

**IN THE HIGH COURT OF SINDH AT KARACHI**

**Present:  
Mr. Justice Muhammad Shafi Siddiqui  
Mr. Justice Adnan-ul-Karim Memon**

High Court Appeal No. 284 of 2018

Famous Brands (Private) Ltd.

Versus

Samsonite IP Holdings S.a.r.l and another

Date of Hearing: 21.01.2021 & 04.03.2021

Appellant: Through M/s. Salman J. Mirza and Saifullah Abbasi Advocates.

Respondents: Through M/s. Mayhar Qazi & Shah Bakht Pirzada Advocates.

**J U D G M E N T**

**Muhammad Shafi Siddiqui, J.**- By a common order, learned Single Judge was pleased to dispose of three independent applications in Suit No.2040 of 2017. Suit was filed by respondents for declaration, permanent injunction and damages in respect of intellectual property right. The two applications under rules 10 and 11 of Order VII CPC were filed by appellant/defendant whereas third being an application under order XXXIX rule 1 & 2 CPC was filed by respondent/plaintiff. Learned Single Judge was pleased to dismiss the two applications of the appellant whereas injunction application of the respondent was allowed to the extent of removal of signboard carrying and displaying trademark of respondent. Aggrieved of the common order, the appellant/defendant has preferred this appeal.

2. Mr. Salman Mirza, learned counsel for appellant submitted that the learned Single Judge erred while giving reasons for dismissing the applications that the two applications under order VII rule 10 and VII Rule 11 cannot be maintained simultaneously. Learned counsel submitted that the learned Single Judge erred in holding that Order VII

Rule 11 application can only be entertained by a Court of competent jurisdiction and the Court which exercised jurisdiction under order VII rule 11, has jurisdiction to entertain the suit/plaint and to decide entire lis on merit including the applications therein. Learned counsel further urged that with these observations learned Single Judge held that once the jurisdiction is surrendered in terms of moving application under order VII rule 11 CPC, the application under order VII Rule 10 CPC cannot be filed and/or entertained by the Court as the two situations are contradictory to each other insofar as exercising the jurisdiction is concerned. Per learned counsel, the learned single judge erred in holding that the appellant/defendant by filing application under order VII rule 11, submitted to the jurisdiction of the Court and hence cannot press upon an application under order VII rule 10 for return of plaint praying that it had no jurisdiction.

3. Insofar as the territorial jurisdiction of learned Single Judge is concerned, learned counsel for appellant submitted that no cause of action accrued within the territorial limits of this Court and that operating an office in Karachi alone would not confer jurisdiction to this Court unless a cause of action accrued within its limit. Learned counsel in this regard also relied upon pendency of two earlier suits, which were/are pending before Civil Judge Lahore prior to filing of instant suit, and submitted that this plaint should have also been filed at Lahore to avoid multiplicity of litigation and to avoid conflicting judgment. Learned counsel submitted that in these circumstances in terms of Section 10 CPC, learned Single Judge should have stayed the proceedings of the instant suit.

4. Insofar as disposal of injunction application is concerned, learned counsel for appellant submitted that the only trademark registered in Pakistan is “American Touristor” whose proprietor is not

respondent/plaintiff hence suit in the present form cannot be maintained by the respondent.

5. Learned counsel while taking us to the impugned order submitted that there is no discussion or adjudication as to whether balance of inconvenience was in favour of respondent or that they would suffer any irreparable loss in case the injunction would be refused. He further argued that the respondent failed in establishing a prima facie case that there is evidence of use of “Samsonite” by respondent in Pakistan. Learned counsel for the appellant thus concluded that it is the appellant who would suffer irreparable loss and balance of inconvenience would be in their favour while considering and granting injunction application.

6. Learned counsel further submitted that the idea of having an independent retail stores for luggage/bags in Pakistan was of the appellant in the year 2005, which cannot be denied by the respondents/plaintiffs. Learned counsel for the appellant further submitted that the respondents cannot deny this fact that it was appellant/defendant who first introduced “Samsonite” retail store in Pakistan around 2005. Learned counsel has relied upon the observation of the learned Single Judge that claim of infringement was not made out but a claim of passing of can always be pressed upon subject to parameters prescribed for entertaining such claims.

