IN THE HIGH COURT OF SINDH, KARACHI

HCA NO.220 OF 2011

Present:
Mr. Justice Aqeel Ahmed Abbasi
Mr. Justice Arshad Hussain Khan

Muhammad Farooq Khan vs. Aman Elahi & others

Appellant:	Through Mr. Moin Qamar & Zia Makhdoom, Advocates
Respondents:	Through Khawaja Shoaib Mansoor, Advocate for respondent No.1.
Alleged contemnors:	M/s. Khalid Mahmood Siddiqi & Muhammad Rashid Arifi, advocates a/w Muhammad Asim Awan Deputy Collector Customs.
Date of Hg & Order:	14.11.2017

JUDGMENT

Arshad Hussain Khan, J: This High Court Appeal has been filed by the appellant against the ad interim orders passed by the learned Single Judge of this Court on 06.06.2014 in Suit No.192 of 2014, upon hearing of application (CMA No.1416/2014) under Section 94 r/w Order XXXIX Rules 1 & 2 CPC filed by respondent No.1 (plaintiff in suit), seeking interim injunctive relief against the appellant (defendant No.1 in suit) and others for infringement of its registered trademark, in the following terms:-

> *"Accordingly, the present application CMA 1416/2014 must be deemed to be pending. If the plaintiff files an application under section 80 in this suit against the registration of the defendant No.1`s trademark (or, possible, an appeal under section 114) then these matters must be heard together and should be listed accordingly. The interim order made on 03.02.2014 to continue till next date, but if the plaintiff does not move an application under section 80 (or file an appeal under section 114) by the second week of August, 2014, then the contesting defendants may apply to have the aforesaid order recalled and vacated, and strong grounds will then have to be shown by the plaintiff why this ought not to be done."*

2. Brief facts leading to the filing of the present appeal as stated therein are that respondent No.1 filed Suit No.192/2014 for Declaration, Permanent Injunction and Damages against the appellant and respondents No.2 to 11 stating therein that respondent No.1 being proprietor of registered trademark 'Cobra' is engaged in marketing and selling, under the said trade mark, a huge variety of items such as body sprays, insecticides, insect killers, air fresheners and mosquito coils etc. and alleged that the appellant has infringed his trademark by marketing its products under the trade mark 'Faster Black Cobra' and is selling identical goods as that of respondent No.1 under this trademark. Respondent No.1 claims to be proprietor of registered trademark and has exclusive rights over the same and since the appellant is using trademark as "Faster Black Cobra" and selling the identical goods under this trademark, therefore, causing severe losses to respondent No.1. The appellant after service, filed his written statement and raised several legal objections with regard to the maintainability of the suit. It has also been stated that respondent No.1 has made a misstatement on oath that it came into his knowledge during second week of December 2013, that the appellant is using the trademark, whereas it was well within the knowledge of respondent No.1 that the appellant is doing business under the trademark of Faster Black Cobra since 2008/2009 and respondent No.1 filed the suit in 2014. During this period respondent No.1 neither initiated any proceedings nor took any action against the trademark Faster Black Cobra, hence the suit filed by respondent No.1 is also barred by Section 81 of the Ordinance. Respondent No.1 himself filed the oppositions against the appellant`s copyright registration for Faster Black Cobra, which was finally dismissed on 07.06.2012 and respondent No.1 did not prefer any appeal against the dismissal of his copyright opposition. The appellant filed application for registration of his trademark of Faster Black Cobra, which was in the knowledge of respondent No.1 as he himself mentioned this fact in his suit filed at Lahore on 08.07.2011. The appellant filed his Suit No.903/2011 in this Court specifically stated therein that he is doing business at Karachi and after filing of his application for registration of trademark, the mark of the appellant was published in the Trademark

Journal No.733 on 01.02.2012 whereas respondent No.1 had filed his opposition on 06.02.2013. The appellant has been using his trademark of Faster Black Cobra since 2008/2009 and have applied for registration of the same on 29.11.2011. Not only the notice of his trade mark has been published in the journal but also the appellant has replied to the opposition of respondent No.1. These facts have been deliberately concealed by respondent No.1 in order to obtain ex-parte injunctive order and to influence, frustrate and circumvent the due process of registration. Along with the above said suit respondent No.1 also filed an application (CMA 1416 of 2014) for interim relief to which the appellant also filed counter affidavit. The appellant after filing of counter affidavit to the injunction application also filed his certificate of registration of the trademark of 'Faster Black Cobra' with statement dated 12.03.2014 stating therein that his mark has been registered on 24.02.2014, therefore, he is entitled to use his trademark. The learned Single Judge upon hearing the said application has passed order on 06.06.2014, which is impugned in the present proceedings.

3. Upon notice of the present appeal, the respondent entered appearance and contested the present appeal and while supporting the order impugned in the present proceedings sought dismissal of appeal.

