of The Ordinance, which *inter alia* demarcates a registered trademark to be the personal property of its holder. While the law contains provisions for recall or invalidation of rights conferred, such an action could only take place after adjudication before the proper forum prescribed in such regard. A person cannot be deprived of his property and / or denied the benefit of his property without due process of law and in the present circumstances the appellant has been denied the benefit of its property while the due process of the law remains to be concluded.

9. The Impugned Order records in paragraph 1 thereof that the controversy there before was the allegation that the packaging employed by the appellant was similar to that of the respondent No. 1 and in such regard the respondent No. 1 had claimed infringement of its rights. The Impugned Order also records that the appellant's trademark was registered. The operative constituent of the Impugned Order, while making observations with regard to the similarity of the

wrappers, *inter alia* declared the trademark *Rami* to be deceptively similar to the trademark of the respondent No. 1 and consequently restrained the appellant from using its registered trademark. It is clear from the bare perusal of the aforesaid order that the issue of similar wrappers was mutually exclusive to the issue of the two registered trademarks. The learned Single Judge while deciding an interim application proceeded to declare the trademark of the appellant deceptively similar to that of the respondent No. 1 despite the fact that the proceedings for this very determination were not only pending before Registrar but also before the learned Single Judge in the Suit itself. In this regard it is observed that not only was the determination premature but it was prima facie disjunctive to the finding of the competing wrappers appearing similar.

10. 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 on the contrary it grants the final relief at an interim stage conferring unjustifiable entitlement without such rights ever having been adjudicated by the forum initially seized of the lis, being the Registrar, or even in the Suit itself.

11. 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 CMA 13341 of 2017 stands revived to the stage where it was prior to 27.09.2017 and the said application may be *de novo* determined by a learned Single Judge in accordance with the law after providing due opportunity to the parties to be heard.

12. The appeal is allowed in terms herein contained.

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*SHABAN ALI/PA**