7. Learned counsel further argued that in terms of requirements of Section 86 of Trademark Ordinance, 2001, learned Single Judge ought to have examined the requirement to hold the mark as a well-known mark as enumerated in Section 86(2)(i) to (2)(vii), which determination was not available on record to establish the “SAMSONITE, AMERICAN TOURISTER and HIGH SIERRA” as being well-known mark and is covered in terms of the above provision. It is argued that learned Single Judge erred in not appreciating that a question that trademark was well-known

in Pakistan was a question of fact which could not be determined on the basis of material available on record.

8. Learned counsel relied upon pendency of a suit before Civil Judge Lahore wherein the injunction application was dismissed thereby restoring status of the appellant as distributor by Court of competent jurisdiction and hence it cannot be indirectly done by a Court of competent or equal jurisdiction even though such jurisdiction is exercised by a High Court in original jurisdiction.

9. As against above contentions, Mr. Mehar Qazi, learned counsel for respondents, submitted that the learned Single Judge had jurisdiction over the matter as the appellant admittedly carries on business in Karachi through retail outlets. The appellant was served at their office at Karachi. The trademark of the respondents is claimed to have been infringed by appellant at stores located in Karachi.

10. Learned counsel further submitted that the only reason for filing application under VII rule 11 CPC was that respondents did not have registered trademark however the contents of the plaint, which for reference of order VII Rule 11 CPC are presumed to be true and correct, show that some trademarks of respondent No.1 are registered or published/pending. Other claims in the plaint include protection of well-known mark under Paris Convention and passing off.

11. Insofar as stay of the proceedings in view of parallel proceedings before Civil Judge Lahore is concerned, learned counsel for respondents submitted that the appellant did not move any application for the suit to be stayed under section 10 CPC. Without prejudice, he submitted that none of the requirements as required under section 10 CPC are met by the appellant. Learned counsel submitted that the nature and complexion of the two prior suits filed within the jurisdiction of Civil Judge Lahore are totally different than the one under discussion.

12. In relation to injunction application, learned counsel for respondents submitted that the respondents were/are global owner of “Samsonite” trademark including but not limited to United States of America, European Union, Japan, South Korea, Australia, whereas the appellant has not been able to demonstrate even by way of a single document that it had any right to use “Samsonite” trademark. It is contended that it is immaterial that the original “Samsonite luggage” are being displayed portraying the goods as discounted goods alone would be enough to make them a substandard commodity or to create a confusion of counterfeit goods at its shop. Counsel submitted that injunctive part of the order only restrains appellant/defendant to remove signboard whereas the business of the appellant would not suffer as they could continue to sell the product that they had allegedly purchased from other sources.

13. We have heard the learned counsel for the parties and perused material available on record.

14. The initial question, as raised by the appellant, is with regard to reasoning assigned while dismissing the applications under order VII Rule 10 and 11 CPC. The only significant objection during the course of argument taken by the learned counsel for appellant was that learned Single Judge erred in observing that the two applications under Rule 10 and 11 of Order VII cannot be maintained simultaneously and the reasoning assigned by learned Single Judge was that if the Court had jurisdiction to entertain an application under Order VII Rule 11 it means that it had jurisdiction to entertain the suit and hence application under order VII rule 10 would be contradictory as it is only filed in a case where Court lacks jurisdiction.

15. Insofar as dismissal of the two applications on the other counts are concerned, we have no hesitation in our mind that the learned Single

Judge rightly dismissed the two applications as cause to file instant suit triggered within the territorial limits of this Court when despite severance of relationship the appellant continued to sell the branded products of respondents and continued to use signboards displaying trademark of the respondents. In paragraph 20 of the plaint, the respondents have categorically stated that on 1.12.2016 when defendant/ appellant failed to remove the signage bearing trademarks and continued selling products bearing the trademarks and the passing of defendant's/appellant's as those of plaintiffs/respondent.