4. The learned counsel for the appellant during the course of his arguments while reiterating the contents of memo of appeal has contended that the impugned order is untenable on the facts and law. Further contended that the learned Single Judge while passing the impugned order has failed to consider the material facts that the appellant is using his trade mark since 2009 without any objections. Furthermore, the word Cobra being descriptive/ common to trade lacks distinctiveness and is not registerable as a trademark in terms of Section 14(i)(c) of the Trademarks Ordinance, 2001. Further contended that the learned Single Judge while passing the impugned order, in a way, granted the application of respondent No.1. Furthermore, learned Single Judge, through the impugned order, while advising respondent No.1 to file rectification application, has failed to appreciate that the procedure for filing of rectification and its hearing is like a suit and no interim orders as to suspension of use of registered trademark in

rectification application can be passed. Further contended that the appellant's mark "Faster Black Cobra" was registered on 24.02.2014, whereas stay application on which the impugned order has been passed was heard on 27.03.2014 and an order was announced on 06.06.2014 during all these period, respondent No.1 who was well aware about the registration of the appellant's mark neither challenged the same in any proceedings till passing of the impugned order. Learned counsel further argued that respondent knowingly slept over his right for such a long period without raising any objection to the alleged infringement hence, at this belated stage cannot raise objection and sought injunction against the appellant for the use of his trademark Faster Black Cobra, as the same is hit by the principle of acquiescence. In this regard, learned counsel also relied upon Section 81(1)(b) of Trademarks Ordinance. Lastly, argued that the impugned order is in wrongful exercise of jurisdiction, is arbitrary and has been passed without application of judicial mind, hence the same is liable to be set aside. The learned counsel in support of his stance in the case has relied upon the following case law:-

(i) Tillotts Pharma Ag vs. Getz Pharma (Pvt) Limited (2013 CLD 330).

(ii) Formica Corporation vs. Pakistan Formica Ltd (1989 SCMR 361).

(iii) Messrs Super Asia M.D. (Pvt.) Ltd. vs. Messrs Anwar Industries (Pvt.) Ltd. (2007 CLD 1181)

(iv) Messrs Master Textile Mills Ltd. vs. Master Fabrics & 5 others (2007 CLD 991) and

(v) Nadeem Ijaz and others vs. Malik Ehsan Ullah and others (2006 CLD 234).

5. On the other hand, learned counsel for respondent No.1 during the course of his arguments while supporting the impugned order has contended that the order impugned in the present proceedings is well reasoned and within the four corners of law and equity and does not warrant any interference by this Hon'ble Court in the present appeal. Furthermore, the order impugned in the present proceeding is in nature of an ad-interim order as application of respondent No.1 has not yet been decided by learned Single Judge, hence the present appeal is also

not maintainable being premature and frivolous. He further contended that respondent No.1 is a business entrepreneur, inter alia, engaged in the business of import and marketing of consumer goods including but not limited to lotions, toiletries, perfumes, deodorants, air freshener, diapers and insecticides etc. in Pakistan under the trademark of 'Cobra" for which his company obtained registration of the trademark under Registration since 11th August, 1988, under the Trade Marks Ordinance, 2001, which registration is valid and intact for all intents and purposes. Furthermore, the said trademark is also secured with copyright registrations under the Copyright Ordinance, 1962. It is also contended that respondent No.1 upon coming to know about the infringement of his registered trademark by the appellant filed Suit bearing No.192 of 2014, inter alia, against the appellant, for infringement, passing off, declaration and permanent injunction. In the said case initially an ex-parte ad-interim injunction order was granted by the court on 03.02.2014, whereby the appellant along with his agents, employees and representatives was restrained from using the trademark of Faster Black Cobra. During pendency of the case and subsisting of order dated 03.02.2014 respondent No.1 came to know that the appellant illegally obtained a trademark registration of Faster Black Cobra. Further, the application for interim injunction filed in suit No.192 of 2014 came up for hearing on 27.03.2014 and after a detailed hearing, orders were reserved and the interim order dated 03.02.2014 was extended till the announcement of detailed order. Further, the detailed order dated 06.06.2014 was passed by the learned Single Judge of this Court whereby respondent No.1 was required to file an application for invalidation of the illegally obtained registration of Faster Black Cobra by the second week of August 2014, and the application for the grant of interim injunction was deemed pending and the interim orders were continued till the next date of hearing. The application for the invalidation of the registration of Faster Black Cobra being J.M. No.34 of 2014 was filed before this Court on 10.07.2014 and the same was tagged alongwith Suit No.192/2014. On 13.03.2017, the Learned Single Judge after hearing the counsel, the Ex Registrar of Trademarks and the present Registrar of Trademarks, passed the order in the said JM whereby the registration of appellant's trademark 'Faster Black Cobra" was held as null and void. Subsequent to passing of the

order dated 06.06.2014 (impugned in the present proceedings) in Suit No.192 of 2014, the appellant filed present appeal and obtained order dated 25.09. 2014 whereby the operation of the said order was suspended.

