

# IN THE HIGH COURT OF SINDH, KARACHI

Present: Chief Justice &  
Mr. Justice Zulfiqar Ahmad Khan, J

## HIGH COURT APPEAL NO. 219 OF 2014

Appellants : Mazhar Ali & 3 others, through  
Mrs. Navin Merchant, Advocate.

Respondent : Muhammad Saleem Warind, through  
Mr. Munawar Ali Memon, Advocate.

Date of Hearing : 27.04.2016

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## J U D G M E N T

SAJJAD ALI SHAH, CJ :- The Appellants have impugned Order dated 21.07.2014 allowing the Respondent's application under Order XXXIX Rules 1 and 2 CPC (C.M.A. No.7020/2014) in Suit No.851/2014 restraining the Appellants from selling, manufacturing, importing, offering for sale, advertising or distributing directly or indirectly, oil and fuel filters and brake oil under the trademark "SAKURA" or any other mark which is identical with or similar to the Plaintiff/Respondent's registered trademarks in international Class-7, and further restraining the Appellants from using any trademark or color-able imitation of which closely and deceptively similar with the Plaintiff/Respondent's trademarks "SAKURA" and "SAKURA" plus Device of Flower (label).

Mrs. Navin Merchant, the learned counsel appearing for the Appellants, has contended that the Appellant No.4, who was not a party to the suit, but (of course) an "aggrieved person", has joined the Appellants No.1 to 3 against whom the restraining order has been passed. Learned counsel has contended that the

ample documentary evidence was placed by the Appellants No.1 to 3 before the learned Trial Court to establish that the Respondent was in fact importing goods under the trademark "SAKURA" from the Appellant No.4 in terms of various agreements entered into between the Appellant No.4 and the Respondent. Per learned counsel, numerous import documents such as Letter of Credit were established by the Respondent in the name of the Appellant No.4 which were also placed on record and it was also pleaded that the dispute between the Appellant No.4 and the Respondent in respect of the subject trademark was already under adjudication in M.A. Nos.37 and 38 of 2000 pending before this court. Learned counsel has further taken us to the correspondences exchanged between the Appellant No.4 and the Respondent somewhere in the years 1995-1996, which reflects that the Respondent was assuring the Appellant No.4 for transferring the trademark "SAKURA" back to the Appellant No.4 registered in Pakistan on 07.07.1992 by the Respondent in his name, but for and on behalf of the Appellant No.4, as well as, she showed us through these communicates that the Respondent was seeking reimbursement of money partially paid by the Appellant No.4 to the Respondent for the promotion and advertisement of "SAKURA" brand in Pakistan. Per learned counsel, these documents were also placed before the Learned Trial Court, which were not considered and the Learned Judge was swayed away by the sole fact that the Respondent has a registered trademark in his name ignoring the fact that even such registration was in fact obtained by fraud and suppression of the prior relationship between the Respondent and the Appellant No.4. Learned counsel further took us to the Page 25 of the Order wherein the Learned Judge has reproduced Sections 43 and 44 of the Trade Marks Ordinance, 2001, for the purposes of adjudicating the controversy, but has omitted to reproduce the true gist of Section 44 of the Ordinance 2001 by omitting the portion "*unless such registration was obtained by fraud, or unless the trade mark offends against the provisions of sub-section (3) of Section 14*" and, therefore, has failed to determine or address the Appellant No.4's plea that the Respondent's

trademark though registered, but on account of fraudulent registration, does not enjoy the protection granted by the trade mark law. In the end, it was also pleaded by the learned counsel that no sooner the Appellant No.4 came to know about the pending proceedings and the injunctive order, the Appellant No.4, being a necessary party, immediately moved an application under Order 1 Rule 10 CPC before the Learned Trial Court for impleadment of itself as a Defendant, and also filed this appeal. She submitted that the Learned Trial Court, notwithstanding the fact that the Appellant No.4 was not a party in the proceedings, has held (on page 21 of the order) that the Appellants No.1 to 3, as well as, Appellant No.4 from whom the Respondent was infected claiming to have imported "SAKURA" branded goods is not the owner of the trademark "SAKURA".