16. In terms of order VII rule 10 the plaint could only be returned to be presented to the Court in which suit should have been instituted. Merely filing of suit before Civil Judge Lahore would not oust the jurisdiction of learned Single Judge to entertain and proceed with the matter as the appellant failed to establish as to on what count the Court/learned Single Judge seized jurisdiction and thus required to return the plaint for its presentation to a Court having jurisdiction.

17. Perhaps the learned counsel addressed the arguments keeping in mind provisions of Section 10 CPC which enables the Court to stay the "trial" of any suit in which the matter in issue is also directly and substantially in issue in a previously instituted suit between the same parties, or between the parties under whom they or any of them claim litigating under the same title where such suit is pending in the same or any other Court in Pakistan having jurisdiction to grant relief claimed or in any Court beyond limits of Pakistan established or continued by the Federal Government and having like jurisdiction or before Supreme Court. Since neither an application under section 10 CPC was moved by the appellant nor is there any observation in this regard by the learned Single Judge, therefore, we would refrain ourselves from commenting on

it as it might prejudice the case of either parties in case any application in this regard is filed.

18. Let us now see as to whether the two applications under order VII Rule 10 and 11 could be maintained simultaneously by a party. Order VII Rule 10 CPC enables the Court to return the plaint to be presented to the Court in which it should have been instituted and Court lacks jurisdiction. This Rule 10 of Order VII has its own rational and reasoning whereas Rule 11 of Order VII is in relation to the jurisdiction of Court for rejecting a plaint where it does not disclose a cause of action; where the relief claimed is undervalued; where relief claimed is properly valued but the plaint is not sufficiently stamped and where the suit appears from the statement of plaint to be barred by law.

19. By moving an application under order VII rule 11 a litigant does not surrender to the jurisdiction of the Court. The jurisdiction is conferred by law based on facts. A litigant may be right or wrong in asserting that the Court had no jurisdiction or that the suit is barred by law. But, this act of litigant would neither confer and/or bestow nor take away any jurisdiction which in fact is conferred by law. Actions of parties prior to litigation leads to constitution of a cause to initiate proceedings in Court of competent jurisdiction.

20. The principle of taking steps under Arbitration Act could not be applied when moving an application under order VII rule 11 amounts to taking a step to confer, concede and surrender to proceed before Court. Under Arbitration Act it is by operation of law that a step towards proceeding counted in conceding to the jurisdiction to proceed on merit when belated application for referring the matter to arbitration under Arbitration Act is filed, which is not the case here as these acts of defendant/appellant by moving two applications one under order VII rule 11 and the other under order VII rule 10 could not be taken as a step

either to consider defendant/appellant to have bestowed/surrendered or to deny the jurisdiction of the Court, whichever the case may be.

21. Rule 74 of Sindh Chief Court Rules is the only rule that enables the party to move application for an interlocutory relief. It restricts a litigant from moving an application for interlocutory relief that contains more than one prayers of contradictory nature. By way of aforesaid rule, a litigant is permitted to move an application with only one prayer or one series of alternative prayers of the same kind. The two applications presumed to have been filed without prejudice to each other.

22. If the two applications were not moved simultaneously and would have been filed one after the other, will a litigant still be debarred from filing the other application such as Order VII Rule 10 CPC. A simple answer to this proposition is 'No' as rejection of plaint has its own reasons whereas return of plaint has its own. In an application under order VII rule 11 a litigant has only to show that it does not disclose a cause of action; the relief claimed is undervalued or is not properly valued and that the suit appears to be barred by law. None of these rational is available while entertaining an application under order VII rule 10 CPC, which is for return of plaint on numerous counts including but not limited to pecuniary jurisdiction and territorial jurisdiction. Courts when plaint is presented are required to see whether they are bestowed with pecuniary and territorial jurisdiction whereas under Order VII Rule 11 CPC Courts are required to see whether it is barred by law. The Court had to apply law to decide the issue of jurisdiction; it is the law that confers or takes away the jurisdiction of the Court and not based on moving of application under the aforesaid provision of law. Another proposition is that while entertaining and hearing application under order VII rule 11 CPC Court is empowered to return the plaint if the circumstances so warrants as required under the law.



