## JUDGMENT SHEET

## IN THE HIGH COURT OF SINDH AT KARACHI

Present:

Mr. Justice Muhammad Shafi Siddiqui, CJ

Mr. Justice Jawad Akbar Sarwana

**High Court Appeal No.264 of 2021** 

Appellant: Mahle Engine Components Japan

Corporation through Ms. Hanya Haroon and Syed Hassan Zaman

Shah, Advocates

and

Respondents: Azam Autos and another through Mr.

Zark Ahmed Khan Ghory, Advocate

**High Court Appeal No.01 of 2022** 

Appellant: Mohammad Ali Barry through Mr.

Salman Ahmed Shaikh, Advocate

and

Respondents: Mahle Engine Components Japan

Limited and others through Mr.Zark Ahmed Khan Ghory and Mr.Khalid

Daudpota, Advocates

**High Court Appeal No.02 of 2022** 

Appellant: Mohammad Ali Barry through Mr.

Salman Ahmed Shaikh, Advocate

and

Respondents: Kaybee Snacks and others

through Mr. Khalid Daudpota,

Advocate

Date of hearing: 10.12.2024

Date of Decision: 17.01.2025

## COMMON JUDGMENT

**JAWAD AKBAR SARWANA, J.**: These three (3) appeals arise out of impugned orders passed in two separate suits, namely, Suit No.2578/2014 (Muhammad Ali Barry v. Kaybee Snacks & Others) and Suit No.2058/2019 (MECJC v. Azam Autos & Another), instituted in the first instance jurisdiction (original side) of the High Court of Sindh at Karachi, and concern the judicial determination of two (2) trademark-related cases which were pending hearing in the High Court since the years 2014 and 2019, respectively, and were retained as per his lordship, Mr Justice Munib Akhtar, who as a Judge of the High Court of Sindh at Karachi (currently a sitting Judge of the Supreme Court of Pakistan) authored a Note/Opinion regarding the contours of transfer of such cases from the High Court of Sindh at Karachi to the Intellectual Property Tribunal established under Section 16 of the Intellectual Property Organization of Pakistan ("IPOP") Act, 2012. Following the issuance of the Note/Opinion, the defendants in the respective two suits (respondent(s) in HCA No.264/2021 and HCA No.02/2022) challenged the maintainability of the two lis instituted in the High Court under the Trade Marks Ordinance ("TM Ordinance"), 2001, i.e. whether the suit ought to be transferred and/or its plaint is to be either returned or rejected, leading to the judicial determination of each lis. These three (3) appeals also involve impugned orders passed in the two suits by the same learned Single Judge on hearing dates: Order dated 01.11.2021 No.2058/2019 and Order dated 14.12.2021 in Suit No.2578/2014. The learned Single Judge ordered the return of the plaint(s) in each of the two suits. Both impugned orders, although passed in two separate suits, are similar and are based on the interchangeably the same reason. Hence, this Common Judgment decides all three appeals.

2. Turning to the first action, Mahle Engine Components Japan Corporation ("MECJC") filed Suit No.2058/2019 against Azam Autos

and another for declaration, permanent injunction, damages, rendition of account against the infringement of plaintiff's registered trademark "IZUMI" and or its logo: i+O "i surrounded with circle" and/or from using the infringing mark "CJIZUMI" by the Defendant(s) and/or from unfair competition under the TM Ordinance, 2001 read with all enabling provisions of law. On 01.11.2021, the learned Single Judge passed orders returning the plaint to the Intellectual Property Tribunal ("IP Tribunal"). Aggrieved by the said order dated 01.11.2021 in Suit No.2058/2019, MECJC has preferred an appeal, i.e. HCA No.264/2021.

