

IN THE HIGH COURT OF SINDH AT KARACHI

Suit No.1276 of 2001

Virgin Enterprises Ltd. and Another v. Virgin Express International (Pvt.) Ltd.
and Another

Plaintiffs : Virgin Enterprises Ltd. (Plaintiff No.1)
Virgin Atlantic Airways Ltd. (Plaintiff No.2)
through Amna Salman, Mohammad Shaikh,
and Shahjahan Khan. Advocates

Defendant : Nemo

Dates of Hearing : 08.05.2023, 24.05.2023, 29.05.2023,
01.06.2023

Date of Decision : 29.08.2023

ORDER

Jawad Akbar Sarwana, J.: Plaintiffs, limited liability associated companies incorporated under the laws of the United Kingdom, have filed this suit against Virgin Express International (Pvt.) Ltd., a private limited liability company incorporated under the Companies Ordinance, 1984 and its Chief Executive Officer, Mr. Khurram Ashraf, for the grant of permanent injunction restraining the Defendants perpetually from using the trademark and trade name of the Plaintiffs, "VIRGIN" and Passing Off their business, services and goods as and for the business, services and goods of the Plaintiffs or attempting to infringe, use, pass off and advertise or use the trademark and trade name, "VIRGIN" in any manner and for accounts of profits, damages and delivery up, etc. The Plaintiffs have prayed for the following reliefs:

- (i) A decree for permanent injunction restraining the Defendants perpetually from using the imitated trademark and trade name/company name VIRGIN either alone or in conjunction with any other word, feature or device or any other trademark and trade name in relation to international courier services, express delivery on global scale, expedited surface an air charter delivery, foreign shipment, customs clearances etc., as may be a colourable or slavish imitation or counterfeit and/or infringement of the Plaintiffs trademark and trade name/company name VIRGIN.
- (ii) A decree of permanent injunction restraining the Defendants perpetually from using in any manner VIRGIN either as trademark and/or as

part of the trade name/company name "VIRGIN EXPRESS INTERNATIONAL (PRIVATE) LIMITED" and from using and infringing trademark and trade name/company name VIRGIN as used by the Plaintiffs or any colourable imitation thereof; Passing Off, advertising or otherwise enabling others to infringe or Pass Off, offer for sale or use sell any goods or conduct any business or provide any service using VIRGIN either as a trademark, trade name or as part of Defendants' company name "VIRGIN EXPRESS INTERNATIONAL (PRIVATE) LIMITED" or any colourable similarity of Plaintiffs' trademark and trade name/company name VIRGIN.

- (iii) A preliminary decree for an account to be rendered by the Defendants of the profit wrongfully made by the Defendants by selling goods and/or conducting business and providing services under trademark and trade name/company name VIRGIN.
- (iv) A final decree for the payment to the Plaintiffs of sums of money found due on taking of such accounts under the aforementioned preliminary decree;
- (v) A decree against the Defendants for the payment of Rs.10 million to the Plaintiffs as damages on account of loss of business and a further sum of Rs.15 million as partial loss and damage to the goodwill and reputation of the Plaintiff, thus total amount of damages comes to Rs.25 million;
- (vi) Any order directing the Defendants to destroy or replace the labels/packaging, brochure, price list, etc. bearing the trademark and/or trade name and/company name VIRGIN or VIRGIN EXPRESS or handing over to the Plaintiffs for destruction of all the offending labels/packaging and other printed material bearing the imitated name VIRGIN in any manner.
- (vii) Any other relief that this Honourable Court may deem just and proper in the circumstances of the present case.

2. The brief facts of the case are that the Plaintiffs allege that they are owners of the well-known international brand and trademark: "VIRGIN", operating several businesses across the world ranging from airline to cellular network service providers to travel and leisure to music and entertainment to space exploration, etc. The Defendants are a Pakistani Private Limited Liability

Company having their registered office in Karachi, apparently conducting the business of courier service provider.