23. In our humble view though the two applications under order VII rule 10 and 11 were dismissed on several reasons as observed in the impugned order but the reason of dismissing two applications having been moved simultaneously, was not available/tenable in law. We however would maintain the order of dismissal of two applications on the other reasons assigned by learned Single Judge in the impugned order.

24. Insofar as the merits of the case vis-à-vis injunction are concerned, we are surprised to see that the appellant despite having an order on merit in its favour has filed this appeal. In the concluding portion of paragraph 13 of the order, the learned Single Judge observed that:-

*“Therefore, if the goods are not counterfeit or fake, and have been procured through legalized channel(s), from third party supplier(s) or even from any other sources (depending upon the transaction individually), selling of such goods within Pakistan, would not amount to any infringement under the Trade Mark Ordinance, 2001, per se. On this count as well the defendants selling of luggage of Samsonite and its other brands does not constitute infringement. In fact while confronted on this issue the learned counsel for the plaintiff had conceded that to that effect perhaps there is no law in field and the defendant cannot be restrained in selling such goods.”*

25. There is no appeal in respect of above part of the observation of the learned Single Judge as far as respondents are concerned hence the appellant in fact was permitted to sell the goods of respondents since they are not counterfeit products. However, the only proposition on the basis of which somehow injunctive order was passed was that the appellant/defendant cannot take benefit from the display of plaintiffs'/ respondents' trademark as signage. In an attempt to demonstrate that they (appellants) are using such signboard, respondents/plaintiffs produced various photographs through statement showing that some of the shops of the appellant displayed signboard of Samsonite to mislead

the customers and branding themselves to be an authorized distributor and reseller of the goods. Learned Single Judge also reproduced the order of 27.09.2017 passed in the said suit, which is also reproduced below for the sake of convenience:-

*“Mst. Amna Salman Ahmed, Advocate has filed Vakalatnama for the defendant and requests for time to file counter-affidavit. At this juncture, Mr. Omer Soomro, Advocate submits that in Lahore the same defendant filed one suit for claiming declaration that the defendant is exclusive distributor of the Samsonite, but the injunction application was dismissed, on which Ms. Amna Salman Ahmed, Advocate for defendant submits that appeal has already been filed, but she is not aware about the latest update. Learned counsel for the plaintiff submits that one more suit for claiming damages filed by the defendant has been dismissed for non-prosecution. Learned counsel for the plaintiff further argued that in Karachi infringement has been committed in some outlets. Learned counsel for the defendant clearly stated that in Karachi outlets there is no use of Samsonite signage. This undertaking of the learned counsel for the defendant is taken on record. By consent the matter is adjourned to 11.10.2017.”*

It appears that they (appellant) has already given an undertaking that they would not “use” Samsonite signage in any manner whatsoever.

26. Without being prejudiced to the aforesaid statement, learned Single Judge came to a lawful conclusion that in terms of Section 86 of Trademark Ordinance, 2001, prima facie the infringement is being caused to a trademark under Trademark Ordinance, 2001 as the appellant is still using identical signage of the name of Samsonite for which there is no permission or consent of the owner/proprietor of the trademark in relation to goods and services falling in class 18 and 35 of the 4<sup>th</sup> Schedule of Trademark Rules, 2004 read with Rule 11, 71 and 88.

27. Rule 86 provides for protection of well-known trademark, which entitled it for such protection under Paris Convention and which is well-known in Pakistan as being mark of a person who is a national of convention country or is domiciled in, or has a real and effective industrial or commercial establishment in a convention country, whether

or not that person carries on business, or has any goodwill in Pakistan and references to the proprietor of such a mark shall be construed accordingly.

28. The contention of the appellant's counsel that it is the appellant who has initiated the concept of having a standalone stores for luggage in high street shops and then emerging in shopping malls in Pakistan, loses its force on two counts firstly that it is immaterial if the proprietor has a business goodwill within the country where infringement is sought such as in this case Pakistan and secondly the concept of opening a common store for all kinds of luggage is not in dispute. That action itself of having a standalone store of luggage is open for them (appellant) to continue and which was neither objected nor the respondents filed any application/ appeal in this regard. In fact it is only the infringement in relation to the marks being used by appellant which is objected to. The appellants have themselves demonstrated that the mark is well known in Pakistan and they are continuing business despite severance of relationship with principal.