- 3. Plaintiff, Muhammad Ali Barry s/o Zafar Ahmed Kalia ("MAB") filed Suit No.2578/2014 against Kaybee Snacks and seven (7) others for groundless threats, declaration, injunction and damages under Section 52 of the TM Ordinance, 2001. On 14.12.2021, the learned Single Judge passed an impugned order returning the plaint. Aggrieved by the Order dated 14.12.2021, MAB preferred an appeal to the said Order, viz. HCA No.02/2022.
- 4. Additionally, MAB, has also filed HCA No.01/2022 against MECJ and impleaded the defendants in his Suit No.2578/2014 as respondents in the said HCA alleging that he is aggrieved by the learned Single Judge order dated 01.11.2021 passed in Suit No.2058/2019 deciding that the High Court of Sindh does not have jurisdiction to institute and decide suits and other civil proceedings under "Intellectual Property Laws" as the said order effects the jurisdiction of several hundred cases pending in the Hon'ble High Court including MAB's Suit No.2578/2014.
- 5. At the outset, Counsel consented that this bench may proceed with the matter, in spite of one of us having conflict, namely, the undersigned, one of the signatories, so long as the appeals are decided in terms of the Judgment dated 10.01.2024, again passed by one of us, namely, the undersigned, one of the signatories, while sitting in the first instance jurisdiction (original side) of the High Court

of Sindh at Karachi in Suit No.200 of 2020, <u>M/s. Sadig & Suharwardy v. Ismail Industries Ltd. and eight (8) other connected suits and one J. Misc. as per annexure "B" of the said Judgment.</u>

- 6. We have heard the learned Counsels and perused the record.
- 7. By way of background, it may be noted that the President of Pakistan gave his assent to the IPOP Act on 03.12.2012, and Parliament enacted the said Act, on 06.12.2012 which was also published in the Gazette of Pakistan on the same date.
- 8. Section 1(3) of the IPOP Act, 2012 determines the date of the commencement of that statute and clarifies that:
  - ". . .(3) It shall come into force with effect from 28th August, 2012, except the provisions of section 15, 16, 17, 18 and 19 which shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint."
- 9. Section 16 of the IPOP Act, 2012 provides for the creation of IP Tribunals and determines how "Intellectual Property Tribunals" are to be established, clarifying that:
  - "16. **Establishment of Intellectual Property Tribunals**: (1) The Federal Government may, by notification in the official Gazette, establish as many Tribunals as it considers necessary to exercise jurisdiction under this Act, appoint a Presiding Officer for each of such Tribunal and where it establishes more Tribunals than one, it shall specify in the notification the territorial limits within which each of the Tribunal shall exercise its jurisdiction."
- 10. According to Section 17(1) of IPOP Act, 2012, matters pertaining to "Intellectual Property Laws" (hereinafter referred to as "IP Laws") pending in any Court shall stand transferred to the Intellectual Property Tribunal under Section 16 of the IPOP Act, 2012, and Sections 17 and 18 of the Act determine 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,
  - 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."

(underlining added)

- 11. It may be noted that Section 2(h) of the IPOP Act, 2012 defines "Intellectual Property Laws" / "IP Laws", as the laws specified in the Schedule to the Act, which include 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).
- 12. Inspite of coming into force of IPOP Act, 2012, the IP Tribunal in Sindh was not established until the Government of Pakistan, Law Justice and Human Rights Division published Notification No.P.15(1)/2013-A-IV dated 02.12.2014 when Section 16 was brought into force and by which notification the IP Tribunals were established, and in particular a Tribunal was constituted inter alia having territorial jurisdiction for matters pertaining to the infringement of intellectual property rights within the city of Karachi. Thereafter vide the Government of Pakistan, Law Justice and Human Rights Division published Notification No.S.R.O 1330(I)/2015 dated 29.12.2015, the Federal Government was pleased to direct that Section 15 as well as sub-sections (2), (3), (8), (9), (10), (11) and (12) of Section 16 and Sections 17, 18 and 19 of the said Act shall come into force with immediate effect.
- 13. Following the above developments, pursuant to an Order dated 14.12.2017 in Suit No.2578/2014 (*Muhammad Ali Barry v. Kaybee Snacks & Others*), Mr. Justice Munib Akhtar, rendered an opinion/note pursuant to the directions of the Chief Justice of the High Court of Sindh relating to the transfer of cases to the IP

