

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Suit No. 2578 of 2014

Date	Order with signature of Judge
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1. For hearing of CMA No.17419/2014
2. For hearing of CMA No.12291/2017

14.12.2021

M/s. Sultan Ahmed Shaikh and Salman Ahmed Shaikh, advocate for plaintiff.

Mr. Khalid Dawood Pota, advocate for defendants No. 2 and 3.

ORDER

SALAHUDDIN PANHWAR, J: Through this order, I intend to dispose of application under Order VII Rule 10 CPC [CMA No.12291 of 2017] filed by defendants, whereby it is prayed that the plaint may be returned to the plaintiff to present it before Intellectual Property Tribunal at Karachi for adjudication.

2. Precisely relevant facts as stated in the suit are that Plaintiff is a renowned businessman engaged in the imports and Exports business since 2006; that he was the Director of Imperial Paints & Varnish Works (Private) Limited, until 2004. Since June, 2014, and thereafter, he started restaurant business; that the Defendant No. 1 is a partnership business in which Defendants No 2 & 3 are Partners who are his real uncles. Before his death, father of the Plaintiff namely Zafar Ahmad Kalia, was a Partner in a business known as Kaybees Snacks II (an allied concern of the Defendant No. 1) alongwith his mother namely Chaman Ara Begum (grandmother of the Plaintiff and mother of the Defendants No 2 & 3); that Trade Mark KAYBEE Label was created and adopted by the late grandfather of the Plaintiff Abdul Ghani Kalia (father of the Defendants No 2 & 3) several years ago, for his other businesses, in which the father of the Plaintiff, namely Zafar Ahmed Kalia, was a partner; that upon the death of Shaikh Abdul Ghani, the Trade Mark KAYBEE Label devolved upon his legal heirs which included the late father of the Plaintiff Zafar Ahmed Kalia; that the Defendants No 2 & 3 adopted the Trade mark/trading style KAYBEE Label in respect of the Snack Bar, opened by them in the year 1979; that late Zafar Ahmad Kalia, father of the Plaintiff commenced Snack Bar Business in the year 1993 and formed a partnership

business with his mother Chaman Ara Begum/defendant No. 8; that this partnership business continued until 23rd August, 2008, when a family settlement was arrived at between the parties (including the Defendants No 2 & 3); that on 15th September, 2006, later Zafar Ahmed Kalia started another Snack Bar in Phase-V of the Defence Housing Authority, Karachi; that upon the death of the father of the plaintiff late Zafar Ahmed Kalia, on 26th January, 2010, his rights/title/interest in Trade Mark KAYBEE Label devolved upon the legal heirs namely Defendant No. 4 to 8 and the Plaintiff; that defendants No 2 & 3 are trying to usurp the rights of the Plaintiff to own and use the Trade Mark KAYBEE Label in their name; that for this purpose several applications for registration of the Trade Mark KAYBEE LABEL in various classes, oppositions and cross-oppositions are pending at the Trade Marks Registry. (Trade Mark registration Office). All Oppositions filed by the Defendants No 2 & 3 are time-barred; that on 7th December, 2010, Defendants No. 1 to 3 filed a *"Suit for Declaration, Permanent Injunction, Infringement of Trade Mark and Passing off Accounts of Profits and damages"* against the Plaintiff and Defendants No. 4-8, in this Court, which was numbered as No 1877 of 2010. The said suit is pending adjudication; that said Suit was accompanied by an Application under Order XXXIX Rule 1 & 2 CPC filed by the present Defendant No 1 to 3; that application was heard by a single judge of this Court on 19th February, 2014 and by an order passed on 14th April 2014, dismissed the same; that the order upon application under Order XXXIX Rule 1 8, 2 C.P.C. actually passed on 14th April, 2014, has been challenged by the Defendants 1 to 3 before the Division Bench of this Court in Appeal under HCA No 139 of 2014, in which till to-date no notice of the Division Bench of this Court has been ordered to be issued; that in June, 2014, the Plaintiff started a business under the name of KAYBEES SNACKS at Tariq Road, Karachi; that in view of the excellent quality, the restaurant under the name and style Trade Mark KAYBEE Label is extremely popular and sought after in the market and among general public who are the ultimate customer of restaurant under the name and style KAYBEE Label. The Plaintiff has carried out vast publicity of restaurant under the Trade Mark KAYBEE Label. In fact, the restaurant under the Trade Mark KAYBEE Label have become a household name; that as a result of extensive use of the Trade Mark KAYBEE Label by the Plaintiff, this Trade Mark has become associated with him only. The Trade Mark KAYBEE LABEL facilitates