3. Plaintiffs submit in their pleadings and through Counsel that in the later part of the year 1998, the Plaintiffs came to know that Defendant No.2, in connivance with other Promoters/Directors, got a company incorporated in Pakistan in the name of “VIRGIN EXPRESS INTERNATIONAL (PRIVATE) LIMITED,” Plaintiffs contend that the name “VIRGIN” apart from being a trademark of the Plaintiffs is also the trade name/company name of the Plaintiffs and of the Virgin Group of Companies, used worldwide, as stated above, and that the Defendants commencement of business of international courier service, express delivery on a global scale, expedited surface and air charter delivery, freight shipment, customs clearance etc., all using the name “VIRGIN” either alone or along with the word “EXPRESS” (hereinafter referred to as Defendants imitated mark) is the same as the Plaintiffs trademark, trade name/company name “VIRGIN” used since as early as 1971 by Plaintiff No.1.

4. Plaintiffs Counsel submits that the use of the word “VIRGIN”, both as trademark and company/tradename, has been licensed by Plaintiff No.1 to various companies of the Virgin Group and is also used, as stated above, by Plaintiff No.2 as the distinctive identifier for the Virgin Airlines and its fleet of aircraft. Plaintiff No.2 also offered airline services in Pakistan from December 2020 to July 2023 and continues to provide airline services across the world. Plaintiff No.2 commenced its aforesaid business and services in the year 1984 and Virgin Express commenced its business and services in March 1996. Additionally, VIRGIN EXPRESS HOLDINGS PLC is the name of a further member of the Virgin Group and a licensee of Plaintiff No.1.

5. Plaintiffs Counsel further submits that in order to protect their interest in the trademark “VIRGIN” Plaintiff No.1 has filed various applications in Pakistan, which are all registered under the trademark laws of Pakistan. The applications filed by Plaintiffs are as follows:

Trademarks	TM Application	TM Class¹	Dated
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¹ Classification of Goods and Services in Pakistan

(a) Trade Marks Rules, 1963, Fourth Schedule (in force as of the date of filing of Suit)
Class 9 - Scientific nautical, surveying and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instrument; coin or counter-freed apparatus ; talking machines ; cash registers : calculating machines, fire-extinguishing apparatus.

	Nos.		
VIRGIN	129939	32	30-04-1995
VIRGIN	127343	09	06-11-1994
VIRGIN Signature	127344	09	06-11-1994
VIRGIN Signature (Bobby)	129940	32	30-04-1994

6. When Plaintiffs Counsels served a cease-and-desist legal notice dated 12.09.1998 upon the Defendants, they contested Plaintiffs assertions vide their Reply dated 28.10.1998 claiming that the nature of their business (allegedly) was different from the business of the Plaintiff. After Plaintiffs efforts to settle the matter amicably failed, Plaintiffs Counsel submits Plaintiff filed this suit on 19.11.2001.

7. The matter came up in Court on 10.02.2003 for a hearing of Plaintiffs' interlocutory application seeking a temporary injunction when Mr. S Ahmed Ali Shah holding brief for Mr. Gohar Iqbal for Defendants, entered an appearance. Thereafter, the matter was listed once again in Court on 22.05.2003, but this time for final disposal as Defendants were debarred from filing their Written Statement. Mr. Gohar Iqbal, Advocate for Defendants, requested time as he wanted to move an application to recall the order debarring Defendants from filing the Written Statement. Accordingly, with the consent of the Plaintiffs' Counsel, time was allowed and the case was adjourned to a date in office. Thereafter, the suit was listed on 16.09.2003, 07.10.2003, 20.10.2003 and 24.11.2003. On all four occasions, Mr Gohar Iqbal requested time and the matter was adjourned. **On 02.01.2004, Mr Gohar Iqbal stated that he had supplied a copy of the Counter-Affidavit to the Plaintiffs Injunction Application to the other side,**

Class 32 - Beers, ale and porter ; mineral and aerated waters and other non- alcoholic drinks; syrups and other preparations for making beverages.

(b) Trade Marks Rules, 2004, Fourth Schedule (came into force after the filing of Suit)

Class 9 - Scientific, nautical, surveying and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments, coin or counter-freed apparatus; talking machines; cash registers, calculating machines, apparatus for recording, transmission reproduction of sound or images, magnetic data carriers, recording discs, automatic vending machines and mechanisms for coin apparatus, data processing equipment and computers; fire extinguishing apparatus.

