

# Pharmaceutical Trademarks 2021



# Pakistan

Mohammad Fazil Bharucha and Rida Nisar

Bharucha & Co

## OVERVIEW

### Legislation

1 | What is the primary law governing trademarks in your jurisdiction?

The Trade Marks Ordinance 2001 is the primary law consolidating the law relating trademarks and unfair competition and it provides the means for registration, prevention, protection and enforcement of trademarks and for matters ancillary to the same. The Trade Marks Ordinance 2001 has succeeded the Trade Marks Act 1940. The Trade Mark Rules 2004 were made by the federal government of Pakistan under section 132 of Trade Marks Ordinance 2001 to lay down the procedure for implementation of the Ordinance for a smooth process of trademark registration and renewal and its enforcement in Pakistan.

### Agencies

2 | Which agency is responsible for the grant and registration of pharmaceutical trademarks?

The Registrar of Trade Marks, an officer duly appointed by the federal government, heads the Trade Marks Registry, an office responsible for grant, registration and maintenance of all trademarks, including pharmaceutical trademarks in Pakistan. The Trade Marks Registry, a federal government body was established under the Trade Marks Act 1940, and its scope of jurisdiction lies throughout the geographical boundary of Pakistan. Its decisions are appealable at high court of the relevant jurisdiction. It is one of the organs of the Intellectual Property Organization of Pakistan.

### Regulators

3 | What are the relevant national and international regulatory bodies and requirements that need to be considered when clearing a pharmaceutical trademark?

The Trade Marks Registry is the primary body for registering pharmaceutical trademarks in Pakistan and it does not require any clearance from any other organisations or regulatory body for registration of the same.

However, for the purpose of regulating manufacture, import, export, storage, distribution and sale of pharmaceutical goods in Pakistan the Drugs Regulatory Authority of Pakistan established under the Drug Regulatory Authority of Pakistan Act 2012 is responsible for effective coordination and enforcement of the Drugs Act 1976 and drug regulatory rules as well as other drug regulatory rules as follows:

- The Drugs (Labelling and Packing) Rules, 1986;
- The Drugs (Licensing, Registering & Advertising) Rules, 1976;
- The Drugs (Research) Rules, 1978;
- The Drugs (Federal Inspectors, Federal Drug Laboratory & Federal Government Analysts) Rules, 1976;

- The Drugs (Imports & Exports) Rules, 1976;
- The Drugs (Specifications) Rules, 1978;
- The Northern Areas Drugs Rules; and
- Alternative Medicines & Health Products (Enlistment) Rules 2014.

It is the responsibility of the Drugs Regulatory Authority of Pakistan to regulate all aspects of pharmaceutical products in Pakistan and ensure that all the requirements of various drug regulatory rules are met in relation to a pharmaceutical products and it is the responsibility of the Central Licensing Board, established under the Drugs Act 1976, to grant licences to manufacture drugs in Pakistan.

### Non-traditional trademarks

4 | What non-traditional trademarks are available in your jurisdiction and how are they registered?

The definition of the term 'mark' according to section 2(xxiv) of The Trade Marks Ordinance 2001 is: 'includes, in particular, a device, brand, heading, label, ticket, name including person name, signature, word, letter, numeral, figurative elements, colour, sound or and combination thereof.

As per the definition of the term 'mark' mentioned above, colour and sound marks are registrable in Pakistan; however, no mark has been known to have been registered thus far. The Trade Marks Ordinance 2001 provides that a trademark may be limited wholly or partly to one or more colour based on the distinctiveness character of the mark and if a trademark is registered without limitation of colour, it shall be deemed to have been registered for all colours.

Furthermore, as of 31 March 2020 Pakistan has enacted the Geographical Indications (Registration and Protection) Act 2020 pursuant to its treaty obligations under article 22 of the TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement, whereby now geographical indications are also registrable in Pakistan.

As for other non-traditional trademarks such as motion, position, touch, smell, taste and 3-D marks, there is an ambiguity regarding registering the same and, so far, none have been known to be registered. In the case of *KIA Industrial Co Ltd and KIA moto-cycle Co Ltd v The Deputy Registrar of Trade Marks 1986 CLC 1286*, it was held that the definition of a mark is quite wide and that it consists of various kinds of marks mentioned therein and that the definition itself is not exhaustive and that the use of the word 'includes' in the definition shows that the mark can consist of even some kinds other than those mentioned in the definition.

Non-traditional marks are registered as any other trademark in Pakistan and the procedure for registering is the same.

