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Article No. 01/2015

Trade Mark infringement when there is a registered Trade Mark – Absence of registration no infringement

Appellant: **MUHAMMED AKHTAR AND BROTHERS through proprietor**
Respondents: **Haji MUHAMMED NABI AND BROTHERS and another**
Decision: **Appeal Allowed**

Respondent No.1 filed a suit before Additional District Judge IV, Quetta, with an application for grant of injunction restraining the Appellant from launching/bringing the product "FRUTTI" INSTANT JUICE POWDER and to restrain the customs authorities (Respondent No.2) from releasing the goods of the Respondent No.1. The Trial Court while allowing the application restrained the Appellant as prayed subject to furnishing surety of almost Rs.1 million before the court by the Respondent No. 1 in accordance with Section 55 of the Trade Marks Ordinance 2001. The Appellant being aggrieved by the Trial Court's Order preferred Appeal in the High Court. The High Court held that the act of infringement only takes place when there is a registered trade mark and in the absence thereof the act of infringement is no where. In the present case, the document having referred by the Respondent No.1 as registration certificate is merely acknowledgement receipt of application and the registration certificate of copyright having been produced as a certificate of registration of trade mark is not a certificate of registration of trade mark rather the Respondent No.1 by misquoting the documents and by misrepresenting them tried to mislead the Court, which shows mala fide on his part. Consequently, the High Court accepted the Appeal by setting aside the order passed by the Trial Court.

In this case the Respondent No.1 **Haji MUHAMMED NABI AND BROTHERS** filed a suit in the Court of Additional District Judge IV, Quetta for seeking declaration and permanent injunction against the Appellant and Respondent No.2, being customs authorities, which was granted in favour of Respondent No.1 restraining the Appellant from launching/bringing the products "FRUTTI" INSTANT JUICE POWDER and restraining the customs authorities from releasing the products in favour of the Plaintiff subject to furnishing a surety of Rs. 1,020,000 before the court by the Respondent No.1 under Section 55 of the Trade Marks Ordinance 2001.

Being aggrieved by the order of the Trial Court, the Appellant filed an appeal in the High Court stating that suit has been filed without any vested right, legal title or character, only to harass and blackmail the Appellant and that the Trial Court has no jurisdiction in the matter, as the Respondent had already availed the remedy by filing a complaint before Collector of Customs, which was entertained and found baseless. It further stated that the product was lawfully imported by the Appellant which have different trade mark and the Trade Marks Registry has never issued any registration certificate in favour of the Respondent No.1 rather only the application submitted by the Respondent No.1 was processed.

The counsel for the Appellant further submitted that the Appellant is a lawful importer of the goods and has made no violation of law by importing the goods in question, as the product imported by the Appellant is absolutely different from the product, which has been imported by the Respondent No.1 and that the Respondent No.1 is not the owner, rather his status is only of a distributor of the goods, while as per relevant

provision of law only owner can give notice for infringement of a registered trade mark. It was further stated that there is non-compliance of legal requirements on the part of the Respondent No.1, as no undertaking/surety was given by the Respondent No.1 as required, thus he is not entitled for the relief claimed and no restraining order can be made to deprive the Appellant from his legal right hence the suit was incompetent and required to be dismissed.

Replying to the arguments advanced on behalf of the Appellant it was asserted on behalf of the Respondent No.1 that the trade mark is already registered in favour of the Respondent No.1 under relevant law, there is also a certificate of registration in his favour on record and the product which has been imported by the Appellant is similar to that of the Respondent No.1 to which extent the trade mark has already been registered. That the Appellant is not holder of a registered trade mark therefore, not entitled to any relief. The arguments of the Appellant towards concealment of facts by the Respondent No.1 were refuted and it was stated that the surety required under impugned order has been deposited by him.

The High Court observed that in view of sub-section 5 of Section 39 of the Trade Marks Ordinance, the right of proprietor accrues from the very date when the registration has been effected and the proviso to the subsection specifically speaks that no infringement proceedings may begin before the date on which the trade mark in fact is registered. Therefore, the act of infringement only takes place when there is a registered trade mark and in the absence thereof the act of infringement is no where. In the present case though the Respondent No.1 claimed registered trade mark bearing No. 245780 in respect of "FRUTTI AND TOP JUICES" but the document filed itself reveals that it is not trade marks registration certificate but an acknowledgement receipt of the application submitted for the purpose. The other document also filed as registration certificate of trade mark is actually a copyright registration certificate, which has not been properly referred to or relied upon. The Respondent No.1 by misquoting the documents and by misrepresenting them tried to mislead the Court, which shows mala fide on his part. Consequently, the Court held that the trial Court has not properly appreciated the facts and thus arrived to the conclusion, which is not in accordance with the law and facts and not sustainable.

The High Court accepted the Appeal by setting aside the orders passed by the Trial Court.