

SUIT FOR THREATENING AND DECEPTIVE MARKETING ALONG WITH APPLICATION FOR INJUNCTION

Plaintiff: EAST RICE COMPANY (PVT.) LTD. and others
Defendant: MOON RICE CORPORATION and others
Decision: Application for injunction dismissed due to absence of basic ingredients of an injunctive relief

The Plaintiffs filed injunction application along with suit under Sections 52 and 67 of the Trade Marks Ordinance 2001 against Defendant No. 1 for threatening and engaging in unfair competition, primarily challenging the decision of Official Defendants, who registered the trade mark “HAMZA” as the said word had become ‘publici juris’ and was not registerable, on the basis of which the Plaintiff published a public notice in the newspaper daily ‘Nawa-e-Waqt’ threatening legal consequences against exporters of rice, whose package livery bear ‘HAMZA’ in a green ellipse, coupled with paddy leaves.

The relevant facts for deciding the injunction application as averred by the plaintiff were that the plaintiffs were exporters of rice in over forty countries worldwide, including Federal Republic of Somalia. The Plaintiffs owned and operated a state-of-the-art equipment and rice milling equipment: besides, Plaintiff No.1 possessed the highest capacity for parboiling Basmati Rice. Whereas Plaintiff No.2 also had presence in Dubai, United Arab Emirates (UAE) and Plaintiff No.3 received the Presidential Award for highest export of Pakistan Basmati Rice to various countries around the globe.

The Counsel for the Plaintiffs averred that the Defendant obtained registration of the trade mark “HAMZA” bearing No. 500595 in class-30 on 07-12-2021 and also obtained registration under the category of ‘Artistic Work’ bearing No.44834-COPR on 04-02-2022 and referred to sections 52 and 67 of the Trade marks law to fortify the arguments that the impugned registration granted by official Defendants Nos.2 and 3 was in violation of these provisions and resulted in unfair competition, as Defendant No.1 had ousted the Plaintiffs from the export of subject rice to other countries, particularly, Somalia. The Counsel for the Plaintiffs also filed a statement to bring this fact on record in support of their stance that another competitor had preferred a proceeding before the Official Defendants for the revocation and cancelling of the impugned trade mark ‘HAMZA’.

The Counsel of the Defendant opposed the arguments of Plaintiff’s counsel and argued in favour of dismissal of injunction application relying on subsection (3) of section 52 and section 39 of the TM Law, and, that the mark was registered in UAE and stated that the Plaintiffs were negligent in not pursuing their case before the Official Defendants and hence could not challenge the registration of trade mark and copyright of Defendant No.1 by the official Defendants. Furthermore, the Counsel also argued that the publici juris could only be declared by the competent authority, being the Registrar of Trade Marks. Later on the Counsel for the Plaintiffs also filed a statement along with the letter addressed on behalf

of Defendant No.1 to the Customs Authority, informing the latter that a Suit No.09 of 2022 had been filed by the present Defendant No.1 in the learned Intellectual Property Tribunal at Lahore in which, Defendant No.1 obtained an injunction, tainted with mala fide and as a blatant attempt to interfere in the legitimate bona fide business of the Plaintiffs with the intent to disrupt the same.

The Honorable Court reached the conclusion that the Defendant No.1's trade mark, against which a revocation proceeding had been initiated and was currently under consideration, had been registered. The Plaintiffs did not contest the proceeding before the Registrar when the trade mark was in the registration process. The certificate of registration (in question) included a disclaimer stating that the registration of this trade mark did not grant exclusive rights to use the word 'HAMZA' unless it was used substantially as shown on the label. Additionally, Defendant No.1 held a Copyright registration for the artistic work (Label Design) titled 'HAMZA'. Therefore, the essential requirements for granting injunctive relief were not met by the plaintiffs. It was evident that the Defendant No1 was the holder of the registered trade mark, not the Plaintiffs. Consequently, the application for injunction was dismissed.

The Court additionally instructed Defendant No.1 to uphold accurate records of its business operations, specifically regarding exports, starting from the registration date of the disputed trade mark until the ongoing lawsuit, with monthly submissions to be provided by the learned Advocate for Defendant No.1. The Court Office was asked to create a separate file to maintain a record of these accounts.