## Cannabis-derived products

### 5 | Does your jurisdiction allow the registration of cannabis-derived products?

As per the Control of Narcotic Substance Act 1997, it is illegal to sell or purchase cannabis in Pakistan. The law on cannabis derived oil and cannabis seeds is uncertain and unclear in Pakistan and the Act clearly states that 'no one shall cultivate any cannabis plant.'

Recent development in Pakistan has allowed the cultivation of 'narcotic plants' for 'medical, scientific or industrial purposes'. The federal cabinet approved the first ever license for cultivation and medical use of Hemp, which is a variety of the cannabis sativa plant species to the Ministry of Science and Technology and the Pakistan Council of Scientific and Industrial Research (The Express Tribune dated 1 September 2020).

## PARALLEL IMPORTS

### Regulation

#### 6 | What are the rules governing parallel imports of pharmaceutical goods?

In Pakistan, there is no provision in law restraining parallel imports of pharmaceutical trademarks, though one may take civil or criminal actions against the unauthorised use of registered or pending pharmaceutical trademarks. Also, there is no clarity on whether Pakistan follows national or international exhaustion of rights. There have been few cases where trademark owners have been able to obtain temporary injunctions against parallel imports based on the contractual relationship between the parties.

Through Customs SRO 170(I)2017 the Federal Board of Revenue has amended the Custom Rules 2001 to control imports of counterfeit/pirated goods, and have empowered the Directorate General of Intellectual Property Right (IPR) (Enforcement) to detain imported goods suspected to be infringing goods for enforcement of Intellectual Property Rights under the Copyright Ordinance 1962 and Trade Marks Ordinance, however, the said SRO has specifically excluded parallel imports from its purview.

Also, in the case of *Samsonite IP Holdings v Famous Brands (Pvt) Ltd* 2019 CLD 1060, the court examined the principle of 'parallel imports'. The court observed that parallel imports relate to goods that are genuine and sourced from a third party without the approval of the mark holder and that parallel imports were allowed in most jurisdictions of the world as it promotes healthy competition and benefits the general public. Furthermore, there was no law in Pakistan that prohibited import or sale of such goods and held that there was no infringement in the case of parallel imports.

### Strategies against parallel imports

#### 7 | What strategies are available to police and enforce against parallel imports?

Since there is no provision in law restraining parallel imports in Pakistan, there is no form of measure available to the police to enforce against parallel import in Pakistan.

## ANTI-COUNTERFEITING AND ENFORCEMENT

### Types of proceedings

#### 8 | What types of legal or administrative proceedings are available to enforce against infringing products?

Civil and administrative procedures, border measure and criminal procedures are available in Pakistan to enforce against infringing goods.

Civil procedure of trademark infringement may be brought by an aggrieved party before the Intellectual Property Tribunal established under the Intellectual Property Organization of Pakistan. All such proceedings are dealt with in accordance with the prescribed provisions of Code of Civil Procedure 1908 and an appeal against the same may be filed before the High Court.

The use of false trademark and counterfeit trademarks are offences under the Pakistan Penal Code 1860 section 482 and section 483, and criminal proceedings may be initiated through police by carrying out raids and matter then proceedings in the courts.

The Director of IPR (Enforcement) (of Customs) has the administrative power vide Customs SRO 170(I)2017, to detain imported goods suspected to be infringing goods for enforcement of Intellectual Property Rights under the Trade Marks Ordinance 2001 so as to control imports of counterfeit or pirated goods. Also, as border measures are enforced through the customs authority of Pakistan, the proprietor of the registered trademark may give notice in writing to the Collector of Customs, under the relevant provisions of Customs Act 1969.

Section 10 of the Competition Act 2010 deals with deceptive marketing practices and prohibits all undertakings from being involved in deceptive marketing practices such as false or misleading comparison of goods, or fraudulent use of someone else's trademark, labelling or packing. Under the Act, the complaint of the anti-comparative practice is lodged with the Commission, established under the Act, and it has the same powers as those vested in a civil court as per the Code of Civil Procedure 1908. The Commission, after receiving the complaint, examines the same and conducts an enquiry and, if satisfied, it issues a show cause notice to the undertaking against whom the complaint has been lodged. Upon receipt of response, the Commission fixes a hearing to give opportunity to both the parties to explain their positions.

### Remedies

#### 9 | What are the available remedies for infringement?

The remedies available for infringement depends on the types of proceedings availed by the aggrieved party.

Under civil proceedings, remedies such as injunction, delivery of counterfeit goods, and damages are available to the plaintiff.

