

**IN THE HIGH COURT OF SINDH AT KARACHI**

BEFORE:  
**Mr. Justice Muhammad Shafi Siddiqui**

Miscellaneous Appeal No. 24 of 2020

Muhammad Shah Kakar

Versus

Intellectual Property Tribunal at Sindh & Balochistan & others

Date of Hearing: 04.05.2020, 06.05.2020 and 11.05.2020

Appellant: Through Mrs. Amna Salman Ahmed along with M/s Saifullah Sachwani and Haroon Khan Advocates.

Respondent No.3: Through Mr. Muhammad Khalil Dogar Advocate.

Respondent No.4: Through Mr. M. Nadeem Qureshi along with Mr. Khalid Hidayatullah Advocates.

Respondent No.5/  
Federation of Pakistan: Through Mr. Ishrat Zahid Alvi, Assistant Attorney General.

**J U D G M E N T**

**Muhammad Shafi Siddiqui, J.**- Appellant Muhammad Shah Kakar through his son, being proprietor of Muhammad Shah & Sons has filed this statutory Misc. Appeal under section 19 of the Intellectual Property Act, 2012, being aggrieved of an order passed by the Intellectual Property Tribunal of Sindh and Balochistan dated 01.04.2020.

The cause triggered when for the safeguard of a trademark, Intellectual Property Rights, “IPR Enforcement” was issued by the officials of the customs as designated under the current enactment. The question originates through a legal notice dated 06.02.2020 claiming an action against the alleged infringer of trade mark “Tabiat”. In pursuance of such complaint and/or legal notice for IPR Enforcement, 20 consignments of rice bearing trademark “Tabiat” (hereinafter called infringed goods) were seized, which were being exported by M/s Hassan

Corporation/respondent No.4 to UAE for its ultimate destination Iran, as alleged. The consignments, at the time of lodging complaint, were in the course of clearance of MCC Exports, Customs House, Karachi.

This complaint was also forwarded to Directorate for taking cognizance in the matter. The proceedings were initiated for the determination of rights by Directorate of IPR Enforcement (South) Customs House Karachi on the basis of the above complaint dated 06.02.2020. The hearing was conducted on 07.02.2020, which was attended by the appellant as well as by alleged owner of the goods carrying the disputed trademark on livery. The right holder/appellant placed on record of the officials, trademark certificate issued by trademark registry. The Customs' examination officer confirmed that as per declaration filed by the owners of the goods, the bags of rice carried the infringed mark "Tabiat". At that point of time it is claimed that no explanation was offered by the owner of the goods as to why such mark was used in the course of export of the goods carrying infringed mark. The matter was posted to 12.02.2020, which was attended by the appellant, clearing agent of the owners of the infringed goods and Deputy Collector (Exports).

The Directorate examined the packing livery of the infringed trade mark, printed on the bag in English and Urdu on the two sides of the bags being a trade dress of the goods, within the frame of Customs Act and the subject SROs applicable. In pursuance of such examination, the Directorate held that trademark registration certificate held by the alleged holder issued by the Trademark Registry would be a prime evidence to consider the complaint and taking cognizance in the matter and further observe that prima facie the right holder appeared to have proved its status as registered proprietor of trademark. The owner of goods was given two opportunities who failed to establish right to use

the above registered mark. It was thus held that the owner of the goods was involved in the export of the goods under the subject mark whose proprietorship does not vest in it (owner of goods i.e. respondent No.4) nor any license or assignment was ever enjoyed.

The officials thus held that it was an unauthorized use of registered trademark by the owner of the goods without consent of the right holder/appellant, on the rice bags in 20 shipments under reference, which renders the mark "Tabiat" printed thereon in English and Urdu as counterfeit trademark under Trademark Ordinance, 2001. The officials after taking the cognizance were pleased to seize the goods under section 168 of the Customs Act, 1969 being in contravention of Section 15(c) of the Customs Act as well as Para 16(d) of the Export Policy Order 2016 in exercise of powers conferred on Directorate under Para 2(1) of the notification No.SRO 768(I)/2014 dated 12.08.2014.

While the action was completed, the appellant also filed a suit for declaration and protection of his rights before tribunal. Though at the initial stage when the injunctive orders were not passed, the intervention of this Court was sought when a Misc. Appeal No.10 of 2020 was filed, which was disposed of on 03.03.2020 when respondent therein were directed not to change the status of the property/subject consignments and the case was remanded to the Tribunal for deciding the interim application within short period of three days. Consequently the injunction application during pendency of the suit was heard and was dismissed hence this Misc. Appeal.

Learned counsel for the appellant argued that the presiding officer erred that use of the mark by appellant for the last 20 years was disputed on the count that it was registered on 02.02.2012, therefore, it was not conceivable that the mark was in use since last 20 years. It is pointed out by appellant's counsel that trademark is not mandatorily

required under any law to be registered and even unregistered trademarks are given protection under equitable relief of passing off which point was not taken into consideration. Thus there was a confusion in the mind of presiding officer that the date of use of the mark and that of the registration are not coinciding.

It is further contended that the presiding officer has erred in law that the suit before him pertained to merely infringement of packaging material by second party instead of trademark infringement. Appellant's counsel has pointed out that perusal of written statement and counter-affidavit available before the tribunal reveal that answering respondent has not filed any such document depicting the exterior of covers/package livery nor such documents were confronted either by counsel or the presiding officer at any stage.

It is further urged that the presiding officer has failed to peruse the contents of registration certificate of the registered trademark annexed with the plaint of Suit No.2 of 2020, which expressly states that a disclaimer is made to the effect that registration of the registered trademark shall not give the appellant the right to enforce claim over use of the word Anwar Shah along with other words in Farsi (Persian) language as well as other descriptive features appearing on the label.