Tribunal Karachi. The said Note/Opinion became a part of the Office Report put up by the Asst. Registrar (D-II)(O.S.) on 28.12.2017 to regulate IP matters filed in the High Court. A selection of relevant paragraphs is reproduced from Justice Munib Akhtar's Note/Opinion as follows:

- "2. One point appears clear. Since the Tribunal is intended to be a first instance (i.e. trial) forum, the appellate jurisdiction of the High Court is not involved. Thus (obviously) HCAs and MAs (Misc. Appeals) under or in respect of or arising out of the IP Laws are not affected and were not be transferred.
- 3. The first jurisdiction, generally speaking, under the IP Laws is conferred on the "court" which is usually defined as being the District Court or Judge. The Sindh High Court, being or having the jurisdiction of the principal Court of Civil Jurisdiction in Karachi Division by virtue of the (Provincial) Act of 1926 exercises this jurisdiction accordingly, essentially in forms of suits filed on the Original Side. Some of the provisions of the IP Laws, however, directly confer first instance jurisdiction on the High Court. These include Petitions regarding revocation of Patents and cancellation of designs and/or the Patents Ordinance, 2000 and Registered Design Ordinance, 2000, respectively.
- As noted above, in my view the crucial provision is Section 18(1) and what is required in particular is the proper interpretation of the word "infringement" of intellectual property laws appearing therein. The reason is that it is only suit and civil proceedings "regarding" such "infringement" that fall within the (exclusive) jurisdiction of the Tribunal and need therefore be transferred. Quite obviously, suits for infringement of intellectual property rights such as registered trademarks, patents, designs, etc. would fall within the scope of the foregoing words. The fact that such suits above have been instituted in the High Court would not be relevant since as noted the High Court is exercising jurisdiction in such matters because it is the principle court of civil jurisdiction for Karachi Division. The statute confer jurisdiction in relation to such infringement not on the High Court but rather on the District Court or Judge or Court in relation to infringement of the right concerned. Thus Section 117 of the Trademark Ordinance, 2001 ("TM Ordinance"). . . speak of the District Court/Judge. . . Now, by far, the majority of the suits pending on the original side would appear to be those involving infringement in terms of the foregoing provisions. Thus, subject to what is stated below, the general rule would appear to be that suits pending on the Original Side arising out of the IP Laws would have to be transferred to the Tribunal.

5. ...

6. Section 46(3) of the TM Ordinance provides as follows: "Nothing in his Ordinance shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or services as services provided by another person, or the remedies in' respect thereof". Thus, the action of passing off lies, as before, in the realm of forts and is not an infringement of the TM Ordinance. A suit for passing off pending on the Original Side ought not therefore to be transferred to the Tribunal, since its jurisdiction in terms of Section 18(1) is specifically limited to "infringement of intellectual property laws". The difficulty however is that invariably the action for passing off is not a "standalone" suit, in which the relief (for injunction, etc.) is sought only on this basis. It is invariably combined with an action for trademark infringement. Thus, it could be that relief is sought on the basis of trademark infringement with an additional or alternative basis on the ground of, passing off. In my view

such a "combined" suit would not lie within the competence of the Tribunal and ought not therefore to be transferred.