Class 32 - Beers, mineral and aerated waters and other non-alcoholic drinks, syrups and other preparations for making beverages; fruit drinks and fruit juices

who requested time to file a rejoinder. However, no such Counter-Affidavit is available in the suit file. Thereafter, the case was listed in Court on 10.02.2004. and 06.10.2004, when the matter could not proceed on the grounds that Mr. Gohar Iqbal was unwell. Nothing happened on 01.12.2004. On 31.08.2005 and 26.10.2005, Mr Gohar Iqbal submitted that the parties were negotiating a compromise and the matter was adjourned to 24.11.2005. Mr. Gohar Iqbal did not turn up in Court on the next date of hearing. The case kept coming up in Court until 12.05.2008 when Plaintiffs Attorney filed his Affidavit in Evidence. There were three further dates of hearing, and on the last of the three dates, i.e. 17.02.2009, Mr. Gohar Iqbal attended the hearing for the last time in this suit. No one attended the suit on behalf of the Defendant after 17.02.2009. No intimation was recorded from the Defendant's side. The Plaintiff's Witness appeared in Court on 26.02.2015 and his evidence was recorded before the learned Single Judge. The Plaintiffs' witness, Syed Mokkaam Ali produced Exhibit Nos.PW-1/1 to PW-1/3. No further affidavit in evidence of the witness of the Plaintiff was filed nor was any witness present. Therefore, the Court closed the Plaintiff's side for evidence. The suit was then listed for evidence of the Defendants on 13.09.2017 but none were present for the Defendants. Accordingly, the Court closed the Defendants' side for evidence recording. The matter was then listed for final arguments along with the hearing of Plaintiff's Interlocutory Application filed in the year 2001. After several hearings and requests for adjournments by Plaintiffs' Counsel, the learned Single Judge confirmed the ex-parte ad-interim restraining order on 23.01.2019, which this Court had granted on 24.09.2001.

8. When this bench heard the matter for the first time for final arguments on 08.05.2023, the Court ordered notice to the Defendant and their Advocates through Bailiff, but no one turned up in Court on 24.05.2023. Thereafter, the bench ordered service of court notice by Bailiff through pasting on Defendants and by electronic modes on Defendants Advocate for 29.05.2023. Once again, no one showed up. Court notices were served on two addresses of Defendants: (i) on Defendant No.1 Company's registered address at Sabah Place, Main Shahrah-e-Faisal, Karachi, and (ii) on Defendant No.2 CEO address, Virgin House, 105 Rohail Khund Society, Shaheed-e-Millat Road (Adjacent Hill Park), Karachi. Meanwhile, during this time, the Court started hearing the final arguments and discovered that Defendants' Counsel had passed away.

9. Defendants neither filed their Written Statement nor any application to set aside the Additional Registrar (O.S.) order of 27.03.2003 debarring them from filing their Written Statement. They did not cross-examine the Plaintiffs' witness

and they did not produce their witness. They simply chose not to participate in the proceedings diligently. During Plaintiffs' evidence, the witness deposed that he was the duly constituted Attorney of Plaintiffs, that he had gone through the contents of the affidavit in ex-parte proof and produced the same as Exhibit PW-1 and his power of attorney marked as Ex. No. "PW-1/1" followed by the production of:

- (i) Ex. No. "PW-1/2" an Original Government of Pakistan, Trade Marks Registry Certificate for TM Application No.127343 dated 02.04.2007 in Class 9 for the trademark "VIRGIN" (in words) indicating that the said trademark was registered as of 06.11.1994, renewed on 14.09.2001 for another 15 years from 06.11.2002 and was still in force; and,
- (ii) Ex. No. "PW-1/3" an Original Government of Pakistan, Trade Marks Registry Certificate for TM Application No.129940 dated 02.04.2007 in Class 32 for the trademark "VIRGIN" (logo) indicating that the said trademark was registered as of 30.04.1995, renewed on 17.11.2005 for another 15 years from 30.04.2002 and was still in force.