Learned counsel further contended that the presiding officer has failed to apply his mind when it was held that the appellant slept over his rights when they did not pursue their claim as the goods were being exported since last so many years. Appellant's counsel pointed out that as soon as he (appellant) became aware of the goods being exported under the infringed mark he wrote an immediate letter/complaint to initiate proceedings though earlier also a complaint was filed in the year 2014 when no consignments were discovered by customs officials. Learned counsel further argued that the presiding officer erred in law

and fact by holding that the appellant has failed to comply with Rule 680 framed under SRO 170(I)/2017; on the contrary, it is argued that the presiding officer has failed to appreciate that Rule 678 onward of SRO 170(I)/2017 provides that it is applicable to imported goods only. It is claimed that the goods are being manufactured, packaged and are being exported from Pakistan and it is not the case of import.

Learned counsel for appellant further argued that the jurisdiction of the Tribunal is not confined to embark upon the exercise being conducted by the officials within the frame of judicial review against the respondent rather, the Tribunal is required to adjudicate upon infringement of trade mark based on trademark laws and infringement on the violation of substantive law and hence reasoning assigned were contrary to law and requirement of tribunal's domain. The officials of customs were held to have acted beyond the powers available to them under the law instead of adjudicating the infringement of the trademark independently. The process initiated by the customs officials via complain was never challenged by the respondent in any independent forum and action has reached finality. The Tribunal seriously erred in holding that SRO 170(I)/2017 and the rules framed thereunder were not adhered to by the officials of the Directorate of I.P. and hence goods were liable to be released. The Tribunal has erred in not responding to the contentions that it is SRO 768(I)/2014, which is applicable along with Section 15 to 17 of the Customs Act, 1969.

On the other hand Mr. M. Nadeem Qureshi, learned counsel appearing for respondent No.4, has seriously opposed the appellant's counsel contentions. It is contended that the goods of the appellant are not being marketed within the jurisdiction where mark is registered and so also the goods of respondent No.4 are meant for an ultimate destination of Iran and are not meant for local market where mark is

claimed. Thus there is no question of infringement of the mark within the territory and jurisdiction, either of Directorate IPR or of Tribunal or this Court. It is urged that Tabiat Sabz Mihan are the registered proprietor of a mark "Tabiat" in Iran and since its registration they have authorized respondent No.4 and issued a No-Objection Certificate for the registration of their brand in Pakistan. Counsel submitted that primarily it is the violation of the rules framed under SRO 170(I)/2017 that the seizure order was seriously questioned by the Tribunal and hence the goods were ordered to be released in view of violation of the ibid rules. Learned counsel in support of such contention has relied upon the case of Fazl-e-Rabbi v. Federation of Pakistan reported in 2020 PTD 281, which provides that the rights of importer are protected subject to fulfillment of the requirement before an action was taken.

It is further contended that the Director General of IPR does not have any independent jurisdiction of its own under Rule 680 of the Customs Rules, 2001 to initiate enforcement of proceedings. It is contended that when consignment was out of charge from the customs department, the subject rules should not have been applied. Learned counsel for respondent No.4 while having another stance further submitted that there is serious vacuum in law for the seizure of the goods being exported, under the alleged complaint as the goods were not meant for local market and the subject rules being applied were devoid of any merit. He further submitted that there are no specific rules for goods likely to be exported hence the same rules i.e 680 under SRO 170- should have been applied. Learned counsel submitted that it was correctly held by the Tribunal that the customs authorities did not pay heed to comply with Rule 680 of SRO 170(i) of 2017. Learned counsel further submitted that the appellant neither had a prima facie case nor balance of inconvenience or irreparable loss lay in their favour and

hence injunction application was rightly dismissed while the main lis is still pending and it is still open for the appellant to establish its case after recording evidence.

Mr. Khalil Dogar has supported the impugned order and submitted that the order was passed in view of SRO 170(I)/2017 and rules which were framed thereunder and violated, whereas learned Assistant Attorney General has adopted arguments of Mr. Dogar.

I have heard the learned counsel appearing for parties and perused the material available on record.

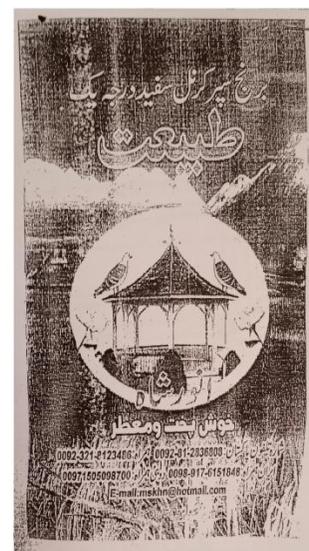
Let us first examine the impugned order/judgment passed by the Tribunal. The first short point, as noted by the tribunal to reach to the impugned conclusion, is an alleged contradiction between use of the mark and its registration at typed page 12 and 13. The tribunal has not appreciated the fact that initial date and period of use of the mark could be different and distinct from the date of registration of mark and this reasoning cannot be applied while determining the right of the parties, either under the use of the mark or after its registration. I, therefore, straightaway disagree with this reasoning assigned by the Tribunal to reach to the conclusion, impugned in this appeal.

The second point as taken into consideration by the Tribunal in the impugned order was the alleged distinction in the mark itself at page 15, 16 and 17 respectively. The Tribunal compared the two alleged marks and reached to an irresistible conclusion that the marks of the defendant/ respondent is neither deceptive nor confusingly similar for the unworry buyers of the goods. The Tribunal reached to the conclusion that the word "Tabiat", which is being claimed as registered mark by appellant/ plaintiff is visually different which cannot deceive the buyers nor the colour scheme and artistic work having birds and cottage around (and other having peasants working in field), (though not claimed by

respondent as copy right), could deceive the public at large and hence the trademark along with its livery is distinguishable. The two marks for convenience are reproduced along with their livery.



