

IN THE HIGH COURT OF SINDH KARACHI

H.C.A No. 217 OF 2017

(Dawlance Pakistan (Pvt.) Limited and another versus G-Force Communication & others)

Present:-

Mr. Justice Muhammad Ali Mazhar
Mr. Justice Adnan Iqbal Chaudhry

Appellants : Dawlance Pakistan (Pvt.) Ltd. & another through Mr. Muhammad Ali Aijaz Advocate, assisted by Mr. Sami ur Rehman Khan, Advocate.

Respondents : G-Force Communication & another through Mr. Jaffer Raza Advocate.

Ghazali Farooqui, Respondent No.3 in person.

Date of hearing : 11.10.2018

J U D G M E N T

Adnan Iqbal Chaudhry, J.— This appeal is from order dated 30-03-2017 (impugned order) passed by a learned Single Judge of this Court in Suit No. 1604/2013 granting a temporary injunction on the application of the Respondents (defendants) moved in their counter-claim to restrain the Appellants (plaintiffs) from using, displaying and selling their products under certain slogans/'taglines'.

2. The Appellants are manufacturers of electronic products under the trade mark "Dawlance". The Respondents are engaged in the business of advertising. The Respondent No.1, so also the Respondent No.2 are sole proprietorships of the Respondent No.3 and are therefore one and the same person namely the Respondent No.3.

3. The Appellant No.1 had engaged the Respondent under a contract dated 01-11-2006 for "*..... its services rendered by an*

advertising Agency such as conceiving, preparing, planning, directing and executing advertising plans and campaigns hereinafter called 'Activities', and "for advertising 'All Dawlance Products & Services as well as Dawlance Corporate Branding' in the above line media such as (including but not limited to) cinema, press, radio, television, out of home and other allied below the line media such as (including but not limited to) point of sale material, direct mail shots, brochures, incidental branding etc. & brand activation activities throughout Pakistan."

4. Under the aforesaid contract between the parties, the Respondent was entitled to a 10% agency commission on the total advertising spent by the Appellant No.1 on media, which media was to be arranged by the Respondent. The contract listed those services of the Respondent which would be covered by the 10% agency commission, and the ones which would not. For the latter, it was agreed that the Respondent would bill the Appellant No.1 separate from the 10% agency commission. The contract was to continue until terminated by either party by giving a 30 day notice in writing. The contract also contained an arbitration clause.

5. Per the Appellants, the dispute arose between the parties when the Respondent refused to deliver to the Appellants the master tapes of the television commercials and other advertising material made by the Respondent for the Appellants under the contract. Per the Appellants, they were entitled to possession of the said master tapes and advertising material as they had paid for the same, and that under section 13 of the Copyright Ordinance, 1962 the Appellants were the owners of the copyright therein. Therefore, the Appellants filed Suit No.1064/2013 against the Respondents with the following prayer :-

"(i) Declare that the Plaintiffs are the copyright owner of the master copies of the television commercials and all other items/materials created and produced by the Defendants for Dawlance Group or its companies;

(ii) *Direct the Defendants to hand over possession of the master copy and all other items/materials created and produced by the Defendants for Dawlance Group or its companies to the Plaintiffs;*

(iii) *Prohibit the Defendants, their servants, agents, or any other person (s) from using the advertising materials produced by the Defendants for Dawlance Group and/or interfering in the use of or airing of the advertising materials by the Plaintiffs in any manner whatsoever;*

(iv) *Grant costs*;

(v) *Grant any other relief*".