Under criminal proceedings, section 482 of the Pakistan Penal Code 1860 states that the use of false trademark shall be punishable with fine or imprisonment up to one year or both. As per section 483 the punishment for counterfeiting any trademark is two years with fine or imprisonment up to two years or both. As per section 486 selling of goods with a counterfeit trademark is punishable for imprisonment for up to one year or with fine or both. Section 489 says whoever removes, destroys, defaces or adds to any property mark with intention to cause injury to any person shall be punished with one year's imprisonment or fine or both.

The Customs Authority may seize counterfeit trademark goods being imported into Pakistan under sections 15, 16 and 17 of Customs Act 1969, Custom Rules 2001 and Trade Marks Ordinance 2001. Such powers may be exercised by either receiving a complaint from the owner of the registered mark or if the Collector of Customs considers the infringing goods to bear a trademark that is identical or deceptively similar to a registered mark.

Remedies available under the Competition Act 2010 are that the Commission may require the other party to take actions as specified in its order to restore the previous market conditions or confiscate, forfeit or destroy any goods and may also impose a penalty.

## Border enforcement

### 10 | What border enforcement measures are available to halt the import and export of infringing goods?

As per the Customs Act 1969, custom authorities may confiscate counterfeit goods being imported into Pakistan upon either receiving a notice from the owner of a registered trademark regarding the shipment of the infringing goods being imported into Pakistan or if the Customs Collector deems that the infringing goods bear a trademark identical or deceptively similar to a registered trademark. The Customs Act and amendments to the Custom Rules 2001 and the issuance of SRO 170(1)/2017 give customs officers the power to seize and confiscate goods in Pakistan.

Furthermore, as per section 15 of the Customs Act 1969 the following goods specified are prohibited from being brought into or taken out of Pakistan:

- goods having applied a counterfeit trademark;
- goods having applied a false trade description; and
- goods made or produced outside Pakistan and having applied any name or trademark of any proprietor, dealer or trader in Pakistan unless:
  - the name or trademark is as to every application, accompanied by a definite indication of the goods that these are made or produced in a place outside Pakistan; and
  - the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trademark.

Also, the Drugs Act 1976 helps the government to regulate the import and export of drugs, such as prohibiting the selling of counterfeit drugs, the import, manufacture or sale of counterfeit drug or of a drug under a name other than the registered name. Furthermore, if the Customs Collector suspects that a drug does not comply with the various drug regulatory legislations, he may take a sample of the drug and send it for testing in a government laboratory and in the meanwhile confiscate the drugs until results come back from the laboratory.

## Online pharmacy regulation

### 11 | What rules are in place to govern online pharmacies?

Pharmacies in Pakistan are governed under the rules passed by the provincial governments, as per the power conferred to them through section 44 of the Drugs Act 1976, such as the Sindh Drugs Rules 1979, the Punjab Drug Rules 2007, the North-West Frontier Province Rules 1982 and the Baluchistan Drug Rules 1983. These drug rules govern the licences of pharmacies and medical stores and lay down the conditions for issuance of the same. These rules are applicable to online pharmacies as well depending on which province these online pharmacies have obtained their licence under.

Furthermore, there is a Pharmacy Council Pakistan (PCP), which was established under the Pharmacy Act, 1967 and this body helps to regulate pharmacists, pharmacy support personnel and pharmacy premises in Pakistan. The purpose of the Pharmacy Council of Pakistan is to protect, promote and maintain the health, safety and wellbeing of patients and the public who use pharmaceutical services in Pakistan.

## Recent cases

### 12 | What are the most notable recent cases regarding the enforcement of pharmaceutical marks?

#### Messrs Neucon Pakistan Ltd 2019 CLD 37

The complainant, being a public limited company registered under the law of Pakistan, was registered with the Trade Marks Registry and was

registered with the Drug Regulatory Authority as the authorised importer and distributor of pharmaceutical product branded as 'BIOFREEZE'. The Complainant asserted that the respondent was fraudulently using a similar deceptive or confusingly similar mark 'BYQFREEZ' in relation to similar pharmaceutical goods. An enquiry was held, and the report concluded that the respondents' authorised and dishonest adoption of deceptively or confusing similar trademark appears to be fraudulent use of trademark and tantamounted to deceptive marketing practices in contravention of section 10 of the Competition Act 2010. Furthermore, the respondent had adopted another trademark 'NEUFREEZ' along with 'BYQFREEZ' with a similar trade dress. Upon examination of the respondent's new packaging with the trade name 'NEUFREEZ' with same trade dress, the Commission observed that the two marks and their trade dress are similar or deceptively or confusingly similar. The Commission gave a decision in favour of the Complainant and imposed a penalty of amount 2,500,000 rupees and further added that they would have to pay a further penalty amounting to PKR 100,000 per day from the date of the order for non-compliance to the order of the Commission.