**Counterfeit**



**Original**

The registered “trade mark” for identifying the good is only one i.e. “Tabiat” which may have been written in different fonts, whereas the dress code or color pattern is different and is a disclaimer as far as trade mark certificate goes. It is not always that the color scheme may inspire a buyer to buy the product, rather it is the reputable name/brand name which is a claim under dispute, which may attract the attention of a buyer. Color and color scheme also at time claimed to be an inventive one but that is not the case here as no one has claimed livery or color scheme or get up to be a mark of distinction under any intellectual property rights. Both parties are contesting over one mark i.e Tabiat and no one has claimed any exclusive right over livery or dress up of mark. So everything is a disclaimer except “Tabiat”. In fact if there are deceptive liveries of one product like rice, with one trade mark “Tabiat” in the absence of a right claimed under the liveries, the buyer would definitely get confuse and jump to some other brand as a natural course. Dress up of brand is of course an eye catcher but under the circumstances of the case in hand, conclusive test for buyer is trademark/trade name, which is literally identical here and its font

under the circumstances is immaterial nor a copy right is claimed for a different font and color scheme. Even otherwise on such count, the mark with livery has failed to achieve even minor degree of distinctiveness and falls far short of universal acceptance from its color scheme point of view when it is not even claimed.

The Tribunal has also attempted to highlight a distinction between the two marks by the name of the proprietor of the mark, as mentioned in the getup of entire jacket carrying the goods, which again is immaterial.

There is no dispute that the mark is one i.e. "Tabiat". All that was debated by the Tribunal was that it is to be seen as entire dress rather than mere word "Tabiat". The goods are identical i.e. rice and being exported to a common destination i.e. UAE/Iran. It is inconceivable to agree with the reasoning assigned by the Tribunal that visually and under colour scheme having different artistic work, it does not make it a case of infringement of mark of the appellant. The effective part of the mark in the entire livery and colour scheme is "Tabiat" and that is of prime importance. It is only the highlighted mark "Tabiat" that plays a pivotal role in identifying and recognizing the goods. Grocery items are normally purchased by buyers alongwith other items mostly in bulk and they tend to select items by not going through color pattern or artistic work when such color scheme or livery has not even reached to a level of public acceptance. When brand name is visually and distinctly available; they (buyers) only go with the permanent name and trademark, which in the instant case is "Tabiat" and has gained popularity in the region and hence I, very conveniently and without any hesitation would say that the reasoning assigned by the Tribunal that the two marks are not deceptively similar is incorrect. The

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

The above analysis is also supported by following case laws which are discussed in the later part of the Judgment. (i) British Sugar PLC v. James Robertson & Sons Ltd , (ii) Philips Electronics NV v. Remington Consumer Products Ltd and (iii) Aktiebolaget Volvo v. Heritage (Leicester) Limited.

The last reasoning assigned to reach to the conclusion is the action and process involved in seizure of the goods by the Directorate of IP of the customs authorities. It is highlighted by the tribunal that the plaintiff/ appellant slept over the rights as the defendant/respondent have been allegedly exporting goods for last 6 to 8 years and the appellant/ plaintiff has not been able to explain this delay satisfactory. In the last paragraph of page 19 of the impugned order the Tribunal has attempted to highlight the absence of the magnitude of the harm being faced by the appellant/plaintiff. The Tribunal further reached to the conclusion that while an alternate remedy was availed before the Director of IP Right Enforcement South Customs House and the goods were seized, it was nonetheless without complying Rules of SRO 170(I)/2017 and the customs authorities failed to apply Rule 680 as framed and made applicable. The tribunal has applied the law developed in the case of Fazl-e-Rabbi v. Federation of Pakistan reported in 2020 PTD 281.

The Tribunal while relying on the aforesaid judgment observed that the Directorate IPR for Enforcement of rights should have refused to entertain incomplete application issued in the shape of legal notice. The Tribunal also observed that though alleged action initiated on the basis of an application/legal notice having reference No.NIL dated 06.02.2020 but the authorities also considered the complaints of

08.12.2014 and 11.12.2014. Thus the Tribunal is of the view that Rule 680, as framed, was not applied in strict sense and the seizure of the goods was in violation of subject rules applicable. The application on the basis of which the action was triggered was not completed in terms of Rule 680.

To resolve this query, let us first place the chronological facts of the case, which are not in dispute. A legal notice/application was issued by the appellant with respondent No.3 i.e. Director of the Directorate of IPR Enforcement sought to initiate proceedings in respect of the goods lying with them for its onward journey from Karachi Pakistan to UAE/Iran. Notices were issued to respondent No.4 in respect of alleged allegations raised in the legal notice and after hearing a seizure order was passed by the directorate apparently on 12.02.2020. The seizure order disclosed that respondent No.3 took cognizance on 07.02.2020 in exercise of powers conferred upon the Directorate under Para 2(1) of Notification No.SRO 768(I)/2014 and 12.08.2014 read with section 15 of the Customs Act, 1969. The first hearing then took place on 07.02.2020, which was attended by appellant as well as owner of the goods, in addition to the customs examination officer. The trademark certificate was produced by the claimant issued by the Trademark Registry vide No.313716 showing the trademark "Tabiat". On the second date of hearing i.e. 12.12.2020 the claimant, clearing agent of owner of the goods and the Deputy Collector Exports Karachi appeared and no further documents were placed on record. The directorate examined the infringing goods, particularly the mark printed thereon in English and Urdu on the two sides of the bag, which is a trade dress/livery with the corresponding registered mark available in the IPO Pakistan Recordation Data base in comparison to the infringed goods within the frame of Section 15 of the Customs Act, 1969 read with Para 2(1) of the

Notification No.SRO 768(I)/2014 dated 12.08.2014 and the directorate reached to conclusion that the mark was a counterfeit trademark in all 20 export shipments and were accordingly seized under section 168 of Customs Act, 1969 being in contravention of Section 15(c) of Customs Act as well as 16(d) of Export Policy Order 2016 in exercise of powers conferred upon Directorate under Para 2(1) of the Notification No.SRO 768(I)/2014 dated 12.08.2014.

In order to reach to a conclusion as to whether Rule 680 and 682 of Chapter XXVIII of Enforcement of IPR, ought to have been applied in pursuance of SRO 170(I)/2017 dated 17.03.2017, perusal of the same is inevitable. The said SRO issued in exercise of power conferred by Section 219 of the Customs Act, 1969 provides that the Federal Board of Revenue was pleased to direct certain amendments to be made in Customs Rules 2001. The first amendment in Chapter XXVIII in respect of enforcement of Intellectual Property Rights was inserted as Rule 678, which provides that this chapter shall apply to **“imported goods only”** and was not applied to parallel or grey market imports and de-minimis imports.