6. As a first response to the suit, the Respondent (defendant) invoked the arbitration clause of the contract and moved CMA No.14412/2013 to stay the suit under section 34 of the Arbitration Act, 1940. Apparently, after the suit was filed, the contract was terminated by the Appellants on 20-12-2013. Subsequently, the Respondent (defendant) filed a written statement contending that the 'Dawlance' brand owed its success to the slogans / taglines of "Kyon Kay Dawlance Reliable Hay" and "Dawlance Reliable Hay" which were conceived by the Respondent; that these taglines were artistic work and the Respondent being its creator was the owner of the copyright therein; that consequently all television commercials and other advertising material developed by the Respondent with the said taglines was the intellectual property of the Respondent; that the contract between the parties had never intended the transfer of any intellectual property to the Appellants, therefore the Appellants were not entitled to possession of the master tapes of the television commercial and any other advertising material made by the Respondent; that after termination of the contract between the parties, the continuous use of the taglines by the Appellants was an infringement of the Respondent's copyright; and that the Appellants were liable to the Respondent for monies outstanding and due under the contract.

7. On the basis contentions in the written statement, the Respondent (defendant) also made a counter-claim against the Appellants (plaintiffs) with the following prayer:-

- “(a) Declare that the Defendant No.1 is the copyright owner of the intellectual property being Selling Solution(s) / Story(ies)/ Commercial Work(s) / idea(s) / Tagline(s) / and Selling line(s) i.e. “Dawlance Reliable Hai” and “Kyonkay Dawlance Reliable hai” and all the collateral material and campaigns under the Agreement dated 01.11.2006;*
- (b) Declare that the payment of fee/commission by the Plaintiffs on behalf of the Dawlance Group does not constitute transfer of ownership of intellectual property rights from the Defendant No.1 to the Plaintiffs on behalf of the Dawlance Group;*
- (c) Declare that the Defendant No.1 was entitled to receive 10% fee/commission as stipulated in Clause 2 of the Agreement dated 01.11.2006 from November 2006 to December, 2013;*
- (d) Direct that the Plaintiffs on behalf of the Dawlance Group to tender all information by which the Defendant No.1 could have billed for fee/commission from November 2006 to December 2013, they should immediately provide the sought information in order for Defendant No.1 to bill the Plaintiffs for final due amount;*
- (e) Decree in the favor of the Defendants on account of its overdue commission in the sum of Rs.11,234,418/- on the development, supervision and coordination of Television Commercial Productions and on 3-D Product image development and photo shoots, which again fall in the scope of the Agreement dated 01.11.2006;*
- (f) Decree in the favor of the Defendants, as Plaintiffs have not paid over Rs.4,618,250/- against Gallup and Media logic payments nor have they been paid their due commission on the same amounting to Rs.559,700/- under this head;*
- (g) Pass a judgment and Decree allowing interest on the claimed amount at the bank rate from the date of the filing of the counter claim till its realization thereof;*
- (h) Pass a judgment and decree of Damages for Mental Torture, Agony, Loss of Business opportunities and Financial Difficulties of the Defendant No.2 in the sum of Rs.50,000,000/-;*
- (i) Pass a judgment and decree of Damages for loss of reputation, good-will due to unavailability of funds to the Defendants in the sum of Rs.150,000,000/- due to non rendition of accounts and non payments of accrued commissions;*

- (j) Award costs;
- (k) Grant such other..... relief"

The Appellants filed a reply to the counter-claim, denied the Respondent's claim to copyright in the advertising material, and denied that any amount was outstanding and due under the contract.

8. The counter-claim of the Respondent is essentially one under Rule 162 of the Sindh Chief Court Rules (O.S.), and in terms of the said Rule it has the same effect as a cross-suit. The counter-claim recites that court fee has been paid thereon. The order dated 29-03-2017 passed in the suit records that the application under section 34 of the Arbitration Act, 1940 moved by the Respondent (defendant) was dismissed as not pressed and the Appellants (plaintiffs) too desired that the matter be decided by the Court instead of an arbitrator.