- 7. The TM Ordinance also poses certain other difficulties in the present context. They are rather intricate in nature and may well not arise in any of the pending proceedings. I have not therefore discussed these difficulties in any detail. I merely mention this in case there is such a situation, which would have to be dealt with on a case to case basis. . . ."
- 14. Mr. Justice Munib Akhtar summarized his opinion in paragraph 9 of the said Note/Opinion as follows, which is reproduced to the extent of trademark matters only:
  - "a) Pending appeals need not be transferred.
  - b) Pending petitions (J.Ms). . . (a patent). . . (a design). . .
  - c) Pending suits for infringements. . . (a patent). . . (a design). . .
  - d) Suits being an action of passing off or in which relief sought on this basis along with an action for infringement of a registered trademark (whether in addition or in alternative) also ought not to be transferred.
  - e) Subject to the above, suit pending on the Original Side regarding the IP Laws ought to be transferred.
  - f) In case in any suit being transferred any party claims it ought not to be transferred (or even vice versa), the party should be asked to file appropriate application in the suit or seek other appropriate judicial remedy, in the High Court. The matter should then be dealt with on the basis of the judicial determination.
- 15. Following Justice Munib Akhtar's Note/Opinion, the High Court accepted all kinds of suits in respect of IP Laws filed in the High Court. None were rejected until parties, as in the present case, the defendants/respondents, raised a judicial challenge by way of an application for the transfer of the trademark-related suit from the High Court to the IP Tribunal.
- 16. As Justice Munib Akhtar's Note/Opinion (reproduced above) mentioned, IPOP Act, 2012 covered "IP Laws" only. Therefore, any matter that would fall outside the scope of "IP Laws" was deemed not covered by the IPOP Act, 2012. Thus, suits that referred to "Passing Off" in the prayer clause and other multiple reliefs, such as the declaration, permanent injunction, rectification, rendition of accounts, damages, etc., were not to be transferred as per Justice Munib Akhtar's Note/Opinion. It may be noted that

Justice Munib Akhtar's Note/Opinion was neither a judicial order nor a judgment. It was a simplicter office Note/Opinion. There was no judicial determination on whether the subject of "Passing Off" was beyond the ambit of "IP Laws" under the IPOP Act, 2012 until the Judgement of the Supreme Court of Pakistan in the case of *Muhammad Multazam Raza v. Muhammad Ayub Khan,* 2022 SCMR 979 ("the *MM Raza* case") in paragraph 12 of the judgment, 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."

- 17. Thus, the Supreme Court has clarified that "IP Laws" under the IPOP Act, 2012, includes cases involving "Passing Off" action, too.
- 18. It is pertinent to note that in the impugned Orders, the date of filing (institution) of the two suits, i.e., in the case of the suit filed in 2014, i.e. Suit No.2578/2014, and in the case of the suit filed in 2019, i.e. Suit No.2058/2019, the dates of the institution of the cases were not taken into consideration viz. deciding between whether Court ought to have transferred the cases and/or the plaint should have been returned. As is apparent while under Section 18(1) of IPOP Act, 2012, the jurisdiction of the "Intellectual Property Tribunal" is in respect of "all suits and other civil proceedings regarding infringement of intellectual property laws", as per Section 17(6) of IPOP Act, 2012, cases that were to be transferred to "Intellectual Property Tribunals" were not all pending suits and other civil proceedings regarding the infringement of intellectual property laws but were limited to those matters that were "instituted under IP The legislature distinguished between the nature of proceedings to be instituted before the IP Tribunals, once

constituted, and the pending proceedings before any other forum, which are to be transferred to IP Tribunals. Inasmuch after 29.12.2015, being the date of the notification by which jurisdiction was conferred on the IP Tribunals, only matters that had been instituted under the provisions of any "IP Laws", as defined in Section 2(h) read with the Schedule of the IPOP Act, 2012, and which were related to the infringement of an IP Laws stood transferred to the IP Tribunals.