6. We have heard the learned counsel for the parties and have also perused the material available on record and the case law cited at Bar.

From perusal of the record, it appears that respondent No.1/plaintiff filed suit bearing No. 192 of 2014, inter alia, against the appellant/defendant No.1, for declaration, permanent injunction and damages against infringement of trademark, passing off and unfair competition under Trademark Ordinance 2001 before the original civil jurisdiction of this Court with the following prayers:-

> "a. Permanent Injunction restraining the defendants, jointly and severally, their agents, employees and representatives from infringing and using the trademark of the plaintiff "COBRA" including "DEVICE OF COBRA", in any manner whatsoever and from passing off their goods as and for the goods of the Plaintiff by using the offending trademark "faster black COBRA" and /or "COBRA" alone or in conjunction with any other word or any similar or identical variation thereof in any manner whatsoever.
>
> b. Permanent Injunction restraining the Defendants, jointly and severally, their agents, employees and representatives from carrying out any act of unfair competition by using the offending trademark "faster black COBRA" and/or "COBRA alone or in conjunction with any other word or any similar or identical variation thereof in any manner whatsoever.
>
> c. Declaration that the adoption and use of trademark faster black COBRA and/or COBRA for any goods by Defendant during the course of business in an act of unfair competition, hence illegal.
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> d. Direction to the Defendants to submit to the Plaintiff, or destroy in the Plaintiff's presence, all stocks and promotional materials and/or all those products and packaging material that bear the trademark "faster black COBRA" and or "COBRA" or any similar or close variation, thereof in any manner whatsoever.
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> e. Decree against the Defendants and in favour of the Plaintiff directing Defendants to jointly or severally compensate and make good the loss sustained by the Plaintiff or occasioned to the Plaintiff due to the illegal trade and business activities of the said Defendants which the Plaintiff estimates to the tune of Rs.50 million.
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> f. A decree directing Defendants to withdraw all or any application for registration of trademark/copyright in faster

black COBRA and/or COBRA or any similar or close variation thereof in any manner whatsoever, filed before the Trade Mark Registry.

g. Decree against the Defendants and in favour of the Plaintiff directing Defendants to jointly and severally surrender and submit to the Court all books and accounts of profits made by said Defendant's while using the offending trademark faster black COBRA, and/or COBRA or any identical or similar variation thereof and to make payment to the Plaintiff of all such sums as may be found due upon taking of accounts.

h. Any other relief or relief (s) which this Honourable Court may deem fit and proper under the circumstances of the case.

i. Cost of suit may also be awarded."

7. Alongwith above said Suit, respondent No.1 also filed Injunction application bearing CMA No.1416 of 2014, with the following prayers:-

"The plaintiff most respectfully prays that for the facts and reasons disclosed in the accompanying affidavit the Honourable Court may graciously pass temporary injunction restraining defendants, jointly or severally, their agents, employees and representatives from infringing and using the trademark faster black COBRA and/or COBRA alone or in conjunction with any other word or any similar or identical variation thereof in any manner whatsoever till disposal of the titled suit.

Ad-interim orders are solicited in the meantime to foster the ends of justice."

On 03.02.2014 the Court passed ad-interim order on the above application as under:

"1. Granted.

2. Notice to the defendants for 18.02.2014. Till the next date ad-interim order is granted as prayed."

8. The appellant upon notice of the said suit filed Written Statement and Counter Affidavit to the injunction application, whereupon respondent No.1 filed Rejoinder to the counter affidavit. On 27.03.2014, the Learned Single Judge heard the learned counsel for the parties and order on the application i.e. CMA 1416/2014 was reserved, which was subsequently announced on 06.06.2014; relevant portions whereof, for the sake of ready reference are reproduced as under:-

" 4. As noted above, the plaintiff's application was heard on 27.03.2014 learned counsel for the respective parties made detailed submissions, and learned counsel for the plaintiff also took issue with the registration of the defendant No.1's mark. Certain discrepancies in the defendant's application and the certificate of registration were pointed. Learned counsel for the plaintiff acknowledged that a remedy against the registration of the defendant No.1's mark was available by way of an application under section 80 of the Ordinance, which empowers the court (or the Registrar) to invalidate a registration if any of the circumstances therein stated apply. It may be noted that the section provides that if there are proceedings in respect of the mark already pending in the High Court, then application must be made to the High Court. Thus, in the present case the application would have to be made in the present suit. However, learned counsel submitted that according to his information, the Registrar had initiated some internal investigation with regard to the registration of the defendant No.1's mark since it appeared that the certificate had been issued under circumstances that required inquiring into. Learned counsel for the defendant Nos. 1 to 4 of course strongly denied any defect in the registration of the mark or proceedings in relation thereto, and submitted that it provided (along with other defences) a complete answer to the plaintiff's claim of infringement.

