



Article No. 01 /2016

Shape of a pointer (writing instrument) deemed Infringement of registered Design

Plaintiffs: DOLLAR INDUSTRIES (PVT.) LTD. through Abdullah Feroz and another

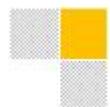
Defendants: NISAR TRADERS through proprietor and seven others

Decision: Interim Injunction Granted

The Plaintiffs filed a suit for declaration, appointment of receiver, rendition of accounts, injunction and damages along with an application for temporary injunction against eight defendants for infringement of its copyright in its registered design in respect of a writing product (pointer pen) being sold under the trade mark 'DOLLAR' to restrain the defendants, their agents, men, representative and stockiest from purchasing, selling, importing, marketing, manufacturing, trading and displaying the imitated/infringed product under the name and style of "SCOT" which it alleged was deceptively similar to the product of the plaintiff registered under the Designs Ordinance, 2000.

That plaintiffs claimed to be engaged in the business of manufacturing, trading, marketing, selling, supplying/or exporting large variety of high quality stationery items and writing materials including ballpoint pens, fountain pens, pencils, markers, office supplies and other allied goods since 1954. The plaintiffs, in order to distinguish their goods from others, from their inception of business have been continuously using the trademark "DOLLAR and logo". The high quality, price competitiveness and exceptional after sale service standards have resulted in a universal acknowledgement of these products and the plaintiffs have always been welcomed, highly appreciated in national and international markets. The plaintiffs also claimed to have adopted numerous trade marks/copyright and industrial designs and filed several applications for their protection with the competent authorities and used the same not only in Pakistan but also in international markets and had spent substantial amount on promotion and publicity of subject design used in respect of pointer/pen and applying the said trade mark in the course of trade in a very peculiar distinctive and distinguishing shape/design having colour scheme, design, livery and/or get-up.

The plaintiffs pleaded that the use of a similar design/shape or any trifling variation by any other person/trader without prior consent/written permission of the plaintiffs during the course of trade would be an act of misrepresentation to the potential customers of the plaintiffs and to the public at large, who will be duped and deceived as such, it amounted to an infringement of the statutory right of the plaintiffs resulting in damaging the goodwill and reputation of the plaintiffs' registered design, which was of irreparable nature. The plaintiffs conducted trap purchase and collected evidence in the form of sale receipts from the defendant Nos.2, 3 and 4 in respect of the infringed goods under name and style 'SCOT', and alleged that it has identical/similar packaging, design, colour scheme, get-up and livery. They also stated that apart from Karachi, the defendants have also lodged a massive campaign of sale of infringed goods in Lahore and Multan. They further stated that the defendants are neither manufacturing the goods nor validly imported the same, which led to the logical conclusion that the stock of infringed goods under the name and style of 'SCOT', which was deceptively similar to the registered design of the plaintiffs has been smuggled into Pakistan through illegal means.



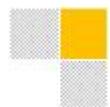


The defendant No.2, denied the plaintiffs' claims. They raised preliminary objections stating that (i) the court had no jurisdiction to try and decide the case, as defendant No.2, doing its legal business was situated out of the jurisdiction of the Court and defendant No.1 is a dummy party, who has nothing to do with the business of defendant No.2 and has been made a party only to take benefit of the Court (ii) the plaintiffs have no cause of action against the defendants, as the design on the basis of which the suit was filed was not new and original at the time of filing of application for its registration, as required under section 3(2) of the Designs Ordinance, 2000 (iii) the registered design was a pirated copy of published design known to the world prior to 1994. The plaintiffs had purchased old machinery along with design from A. Hauser GmbH & Co. KG, Germany, who was manufacturing and selling the pointer/ball point with the same design (iv) the design that defendant No.2 has been using was different from the design of the plaintiffs (v) the plaintiffs had approached the court with ulterior motives, unclean hand and due to trade rivalry, as defendant No.2 is doing legal business and it is the plaintiffs, who is copying the design of the German company and (vi) the entry of registered design of the plaintiffs was liable to be cancelled and that defendant No.2 had already moved an application under section 10 of the Registered Designs Ordinance 2000 and that another company Brothers Industries had also filed cancellation petition No.J.M.41 of 2008 in the same Court.

Besides, the preliminary legal objections, the defendant No.2 stated that to distinguish its products from other traders, it adopted the trade marks, CAMEL, SCOT, FINE WRITER and had been selling its products under the said marks. It also stated that the German company had also provided machinery to Brothers Industries, Karachi along with mould/dye for manufacturing different types of ball point pens and roller ballpoint. That Defendant No.2 had created a completely different design from cap to end plug compared to the design produced by the German company long ago, but surprisingly the plaintiffs got registration of the well known design and filed suit to restrain the defendant from selling its products with the said design despite having invested heavily on substantial outlays towards product formulation, research developments, market analysis and on public awareness campaigns. The thrust of the defendant No.2's argument was that whether the design was validly registered or not and that all the allegations leveled against defendants were false.

The defendant No.1 denied the claims of the plaintiffs, stating that the defendant No.1 is a low level supplier and after scrutiny and market survey he came to lay his hands over SCOT pointer pens. On seeing handsome profit margin he purchased the goods from defendant Nos. 7 & 8. It also stated that shape used by the plaintiffs consisted of descriptive matter, as the word "POINTER" is a descriptive word and no party can claim monopoly right over the said word, he had sold the products of the defendant Nos. 2, 3 and 4 which fetch good margin and that balance of convenience is not in favour of plaintiffs.

The Court held that it is an admitted position that plaintiffs' product was duly registered with the Registrar of Designs, they are using it since its registration at national and international level as such enjoy full protection and the defendants were infringing the registered designs of the plaintiffs. It also stated that the defendants have failed to produce proof that they have ever imported the infringing design "SCOT" and to place on record any document showing that Brother Industries, Karachi or A. Hauser GmbH & Co. KG, Germany have challenged the plaintiffs' registered design before any competent authority. An open view comparison clearly indicates that both were similar and capable of creating confusion and deception in the mind of general public. Resemblance in two designs was found to be sufficient to establish infringement and similarity thereof to each other in all respect was thought not to be necessary. Consequently, the court concluded that there was a prima facie case in





Bharucha & Co.
Intellectual Property Attorneys

favour of the plaintiffs to justify grant of injunction, as the plaintiffs would have suffered irreparable loss if injunction was refused. Accordingly, the application was granted.