people in general to recognize, identify and distinguish restaurant of Plaintiff from restaurant of others. The Trade Mark KAYBEE Label serves to distinguish restaurant of the Plaintiff from restaurant of other entities; that sale of the Plaintiff for the restaurant under the name and style KAYBEE Label is fantastic; that Plaintiff has carried out substantial publicity of its restaurant under the name and style of KAYBEE Label; that Plaintiff enjoys unparalleled reputation and goodwill in respect of restaurant under the name and style KAYBEE Label. The handsome reputation and goodwill has accrued to the Plaintiff on account of their excellent quality, long and uninterrupted use and extensive marketing and advertising. The Plaintiff has invested a huge amount of resources in popularizing and marketing restaurant under the name and style KAYBEE Label. As a result of huge advertising and effective marketing the restaurant under the Trade Mark KAYBEE Label, has become extremely popular; that after the dismissal of the application under order XXXIX Rules 1 & 2 C.P.C. the Defendants No 2 & 3 became jittery and started using pressure tactics upon the Plaintiff; that recently the Plaintiffs have served two Legal notices dated 101'n December. 2014 upon the Plaintiff; that the rights of the Plaintiff to use the Trade Mark KAYBEE Label are being threatened by the above noted Legal Notices, when the legal proceedings are already pending before this Court. Hence the plaintiff filed the instant suit.

3. The defendants No. 1 to 3 in their written statement have claimed that no cause of action has arisen to the plaintiff to file instant suit; that KAYBEE-II Snake and Restaurant was a passing off attempt by Zafar Ahmed Kalia and by virtue of Settlement Deed KAYBEE-II Snack and Restaurant was taken over by defendants No.2 and 3; that in 1969, a registered partnership in the name of Kaybees Industrial Corporation was formed with partners being Abdul Ghani Kalia, Zafar Ahmed Sheikh, Shaikh Mehboob Elahi, Feroz Ahmed Kalia, this partnership was dissolved in the year 1973; again a new partnership was formed in the same year and it continued till the death of Sheikh Abul Ghani; that goodwill for the partnership business stayed with Shaikh Abdul Ghani under clause 6 of the Partnership Deed, so at the time of his death no goodwill was transferred to Zafar Ahmed Kalia for KIC, thereafter, Zafar Ahmed Kalia established his proprietorship under the name of KIC and continued till his death; that Defendants No.2, 3 and 8 formed a partnership under the name and style of M/s Kaybee Snacks w.e.f 01.11.1979 to conduct the business of food,

snacks and restaurants services; that on 28.12.1992, the defendant No.8 retired from partnership; that on 2.1.1993 Zafar Ahmed Kalia entered into a partnership with defendant No.8 for business of food and restaurant under the name and style of M/s KAYBEE-II Snake and restaurant; that Zafar Ahmed Kalia opened a restaurant under the name KAYBEE Snacks and Restaurant (Royale) in DHA, Karachi as sole proprietor and in the same year he applied for trademark KAYBEE in classes 7, 29, 30 and 43 as well as for copyright of KAYBEE logo; that at the same time, defendants No. 2 and 3 also applied for registration of mark KAYBEE in classes 7, 29, 30 and 43; that by virtue of Settlement Deed Kaybee II Snacks and Restaurant is to be used by defendants No.2 and 3 and name KAYBE could be used by all three brothers, but the settlement deed is silent as to whether all three brothers are entitled to use name KAYBEE in fast food and restaurant business; that defendants No.2 and 3 filed oppositions to the application filed by late Zafar Ahmed Kalia, however, his death, the said oppositions are being contested by the plaintiff in violation of Section 122 of Trademarks Ordinance, 2001; that defendants No.2 and 3 have already filed Suit No.1877/2010 and HCA No.139/2014; that legal notices were issued to Kaybee Ice-cream Parlor and Kaybee Snacks and not specifically in the name of plaintiff; that the plaintiff is not an aggrieved person under the law; that defendants No.2 and 3 have right to claim passing off under the Trademarks Ordinance, 2001. It is lastly submitted that no cause of action accrued to the plaintiff to file the instant suit, hence it merits dismissal.