Prima facie one should not be reading above amended rule any further for the purpose of this case as it is (subject rule) meant for goods imported into the territory of Pakistan, however, Rule 680, which is followed by Rule 678 and which has already limited its applicability to imported goods only, provides for an action on behalf of a right holder, when there is valid ground for suspicion that the imported goods (or goods as per respondent's version), are infringing the Intellectual Property Rights of the right holder which are protected under the Copyright Ordinance, 1962, Trademark Ordinance 2001 etc. may, at the time of arriving of suspected goods at the notified customs station, make an application on the format set out in the Annexure-A to these Rules to

the Director, IPR (Enforcement) having jurisdiction, requesting for initiating enforcement action against such goods.

Each and every information sought through formatted Annexures to these rules were otherwise available through notice of 06.02.2020 and when subsequent hearing took place. All material information required through formatted annexures, were given to the Directorate and action was anticipated and is the answer to respondent's query, yet in my view why should an action be taken in pursuance of such rules when the alleged goods were not imported goods, in fact the goods were likely to be exported out of the jurisdiction. The reason I explained above is that in view of tribunal's opinion certain information was lacking which is incorrect analysis as all material information was provided to take cognizance.

The referred judgment of this Court i.e. 2020 PTD 281 also emphasizes on the applicability of the rules on the imported goods. The referred judgment did not embark upon its applicability even to those goods which are likely to be exported. All such formatted applications such as Annexure-A, B and C etc. are thus not applicable to the case in hand.

Perusal of SRO 768(I)/2014 issued on 12.08.2014 provides that in exercise of powers conferred by sections 3CC and 3E of Customs Act, 1969 and sections 30 and 30E of Sales Tax Act, 1990, the Federal Board of Revenue was pleased to notify the formation of the Directorate General of Intellectual Property Rights Enforcement and to specify its functions, jurisdiction and powers as incorporated therein. Thus, it is the formation of the directorate which was set as a tool to initiate action in respect of exported goods also by virtue of this SRO. i.e 768(I)/2014

Since I have discarded the applicability of SRO 170(I)/2017 and rules thereunder, let us now peruse as to how custom officials are empowered to take action in respect of counterfeit trademark on goods/ services (export) to initiate action in pursuance of SRO 768(I)/2014.

It is not the rules that stimulate the officials. The substantive law is section 15,16 and 17 of Customs Act,1969 for the purpose of present controversy and rules were framed under SRO 170(i)/2017 for imported goods only and no rules were framed as for as goods likely to be exported are concerned.

The customs officials have already been empowered in terms of Chapter IV of the Customs Act, 1969 when in terms of Section 15, 16 and 17 intended action was legislated. Section 15 of the Customs Act provides that no goods specified in the following clauses therein shall be brought into or taken out of Pakistan, :--

15. Prohibitions.- No goods specified in the following clauses shall be brought into or taken out of Pakistan, namely:-

(a) Counterfeit coins, forged or counterfeit currency notes, and any other counterfeit product;

(b) any obscene book, pamphlet, paper, drawing, painting, representation, figure, photograph, film, or, article, video or audio recording, CDs or recording on any other media;

(c) goods having applied thereto a counterfeit trade mark within the meaning of the Pakistan Penal Code, 1860 (Act XLV of 1860), or a false trade description within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout-Designs of Integrated Circuits Ordinance, 2000 (XLIX of 2000), the Registered Designs Ordinance,2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance, 2001 (XIX of 2001) [Omitted]

(d) goods made or produced outside Pakistan and having applied thereto any name or trade mark, being or purporting to be the name or trade mark of any manufacturer, dealer or trader in Pakistan, unless,-

(i) the name or trade mark is, as to every application thereof, accompanied by a definite indication of the goods having been made or produced in a place outside Pakistan; and

(ii) the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trade mark, and in the same language and character as the name or trade mark;

(e) goods involving infringement of copyright, layout-design of integrated circuits, industrial designs, patents within the meaning of the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Designs Ordinance, 2000 (XLV of 2000), and the Patents Ordinance, 2000 (LXI of 2000), respectively; and

(f) goods made or produced outside Pakistan and intended for sale, and having applied thereto, a design in which copyright exists under the Copyright Ordinance, 1962 (XXXIV of 1962), the Registered Layout - Designs of Integrated Circuits Ordinance, 2000 (XLV of 2000), the Patents Ordinance, 2000 (LXI of 2000), and the Trade Marks Ordinance,2001 (XIX of 2001), in respect of the class to which the goods belong or any fraudulent or obvious imitation of such

*design, patent, copyright except when the application of such design has been made with the licence or written consent of the registered proprietor, right holder of the design, patent or copyright, as the case may be:*

*[Provided that offences relating to goods imported or exported in violation of Intellectual Property Rights shall, notwithstanding anything contained in any other law for the time being in force, be adjudicated under section 179 by the appropriate officer of customs.]*

**16. Power to prohibit or restrict importation and exportation of goods.-** *The [Federal Government] may, from time to time, by notification in the official Gazette, prohibit or restrict the bringing into or taking out of Pakistan of any goods of specified description by air, sea or land.*

**17. Detention, seizure and confiscation of goods imported in violation of section 15 or section 16.-** *Where any goods are imported into, or attempted to be exported out of, Pakistan in violation of the provisions of section 15 or of a notification under section 16, such goods shall, without prejudice to any other penalty to which the offender may be liable under this Act or the rules made there under or any other law, be liable to detention, for seizure or confiscation subject to approval of an officer not below the rank of an Assistant Collector of Customs, and seizure for confiscation through adjudication, if required.*

Thus, powers to take action, detention, seizure, confiscation of goods imported into or taken out of Pakistan were/are always available with the customs officials and it is not that SRO 170(i)/2017 that has empowered them, it only set the process to be initiated by custom officials in relation to goods being imported. What was amended by virtue of SRO 768(I)/2014 is also very material. In Section 3CC and 3E of Customs Act, 1969 formation of the Director General of Intellectual Property Rights Enforcement was redesigned along with its functions, jurisdiction and powers. Sections 3CC and 3E of Customs Act, 1969 are reproduced below for the sake of convenience:-

**3CC. Directorate General of Intellectual Property Rights Enforcement.-***The Directorate General of Intellectual Property Rights Enforcement shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.*

.....

