

IN THE HIGH COURT OF SINDH AT KARACHI

Suit No.142 of 2012

[Dollar Industries (Pvt.) Ltd. and another v. Mr. Kamran Akhlaq]

Date of hearing : 12.08.2021
Plaintiffs : Through Mr. Rafiq Ahmed Kalwar
Advocate
Defendant : *Nemo*

JUDGMENT

Zulfiqar Ahmad Khan, J:- This suit is filed for declaration, rendition of accounts, damages and permanent injunction, with the following prayer clauses:-

- (i) Declare that the plaintiffs are exclusive lawful owners of the cartoon character “Dollar mascot” and its various forms/modes and the defendant has no right or interest in the plaintiffs said copyright/artistic work;
- (ii) Decree for permanent injunction restraining defendant directly or indirectly and his partners, agents, assign, dealers, distributors, publisher, employees associated men, and any other representatives trading etc. from making, using, displaying, marketing, infringing and committing piracy etc. in any manner whatsoever by using imitated, similar, deceptively similar or identical images to the Dollar Mascot (Cartoon Character) its various forms/modes, variation and other intellectual property rights of the plaintiffs.
- (iii) An injunction to the effect that any display, trade, sale, offer for sale, purchase/hire, promotion, marketing, publicity and piracy of any images containing Dollar Mascot (Cartoon Character) and other intellectual property of plaintiffs, on any websites, internet or any other social/market place and preventing the defendant from committing any action in any manner whatsoever which is detrimental and prejudicial to the vested rights of the plaintiffs in Dollar Mascot (Cartoon Character) its form/modes or any other intellectual property and rights of the plaintiffs.
- (iv) Declare that the defendant’s act of uploading and offering for sale plaintiffs copyright/artistic work “Dollar Mascot” and its various

forms/modes on internet is illegal and amounts to infringement of plaintiffs copyrights;

- (v) For decree directing defendant to withdrawal, remove, lift, forthwith all the views, prints material/images, photographs, products etc. containing Dollar Mascot (Cartoon Character) its variation/modes or any other intellectual properties of the plaintiffs from the websites and any other websites on internet or any other social/market place etc., and all the formats material, files (all source code, papers, drawings, notes designs, devices, documents, diskettes, CDs, DVDs, tapes, data drives and any other material etc.) shall either be destroyed in presence of plaintiffs and or their duly authorized representative and/or attorney or be handed over to the plaintiffs and/or the plaintiffs' attorney for the destruction and defacement thereof.
- (vi) Direct the defendant to furnish complete detail accounts of sales and profits made through making displaying, marketing, trading sale, offering for sale by using of any image/product/photographs etc. any identical/similar/imitation/infringement of Dollar Mascot (Cartoon Character) its variation and other intellectual properties and rights thereof which subject matter of this suit and such sum/amount of undue profit earned by the defendant may be mandated to be paid to the plaintiffs as and when ordain by the Honorable Court.
- (vii) Direct the defendant to compensate and make good loss of business loss of opportunity occasioned due to illegal/unlawful act of piracy and infringement of the defendant by paying damages on all head and costs mentioned in the suit.
- (viii) Declare that the defendant has illegally and without any authorization attempted to sale the plaintiffs copyright/artistic work **"Dollar Mascot"** and its various forms/modes which has or is likely to cause confusion in the general public with regard to plaintiffs products;
- (ix) Any other, better or further relief(s) which this Hon'ble court may deem fit to grant in the facts and circumstances of the case;
- (x) Costs of the suit."

2. It unfurls from the plaint and from the submissions made by the learned counsel for the plaintiffs that the plaintiffs and its predecessors started their business more than half century ago by manufacturing and

marketing of fountain pens, inks, ball points, pens, glue, adhesives and other stationery items of international standard, which are now being sold around the world including Pakistan and in order to distinguish their goods from those of the other traders, the plaintiffs adopted and coined a number of distinctive trademarks, labels/designs and artistic works, which have been duly protected and registered under the applicable laws including Copyrights Ordinance, 1962. The plaintiffs claim to be the first original creator, adopter, sole owner and exclusive right holder of a cartoon character named “**Dollar Mascot**” and its various forms and variation including colour scheme and artistic work therein since 2005, which cartoon character is extensively and continuously advertised since 2006, and by virtue of such a wide and extensive publicity, and sales made under the said copyrighted work, the said character has attained enviable reputation and goodwill. That in order to secure the proprietary rights in the said cartoon character, plaintiffs No.2 had filed applications for registration of copyright therein with the Copy Right Registry on 07.07.2011 on the basis of such longstanding use, to which none had filed any opposition or objections.