#### Novartis AG v Nabiqasim Industries (Pvt) Ltd 2017 CLD 1136

The appellant, being a global owner and registrant of trademark 'LESCOL', was registered in Pakistan with the Trade Marks Registry in respect of the same and also with the Drug Regulatory Authority. They have been using the trademark 'LESCOL' in Pakistan since 1995. Respondents on the other hand had adopted the trademark 'DESCOL' and had applied for registration of the same with the Trade Marks Registry. Upon considering the interlocutory injunction filed by Novartis, the judge stated that since both the products are prescription medicines, where pharmacists only sell them upon examination of a doctor's prescription, therefore, would be unlikely that people would be deceived as pharmacists have special knowledge and special eye in this regard. On an appeal in respect of the same, it was stated by the Appellate bench that LESCOL is used for treatment of diabetes and DESCOL is a lipid-lowering agent for prevention of cardiovascular diseases such as heart attacks, hence a small mistake or confusion could be fatal for the user and therefore no possibility of deception could be allowed. It was further stated that DESCOL was substantially similar to LESCOL as they both consisted of six letters, five of which are identical and only difference is the first letters, where the appellant's letter is 'L' and respondent's letter is 'D'. In conclusion, the Appellate bench overturned the order and allowed the appeal.

## ADVERTISING

### Regulatory bodies

#### 13 | Which bodies are responsible for oversight of pharmaceutical advertising in your jurisdiction (and what are their powers)?

The Drugs Regulatory Authority Pakistan provides effective coordination and enforcement of the Drugs Act 1976 and other drug regulatory rules. The main law governing advertising in respect of pharmaceutical goods is the Drugs Act 1976.

The powers of the Drugs Regulatory Authority Pakistan in respect of pharmaceutical advising are to:

- administer the drug laws that apply to the federal government and advise the provincial government for laws that are applicable to the provinces;
- monitor the enforcement of laws;
- issue guidelines and monitor the regulation of advertisement;
- regulate, enforce and monitor the rules of advertisement and ban on false advertisement; and
- monitor and regulate the marketing practices, so as to ensure rational use of drugs, and ethical criteria for promotion of pharmaceutical goods in line with international practices.

## Advertising rules

### 14 | What specific rules are in place regarding the advertising of pharmaceutical products?

The Drugs Act 1976 section 24 defines advertisement as 'any representation by any means whatsoever for the purpose of promoting directly or indirectly the sale or disposal of a drug, a substance or a mixture of substances, a remedy or a treatment except the display of sign boards for a clinic, a dispensary or a hospital or such other institution offering treatment'. Furthermore, the Drug Rules 1976 Schedule G defines 'promotion' as all information and persuasive activities by manufacturers and distributors that have the effect of inducing the prescription, supply, purchase or use of medicinal drugs.

The Drug Rules 1976 (Chapter IV) Rule 31 lays down the conditions for advertising pharmaceutical goods. An application for advertisement of any pharmaceutical goods needs to be made to the Secretary of the Commissioner on Advertising accompanied by the proper fees, upon which the approval of the advertisement will be granted for a period of two years only.

Furthermore, pharmaceutical goods may be advertised to the medical, pharmaceutical and allied professions, through medical representatives or through professional journals and publications that are meant for circulation exclusively among the members of the medical, pharmaceutical and allied professions.

As per Rule 31(3) the advertisements of pharmaceutical goods shall be allowed as long as all the claims made in the advertisement shall be in accordance to the registration of that drug and where the usual information and dosage is provided, the advertisement material shall contain information such as contraindications, side effects and precautions accordingly.

Moreover, no advertisement with any direct or indirect comparison to another pharmaceutical good is allowed for the purpose of attracting customers. Comparative advertisement is permissible so long as it does not cause confusion or discredit or disparage another trademark.

Furthermore, Rule 31(8) requires that advertisement of a pharmaceutical good shall include such information or any risks and other precautions as may be necessary for the protection of public health and the maximum retail price fixed for the same.