**3E. Powers and functioning of the Directorates, etc.-***The Board may specify the functions, jurisdiction and powers of the Directorates specified in the preceding sections and their officers by notification in the official Gazette.*

The functions and jurisdiction in terms of Para 2 of SRO 768(I)/2014 provides that Directorate General of IPR Enforcement shall be responsible for enforcement of all types of intellectual property rights at import of goods into and export of goods from Pakistan

including all land, sea and air ports, postal shipments and goods ordered via internet, IPR Enforcement shall be carried out in accordance with applicable laws at the time of import or export of goods, as the case may be. The Directorate General is also required to perform following functions:-

- (a) Develop strategy to enforce IPR at borders;
- (b) Develop clear and simple procedure for all aspects of IPR Enforcement;
- (c) Promote communication between right holders and Directorate General of IPR Enforcement;
- (d) Foster partnership/coordination in all IPR related matters with other IPR enforcement organizations nationally and internationally;
- (e) Develop guidelines and computer based IPR Risk Assessment and Targeting tools;
- (f) Develop procedure for post clearance audits for IPR violations; (g) Compile statistical data for IPR violations;
- (h) Develop training programmes for training of officers and staff with national and international assistance at local and foreign institutes;
- (i) Develop programme to hold IPR Enforcement workshops/seminars throughout the country.

2. In respect of the Directorates of IPR Enforcement,--

(a) The officers specified in column (2) of the Table below shall be the Directors of IPR Enforcement for the areas and functions specified in corresponding column (3) thereof; and

(b) The Additional Directors, Deputy Directors, Assistant Directors, Principal Appraisers, Superintendents, Appraisers, Deputy Superintendents and Inspectors shall be the respective officers of Customs of those areas, namely:--

S. No.	Designation of the officer	Area of Territorial Jurisdiction
(1)	(2)	(3)
1	Director, Directorate IPR of Enforcement (Central), Lahore	The jurisdiction of this office for functions specified above would extend to all Customs transactions relating to imports and exports in respect of Model Customs Collectorate based in Lahore, Sambrial (Sialkot), Multan and Faisalabad.
2	Director, Directorate IPR of Enforcement (South), Karachi.	The jurisdiction of this office for functions specified above would extend to all Customs transactions relating to imports and exports in respect of Model Customs Collectrates based in Quetta, Hyderabad, Karachi and Gwadar.
3	Director, Directorate IPR of Enforcement (North), Islamabad.	The jurisdiction of this office for functions specified above would extend to all Customs transactions relating to imports and exports in respect of Model Customs Collectrates based in Islamabad, Peshawar and Gilgit Baltistan.

Thus perusal of aforesaid SROs provides a clear picture as to their applicability in an appropriate manner. Rules have been framed by virtue of SRO 170(I)/2017 for the imported goods but there are no rules framed for the procedural applicability of substantive law i.e Section

15,16, and 17 of customs Act, 1969 for export purpose and SRO 768(I)/2014. In the absence of any rules there is no cavil to this proposition that we have to revert back to the principal statute i.e. Customs Act and an attempt be made to carve out a process within the frame of the relevant provisions of law. It is to be read along with seizure order to see, if any violation of fundamental right was exercised.

I have carefully examined the seizure order which was not challenged by respondent independently, Directorate provided opportunities to the respondent No.4 to defend itself, who was served with the notice and was represented, at occasions, when hearing took place. Mr. Nadeem Qureshi thus could not make out a case that the directorate of IPR has not applied the relevant SRO 170(I)/2017 and the rules amended/incorporated in the Customs Rules. Through above SRO 170(i)/2017 I do not find any violation in terms of the procedure, as applied.

Another point that requires consideration is that respondent No.4 has not independently challenged the seizure proceedings and order. Appellant's ... lis before Tribunal out of which impugned order has arisen, has only claimed declaration over the mark "Tabiat" and the seizure order was not impugned before it. Tribunal's assumed jurisdiction and powers to embark upon seizure order, when it was not under challenge, is 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 an infringed one 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.

The next point of contention is the “use” of the mark within the territory where this mark is registered. It is a defence taken by the respondent No.4’s counsel that the infringed goods are not meant for the local market nor the goods of appellant are being marketed locally. It is case of respondent No.4 that since the goods are meant for an onward destination i.e. UAE/Iran, therefore, under no stretch of imagination these facts could said to have infringed the alleged rights of the appellant though it is their case that subject mark is registered in 2014 in Iran, in pursuance of trademark registration certificate available at page 85 along with application under order XXXIX Rule 4 CPC bearing CMA No.2241 of 2020. Though it is claimed to be in grade/class 19 which include construction material (non-metal), non-metal pipes and inflexible for construction, asphalt and bitumen, non-metal renewable buildings, cacao, sugar, rice, farma, meat, Inuit, vegetables, coffee etc.(as mentioned in the certificate) yet I am more concerned with the violation of the alleged mark as claimed by the appellant within our jurisdiction once goods were found identical i.e. Rice. Even otherwise the mark of the appellant and its use is established to be prior than the mark of respondent No.4 allegedly registered in year 2014 and its use which is seriously disputed by appellant as construction items and food items and being classified in one grade/class in the respondent’s certificate. No process of any rectification of trade mark was shown to have been initiated by respondent. I shall now confine as to whether such use of the mark on the livery carrying identical goods meant for export only is an infringement, though the goods are not meant for local market.