3. That the plaintiffs came to know through the internet that the defendant in order to deceive and cause confusion amongst the buyers is displaying, uploading and offering for sale the same cartoon character and its various forms/modes through internet website www.fotolia.com, which is available across the globe for buying royalty free photo images, allowing individuals and professionals to buy and share such images and illustrations without any authorization of the plaintiffs, which act of the defendant amounts to illegal reproduction and piracy of the plaintiffs’ rights in the said cartoon character. Plaintiffs thereafter issued legal notices to the defendant on 25.04.2011 and subsequently on 25.08.2011 requiring him to stop, remove and destroy forthwith all the illegal uploading or displaying of the said cartoon character from the website,

to which plaintiffs, till date have not received any reply. The plaintiffs also complained the matter with the copyrights agent of Fotolia website and demanded the said website to expeditiously remove or disable access to such contents illegally displayed, offered for sale or free downloads and as a result of the notice dated 26.04.2011, Fotolia immediately removed the said cartoon character from its website.

4. The matter came up in the Court on 09.02.2012, when notices were ordered to be issued to the defendant. Thereafter, office has issued summons to the defendant, which returned with an endorsement that defendant refused to accept it therefore vide diary of A.R (O.S) dated 27.04.2012 summons were repeated through pasting as well as TCS for 17.08.2012. On which date, again summons returned un-served with an endorsement that the defendant was not present at the given address and the person, who was present, refused to receive the same, hence summons were ordered to be repeated through bailiff, registered post, TCS and pasting for 25.10.2012, which also returned un-served with the note that the premises were locked, hence summons were again repeated for 07.02.2013 through Bailiff and TCS. In the intervening period, Vakalatnama was filed by Khawaja Muhammad Azeem on behalf of the said defendant on 05.11.2012, therefore, the matter was taken up by the A.R (O.S) for filing of written statement by the defendant on 30.04.2013, 10.09.2013 and 28.01.2014 however none appeared on his behalf, hence A.R (O.S) debarred the defendant vide diary dated 18.02.2014. On 05.12.2014, the matter was fixed for final disposal and the plaintiffs were directed to file affidavit-in-*ex-parte* proof, which was filed accordingly.

5. The plaintiff No.1 (who is also attorney of plaintiff No.2) was examined on 16.11.2016, who, deposed that he is a Director and authorized signatory of the plaintiff No.1 and have gone through the contents of the affidavit in *ex-parte* proof and produced the same as

Exhibit PW-1/1. He also produced Certificate of Incorporation, Board Resolution and Power of Attorney as Exhibits PW-1/2, PW-1/3 and PW-1/4, True copy of Certificate of Registrar of Firms dated 30.07.1969 as Exhibit PW-1/5, Plaintiffs' Catalogue as Exhibit PW-1/6, Certificate of Awards as Exhibits PW-1/7 to PW-1/9, Appointment letter dated 01.09.2004 of the plaintiff No.1's employee/graphic designer and affidavit/undertaking of Surrender and Non-Disclosure as Exhibits PW-1/10 and PW-1/11, advertisement of plaintiffs cartoon character published in the newspaper and magazines as Exhibits PW-1/12 to PW-1/30, Certified copies of the Copyright applications and their advertisements in the newspaper as Exhibit PW-1/31 to PW-1/65, copies of the print out from the website www.fotolia.com as Exhibit PW-1/66, true copies of legal notices alongwith courier receipts, Registered AD as Exhibits PW-1/67 and PW-1/68, true copy of notice dated 26.04.2011 as Exhibit PW-1/69, true copies of print-out as Exhibit PW-1/70 and PW-1/70, Appointment Letter dated 01.09.2001 and Acceptance of Resignation letter dated 22.02.2007 of defendant as Exhibit PW-1/72 and PW-1/73 and General Power of Attorney dated 09.02.2012 as Exhibit PW-1/74. After his examination, he closed his side and since none had affected appearance on behalf of the defendant, the cross was nil.

6. Plaintiffs filed application under order XIII rule 2 CPC seeking permission for production of copyright registration certificate bearing Registration Nos.26519-Corp to 26532-Corp and Nos.26587-Corp to 26606-Corp (total 34 in number) dated 31.07.2012, which was allowed vide order dated 18.10.2017 and the plaintiffs were directed to file additional affidavit-in-evidence for exhibiting all the above mentioned registration certificates, which were filed accordingly and vide order dated 29.10.2018 office was directed to attach the same with the affidavit-in-ex parte proof and the matter was fixed for evidence. On

02.12.2019 he was again examined on additional affidavit-in-*ex-parte* proof and the matter was directed to be fixed for final arguments.

