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EXPORT OF GOODS FROM PAKISTAN – GOODS SEIZED DURING CLEARANCE BY CUSTOMS OFFICIALS- HIGH COURT SET ASIDE ORDER PASSED BY IP TRIBUNAL AND ALLOWED APPLICATION FOR INTERIM INJUNCTION- FILED BEFORE IP TRIBUNAL

Appellant: MUHAMMAD SHAH KAKAR, through Attorney
Respondents: INTELLECTUAL PROPERTY TRIBUNAL, AT SINDH AND
BALOCHISTAN through Presiding Officer and 4 others
Decision: Appeal Allowed

Appellant after being aggrieved by the order passed by Intellectual Property Tribunal (Presiding Officer) of Sindh and Balochistan, filed a statutory Miscellaneous Appeal under section 19 of the Intellectual Property Act, 2012.

In this case initially a notice was issued by the officials of custom to “IPR Enforcement” claiming an action against the alleged infringer of registered trade mark “Tabiat”. In pursuance of such complaint and/or legal notice for IPR Enforcement, 20 consignments of rice bearing infringing trade mark “Tabiat” were seized, which were being exported by M/s Hassan Corporation /Respondent No. 4 to UAE for its ultimate destination, Iran. The consignments at the time of lodging complaint were in the course of clearance of MCC Export, Customs House, Karachi.

Before completion of action, the Appellant also filed a suit before IP Tribunal, for declaration and protection of his rights, though at the initial stage when injunctive orders were not passed, the intervention of the Court was sought by filing a misc. Appeal, which was disposed of directing the Respondent therein to not change the status of the property/subject consignments and remanding the case to the Tribunal for deciding the interim application within a short period of three days. During the pendency of suit, the injunction application was heard and was dismissed hence this Misc. Appeal.

After hearing the learned counsels for the parties and pursuing the material available on record, the Court Observed that there was no doubt that the mark was one i.e. “Tabiat”. All that was debated by the Tribunal was that it was to be seen as entire dress rather than the mere word “Tabiat”. The goods were identical i.e. rice and being exported to a common destination i.e. UAE/Iran. It was inconceivable to agree with the reasoning assigned by the Tribunal that visually (under colour scheme) having different artistic work, it did not infringe the Appellant’s mark. The effective part of the mark in the entire livery and colour scheme was “Tabiat”, which was of prime importance. It was only the highlighted mark “Tabiat” that played a pivotal role in identifying and recognizing the goods. Grocery items were normally purchased by buyers along with other items mostly in bulk and they tended to select items by not going through colour patterns or artistic work when such colour scheme or livery has not even reached to a level of public acceptance. When a brand name was visually and distinctly available, the buyers would tend to only go with the permanent name and trade mark, which in this case was “Tabiat” and had gained popularity in the region. Consequently, the Court held that the reasoning assigned by the Tribunal that the two marks were not deceptively



similar was incorrect. The mark was identical, the other disclaimers which form part of livery may be different but that would not turn the table.

The Court also examined the seizure order which was not challenged by Respondent independently. Directorate (IPR) provided opportunities to the Respondent No.4 to defend itself and when hearing took place, the counsel of Respondent could not make out a case that the directorate of IPR had not applied the relevant SRO 170(1)/2017 and the rules amended/incorporated in the Customs Rules. The Court did not find any violation in terms of the procedure, as applied. Tribunal's assumed jurisdiction and powers to embark upon seizure order, when it was not under challenge, was undoubtedly an attempt to escape from offering reasons of infringement /non infringement of the mark. Tribunal could only pass order to the extent of trade mark being infringed or otherwise and to restrain it from being violated. The procedural action was not questioned independently by Respondent. Once the effect of infringement was determined by Tribunal, the Customs Officials would definitely have followed it.

Thus the Court held that since the plaintiff/appellant established their rights over proprietary marks, they would suffer irreparable loss if such mark was infringed and their reputation would be at stake unless injunctive order was passed and as such ordered that;

1. Section 15-16 of Customs Act, 1969 empowers the director IPR to initiate action in respect of the goods being exported with reference to allegations of counterfeit/infringement.
2. In terms of amendment to sections 3CC and 3E being carried out under SRO768(1)/2014, the officials are empowered to take action and thus have lawfully exercised jurisdiction.
3. The Tribunal has not seized the lis (Suit No. 02/2020) where action of Directorate of Enforcement was under challenge and all that was required from tribunal was to see whether infringement was practiced by Respondent or otherwise and the judgment/order consequently would have an effect upon Directorate of IPR Enforcement.
4. SRO 170(1)/2017 was misapplied in the instant case.
5. Once it is established that Appellant is registered proprietor of trade mark, prima facie case, balance of inconvenience and irreparable loss leaned in favour of Appellant.
6. The word "use" as explained is also applicable to goods "for export only" and hence section 5(2) and 40 of Trade Marks Ordinance, 2001 would be interpreted as use within territory of Pakistan.

Consequently, impugned order was set aside and the Appeal was allowed, the application for injunction filed by Appellant before Tribunal was accordingly granted.