9. Along with his counter-claim, the Respondent moved CMA No. 664/2014 for a temporary injunction under Order XXXIX Rules 1 and 2 CPC making the following prayer:-

"To restrain the Plaintiffs their agents assigns representatives from using or displaying the Selling Solution(s) / Story(ies)/ Commercial Work(s) / idea(s) / Tagline(s) / and Selling line(s) developed by the Defendants including but not limited to "Dawlance Reliable Hai" and "Kyonkay Dawlance Reliable hai" as well as other items enumerated in para 15 of the Plaint to the general public both nationwide and internationally on media of all forms or of whatsoever nature until the final decision of the captioned suit".

Subsequently, the Respondent moved another application for temporary injunction under Order XXXIX Rules 1 and 2 CPC being CMA No.16752/2014 making the following prayer:-

"To restrain the Plaintiffs, their agents, assigns, representatives from using or displaying the Selling Solution(s), Story(ies), Commercial Work(s), idea(s), Tagline(s), and Selling line(s) developed by the

Defendants including but not limited to "Dawlance Making Pakistan Proud" to the general public both nationwide and internationally on media of all forms or of whatsoever nature until the final decision of the instant suit".

10. Both the aforesaid applications have been allowed vide the impugned order in the following terms:-

"Since provision (b) of Section 13 clearly requires copyright ownership in a work to pass on to another person only in cases where the work was made for valuable consideration emanating from that person, thus where no such consideration were ever paid (other than the material production costs of the work under Item-D) and until unless the work is assigned after following the prerequisites of Section 14 of the copyright Ordinance, ownership of copyright in the work stays with the author as laid down under Section 13 of the said Ordinance."

"Thus while undoubtedly the Plaintiff No.1 could enjoy the physical possession of work created by the Defendant No.1, there is no doubt in my mind that at any given point in time Plaintiff No.1 became owner of copyright in those works. I accordingly allow the instant applications and restrain the Plaintiffs from using, displaying or selling their products under the taglines "Dawlance Making Pakistan Proud", "Dawlance Reliable Hai" and "Kyonkay Dawlance Reliable Hai" and from using the materials detailed in Paragraph-15 of the plaint from being reproduced before the general public (both nationwide and internationally) through any forums of media, as these materials having been admittedly created by the Defendant No.1".

11. Learned counsel for the Appellants submitted that the learned Single Judge failed to notice that the taglines were conceived by the Appellants and were in use by them even prior to its contract with the Respondent, and therefore the claim of the Respondent that he had conceived the said taglines was false. Learned counsel submitted that in any case since all advertising material made by the Respondent was made for the Appellants under a contract and for valuable consideration, the proviso (b) to section 13 of the Copyright Ordinance, 1962 was attracted, and since there was no agreement to the contrary, it was the Appellants who were owners of the copyright in all such material and therefore entitled to its possession and use. He submitted that the learned Single Judge failed to appreciate that that no copyright could exist in mere slogans/taglines, and in that regard he placed reliance on

Independent Media v. Ali Saleem (2006 CLD 97); *Muhammad Kashan v. Coca Cola Corporation Pakistan Ltd.* (2014 CLD 1696); and *Frieha Altaf v. Reckitt Benckiser (Pakistan) Ltd.* (Suit No.587/2014 - unreported), all for the well established proposition that a copyright does not exist in an idea, but in the expression of an idea. He submitted that in any case the finding of the learned Single Judge that payments made by the Appellants to the Respondent were not for assignment of copyright, was a finding of fact which could not have been given without recording evidence. In filing a written synopsis of his submissions, learned counsel for the Appellants also relied on the case of *Marghub Siddiqi v. Hamid Ahmed Khan* (1974 SCMR 519) to further submit that since the counter-claim of the Respondent had never prayed for a permanent injunction, his application for a temporary injunction could not have been granted. He also submitted that when monetary compensation is adequate relief, no injunction can be granted.