In this regard the first judgment I came across is Beautimatic International Ltd. v. Mitchell International Pharmaceuticals Ltd. Fleet Street Reports [2000]. The controversy therein was also of printing and

the packing material and the export of the packing material abroad where these packing materials were being applied to the goods and ultimately exposes them to the public at large. The claimant was proprietor of a registered mark Lexus for "soaps; perfumes, toilet preparations, essential oils, etc. all included in class 3. The first defendant marketed outside the United Kingdom a range of cosmetics preparations under the mark Lexus. The packing (including labeling with the Lexus mark) was manufactured in the United Kingdom to the order of the first defendant and sent abroad where it was then applied to goods. At one point of time, both packaging and goods were made in the United Kingdom and mark was applied to the goods in the said country by third party. There was evidence of a number of invoices recording orders placed by the first defendant for Lexus cream and for Lexus soap cartons whereas the defendant was responsible for manufacturing labels bearing Lexus marks for the first defendant. Some of the labels were affixed by the first defendant to the packaging which was then sent abroad, the remaining labels were sent abroad where they were used to package and label the goods. Summary of the case is as under:-

*"The claimant brought proceedings for summary judgment for trade mark infringement. It contended that the use and application of the Lexus sign on the packaging (whether or not such packaging was fixed or applied to the first defendant's goods in the United Kingdom) and the use of the LEXUS sign on the invoices was an infringement of the registered trade mark by the first defendant and that by manufacturing labels with the LEXUS sign and by using the sign on acceptance notes, the second defendant had also infringed the registered trade mark. The defendants argued that the application of the mark to packaging which was then sent abroad for application to the goods was neither use "in the course of trade" nor use "in relation to the goods". It was also argued that the use of the mark on invoices for goods which were to be shipped abroad and sold was not an infringement and that, because the invoices were between the packager and the manufacturer of the goods, there was not infringement because the mark had not been used in communication with the public or other consumers. The first defendant further relied on a defence under section 11(2) namely that the mark was being used in relation to goods which were being sold legitimately abroad and that this was in accordance with honest commercial practice.*

*Held, giving judgment for the claimant on some of its claims:*

- (1) In order to infringe, an activity which fell within section 10(4)(a) of the Trade Marks Act, 1994 had to take place in the United Kingdom. A person within the United Kingdom who ordered packaging with the offending sign on it did not infringe by ordering, accepting and handling the packaging, if the packaging was sent abroad for the purpose of being affixed on, or used to package, goods for marketing and sale abroad.*
- (2) In such circumstances, the person who manufactured such packaging was likewise not an infringer.*

- (3) *The primary purpose of skin lightening cream was to improve the appearance and it was properly classified as a cosmetic and not as a medicinal preparation.*
- (4) *The application of the mark in the United Kingdom to packaging for goods which were to be sold abroad was use "in the course of trade" in the United Kingdom.*
- (5) *The application of the mark to such packaging was use "in relation to" the goods.*
- (6) *The use of the mark on invoices for goods made in the United Kingdom but which were to be shipped abroad to be marketed and sold was an infringement.*
- (7) *Even though the use of the mark on the invoices did not communicate the mark to the general public, such use nevertheless amounted to infringement.*
- (8) *Where what was being supplied were the goods themselves, labeled and packaged, the use of the mark on the invoices was a reference to the goods (so labeled and packaged) and not merely to the labels and packaging. The use of the mark on such invoices was an infringement.*
- (9) *Whether the wording on the invoices involved use of the mark in relation to the packaging and labels and did not involve use of the mark in relation to the goods where was no infringement. For the same reason the use of the goods there was no infringement. For the same reason the use of the mark on the order acknowledgment forms did not infringe.*
- (10) *(Obiter) If use on the order acknowledgment forms did infringe, the second defendant knew or had reason to believe that the application of the mark was not duly authorized because by the time the second acknowledgement form was sent out, the second defendant was in receipt of a letter before action.*
- (11) *There was no seriously arguable defence based on section 11(2) of the Trade Marks Act 1994."*

The *pari materia*, with reference to our Section 40 (infringement of registered Trade Mark) of the Trademark Ordinance 2001 that deals with infringement, is Section 10 of Trademark Act, 1994, UK, which was discussed in the above judgment, Section 10 is reproduced as under for convenience and comparison:-

**"10 Infringement of registered trade mark.**

(1) *A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.*

(2) *A person infringes a registered trade mark if he uses in the course of trade a sign where because*

*(a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or*

*(b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,*

*there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.*

...

(4) *For the purposes of this section a person uses a sign if, in particular, he—*

*(a) affixes it to goods or the packaging thereof;*

*(b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;*

*(c) imports or exports goods under the sign; or*

*(d) uses the sign on business papers or in advertising*

(5) *A person who applies a registered trade mark to material intended to be used for labelling or packaging goods, as a business paper, or for*

advertising goods or services shall be treated as a party to any use of the material which infringes the registered trade mark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.”

Such pari materia in Indian Trade Mark Act, 1999 is Section 29, which is also reproduced as under:-

**“29. Infringement of registered trade marks**

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person. using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

*(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.*

*(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-*

*(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or*

*(b) is detrimental to its distinctive character; or*

*(c) is against the reputation of the trade mark.*

*(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."*

Thus all that is important is to explain the word "use" and/or "used" within the parameters of section 40 of Trademark Ordinance, 2001 as the counterfeited goods were meant for export. Section 5 of the Trademark Ordinance 2001 is more applicable to cater the situation though in my view subsection 2 of Section 5 is not ideally articulated in this provision as it may conveniently be a part of relevant provisions of this Trademark Ordinance rather than Section 5 or be an independent one like Section 56 of Trade Marks Act, 1999 (India) and 228 of Australian Trade Mark Law. (Which are independent provisions for goods to be exported)

*Section 5(2) of Trade Marks Ordinance, 2001 reads as under:-*

*5. Decision by Tribunal regarding use of a trade mark.-(1) ...*

*(2) The application in Pakistan of a trade mark to goods or services to be exported from Pakistan and any other act done in Pakistan in relation to goods or services to be so exported which, if done in relation to goods or services to be sold or otherwise traded- in within Pakistan would constitute use of a trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods or services for any purpose for which such use is material under this Ordinance or any other law for the time being in force.*