19. According to Section 17(6) of IPOP Act, 2012, which pertains to the transfer of proceedings from the High Court to the IP Tribunal, the said section came into force on 29.12.2015. Therefore, concerning trademark-related suits and proceedings instituted/filed in the High Court before 29.12.2015, all such matters appear to be liable to be transferred from the High Court to the IP Tribunal. Based on the above understanding, in our view, as a starting point in trademark-related cases pending in the first instance jurisdiction (original side) of the High Court of Sindh at Karachi, the institutional date of the case is the first port of call for the High Court when deciding the issue of how to deal with such lis, i.e. to transfer the case or return/reject the plaint. We propose to describe these Pre 28.12.2015 instituted trademark-related suits filed in the High Court as Category "A" cases. Thus, trademark-related suits instituted/filed on or before 28.12.2015 should be transferred to the IP Tribunal. Further, from 29.12.2015, once Section 17(6) came into force, the High Court continued to entertain and hear trademark matters, whereas such actions ought not to have been filed in the High Court. In such cases, the plaint filed in the trademark suit ought to have been returned by the High Court for filing in the IP Tribunal, as the High Court did not have jurisdiction. To this end, we have classified Trademark cases instituted/filed on or after 29.12.2015 as Category "B" cases. In such cases, the plaint should be returned for filing before the proper forum, i.e. the IP Tribunal. Suffice it to say that suits for infringement of a trade mark currently pending in the High Court and filed prior to 29.12.2015

may be transferred to the IP Tribunal subject to judicial determination as proposed by Justice Munib Akhtar in his Opinion/Note (Category "A"), whereas trademarks suits filed after 29.12.2015, currently pending in the High Court, the plaint in such suits must be returned (Category "B") based on judicial determination, too.

20. It may be noted that MAB's Suit No.2578/2014 involved a suit for groundless threats, etc. The "IP Laws" for remedies against groundless threats of infringement proceedings are covered by Section 52 of the TM Ordinance, 2001, which MAB has invoked in his suit. In these proceedings, essentially, the plaintiff is threatened by the defendant, the holder of the IP right, on the basis of an alleged infringement of the latter's right(s), which the plaintiff denies. The remedies include suitable declarations, injunctions and even damages. As discussed in paragraph 5 of Justice Munib Akhtar's Note/opinion, while it could be argued that the nature of such groundless threats should not be considered to be "infringement of intellectual. property laws", the crucial words of Section 18(1) of the IPOP Act, 2012, require consideration particularly in light of the observation made by the Supreme Court of Pakistan in the MM Raza case (supra) expanding the definition of "IP Laws" under the IPOP Act, 2012. Indeed, even if it could be argued that such situations are quite the opposite, here, the plaintiff is averring that he has not infringed the relevant "IP Laws" but has nonetheless been issued a (groundless) threat in this regard. However, based on a holistic approach, the better view seems to be that such suits would also be covered by Section 18(1) as being "regarding infringement" and, hence, in our opinion, a suit of such kind would lie within the jurisdiction of the IP Tribunal. This is all the more so given that it is quite probable that the IP right holder would countersue for infringement of his right, which would undoubtedly lie within the jurisdiction of the IP Tribunal. There would then be a danger of multiple proceedings before different forums. Therefore, because of the above reasons,<sup>1</sup> we find that the subject matter of MAB's Suit No.2578/2014, instituted under the TM Ordinance, 2001, falls within the definition of "IP Laws",<sup>2</sup> and as such, the said suit is liable to transfer to the IP Tribunal on this score too. This is apart from the fact that Suit No.2578/2014 involved an "IP Laws" matter, was instituted under the TM Ordinance, 2001 and was filed in the year 2014, and falls under Category "A"; hence, it was always subject to transfer from the High Court to the IP Tribunal under the IPOP Act, 2012. Accordingly, when this lis is liable to be transferred to the IP Tribunal under the IPOP Act, 2012, no question of returning or rejecting the plaint arises in the trademark-related suit.

- 21. Apart from the above-mentioned criterion of the date of filing (institution) of the trademark-related suit, the High Court must also deal with several moving parts of the IPOP Act, 2012, concerning "IP Laws" and civil proceedings "regarding infringement of IP Laws", when examining "a suit for infringement of a trade mark" and/or "a suit for otherwise relating to any right in a trade mark" under Section 117 of the TM Ordinance, 2001. Each particular case must be examined in light of the law and its facts. Thus, another aspect that also comes into play when the High Court is considering the issue of either transferring the trademark-related suit or returning the plaint filed in such suit or continuing the hearing of the case in the first instance jurisdiction (original side) of the High Court has to do with Category "C" cases.
- 22. It is pertinent to mention that in addition to trademark-related matters concerning suits for infringement of a trade mark, which fall under Category "A" and Category "B", there is a third species of trademark matters under the TM Ordinance, 2001, which do not fit into either of the two categories, i.e. neither Category "A" nor Category "B". Instances/situations may occur when the High Court has to deal with a trademark-related suit pending in the first