Mr. Munawar Ali Memon, Learned Counsel appearing for the Respondent, though admitting to have imported goods from the Appellant No.4, denied the correspondences, as well as, agreements and has contended that when the Respondent had applied for the registration of trademark with the Trade Marks Registry, the Appellant No.4 objected to the same by filing a notice of opposition, but the same was subsequently abandoned, therefore, paving way for the Respondent to acquire the registration, though with the knowledge of the Appellant No.4. It was further contended that the Respondent is holding registered trademark "SAKURA" in various countries including Thailand and by placing reliance of Section 44 contends that the registration under the Ordinance/Act is the prima facie evidence under section 43 of the Trade Mark Ordinance for the validity of the original registration of the trademark, and once registered as a proprietor of a trademark as of 1992, the instrument of registration has become prima facie evidence of the validity of the original registration of the trade mark in the name of the Respondent, which the counsel contended, under section 44 has become conclusive since more than five years passed since the date of registration.

We have heard the learned counsel for the respective parties and have perused the record of this case.

It appears that the Appellants No.1 to 3, who claimed to be importer and authorized dealers of “SAKURA LABEL FILTER” imported from the Appellant No.4 were sued by the Respondent on the ground of infringement of his registered trademark. When the Appellants No.1 to 3 filed their defense in which they claimed that they were the importer, stockiest and authorized dealer of “SAKURA LABEL FILTER” imported from the Appellant No.4, and placed on record the documentary evidence reflecting that the Respondent himself, at one point of time was an agent of the Appellant No.4 and had been importing such goods under “SAKURA LABEL” from the Appellant No.4. We note the presence of agency agreement, bank records, letter of credit, etc. which establish such imports by the Respondent from the Appellant No.4. We take note of the plea that the registration itself was obtained by fraud and of the fact that the appeals against the decisions made in the rectification proceedings as MAs were also pending before this court.

Perusal of the impugned order reflects that all the material relied upon by the Defendants/Appellants was discussed, name of the Appellant No.4 appears for over a dozen times, but the most important question as to whether the registration obtained by the Respondent was honest skipped mind of the Court, and further, the Learned Judge while reproducing section 44 also omitted to reproduce the portion of the statute which deals with the subject and provide protection in the circumstances when registration is obtained by fraud or the trademark could not be registered on account of prior rights.

We would like to reproduce Section 44 as reproduced by the Learned Judge as well as it appears in the statute book in the following:-

“44. Registration to be conclusive as to validity after five years.--- In all legal proceedings relating to registered trade mark, the original registration of the trade mark shall, after the expiration of five years from the date of its original registration, be taken to be valid in all respects of the validity of the original registration of the trade mark and off all subsequent assignments and transmissions thereof.” (Reproduced from Page 25 of Order dated 21.07.2014)

“44. Registration to be conclusive as to validity after five years.---In all legal proceedings relating to a registered trade mark, the original registration of the trade mark shall, after the expiration of five years from the date of its original registration, be taken to be valid in all respects unless such registration was obtained by fraud, or unless the trade mark offends against the provisions of sub-section (3) of section 14.” (Originally reproduced from the statute). **Emphasis by underlining is ours.**

As could be seen from the above, per true meaning of Section 44, the Learned Judge ought not to have granted given protection to the Respondent’s trademark unless the allegation of fraud and misrepresentation leveled against the registered proprietor (Respondent) was considered and decided.

We are further of the view that it would be unfair and prejudice to the case of Respondent in case we while sitting in appeal discussed the merits of the case and given our findings as it might deprive either party of the remedy of appeal.

In the given circumstances, deeming it appropriate, we set aside the impugned order with the directions to first decide the Appellant No.4’s pending application filed under Order 1 Rule 10 CPC, and thereafter providing an opportunity to the Appellant No.4 to place its case, let the Order XXXIX Rule 1 and 2 application be heard and decided upon afresh.

Be that as it may, all the observations made hereinabove are tentative in nature and would not influence the Learned Trial Court while deciding the injunctive application of the Respondent afresh.

CHIEF JUSTICE

JUDGE