10. As mentioned above, the suit was filed on 19.11.2001. Eleven years later, on 06.12.2012, Parliament enacted the Intellectual Property Organization of Pakistan ("IPOP") Act, 2012. The IPOP Act of 2012 introduced major procedural changes to hearing of intellectual property law matters, and in particular, to jurisdiction. Essentially, at the time of filing of this suit, the High Court had jurisdiction to hear the matter. However, during the course of the trial, when the IPOP Act of 2012, came into force, the High Court no longer had jurisdiction. The Plaintiffs' counsels did not make any submissions regarding this issue. They decided to ignore the law. On their part, the Plaintiffs' Counsels submitted final arguments up to 01.06.2023. None offered any assistance on the coming into force of the new Act.

11. The question now before this Court is whether the Suit as filed is maintainable before this Court or ought to be transferred for adjudication/determination by the Intellectual Property Tribunal established under Section 16 of the Intellectual Property Organization of Pakistan ("IPOP") Act, 2012.

12. Section 2(h) of the IPOP Act, 2012 defines "Intellectual Property Laws" as the laws specified in the Schedule to the Act and includes the following:

- (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 (XLV of 1860).

13. Section 16 of the IPOP Act, 2012 provides for the creation of Intellectual Property Tribunals, and sections 17 and 18 of the Act determines the powers and jurisdiction of such Tribunals as follows:

"17. Powers of the Tribunals. (1) Subject to the provisions of the Act, the Tribunal shall,

- (a) in the exercise of its civil jurisdiction, have all the powers vested in a civil court under the Code of Civil Procedure, 1908 (Act V of 1908);
- (b) in the exercise of its criminal jurisdiction, try offences made punishable under this Act and shall, for this purpose have the same powers as are vested in a Court of Sessions under the Code of Criminal Procedure, 1898 (Act V of 1898);

(2) The Tribunal shall in all matters with respect to which the procedure has not been provided for in this Act, follow the procedure laid down in the Code.

(3) All proceedings before the Tribunal shall be deemed to be judicial proceedings within the meaning or sections 193 and 228 of the Pakistan Penal Code (Act XLV of 1860).

(4) Subject to subsection (5), no court other than a Tribunal shall have or exercise any jurisdiction with respect to any matter to which the jurisdiction of the Tribunal extends under this Act.

(5) Nothing in sub-section (4) shall be deemed to affect any proceedings pending before such court immediately before the coming into force of this Act.

(6) All suits and proceedings pending in any court instituted under intellectual property laws shall stand transferred to, and be heard and disposed of by, the Tribunal having jurisdiction under this Act. On transfer of proceedings under this subsection, the parties shall appear before the Tribunal concerned on the date previously fixed.

(7) In respect of proceedings transferred to the Tribunal under subsection (6), the Court shall proceed from the stage which the proceedings had reached immediately prior to the transfer and shall not be bound to recall and re-hear any witness and may act on the evidence already recorded or produced before a court from which the proceedings were transferred (underling added).”

“18. Jurisdiction of the Tribunals. (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 shall have exclusive jurisdiction to try any offence under intellectual property laws.”

14. According to Section 17(1) of IPO Act, 2012, it is abundantly clear that matters pertaining to Intellectual Property Laws pending in any Court are to be transferred to the Intellectual Property Tribunals under Section 16 of the IPO Act, 2012. A perusal of the pleadings and the prayer clause clearly reveals that there can be no debate that this suit primarily involves infringement of trademark and passing-off. Based on these two ingredients alone, i.e. an infringement claim coupled with passing off, this Court has no option but to order the transfer of this suit to the Tribunal established under Section 16 of the IPO Act, 2012.

15. I am also fortified in my opinion (apart from being bound) by the Judgement of the Supreme Court of Pakistan in the case of Muhammad Multazam Raza v. Muhammad Ayub Khan, 2022 SCMR 979, paragraph 12, wherein the apex Court observed as follows:

“It may also be relevant to note that what is described as a passing off action may either be a passing off action simplicitor or an action of infringement of trade mark coupled with passing off. Where the case of passing off action is based on infringement of trade mark, such suit shall necessarily require determination of the question whether there had been any infringement of the trade mark and where infringement of trade mark is alleged the suit must, in view of sections 17, 18 and 39 of the IPO Act, 2012, be instituted before the tribunal notwithstanding that

the allegations in the suit were coupled with the allegation of passing off.”