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<sup>&</sup>lt;sup>1</sup> See paragraph 5 of Justice Munib Akhtar's Office/Note

instance of the High Court for adjudication to decide further proceedings in the lis as per IPOP Act, 2012 and, at the same time, there is also an application pending in the High Court that was filed directly in the High Court when the suit or proceeding concerning the trademark was pending in the High Court that also simultaneously requires to be adjudicated. Section 116 of the TM Ordinance, 2001, provides the procedure in certain cases, an option for an interested person or otherwise, to apply directly to the High Court where any suit or proceeding concerning the trademark is pending. These cases under the TM Ordinance, 2001, include, but are not limited to:

- (i) Revocation of registration:<sup>3</sup> An application for revocation under Section 73(4) of the TM Ordinance, 2001, may be made by an interested party to the Registrar of Trademarks, except that --
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or as the case may be, the District Court; and
  - (b) in case the application is made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.

(Section 73(4)(a)&(b) of TM Ordinance, 2001)

- (ii) Grounds for invalidity of registration:<sup>4</sup> An application for declaration of invalidity under Section 80(4) of the TM Ordinance, 2001, may be made by an interested party to the Registrar of Trademarks, or to the High Court or a District Court, except that --
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or a District Court, and
  - (b) in any other case, if the application has been made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (5) In the case of bad faith in the registration of a trade mark, the Registrar may apply to the High Court or a District Court for a declaration of the invalidity of the registration.

(Section 80(4)(a)&(b) and (5) of TM Ordinance, 2001)

<sup>&</sup>lt;sup>2</sup> Section 2(h) of the IPOP Act, 2012 defines "Intellectual Property Laws" or "IP Laws" as the laws specified in the schedule of the Act.

<sup>&</sup>lt;sup>3</sup> Section 73 of the Trade Marks Ordinance, 2001 provides that the registration of a trade mark may be revoked on any of the grounds stated therein.

<sup>&</sup>lt;sup>4</sup> Section 80 of the Trade Marks Ordinance, 2001 provides that the registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 14 or any of the provisions thereof. Section 14 sets out the absolute grounds for refusal of registration as stated therein.

- (iii) Rectification or correction of Register:<sup>5</sup> An application for rectification may be made to the Registrar except that
  - (a) if proceedings concerning the trade mark in question are pending in the High Court or a District Court, the application shall be made to the High Court or a District Court; and,
  - (b) in case the application is made to the Registrar, he may at any stage of the proceedings refer the application to the High Court or a District Court.
- (3) Except where the Registrar or the High Court or a District Court directs otherwise, the effect of rectification of the Registrar shall be that the error or omission in question shall be deemed never to have been made.

(Section 96(2)(a)&(b) and (3) of TM Ordinance, 2001)

- 23. Based on a judicial determination, the above instances/scenarios give rise to a third category, which we have classified herein as Category "C" cases. Category "C" cases may not be subject to transfer from the High Court to the IP Tribunal and/or the return/rejection of the plaint, and the High Court may retain jurisdiction and proceed with the matter in the normal course. However, such issues remain subject to a judicial determination, which must be dealt with on a case-to-case basis.
- 24. In HCA No.264/2021 and HCA No.01/2021, the matter concerns an "IP Laws" dispute between MECJC, Azam Autos and ABS International Corporation. The two appeals arise from Suit No.2058/2019, which, as mentioned earlier, is/was a suit for infringement of trademarks filed by MECJC against "Azam Autos" and "ABS International Corporation". Counsel submitted that in addition to this trademark-related suit, the sole proprietor of "Azam" Autos", namely, one, Sheikh Irshad Ahmed s/o Dost Muhammad and, another Gulnaz Begum w/o Sheikh Irshad doing business as International Corporation", had also filed Judicial Miscellaneous (J. Misc.) Application No.23/2020 against MECJC and the Registrar of Trade Marks under Section 80 of the TM Ordinance, 2001, for declaration of invalidity of trademark "IZUMI" under No.2586063 in Class 7 filed on 13.11.2019 and registered on 18.04.2019 in respect of Piston (parts of machines and engines), pistons for cylinders, etc. which is still pending hearing in the High