12. On the other hand, learned counsel for the Respondents submitted that the Appellants had admitted in their pleading that all the advertising material/works, including the taglines had been made by the Respondent and therefore the only question was who owned the copyright in such works. He submitted that though such works were made by the Respondent under a contract with the Appellant No.1, such was not a 'contract of service' but a 'contract for service', the distinction between the two having been discussed in various case-law, and thus the Appellants could not claim ownership of copyright under proviso (c) to section 13 of the Copyright Ordinance, 1962. As regards ownership claimed by the Appellants under proviso (b) to section 13 of the Copyright Ordinance, learned counsel submitted that such proviso would only be attracted 'in the absence of any agreement to the contrary' and had the Appellants paid 'valuable consideration' for assignment of the copyright. He submitted that the contract between the parties was an 'agreement to the contrary' inasmuch as it was silent as to

ownership of copyright in the works; and that the documents relied upon by the Appellants to show payments made were at best evidence of payments towards 'cost of production' and not evidence of payment of 'agency commission or royalty'. He submitted that under section 15 of Copyright Ordinance, 1962, copyright could only be assigned in writing and therefore could not be implied from the circumstances.

13. Heard the learned counsel and perused the record.

In passing the impugned order the learned Single Judge has held essentially that since the advertising material/works, including the subject taglines were made/developed by the Respondent, these were the intellectual property of the Respondent; that since payments made by the Appellants to the Respondent were not in consideration for ownership of copyright in the advertising material/works within the meaning of proviso (b) to section 13 of the Copyright Ordinance, 1962, the Appellants could not assert copyright in the said works; and therefore it was held that while the Appellants were entitled to physical possession of the advertising material, they were not entitled to use and reproduce the same.

14. It appears that all advertising material/works made for the brand 'Dawlance' contained one or more of the slogans or taglines of '*Dawlance Making Pakistan Proud*', '*Dawlance Reliable Hai*' or '*Kyonkay Dawlance Reliable Hai*'. In these circumstances, and coupled with the fact that the Respondent was seeking also to restrain the use of the said slogans and taglines on the strength of copyright, the foremost question was whether under the Copyright Ordinance, 1962, copyright could subsist in advertising taglines or slogans such as the above. However, that aspect of the matter appears to have escaped the attention of the learned Single Judge inasmuch as the impugned order does not discuss that. But even ignoring that aspect of the matter, the finding in the impugned order that payments made by the Appellants to the Respondent under the contract were not in consideration for ownership of copyright, that finding of fact could

not have been given without the recording of evidence. In fact, that finding amounts to dismissing prayer clause (i) of the Appellant's suit and decreeing prayer clauses (a) and (b) of the Respondent's counter-claim.

15. As regards the case of *Atiqa Odho v. R. Lintas (Pvt.) Ltd.* (PLD 1997 Karachi 57) discussed in the impugned order, no reliance could have been placed on that after noticing that the same had been set-aside in appeal by a Division Bench in the case reported as *Lever Brothers Pakistan (Pvt.) Ltd. v. Atiqa Odho* (2000 CLC 872).

Regards the case of *Shakeel Adilzadeh v. Pakistan Television Corporation Ltd.* (1989 CLC 2447), there the publisher was seeking a temporary injunction on the ground that when he had engaged the author of the novel to write for the publisher's magazine, the author had assigned his copyright to the publisher, and he wanted the Court to infer from certain debit vouchers signed by the author that those vouchers constituted the agreement to assign. The Court found the vouchers to be insufficient to demonstrate the plaintiff's copyright and therefore dismissed the injunction application. In doing so it was held :

“Even though copyright has not been specifically assigned the Court can still draw its inference by looking at the agreement. The mere circumstances that an author has been engaged by a publisher to write a book for remuneration would itself not vest the copyright in the publisher unless such an intention can be clearly gathered from the agreement. In case the Courts comes to a conclusion that the author has only given a license to the Publisher to publish the work, it will have to look into the agreement to determine the conditions on which the same was given to the publisher. However, copyright cannot be presumed and when action is brought before the Court by the Plaintiff to prevent infringement of copyright; the Court would grant an injunction only when the right claimed by the plaintiff is clean. The conduct of the Plaintiff would also be one of the relevant factors to be considered by the Court while granting or refusing injunction. “

Therefore the case of *Shakeel Adilzadeh* is for the proposition that a temporary injunction to restrain infringement should only be granted where the copyright is clear.