7. Issues posed through this Suit could be summarized as under:-

1. Whether there is copyright in a cartoon character?
2. Whether the plaintiffs had copyright in the said cartoon character?
3. Has the defendant infringed plaintiffs' copyright in the said cartoon character?
4. What the decree should be?

8. Issues No.1 is heart of the matter which is primarily a legal issue regarding copyrightability of cartoon characters. It is worth noting that one of the most well-known cartoon character of our times is Mickey Mouse (an animated mouse) which was originally created in October 1928. Since promulgation of the first copyright law in the United States in the year 1909 and in our part of the world in 1914 (The Indian Copyright Act, 1914) amongst various forms of copyrightable works, drawings and hand sketches were protected as copyrightable works but fictional and cartoon characters were not clearly, *per se*, copyrightable subject matter under either these acts. While characters enjoyed copyright protection within the context of the works in which they appear, they were not independently considered to be copyrightable. Characters usually became an element of a work together with the arrangement of incidents in which they appear. However, these characters with the passage of time were frequently removed from their original context and started appearing in separate independent works. The legal status of these characters, as they exist independent of their original context, created the problem of determining the level of legal protection to be afforded to these characters. The trouble starts from the fundamental rule that copyright law protects the expression of ideas rather than the ideas themselves which is known as the idea/expression dichotomy. This

dilemma always stand tall whenever one attempts to distinguish an idea (for example a talking lion character) from an expression (say Simba or Lion King). In terms of copyrightability, the point at which fictional characters gain copyright protection depends upon their stage of development. Characters gain more protection as they become more developed and are "distinctly delineated" from the work in which they appear. Tests articulated by courts to deal with the phenomenon of protecting an independent character have not been particularly helpful either. These tests are known as "distinctly delineated" and "story being told" tests which are mainly used to give a decision that has already been reached with regards additional validity. This "distinctly delineated" test was formulated in the case of *Nichols v. Universal Pictures*¹ as early as 1930 whereas "story being told" test arises from the judgment rendered in the case of *Warner Bros. Pictures Inc. v. Columbia Broad System*² in the year 1954. Coming back to Mickey Mouse character, *Walt Disney Productions v. Air Pirates*³ for the first time held that the character "Mickey Mouse" was entitled to protection per se, apart from the stories in which it appeared. *Detective Comics, Inc., v. Bruns Publications*⁴ found that defendant's "Wonderman" cartoon character infringed Plaintiff's copyright in the "Superman" character as the court held that defendants "used more than general types and ideas and appropriated the pictorial and literary details embodied in the 'Superman' comics" and that the Superman comics were subject to protection by copyright nonetheless. In today's world, fictional and cartoon characters form significant portion of copyrightable assets. Licensing character images and selling products which feature these images generate millions. Since characters have become valuable apart from the work in which they originally appear, these characters are

¹ *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 7 U.S.P.Q. 84 (2d Cir. 1930)

² 216 F.2d 945, 950 (9th Cir. 1954)

³ *Walt Disney Productions v. Air Pirates*, 581 F.2d 751

⁴ *Detective Comics, Inc., v. Bruns Publications*, 111 F.2d 432

entitled to well-defined legal protection against possible infringements⁵. Notwithstanding therewith the witness of the Plaintiffs has submitted a number of registration certificates of the said cartoon character as Exhibit P-1/76 to P-1/109 issued by the Copyright Registry proving that the said work after going through the scrutiny of the Copyright Ordinance and its Rules has already been registered as Artistic Work. The said witness also produced advertisement of plaintiffs cartoon character published in newspaper and magazines as Exhibits PW-1/12 to PW-1/30 and certified copies of the Copyright applications and their advertisements in the newspaper as Exhibit PW-1/31 to PW-1/65. Conclusion of the above discussion leads to the answering of this issue in the affirmative.

9. To prove Issue No.2 as to the ownership of copyright in the work, the Plaintiff's witness namely Mr. Abdullah Feroz produced Copyright Registration Certificates Nos.26519-Corp to 26532-Corp and Nos.26587-Corp to 26606-Corp (total 34 in number) dated 31.07.2012 as Exhibit P-1/76 to P-1/109 issued by the Copyright Registry proving registration of the said artistic work with the Copyright Registry. Section 42(2) titled "Register of Copyrights to be prima facie evidence of particulars entered therein" provides that *a certificate of registration of copyright in a work shall be prima facie evidence that copyright subsists in the work and that the person shown in the certificate as the owner of the copyright is the owner of such copyright*. In the case reported as 2003 CLD Karachi 1531, this Court while interpreting Section 42 of the Copyright Ordinance, 1962 held that registration of *inter alia* copyright under the appropriate legislation was a prima facie evidence that copyright subsisted in the work and that the person shown in the certificate as the owner of the copyright is the owner of such copyright.