5. I have considered the matter in light of the above. It appears to me that it is not possible to consider the plaintiff`s present application for interim relief without having also to consider the effect of the registration of the defendant No.1's mark. As of now, that is a mark registered under the Ordinance. Insofar as I have been able to ascertain, it is not possible for the Court to record a finding in respect of a defendant's registered trademark that the plaintiff denies, especially in proceedings of an interlocutory nature, unless there is also before the Court some application or appeal challenging said registration. As already noted, the remedy in this regard available to the plaintiff is by way of an application under section 80, although it would seem that it could also file an appeal under section 114. The fact that the Registrar is carrying out some internal inquiry is not germane. The Court has to go by the record before it, and if that record prima facie shows a registered trademark, it must give due regard to the same unless, of course, there is some application of the nature just mentioned.

6. In view of the foregoing, it would at present be unsafe for me to consider the plaintiff`s application on its merits and decide the same. Since learned counsel for the plaintiff has (quite correctly in my view) acknowledged that the plaintiff can file another application, this time under section 80, the present application must be heard along with such application (if filed) and it will only then be possible to give a decision on the merits of the dispute (though of course, by way of interlocutory proceedings).

7. Accordingly, the present application CMA 1416/2014 must be deemed to be pending. If the plaintiff files an application under section 80 in this suit against the registration of the defendant No1`s trademark (or, possibly, an appeal under section 114) then these matters must be heard together and should be listed accordingly. The interim order made on 03.02.2014 to continue till next date, but if the plaintiff does not move an application under section 80 (or file an appeal under section 114) by the second week of August, 2014, then

> the contesting defendants may apply to have the aforesaid order recalled and vacated, and strong grounds will then have to be shown by the plaintiff why this ought not to be done."

9. From the perusal of the above order, it is manifestly clear that the order impugned in the present proceedings is an ad-interim order in nature and final decision on the injunction application has yet to be passed. It is now well settled that intervention of this Court in High Court appeal at the ad interim stage, is only permissible where it is found inevitable in order to obviate miscarriage of justice and where the interim order is arbitrary, capricious and against the well-settled principle of Law. Reliance in this regard is placed on the case of *KARACHI ELECTRIC SUPPLY COMPANY through duly authorized officer v. MUHAMMAD SHAHNAWAZ and 46 others* **(2010 YLR 2426)**.

10. From the perusal of the impugned order, it appears that while passing the impugned order, the Learned Single Judge has correctly observed and has drawn tentative view that it is not possible for him to consider the plaintiff's (respondent No.1) application for interim relief without considering the effect of the registration of defendant No.1's (appellant) mark as the same, by that time, was a mark registered under the Ordinance. It has also been observed that it is not possible for the Court to record finding in respect of appellant/defendant's registered trademark that the plaintiff denies, especially in proceedings of an interlocutory nature, unless there is some application or appeal challenging said registration before the Court. In such view of the matter, the Learned Single Judge has reached at the conclusion that it would not be proper to consider the plaintiff's application on its merits and decide the same. Consequently, the application CMA 1416/2014 was ordered to be kept pending with the option to the appellant that if the respondent No.1/ plaintiff does not move an application Under Section 80 (or file an appeal under section 114) by the second week of August, 2014, then the contesting defendants may apply to have the aforesaid order recalled and vacated, and strong grounds will then have to be shown by the respondent No.1/ plaintiff why this ought not to be done.

11. In view of the above circumstances and fact, it appears the learned Single Judge while passing the impugned order, being cognizant and conscious of the fact and law, considered the material available on record and applied the law and thus the order, so passed by the Learned Single Judge cannot be termed as arbitrary or capricious and or against the well settled principle of law. Conversely, the same appears to be well reasoned and speaking one. In such view of the matter, the impugned order passed does not warrant any interference and the present appeal is liable to be dismissed in limine.

Foregoing are the reasons for our short order dated 14.11.2017 whereby the Instant High Court Appeal along with the listed application was dismissed in the following manner:-

"After hearing the learned counsel for the parties at length, and for the reasons to be recorded later on, instant High Court Appeal is dismissed, and the matter is remanded back to the learned Single Judge to finally decide injunction application being CM No.1416/2014 (Application under Order 39 Rule 1&2 CPC) in Suit No.192/2014 on merits after hearing all the relevant parties, preferably, within a period of one month provided, that no party shall seek unnecessary adjournment in this matter.

In view of dismissal of instant High Court Appeal, all the listed applications including contempt application also stands disposed of accordingly."

JUDGE

JUDGE

Karachi
Dated:

*Jamil**