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<sup>&</sup>lt;sup>5</sup> Section 96 of the Trade Marks Ordinance, 2001 states that any person having a sufficient interest may

Court. It may be noted that in the case of an application under Section 80(4) of the TM Ordinance, an interested party can file such application directly in the High Court. Accordingly, we called up and perused the Order sheets of Suit No.2058/2019 and observed a note on 06.10.2020 to put up the suit along with J. Misc. No.23/2020. Similarly, in J. Misc. No.23/2020, we have seen an order dated 21.08.2020 directing the Office to fix Suit No.2058 of 2019 along with this J. Misc. on the next hearing date. A perusal of the online case profile of Suit No.2058/2019 and J. Misc. No.23/2021 on the High Court of Sindh website also confirmed this position, i.e. the two matters were connected. However, on the perusal of the impugned Order dated 01.11.2021 passed in Suit No.2058/2019, we did not find any mention of J. Misc. No.23/2020. This omission is/was material to the future hearing of the lis being contested between the parties in the High Court of Sindh. The facts mandated consideration. The J. Misc. application invoked Section 80 of the TM Ordinance, 2001, and the said section directly conferred jurisdiction on the High Court, once the applicant elected to institute such proceedings in the High Court during the pendency of Suit No.2058/2019. As a first impression, if one considers the trademark-related suit only in isolation without considering the consequence of the J. Misc. Application, it would appear that as the plaint was filed in Suit No.2058/2019 after the threshold date of 29.12.2015, and the lis falls in Category "B" it was liable to be returned to the IP Tribunal. The impugned Order dated 01.11.2021 could be said to have rightly returned the plaint. Yet the fact is that the parties in the two lis, i.e. in Suit No.2058/2019 and J. Misc. No.23/2020, are the same and are/were hotly contesting the matter with the other. Moreover, the application under Section 80(4) of the TM Ordinance filed directly in the High Court is to be decided statutorily by the High Court. Further, parties' rights under the "IP Laws", including the issue of alleged infringement of trademark, cannot be decided in isolation under two separate lis. Therefore, in the facts and circumstances, it would be expedient, in the fitness of things, and to avoid conflicting judgments based on the same points of law and facts relied upon by the parties to determine and decide their respective "IP Laws" rights, notwithstanding multiplicity of proceedings should also be avoided, that both the lis, i.e. Suit No.2058/2019 and J. Misc. No.23/2020 are heard and decided in the High Court of Sindh at Karachi. Therefore, the plaint in Suit No.2058/2019 was not liable to be returned.