*(3) ..."*

Section 56 of the Indian Trade Mark Act, 1999 and Section 228 of Australian Trade Mark Act, 1995, are also pari materia to Section 5(2) of Trade Mark Ordinance, 2001, and reproduced as under:-

**56. Use of trade mark for export trade and use when form of trade connection changes.—**

(1) *The application in India of trade mark to goods to be exported from India or in relation to services for use outside India and any other act done in India in relation to goods to be so exported or services so rendered outside India which, if done in relation to goods to be sold or services provided or otherwise traded in within India would constitute use of a trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods or services for any purpose for which such use is material under this Act or any other law.*

(2) *The use of a registered trade mark in relation to goods or services between which and the person using the mark any form of connection in the course of trade subsists shall not be deemed to be likely to cause deception or confusion on the ground only that the mark has been or is used in relation to goods or services between which and the said person or a predecessor in title of that person a different form of connection in the course of trade subsisted or subsists.*

**228 Use of trade mark for export trade**

(1) *If:*

(a) *a trade mark is applied in Australia:*

(i) *to, or in relation to goods that are to be exported from Australia (export goods); or*

(ii) *in relation to services that are to be exported from Australia (export services); or*

(b) *any other act is done in Australia to export goods or export services which, if done in relation to goods or services to be dealt with or provided in the course of trade in Australia, would constitute a use of the trade mark in Australia; the application of the trade mark or the other act is taken, for the purposes of this Act, to constitute use of the trade mark in relation to the export goods or export services.*

*Note: For applied to or in relation to goods and applied in relation to services see section 9.*

(2) *Subsection (1) applies to an act done before 1 January 1996 as it applies to an act done on or after that day, but it does not affect:*

(a) *a decision of a court made before that day; or*

(b) *the determination of an appeal from such a decision.*

Section 27 of trade Mark Act (Singapore) is reproduced as it is pari materia to section 5(2) of our trade mark ordinance 2001.

***Acts amounting to infringement of registered trade mark***

**27.—(1)** *A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.*

(2) *A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign where because —*

(a) *the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered; or*

(b) *the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered, there exists a likelihood of confusion on the part of the public.*

(3) *A person infringes a registered trade mark which is well known in Singapore if —*

(a) *without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered;*

(b) *the use of the trade mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor;*

(c) *there exists a likelihood of confusion on the part of the public because of such use; and*

(d) *the interests of the proprietor are likely to be damaged by such use.*

(4)...

(5)...

In order to define word “use “in the context of trade mark infringement, the case of British Sugar PLC v. James Robertson & Sons Ltd. (1996) R.P.C. 281 and case of Philips Electronics NV v. Remington Consumer Products Ltd (1999) R.P.C, at page 809 concludes that use of word as distinct word, whether with or without other words or material added to it, is use of that word. (It is also relevant for the purposes of reasoning assigned earlier at page No.9)

In case of British Sugar PLC use of “toffee treat” and “treat” was the subject matter and where as in Aktiebolaget Volvo v. Heritage (Leicester) Limited (2000) FSR 253, the word “independent Volvo Specialist” and “Volvo” were in dispute

In the case of Origins Natural Resources Inc. v. Origin Clothing Limited [1995] FSR 280 at 284 per Jacob J, (view) corrected in British Sugar, referred above, that if in particular the user:

(1) affixes it to goods or packing thereof, it is not an infringement to order, manufacture or export packaging therein, the sign for the purposes of affixing it to the goods overseas -

(2) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;

**(3) imports or exports (importation or export of goods to United Kingdom, which is merely temporary, en route to another destination, amounts to infringement: it is no answer that defendant did not know that they would be so imported and exported if he is responsible, as principal, for those acts: Waterford Wedgwood Plc v David Nagli Ltd [1998] FSR**

**92.**

In the case of Pioneer Cement Limited v. Fecto Cement Limited reported in 2013 CLD 201 Section 5(2) is defined and the Bench held that the specific trademark if applied to goods to be exported from Pakistan would be deemed to have been actually used in Pakistan and thus prior use, reputation and good-will would be deemed to have existed in Pakistan giving rights to its owner (prior user) to restrain infringement by first party.

I shall now discuss the more relevant and appropriate case in terms of facts and circumstances of present case.

In the case of Burberry Ltd v. Megastar Shipping Pte Ltd, which is a decision in Civil Appeal No.237 and 238 of 2017, the Court of Appeal in Singapore while disagreeing with the opinion of the amicus curiae held that the structure of Trademark Act are consistent with “import” covering goods brought into Singapore only for the purpose of transit. The plain meaning of Section 27 and its context in the Trademark Act supports the view that the goods can be considered to be imported even if they are not intended for the Singapore market. This is because the acts considered as "use" for the purposes of trademark infringement do not explicitly contemplates that the goods must be intended for sale here or to be placed in Singapore market. Putting the goods on the Singapore market is only one of the possible infringing uses. The relevant part of the judgment is reproduced as under:-

29. *Breaking down the elements in this section, a person infringes a registered trade mark if he:*

*(a) uses;*

*(b) in the course of trade;*

*(c) a sign which is identical with the trade mark;*

*(d) in relation to goods or services identical with those for which the trade mark is registered; and*

*(e) without the consent of the trade mark proprietor.*

30. *The first requirement of “use” is the main point of contention in this appeal. The parties do not dispute that the rest of the requirements would be made out if use is established, ie, the signs on the goods were identical to the relevant trade marks, the use was in the course of trade in relation to goods or services identical with those for which the trade marks were registered and*

the use was without the consent of the trade mark proprietor. Although the respondent was not involved in the buying or selling of the goods but was only forwarding them to Batam, we agree with the amicus curiae that the phrase “in the course of trade” refers to the alleged infringer’s trade and simply means that the alleged infringer used the sign for commercial purposes rather than for non- Burberry Ltd v Megastar Shipping Pte Ltd [2019] SGCA 01 19 commercial purposes. “Trade” is defined in s 2(1) of the TMA to include “any business or profession” and therefore “in the course of trade” refers generally to economic activity involving the use of the goods. This position is supported by s 28(4)(b) of the TMA, which clarifies that a person who uses a registered trade mark does not infringe the trade mark if such use is for a non-commercial purpose. Therefore, the requirement of use in the course of trade does not signify that the alleged infringer must have traded in the goods in the sense of selling or buying goods containing the trade mark. It merely requires that any such use occur in the course of the alleged infringer’s trade.

