

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI

H.C.A. No.128 of 2020
H.C.A. No.140 of 2020

Date	Order with signature of Judge
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Present
Mr. Justice Muhammad Ali Mazhar
Mr. Justice Yousuf Ali Sayeed

H.C.A. No.128 of 2020

M/s. Diamond Impex Corporation.....Appellant

Versus

M/s. M.M. Traders & others.....Respondents

H.C.A. No.140 of 2020

Director General of Intellectual Property Rights.....Appellant

Versus

M/s. M.M. Traders & others.....Respondents

08.09.2020

Mr. Asad Khan, Advocate for Appellant in
H.C.A. No.128/2020 & for Respondent No.4 in
H.C.A. No.140/2020.
Dr. Shah Nawaz Memon, Advocate for Appellant
in H.C.A. No.140/2020 & for Respondent No.5
in H.C.A. No.128/2020.
Mr. Sarmad Hani, Advocate for Respondent No.1 in
H.C.A. Nos.128 & 140 of 2020 a/w Ms. Qirah Motiwala, Adv.
Mr. Kafeel Ahmed Abbasi, D.A.G.

Muhammad Ali Mazhar, J: The brief facts of the case are that the appellant in H.C.A. No.128/2020 is engaged in the import, marketing, trading of various consumer products inter alia “MALAPINE” (pineapple pieces), whereas the respondent No.1 is importing their products under the name and style of “MALABAR”. There were some previous disputes between the appellant and respondent No.1 and some compromise was also arrived at between the parties that the respondent No.1 will not adopt the nomenclature of “MALAPINE” and trade dress and that compromise is still in field. According to the

learned counsel for respondent No.1, they have not violated the compromise and they are importing their products and marketing the same under the name of "MALABAR" and not "MALAPINE". The appellant apprehended some attempt of passing off, therefore, they filed a Suit No.-802/2020 in this court for declaration, infringement, passing off, unfair practice, injunction, accounts, damages and other reliefs. Initially injunction application was placed before the learned single Judge for orders on 10.06.2020 and while issuing notices to the defendants as well as D.A.G. the defendants No.2 and 3 were restrained not to release the consignment to the defendant No.1 till the next date of hearing as well as the defendant No.1 was also restrained not to import any further consignment carrying any deceptively similar or confusing trademark/trade dress as compared to that of the plaintiff/applicant, however, vide order dated 03.07.2020 the earlier interim order was modified. The relevant paragraph is reproduced as under:

"From the arguments of the counsel for the rival parties, as well as, counsel for defendant No.2 this Court reached to a tentative conclusion that trademark "MALBAR" has no deceptive similarity with the word "MALAPINE" particularly when it is used with totally different trade dress. In the given circumstances when there is serious threat posed to the importer on account of demurrage charges, and the consignment being perishable and seasonal in nature, such consignment if carrying on the trademark "MALABAR" alongwith trade dress shown as Annexure A and A/1 at pages 9 and 13 of the counter affidavit filed by the importer, be released after having random examination by 10% sampling of each container, provided however if in any of the sample so drawn a single tin having wrapper identical or deceptively similar with the plaintiff's MALAPINE wrapper (page 11, Annexure B) is discovered, the entire consignment would have to be checked. Let this exercise be conducted by the Nazir of this Court or his nominee at the cost of Rs.25,000/- (which shall not include cost of labour for loading and reloading etc.), in the presence of defendant No.5 as well as representative of the concerned Collectorate as well as the parties. Cost of such an intervention for examination would be paid by the plaintiff. Attention of the learned counsel for the plaintiff was drawn to Section 54 of the Trade Marks Ordinance, 2001, which requires security from the complaining party to indemnify the customs authorities and to compensate the importer for any loss or demurrage resulting from the wrongful confinement of the goods. Let this exercise be completed within seven days and compliance report be filed. Customs Authorities are directed that if the imported goods are wrapped with trademark and trade dress identical to Annexure A and A/1 at pages 9 and 13 of the Counter Affidavit and unless there exists any other reason to detain the same, the present consignment be released without any further orders."

2. The appellant M/s. Diamond Impex Corporation filed this appeal on the ground that in the interim order definite findings have been given by the learned single Judge which will not only affect the merits of the final decision of injunction application as well as the main suit. It was further argued by the learned counsel that the Nazir has no role to play in this exercise and it was further argued that modification of the interim order amounts to decreeing the whole suit without recording of evidence and at ad-interim stage the substantive order has been passed without disposing of injunction application and virtually there is nothing left to decide on the injunction application.

3. The learned counsel for the respondent No.1 submits that the modification of the interim order amounts to a tentative assessment and not as a final determination of the application and if the Nazir is allowed to inspect the goods, the other side would have a right to file objections on the inspection report if some illegality or irregularity is pointed out in the report, however, he admits that the injunction application is still pending and not disposed of.

4. Dr. Shah Nawaz Memon, learned counsel for the appellant in H.C.A. No.140/2020 and for respondent No.5 in H.C.A. No.128/2020 argued that the nucleus of the impugned order amounts to pass a preliminary decree in the suit. He further submits that no opportunity of hearing was accorded to the customs authorities to place their point of view. He further argued that a complaint was received to Directorate of Intellectual Property Rights (IPR) which is pending and notices were issued on the complaint but due to interim orders passed by this court, the entire proceedings are at halt. He further submits that the suit was not maintainable and the plaint was liable to be rejected but at the same time he admits that no such application was filed by his client in the trial court for rejection of the plaint. At this juncture, Mr. Sarmad Hani, learned counsel for the respondent No.1 in both the HCAs replied that the IPR has no jurisdiction in the matter and in case of dispute in the trademark and the copyright registration, the court has the jurisdiction to decide such disputes between the parties.

5. After arguing at some length, all the learned counsel appearing for the parties including the learned D.A.G. agreed to the following modality to dispose of these appeals:

- i) The interim orders dated 10.06.2020 and 03.07.2020 passed in Suit No.-802/2020 are vacated. The learned single Judge will preferably decide both the injunction applications on merits within twenty (20) days
- ii) All learned counsel appearing for the parties shall ensure their presence before the learned single Judge without seeking any adjournment.
- iii) At this juncture, Dr. Shah Nawaz Memon seeks our permission to file application under Order 7 Rule 11 CPC in the trial Court which he can obviously move in accordance with law and no permission is required.

Pending applications are also disposed of.

Office is directed to place copy of this order in H.C.A. No.140 of 2020.

Judge

Judge

Asif