

HELLO

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APPEAL ALLOWED BY SUPREME COURT OF PAKISTAN AGAINST REGISTRATION OF TRADE MARK ON THE BASIS OF RIGHT GIVEN BY AN AGREEMENT TO USE THE TRADE MARK

Appellant: SHEZAN SERVICES (PRIVATE) LIMITED

Respondent: SHEZAN BAKERS AND CONFECTIONERS (PRIVATE) LIMITED and another

Decision: Appeal allowed and application for registration of trade mark dismissed with order directing the respondent to pay the costs of the appellant throughout

In this case an application filed by respondent for registration of trade mark 'SHEZAN' was opposed by the appellant. The registrar disallowed the opposition and allowed the application to proceed for registration on the ground that:

The Applicant is using the trade Mark "SHEZAN" as a result of an agreement entered between both the parties in the year 1975 hence, there appeared to be no moral, ethical and legal justification for this opposition proceedings, particularly, when the Opponent has himself given the right to use mark and now he is opposing the registration of the said mark in favour of the Applicant when the Applicant is using the mark continuously since 1975 and no action has been taken by the Opponent. Hence, the Applicant also qualifies for registration under section 10(2) of the Trade Marks Act, 1940.

The appellant preferred an appeal against the Registrar's order before the High Court, the learned judge of the High Court also relied upon the Agreement and dismissed the appellant's appeal. A three-Member Bench of the Supreme Court granted leave to appeal to consider the judgment of a learned Single Judge of the High Court of Sindh at Karachi, who had upheld the decision of the Registrar of Trade Marks.

After hearing the submissions of the learned counsels and examining the documents on record and the applicable provisions of the Act and the Rules, the Honorable Supreme Court held that the respondent/applicant was not the proprietor of the word 'Shezan' nor of 'Shezan'. The respondent (or its purported predecessor, a partnership firm) had also not registered the trade mark 'Shezan'/Shezan. A private limited company "Shahnawaz limited" was the inventor and proprietor of the word 'Shezan' and label Shezan, and was also the first to have registered them.

The application of the respondent could not be allowed because the mark was identical to the already registered trademarks and was also in the same class of goods. If registration of the identical mark was allowed then it would deceive the customers of the appellant's goods. The present case was also not one in which the respondent was an honest concurrent user, which may have justified the acceptance of the application of the respondent.

The respondent relied on the agreement signed between the predecessors of the appellant and alleged that pursuant to the said agreement the trademarks 'Shezan'/'Shezan had been assigned to the respondent, which was simply incorrect. The said agreement stated that "Shezan Limited" was running two restaurants together with a bakery and these businesses were sold to a partnership firm. The respondent, a private limited company, alleged to be the successor-in-



interest of the said firm failed to file any certificate of incorporation and certificate issued by the Registrar of Firms of “Shezan, Lahore” or a copy of its partnership deed. It was further held that even if it were assumed that the requisite documents were filed and showed any connection with the said firm, it would not have changed the outcome of the case; simply due to the fact that the respondent had not got the mark registered in its name and the agreement was in respect of the sale of certain businesses and not for the sale or assignment of trade mark.

Even the partnership firm from whom the respondent claimed to have succeeded, did not itself seek registration of the trade mark nor called upon the other party to the agreement to assign the same. The claim of respondent was also undermined by the fact that after about fourteen years of execution of the agreement it submitted an application, which confirmed that neither the said partnership firm nor the respondent had ever considered or understood that through the agreement the ‘Shezan’/‘Shezan’ trade marks were transferred, assigned or relinquished in favour of the said firm. Consequently, the Appeal was allowed and the application of the respondent for registration of trade mark was dismissed with the direction that respondent shall pay the cost of appellant throughout.