4. Heard learned counsel for respective parties and perused the record.

5. At the very outset learned counsel for defendants has referred section 18 of the Intellectual Property Organization of Pakistan Act 2012 which speaks that:-

“Jurisdiction of the tribunal. (1) All suits and other civil proceedings regarding infringement of intellectual property laws shall be instituted and tried in the tribunal.

(2) Notwithstanding anything contained in any other law for the time being in force the tribunal have exclusive jurisdiction to try any offence under intellectual property laws.

While taking the issue of jurisdiction learned counsel has relied upon section 39 which speaks that:-

“Act to override other laws. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.”

Accordingly learned counsel for defendant contends that plaint is not maintainable, liable to be returned as jurisdiction lies with the Intellectual Property Tribunal.

6. In contra, learned counsel for plaintiff while referring Trademark Ordinance 2001 particularly section 46 which speaks that :-

“46. Action for infringement.-- (1) Save as otherwise provided in this Ordinance, an infringement of a registered trade mark shall be actionable by the proprietor of the trade mark.

(2) In an action for infringement all such relief by way of damages, injunctions, accounts or otherwise shall be available to the proprietor of the trade mark as is available in respect of the infringement of any other property right.”

Further, contends that under the Ordinance jurisdiction was with the District Judge hence if pecuniary jurisdiction exceeds Rs.1.5 crore then this court is competent and routinely suits are being instituted before original side of this court.

7. At the outset, it is worth adding here that the Courts and other *fora* are not relieved of their duty in examining whether they have jurisdiction to adjudicate onto the matter or not; they shall never be relieved of their such duty on account of an act or omission of a litigant. The ‘**jurisdiction**’ is always created by the law *itself* so is evident from Article 175(2) of the Constitution which reads as:-

“No Court shall have any jurisdiction save as is or may be conferred on it by the Constitution or by or under any law.”

Therefore, the plea of learned counsel for plaintiff that number of other *alike* matters are pending is not sufficient excuse for establishing that this Court has jurisdiction which, too, with reference to law.

8. For referral to Section 44 of the Ordinance 2001, as made by learned counsel for the plaintiff in support of his plea that this Court has got jurisdiction, it would suffice to say that such plea, *least*, leaves nothing

ambiguous that cause of plaintiff relates to 'Trade Mark'. At this juncture, it would be conducive to see what effect the Act, 2012 has upon the **Trade Mark Ordinance 2001**'. For this, it would be conducive to refer the "*preamble*" of the Act, 2012 which reads as:-

"Whereas intellectual Property Rights including copyrights, **trade-marks**, patents, designs, lay-out design of integrated circuits, trade secrets and other intellectual property laws; supported by other laws are powerful tools for economic growth. The protection of these and similar intellectual property rights of the citizens is essential to foster creative thinking, stimulate creatively, provide incentives for technology innovations, and attract investments.

AND WHEREAS it is expedient to establish the intellectual Property Organization of Pakistan to provide for the institutional arrangement in the state set-up for taking up **exclusively and comprehensively all subjects and matters relating to Intellectual property rights** in an integrated manner and for matters concerned therewith or incidental thereto."

The above makes it clear that '*Trade-Mark*' is specifically included. Now, I would refer to Section 2(g) of the Act, 2012 which defines '*Intellectual Property*' as:-

"Section 2(g) "*Intellectual Property*" includes a **trademark**, patent, industrial design, lay-out design (topographies of copyright **and related rights and all other ancillary rights.**"

Here, it would also be relevant to refer the Section 2(h) of the Act which reads as:-

Section 2(h) "*Intellectual Property Laws*" means the laws specified in the schedule;

From above definition, it is clear that all the laws, specified in the schedule of the Act, 2012 would fall within meaning of the "**Intellectual Property Laws**". The schedule, so provided, specified the related laws as:-

The SCHEDULE

(See section 2(h))

- 1) **The Trade Marks Ordinance, 2001(XIX of 2001).**
- 2) **The Copyright Ordinance, 1962 (XXXIV of 1962).**
- 3) **The Patents Ordinance, 2000 (LXI of 2000).**

- 4) The Registered Designs Ordinance, 2000 (XLV of 2000).
- 5) The Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000).
- 6) Sections 478, 479, 480, 481, 482, 483, 485, 486, 487, 488 and 489 of Pakistan Penal code (Act XLV of 1860).