⁵ COPYRIGHTABILITY OF CARTOON CHARACTERS by Cathy J. Lalor PTC Research Foundation of the Franklin Pierce Law IDEA: The Journal of Law and Technology

In the case of Ferozsons Pvt. Ltd. V. Dr. Col. Retd. K.U.Kureshi⁶ courts even reached to the conclusion that mere failure to get a copyright registered does not invalidate or impair the copyright nor destroys the right to sue for copyright infringement and Register of Copyright and index is prima facie evidence of the particulars entered therein and raises a presumption that the person whose name is entered in the Register is the author of the Copyright subject to the dictum laid down in the said judgment. Residual effect of the above discussion is that the Plaintiffs have copyright in the said cartoon character, hence issue No.2 is answered in the affirmative.

10. To prove issue No.3, the Plaintiffs' witness produced on record Appointment letter dated 01.09.2004 showing that the defendant was employed as Graphic Designer in Plaintiffs' company and affidavit/undertaking of Surrender and Non-Disclosure as Exhibits PW-1/10 and PW-1/11 are also on record. Copies from the website www.fotolia.com depicting the same artistic work available for sale were also produced as Exhibit PW-1/66. True copies of legal notices alongwith courier receipts, Registered AD as Exhibits PW-1/67 and PW-1/68, true copy of the Legal Notice dated 26.04.2011 as Exhibit PW-1/69, true copies of print out as Exhibit PW-1/70 and PW-1/70, appointment letter dated 01.09.2001 and Acceptance of Resignation letter dated 22.02.2007 of defendant as Exhibit PW-1/72 and PW-1/73 were also presented. The matter proceeded *ex-parte* against the defendant who even did not chose to lead any evidence. With regards infringement of cartoon characters, courts usually rely on the copyright protection in the original work, as it is usually difficult to copy a character without copying a substantial amount of the original author's expression. The "substantial similarity test" is used for determining when enough has been taken from the original work so as to constitute

⁶ 2003 CLD 1052 LAHORE

infringement. The first step of the proposed test is whether a character is a general type, i.e. an idea, or whether the character is developed enough to constitute protectable expression. This part of the test is only a way of eliminating characters that are obviously of a general type with little expression so that a lengthy analysis would be unnecessary. In the case at hand the defendant chose to offer a ditto copy of the plaintiffs' duly registered cartoon character which was fully developed therefore this part of the test qualifies. The second part of the test is to apply the extrinsic/intrinsic test articulated in Krofft⁷ to determine if a character is protected by copyright within the context of the original work. As discussed above, protecting a character within the original work is sufficient because it is usually difficult to separate a character from its work. The only gap in protection occurs when an infringer uses only the name, phrase, dress or recognizable element that immediately brings the character to mind, but this gap is successfully filled by trademark and unfair competition law, but that is not the case at hand. The proposed test offers an in-depth analysis that compares various elements of two works and thereby compares the original and allegedly infringing character. It is now an established legal position that offering independent protection to fictional characters would limit the pool of raw material and would do a great disservice to the public. The main concern of copyright law is to promote the progress of the arts and at the same time to secure an everlasting source of revenue for the creator of a fictional characters now-a-days. For the reasons detailed in this paragraph it becomes obvious that the defendant infringed copyrighted work of the plaintiffs as he took entire work from the plaintiffs' platform and offered it for sale (or downloads) to third parties, not only infringing copyright but at the same time inducing dilution of the plaintiffs' trademark rights in the said character. It is established law that where a copyright in any way has been infringed, its owner is

⁷ Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157

entitled to all such remedies by way of injunction, damages and accounts⁸. Section 60 of the Copyright Ordinance, 1962 provides civil remedies for such infringement, whereas, section 60A offers special remedies to apply to a court for immediate relief, notwithstanding regular proceedings in the form of a suit or civil proceedings have not yet been initiated. Whilst section 56 enumerates the eventualities as to how a copyright work stands infringed and section 66 be responsible for punishment, and section 72 suggests the procedure for criminal cases. Resultantly Issue no. 3 is answered **in affirmative** as there is no cavil that the defendant left any stone unturned to infringe the plaintiffs' copyrighted work and scheme of law fully supports the case of the plaintiffs.

11. In the above circumstances, with regard issue No.4, this Court reached to the conclusion that the plaintiffs were able to prove their case against the defendant. The instant suit is thus decreed as prayed, however with no orders as to costs.

Judge

Karachi:
15.09.2022

B-K Soomro

⁸ Messrs Ferozesons Pvt. Ltd. v. Dr. Col Retd. K.U. Kureshi and others 2003 CLD 1052