16. The impugned order shows that the considerations of irreparable harm and balance of convenience had not been weighed while granting the temporary injunction and the matter was decided solely on what was perceived to be a prima facie case. In a number of cases, the latest in the series of which is the case of *Muhammad Sohail Tabba v. Pakistan* (2019 CLC 93), one of us (Muhammad Ali Mazhar J.) has discussed in detail the requisites of granting a temporary injunction as follows:

“I have discussed in detail that the injunction is an equitable relief based on well-known equitable principles. Since the relief is wholly equitable in nature, the party invoking the jurisdiction has to show that he himself was not at fault. The phrase ‘prima facie case’ in its plain language signifies a triable case where some substantial question is to be investigated or some serious questions are to be tried and this phrase ‘prima facie’ need not to be confused with ‘prima facie title’. Before granting injunction the court is bound to consider probability of the plaintiff succeeding in the suit. All presumptions and ambiguities are taken against the party seeking to obtain temporary injunction. The balance of convenience and inconvenience being in favour of the defendant i.e. greater damage would arise to the defendant by granting the injunction in the event of its turning out afterwards to have been wrongly granted, than to the plaintiff from withholding it, in the event of the legal right proving to be in his favour, the injunction may not be granted. A party seeks the aid of the court by way of injunction must as a rule satisfy the court that the interference is necessary to protect from the species of injury which the court calls irreparable before the legal right can be established on trial. In the technical sense with the question of granting or withholding preventive equitable aid, an injury is set to be irreparable either because no legal remedy furnishes full compensation or adequate redress or owing to the inherent ineffectiveness of such legal remedy. The existence of prima facie case is to be judged or made out on the basis of material/evidence on record at the time of hearing of injunction application and such evidence of material should be of the nature that by considering the same, court should or ought to be of the view that plaintiff applying for injunction was in all probability

likely to succeed in the suit by having a decision in his favour. Balance of convenience means that if an injunction is not granted and the suit is ultimately decided in favour of the plaintiff, the inconvenience caused to the plaintiff would be greater than that would be caused to the defendant, if the injunction is granted. It is for the plaintiff to show that the inconvenience caused to him would be greater than that which may be caused to the defendant. An injunction is a writ framed according to the circumstances of the case commanding an act which the court regards as essential to justice or restraining an act, which it esteems contrary to equity and good conscience.”

It was not disputed between the parties that the body of the advertising material was created exclusively for the products of the Appellants and was of no use as advertising material to any other person, not even the Respondent. In fact, in holding that *“undoubtedly the Plaintiff No.1 could enjoy the physical possession of work created by the Defendant No.1...”*, the learned Single Judge recognized that the body of the advertising material, as distinct from the copyright therein, was the property of the Appellants which had been paid for by the Appellants. In these circumstances it stood established that if the temporary injunction were granted, the inconvenience caused to the Appellants would be greater than that which would be caused to the Respondent by refusing the same. Therefore, in our view, the Respondent had not made out a case for the grant of the temporary injunction prayed for.

17. There is yet another aspect of the matter. One of the grounds of appeal (ground ‘L’ of the memo) is that the counter-claim of the Respondent is not for any perpetual injunction and therefore no temporary injunction could have been granted in favor of the Respondent on the basis of the counter-claim. The fact that the counter-claim of the Respondent does not pray for any perpetual injunction to restrain the Appellants from using the advertising material or taglines, is apparent from the prayer clause of the counter-claim reproduced in para 7 above. The question is could the Respondent be then granted a temporary injunction in that regard.