The specific inclusion of the Ordinance 2001 in the schedule of the Act 2012 makes it clear that such law would also fall within definition of the **“Intellectual Property Law”** therefore, within meaning of the Section 39 of the Act, the Act 2012 shall **‘over-ride’** other related laws which *legally* includes **‘Trade-Mark Ordinance 2001’** therefore, jurisdiction in such like matter shall lie with no other Court (s) but the **‘Tribunal’**, so established within meaning of the Act 2012. The clear purpose was to establish a court that would be able to deal with all matters. It is needful to add that there is not the slightest indication that the intention was to limit the range of disputes that would fall within the ambit of the *Tribunal*, established under the Act 2012 that some issues relating to **‘Intellectual Property Laws’** would fall within its jurisdiction and others not instead, the breadth of language used suggests that the statutory purpose was to create a specialist court that would deal with all matters relating to **Intellectual Property Laws** which shall include those matter (s), too, that are relating to **“Intellectual property rights”** in an integrated manner and for matters **‘concerned therewith or incidental thereto’** therefore, it would not be permissible for one to file a suit for such like matter (s), arising out of **“Intellectual Property Laws”** of cause thereof is based on an allegation of determination of any *infringement* of such right and entitlement, which either are integrated; concerned or ancillary to such *Law* else the purpose of creating Special Tribunal shall fail if so, it shall also cause prejudice to the purpose and language of Section 18 (1) of the Act which insists that:-

“Jurisdiction of the tribunal.(1) All suits and other civil proceeding regarding infringement of intellectual property laws shall be instituted and tried in the tribunal.”

The above provision leaves nothing ambiguous that the Tribunal *even*, shall be competent to entertain other *civil proceeding* which are based on an allegation of infringement of *intellectual property laws* hence it is quite safe to conclude that even an attempt to include relief, not specifically detailed in Act 2012, in a suit *entirely* based on an allegation of infringement of Intellectual Property Laws, would not justify filing such *lis* before any other Court except the

Tribunal. Needless to reaffirm another legally established principle that when a special court is created the apparent purpose of creating a single forum for resolving disputes of a particular type is not to be stultified by a resort to undue literalism. Guidance is taken from the case of *Xolile David Kham v. Electoral Commission*(2016 SCMR 563) wherein at Page-586, legal position for creating a special Court/Tribunal detailed as:-

“.....The clear purpose was to establish a court that would be able to deal with all electoral matters. It was constituted with the same status as the High Court and with a judge of the Supreme Court of Appeal as its chairperson. It is to resolve electoral disputes as a matter of urgency.³³ There is not the slightest indication that the intention was to limit the range of disputes that would fall within the ambit of the Electoral Court's jurisdiction, so that some electoral issues would fall within its jurisdiction and others not. Instead, the breadth of language used suggests that the statutory purpose was to create a specialist court that would deal with all electoral matters. And our jurisprudence holds that when a specialist court is created the apparent purpose of creating a single forum for resolving disputes of a particular type is not to be stultified by a resort to undue literalism and too careful a parsing of statutory language.”

9. In view of above, it is categorical clear that jurisdiction of District Court as well as of this Court in such like matter (which *squally* fall within definition of “**Intellectual Property Act, 2012**” is barred. Accordingly, plaint is hereby returned, however, plaintiff would be competent to approach Intellectual Property Tribunal. CMA No.12291/2017 filed by defendants is allowed in the above terms; consequently, application under Order XXXIX Rule 1 & 2 CPC [CMA No. 17419/2014 filed by the plaintiff is hereby dismissed.