- 25. Given the above, the impugned Order dated 14.12.2021 passed in Suit No.2578/2014 (*Muhammad Ali Barry v. Kaybee Snacks & Others*), is set aside, and the said suit is hereby transferred to and will be heard and disposed of by the IP Tribunal established under Section 16 of the Intellectual Property Organization of Pakistan ("IPOP") Act, 2012 along with CMA No.17419/2014 which also stands restored for hearing by the Intellectual Property ("IP") Tribunal. CMA No.12291/2017 (Order 7 Rule 10 CPC) stands dismissed. The parties will appear before the learned Tribunal on 17.02.2025, which will then proceed with the matter in accordance with law. HCA No.02/2022 stands allowed in these terms.
- 26. Regarding the impugned Order dated 01.11.2021 passed in Suit No.2058/2019, the same is set aside, and Suit No.2058/2019 is restored along with all pending applications to be heard and decided in the normal course except CMA Nos.2839/2020 (Order VII Rule 10 CPC) and CMA No.2920/2020 (Order VII Rule 11 CPC) which two CMAs stand dismissed in terms of this Common Judgment. Suit No.2058/2019 and J. Misc. No.23/2020 will proceed in the High Court of Sindh at Karachi in normal course as these matters relate to claims for infringement of trademarks and declaration of invalidity of trademarks. Accordingly, HCA No.264/2021 stands allowed in these terms. The office is directed to list the two cases for hearing on 17.02.2025.
- 27. With regard to HCA No.01/2024, while MAB was neither a party in Suit No.2058/2019 nor moved any application to implead

him in the said lis, his grievance in this HCA has been addressed as articulated in this Common Judgment. Accordingly, HCA No.1/2022 stands disposed of in terms hereof.

28. It may be noted that in this Common Judgment we have applied the trademarks law as in force in Pakistan before the coming into force of the Trade Marks (Amendment) Act, 2023 ("the 2023 TM Amendment Act"), which received the assent of the President of Pakistan on 11.08.2023 and was published in the Gazette of Pakistan on 16.08.2023. The 2023 TM Amendment Act significantly amended the TM Ordinance, 2001. It substituted references in several sections of the TM Ordinance, 2001, discussed hereinabove, from "the District Court" to "the High Court" and/or to the "IP Tribunal". This is significant as Section 6 of the TM Ordinance, 2001 states that the provisions of this Ordinance shall be in addition to and not in derogation of any other law for the time being in force. Further, Section 39 of IPOP, 2012 states IPOP, provisions of 2012 shall notwithstanding anything inconsistent therewith contained in any other law for the time being in force. Thus, the provisions of the IPOP, 2012, trump the TM Ordinance, 2001 provisions. Yet, at the same time, the 2023 TM Amendment Act has also modified the definition of "Tribunal" under Section 2(li) of the TM Ordinance, 2001. In the amended definition of Section 2(li), "Tribunal" means the Registrar, as the case may be, the High Court or IP Tribunal before which the proceedings concerned are pending. While the consequence/significance of retaining the reference to "the High Court" (underlined by us above) in Section 2(li) of the TM Ordinance, 2001, even after the creation of the "IP Tribunal" under the IPOP, 2012, on the TM Ordinance, 2001, and in particular Section 116 of the said Ordinance, remains subject to a judicial determination as and when it is triggered, suffice it to say, that after the 2023 TM Amendment Act: (i) suits for infringement of a trade mark under Section 117 of the TM Ordinance, 2001 (the word "infringement" under the trademarks regime has a definite meaning), as well as (ii) those matters which fall within the framework of the phrase in Section 117 of the TM Ordinance, 2001, described as suit(s) "otherwise relating to any right in a trade mark", which may relate to enforcement of such rights as those specified under Sections 67(3) [unfair competition], 68 [misleading and comparative advertising], 690 [acts of agent or representatives], etc. of the TM Ordinance, 2001 – all such matters – both (i) and (ii) above – from 16.08.2023 onwards are to be instituted/filed before the IP Tribunal. Thus, after removing the word "District Court" in Section 117 of the TM Ordinance, 2001 by way of the 2023 TM Amendment Act, no suit for infringement and enforcement of all such rights shall be instituted in any Court except an IP Tribunal.

29. The Office is directed to transmit a copy of this Judgment to the concerned officer at the Intellectual Property Tribunal of Sindh at Karachi and retain a copy of the pleadings in Suit No.2578/2014 before transferring the suit file to the IP Tribunal.

**JUDGE** 

**CHIEF JUSTICE** 

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<sup>&</sup>lt;sup>6</sup> References to "Tribunal" under Section 2(li) means the Registrar, as the case may be, the High Court or IP Tribunal before which the proceedings concerned are pending.