18. In *Marghub Siddiqi v. Hamid Ahmad Khan* (1974 SCMR 519) the plaintiff had prayed to declare unlawful a resolution passed against him by the University Syndicate, but did not pray for a perpetual injunction as final relief. However, his application for a temporary injunction for restraining the defendants from proceeding with the enquiry against him was granted by the trial court, but set-aside in appeal and then in Revision. While citing other reasons why the temporary injunction could not be granted, the Honourable Supreme Court held that:

“The first is that in a suit where no perpetual injunction is claimed no question of granting ad interim injunction can possibly arise. In the present case, the application for ad interim injunction should have failed on this ground alone.”

19. In *M. Iftikhar & Co. Ltd. v. Uzin Export-Import Enterprises for Foreign Trade* (1986 CLC 303) the background was that Uzin had terminated M. Iftikhar & Co.'s [MIC's] contract and filed suit to restrain MIC from interfering with Uzin's management of the site. In an earlier suit filed by Uzin against MIC, the latter had claimed a set-off, which after the withdrawal of that earlier suit was registered as a separate suit. MIC's prayer in that set-off suit was for recovery of money only and not for any perpetual injunction. An application for temporary injunction was moved by MIC in the set-off suit to restrain the bank from making payment to Uzin under a bank guarantee and performance bond. Such application was rejected by a learned Single Judge of this Court while relying on the case of *Marghub Siddiqi*, which was then upheld by a learned Division Bench of this Court in the captioned case.

20. While relying on the case of *Marghub Siddiqi* it is to be kept in mind that the enunciation therein that a temporary injunction cannot follow where a perpetual injunction is not sought as final relief, was in a case where the relief sought was only to declare unlawful an action initiated for the removal of the plaintiff from service and therefore the temporary injunction sought was not in aid

of the main relief. Similarly, in the case of *M. Iftikhar & Co. Ltd.* (*supra*) the prayer was only for recovery of money. In other words the case of *Marghub Siddiqi* is not to say that a temporary injunction can never be granted in any suit where a perpetual injunction has not been prayed for as final relief, inasmuch as section 53 of the Specific Relief Act, 1877 states that a temporary injunction is regulated by the Code of Civil Procedure, 1908, and Order XXXIX Rule 1 CPC in turn (not Rule 2 thereof) does not confine relief there under only to a suit for perpetual injunction. The ratio decidendi of *Marghub Siddiqi* is that a temporary injunction cannot be granted to a plaintiff who ought to have prayed also for a perpetual injunction to make his main relief complete.

21. In the case at hand, the relief prayed for by the Respondent in his counter-claim is for declaration of ownership in certain copyright and for recovery of money/damages under a contract, not for a perpetual injunction. On the other hand, the temporary injunction sought by him was essentially one for relief under Rule 2 of Order XXXIX CPC, which, as distinct from Rule 1 thereof, is available "In any suit for restraining the defendant.....", which the counter-claim of the Respondent is not. Thus, if the Respondent apprehended infringement of his copyright by the Appellants, then he ought to have prayed for a perpetual injunction as well. In these circumstances, the enunciation in *Marghub Siddiqi* was attracted and the impugned temporary injunction could not have been granted to the Respondent when he had failed to pray for a perpetual injunction in that regard. In any case, and as discussed in para 16 above, once the learned Single Judge formed the opinion that the Appellant was entitled to the physical possession of the advertising material notwithstanding the Respondent's claim to copyright therein, then it followed that the inconvenience that may result from the grant of the temporary injunction would be greater to the Appellant than that which would be caused to the Respondent by

refusing the injunction. Therefore, even on the merits, it was not a case for granting the temporary injunction prayed for.

22. In view of the foregoing, this appeal is allowed; the impugned order dated 30-03-2017 passed in Suit No. 1604/2013 is set-aside, and CMA No. 644/2014 and CMA No. 16752/2014 moved by the Respondent in the said suit are dismissed.

JUDGE

JUDGE

Karachi

Dated: 05-04-2019