

Order Sheet

IN THE HIGH COURT OF SINDH AT KARACHI

Suit No. 200 of 2020

Date	Order with signature of Judge
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1. For examination of parties/settlement of issues.
2. For hearing of CMA No.1632/2000.

24.08.2023

Ms. Amna Salman, Advocate for the Plaintiff.
Mirza Mehmood Baig, Advocate for the Defendant.

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1. This suit arises from an Intellectual Property Law dispute between the Plaintiff and Defendant. It was filed in the year 2020. At the time of its filing, the High Court did not have jurisdiction to hear matters relating to Intellectual Property Laws. The suit was listed today for Examination of Parties/Settlement of Issues. The Court accepted the proposed issues filed by Plaintiff and Defendant and adjourned the matter for settlement of issues. However, on further consideration, it transpires that the only 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.

2. The Plaintiff, M/s. Sadiq & Suharwardy has filed this suit against Ismail Industries Limited for Declaration, Infringement, Permanent Injunction and Damages. The Plaintiff has prayed for the following reliefs:

- a) A decree for permanent injunction restraining the Defendant perpetually from using the impugned Mark, "CHAI WALA BISKUIT" with tagline "DUB DUB DUBA MAGAR PYAR SAE" the packaging of which consists of a truck art theme in any manner and manufacturing, selling and/or importing and exporting any goods bearing the Impugned Mark and from using and Impugned Mark of the Plaintiff or any colourable imitation thereof; manufacturing, importing, exporting, selling, Passing Off, advertising or otherwise enabling others to infringe or Pass Off, offer for sale or use and sell, export or import any products under the Impugned Mark;
- b) A decree of permanent injunction restraining the Defendant perpetually from using in any manner and manufacturing and/or exporting and/or selling any products using the Impugned Mark and from using Impugned Mark used by the Plaintiff or any colourable imitation or variation thereof; manufacturing, packing, selling, supplying, stocking, importing, exporting, offering for sale, Passing Off, advertising or otherwise

enabling others to infringe or Pass Off, offer for sale or use and sell any products using Impugned Mark, or any colourable similarity of Plaintiff's Trademark;

- c) A preliminary decree for an account to be rendered by the Defendant of the sale and profits wrongfully made by Defendant from the manufacture and/or sale of its products under the Impugned Mark;
- d) A final decree against the Defendant for the payment to the Plaintiff of sums of money found due on taking of such accounts under the aforementioned preliminary decree.
- e) A further money decree against Defendant for payment of Rs.20,000,000/- (Rupees twenty million only) to Plaintiff as damages on account of partial compensation for the loss and damage to the goodwill and reputation of Plaintiff.
- f) Cost of the suit may also be awarded.

This Hon'ble Court may further be pleased to:

- i) Pass an order directing Defendant to recall all the stocks of their infringing products from the market being sold or which has already been sold under the Impugned Mark and for destruction or handing over to the Plaintiff for destruction of all the goods and other material bearing the Impugned Mark;
- ii) Grant any such further/additional/other reliefs which this Honourable Court may deem just, fit and proper in the circumstances of the case.

3. 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).

4. 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.”

5. 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, copyright, etc. Based on these components this Court appear to have no option but to order the transfer of this suit to the Tribunal established under Section 16 of the IPO Act, 2012.

6. 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.”

7. 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, while dealing with certain matters pertaining to import of goods under the Customs Act, 1969 and the Intellectual Property Rights Rules notified through SRO 170(I)/2017 made the following observations on the impact of IPO 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).”

8. 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.”

2. In view of the above, parties and Counsels are put on notice why this Suit should not be transferred to and to be heard and disposed of by the Tribunal established under Section 16 of the IPO Act, 2012.

Office is directed to issue Court Motion Notices to Counsels for Plaintiff and Defendant by all three electronic modes (i.e. by SMS/Text Message, Whatsapp and Email).

To come up on 05.09.2023 at 8:30am.

J U D G E