## GENERIC SUBSTITUTION

### Legality

#### 15 | Is generic substitution permitted in your jurisdiction?

In the past Pakistan had a mandatory scheme for using generic names after the implementation of the Drugs Act 1972 (Generic Names). The legislation prohibited manufacture, distribution and prescription of medicines by brand names as the objective of the legislation was to make local manufacturers competitive with multinational companies and ensuring lower medicine prices in Pakistan. However, by 1975, the manufacturing licences for many companies were suspended due to substandard drug manufacture. These cancellations had an adverse impact on the local manufacturers, including those producing quality medicines. In 1976, after scrutiny the government revoked the legislation.

Currently, there is no law in respect of generic substitution in Pakistan and it is widely carried out throughout Pakistan.



**Mohammad Fazil Bharucha**

mfb@bharuchaco.com

**Rida Nisar**

rida.nisar@bharuchaco.com

F-7/1, Block 8  
Kehkashan, Clifton  
Karachi 75600  
Pakistan  
Tel: +92 21 3537 9544  
www.bharuchaco.com

## Regulations

### 16 | Which regulations govern generic substitution by pharmacists of brand-name drugs?

There is no regulation governing generic substitution in Pakistan. However, the Pharmacy Council Pakistan established under the Pharmacy Act 1967 regulates pharmacists, pharmacy support personnel and pharmacy premises in Pakistan. The purpose of the Pharmacy Council of Pakistan is to protect, promote and maintain the health, safety and wellbeing of patients and the public who use pharmaceutical services in Pakistan.

## UPDATE AND TRENDS

### Key developments and future prospects

#### 17 | What were the key judicial, legislative, regulatory and policy developments of the past year in relation to the protection and enforcement of pharmaceutical trademarks? What are the prospects for future developments?

There has been no key judicial, legislative, regulatory and policy developments in relation to the protection and enforcement of pharmaceutical trademarks in Pakistan nor are there any prospects for future developments in this regard in the near future.

## Other titles available in this series

Acquisition Finance	Distribution & Agency	Investment Treaty Arbitration	Public M&A
Advertising & Marketing	Domains & Domain Names	Islamic Finance & Markets	Public Procurement
Agribusiness	Dominance	Joint Ventures	Public-Private Partnerships
Air Transport	Drone Regulation	Labour & Employment	Rail Transport
Anti-Corruption Regulation	e-Commerce	Legal Privilege & Professional Secrecy	Real Estate
Anti-Money Laundering	Electricity Regulation	Licensing	Real Estate M&A
Appeals	Energy Disputes	Life Sciences	Renewable Energy
Arbitration	Enforcement of Foreign Judgments	Litigation Funding	Restructuring & Insolvency
Art Law	Environment & Climate Regulation	Loans & Secured Financing	Right of Publicity
Asset Recovery	Equity Derivatives	Luxury & Fashion	Risk & Compliance Management
Automotive	Executive Compensation & Employee Benefits	M&A Litigation	Securities Finance
Aviation Finance & Leasing	Financial Services Compliance	Mediation	Securities Litigation
Aviation Liability	Financial Services Litigation	Merger Control	Shareholder Activism & Engagement
Banking Regulation	Fintech	Mining	Ship Finance
Business & Human Rights	Foreign Investment Review	Oil Regulation	Shipbuilding
Cartel Regulation	Franchise	Partnerships	Shipping
Class Actions	Fund Management	Patents	Sovereign Immunity
Cloud Computing	Gaming	Pensions & Retirement Plans	Sports Law
Commercial Contracts	Gas Regulation	Pharma & Medical Device Regulation	State Aid
Competition Compliance	Government Investigations	Pharmaceutical Antitrust	Structured Finance & Securitisation
Complex Commercial Litigation	Government Relations	Ports & Terminals	Tax Controversy
Construction	Healthcare Enforcement & Litigation	Private Antitrust Litigation	Tax on Inbound Investment
Copyright	Healthcare M&A	Private Banking & Wealth Management	Technology M&A
Corporate Governance	High-Yield Debt	Private Client	Telecoms & Media
Corporate Immigration	Initial Public Offerings	Private Equity	Trade & Customs
Corporate Reorganisations	Insurance & Reinsurance	Private M&A	Trademarks
Cybersecurity	Insurance Litigation	Product Liability	Transfer Pricing
Data Protection & Privacy	Intellectual Property & Antitrust	Product Recall	Vertical Agreements
Debt Capital Markets		Project Finance	
Defence & Security Procurement			
Dispute Resolution			

Also available digitally

[lexology.com/gtdt](https://www.lexology.com/gtdt)