29. There is not serious degree of opposition that the subject goods i.e. Samsonite and American Tourister High Sierra do not have a goodwill or reputation within Pakistan. In the absence of such opposition the debate is not open as to whether it is a well-known mark or otherwise.

30. The appellant at the most on the basis of correspondence had the relationship of a distributor which was severed and hence any use of the mark such as in the instant case the signboard, cannot be permitted without permission of the proprietor of the trademark.

31. Section 86(1) of Trademark Ordinance, laid down that the trademark which is entitled to protection as well-known trademark shall be a mark which is so entitled under Paris Convention and which is well-known in Pakistan as being mark of a person who (a) is a national of

conventional country or (b) is domiciled in or has real and effective industrial or commercial establishment in a conventional country, whether or not that person carries on business or has any goodwill in Pakistan and references to the proprietor of such shall be construed accordingly.

32. Section 86(3) of the Trademark Ordinance, 2001 provides that owner of the trademark which is entitled to protection under the Paris Convention as a well-known trademark shall be entitled to restrain by injunction the use in Pakistan of a trademark which, or the essential part of which, is identical or deceptively similar to the well-known trademark in relation to identical or similar goods or services, where the use is likely to cause confusion or where such use cause dilution of the distinctive quality of the well-known trademark.

33. The requirement of tribunal while determining whether a trademark is well-known without having to require registration or actual use in the form of sale of goods or services under the trademark in Pakistan, is required to be considered on several factors excluding the business and goodwill in Pakistan. Therefore, it is immaterial if the proprietor was actually carrying on business with the goodwill in Pakistan. Although the appellant has categorically undertaken before learned Single Judge that they are not using the signboard or signage at their retail outlet, yet the aforesaid findings should not make them (appellant) aggrieved in view of appellants own undertaking before the learned Single Judge.

34. Lastly, the arguments of the learned counsel that it is a case of acquiescence, since prior to the engagement of the appellant with the respondent they were selling the subject goods within the territorial limits of Pakistan. At the very outset there is nothing in the instant case which could attract Section 81 of Trademark Ordinance, 2001. The

proprietor of the mark never gave up their right or it has not been demonstrated that for continuous period of five years from the date of alleged registration (in favour of user) in the use of registered mark in Pakistan, the proprietor was aware of it and that the proprietor ceased to be entitled on the basis of that earlier trademark or other rights. The engagement of the appellant with the respondent itself is enough to understand that there was no case of acquiescence at all. In fact the appellant conceded when they assumed the role of a distributor.

35. So far as prima facie case and balance of inconvenience etc. for consideration of interlocutory applications are concerned, at this stage when interlocutory applications are being heard such as the injunction application well settled principle of administration is that it is the substance that would be evaluated for a party presenting prima facie case and balance of inconvenience. Once such discretion is exercised by learned Single Judge, which in substance could be ascertained while going through entire order, then the discretion exercised by the learned Single Judge should not be normally interfered. The appellate Court normally avoid interfering in the orders of the interlocutory nature involving exercise of discretion as the appellate Court cannot substitute its own discretion unless when the discretion has been exercised arbitrarily, capriciously, perversely or where the Court has ignored certain principles regulating grant or refusal of injunction. The appellate Court is not required to reassess the material to reach a conclusion different from the one reached by the trial Court/learned Single Judge on the consideration that another view is possible. Thus, if the discretion has been exercised by the trial Court/learned Single Judge reasonably in a judicial manner, same should not be interfered in the exercise of appellate jurisdiction. Reliance is placed on the case of

Roomi Enterprises (Pvt.) Ltd. v. Stafford Miller Ltd. reported in 2005 CLD 1805.

36. In view of above facts and circumstance, no case of any indulgence is made out by the appellant and hence the appeal is accordingly dismissed along with listed application.

Dated:

**Judge**

**Judge**