16. A Division Bench of this Court in CP No.D-533/2020, Directorate of Intellectual Property Rights v. Federation of Pakistan through Secretary M/o Law & Justice, Government of Pakistan and Others, unreported Judgment dated 06.12.2022, made the following observations on the impact of IPOP Act, 2012, on present and future litigation involving Intellectual Property Laws:

“8. While describing powers of the IP Tribunal under section 17, the law gives absolute monopoly to the said Tribunal by holding that no court other than the IP Tribunal shall have or exercise jurisdiction in respect of any matter to which the jurisdiction of the (IP) Tribunal extends under the Act, and as to jurisdiction of such a Tribunal, Section 18 carves in the stone that “all suits and other civil proceedings regarding infringement of intellectual property laws shall be instituted and tried in the Tribunal and notwithstanding anything contained in any other law for the time being in force, the Tribunal shall have exclusive jurisdiction to try any offence under intellectual property laws”, where “Intellectual Property Laws” are defined to mean the Trade Marks Ordinance, 2001 (XIX of 2001), the Copyright Ordinance, 1962 (XXXIV of 1962), the Patents Ordinance, 2000 (LXI of 2000), the Registered Designs Ordinance, 2000 (XLV of 2000), the Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000) and Sections 478, 479, 480, 481, 482, 483, 485, 486, 487, 488 and 489 of Pakistan Penal Code (XLV of 1860) (underlining added).”

17. The Islamabad High Court in Messrs. Shaheen Chemist v. Zahid Mehboob Chaudhry and Another, 2023 CLD 1, while dealing with an appeal in relation to Section 117 of the Trade Marks Ordinance, 2001 vesting jurisdiction in a District Court in relation to infringement of trademarks, and Section 73(4) and 80(4) of the Ordinance stipulating that in cases of revocation of a registered trademark, the complaint would be filed before the Registrar except in cases where the matter was pending before a High Court or District Court, in which case the proceedings would be filed before such Court, approvingly cited the learned Sindh High Court in Mahile Engine Components Japan Corporation v. Azam Autos and others (Suit No.2058 of 2019) and made the following observation:

“12. In view of the above, this Court finds that all suits and other civil proceedings seeking enforcement of statutory remedies provided under Intellectual Property Laws are to be instituted and decided by the Tribunal, which has exclusive jurisdiction to undertake such adjudication in view of sections 17 and 18 of the Act read together with Section 39 of the Ordinance.”

18. The only point perhaps left to address in this suit pertains to the claim for injunctive relief for removal/rectification of the company/tradename of the

Defendant Company on the Register of Companies being maintained by the Companies Registrar Office ("CRO") of the Securities & Exchange Commission of Pakistan ("SECP") under the Companies Act, 2017 (repealed Companies Ordinance, 1984). Plaintiffs claim that the name of the Defendant Company is identical with or resembling or similar to the name of Plaintiffs Company Name and needs to be removed/rectified. The Companies Act, 2017, provides a framework to change/rectify a company's name where, in the opinion of the Registrar, the name of the Company is identical with or resembles or is similar to the name of a company. This Court cannot transfer the suit partly relating to Trade Marks and Passing Off and retain the suit regarding injunctive relief under the Companies Act, 2017. Therefore, the entire suit has to be transferred and left to the Plaintiff to take appropriate steps to seek such relief in accordance with law.

19. In view of the above, this suit filed by the Plaintiffs is hereby transferred to and will be heard and disposed of by the Tribunal established under Section 16 of the IPOP Act, 2012. The parties will appear before the learned Tribunal on 30.10.2023, which will then proceed with the matter in accordance with law.

20. The Office will transmit a copy of this Order to the concerned officer of the Intellectual Property Tribunal of Sindh at Karachi.

Order accordingly.

Karachi;
Dated: 29.08.2023

J U D G E