31. Returning to the requirement of use, s 27(4) describes various ways in which a trade mark is used. The appellants relied on s 27(4)(c) of the TMA, which is use by import or export of goods under the sign. In the present case, the sign was affixed on the goods. The only question is therefore whether the goods were imported into or exported (or would be exported) out of Singapore. “Import” and “export” are not defined in the TMA and its interpretation formed the bulk of the Judge’s decision. Before we delve into the interpretation of “import” and “export”, we first consider the amicus curiae’s position that the factual situation here does not engage the TMA at all since there was no use of the signs within Singapore as an indication of trade origin that falls within ss 27(1) and/or (2).

#### **The requirement of trade mark use**

32. The requirement of trade mark use is not explicit in s 27 of the TMA. The Court of Appeal has established that trade mark use is required for infringement to occur: *City Chain* at [36].<sup>38</sup> This means that the allegedly infringing sign must have been used as a trade mark, in that it indicates that the 38 ABOA vol IV Tab 39. *Burberry Ltd v Megastar Shipping Pte Ltd* [2019] SGCA 01 20 origin of the goods is the trade mark proprietor. This can be contrasted with other uses, such as decorative use or artistic expression. For example, in *City Chain*, on appeal, the defendants were found not liable for infringement of Louis Vuitton’s Flower Quatrefoil mark because they were using the alleged infringing sign (a stylized flower emblem) on their Solvil watches for predominantly decorative and not trade mark purposes. In some areas of the face of the watches, the flower emblem was not shown as a whole although there was little doubt that the truncated patterns were meant to depict the same emblem. The Court of Appeal concluded that the flower emblem was not used to indicate the origin of the watches.

33. We agree that trade mark use is required before infringement can be made out. However, in this case, there was no dispute that the goods in issue were counterfeit goods bearing the appellants’ trade marks. There is therefore no need to delve further into the question whether the use of the signs was trade mark use because it obviously was.

34. However, we respectfully disagree with the amicus curiae’s submissions that if consumers in Singapore are not intended to and never see the infringing sign, there is no trade mark use in Singapore for the purposes of trade mark infringement. In our view, the requirement of trade mark use concerns how the sign interacts with and is represented on goods. This is why trade mark use is often contrasted to decorative use. The purpose of this requirement is to prevent trade mark proprietors from appropriating a sign even when it is not used as a badge of origin. Although how the average consumer perceives a sign in relation to the goods may be relevant to the overall question of infringement, the inquiry as to trade mark use is directed at the relationship between the sign and the goods. It does not depend on whether the trade mark is actually seen by anyone in Singapore.

35. If it is necessary that consumers in Singapore see the sign or are intended to see the sign before it could be said to be used in a trade mark sense, then importers of counterfeit goods who intend to sell such goods to parties outside Singapore would not have committed any infringement. Similarly, persons affixing infringing signs onto goods in a warehouse or other premises closed to the public would be able to contend that they are not liable for trade mark infringement. However, ss 27(4)(a) and (c) of the TMA clearly list such activities as infringing uses. Therefore, with respect, we disagree with that the view that consumers in Singapore must see the sign or are intended to see the sign before it could be said to be used in a trade mark sense.

36. Our view is consonant with the provisions governing revocation of registration of a trade mark for non-use. Section 22(1)(a) of the TMA provides that the registration of a trade mark may be revoked if it has not been put to genuine use in the course of trade in Singapore for a period of five years and there are no proper reasons for non-use while s 22(1)(b) provides for

revocation where such use has been suspended for the same period. In s 22(2), the TMA clarifies that “use in Singapore includes applying the trade mark to goods or to materials for the labelling or packaging of goods in Singapore solely for export purposes”. If the trade mark proprietor “uses” his trade mark in such a situation, surely a non-proprietor would likewise be using the trade mark if he does the same acts.

37. In *Eli Lilly and Co v 8PM Chemists Ltd* [2008] FSR 11,39 the defendant argued that the goods were not imported under the sign because when the goods were brought into the UK, the sign was covered by anonymous brown packaging and was never exposed to anyone in the UK. Mann J rejected this, stating that it was unlikely that any foreseeable act of bulk importation would ever be under circumstances in which the mark was visible. If an explicit reference to the mark were to be required for importation, there would hardly ever be an infringement and that was unlikely to have been the intention of Parliament (at [50]). In our view, this logic applies equally to the requirement of trade mark use. The concept of trade mark use should be confined to how it was explained and applied in *City Chain* and that means that the sign was intended to depict a trade mark and thereby the origin of the goods and was not used merely for artistic or decorative purposes.

38. In the circumstances, the requirement of trade mark use is clearly made out. The only remaining issue, therefore, is whether there was use by way of import or export of the goods under the sign within the meaning of s 27(4)(c). For completeness, this does not detract from the requirement that the act of infringement must take place in Singapore. However, it is the act constituting the use of the sign that must take place in Singapore and not the sale or intended sale or exposure for sale. We therefore consider now whether the act of import into Singapore and/or the intended export to Batam amount to infringing use by the respondent.

#### **Importing or exporting under the sign**

##### *The meaning of “import” under the TMA*

39. The core question is whether goods in transit in Singapore are considered to be imported under s 27 of the TMA. “Import” is not defined in the TMA and our starting point is therefore s 2(1) of the IA. Section 2(1) of the IA states that in every written law, the word “import” shall mean “to bring or cause to be brought into Singapore by land, sea or air” unless “there is something in the subject or context inconsistent with such construction”. This *Burberry Ltd v Megastar Shipping Pte Ltd* [2019] SGCA 01 23 means that goods in transit, once brought into Singapore, would be taken as imported unless the context of the TMA suggests otherwise.

40 We agree with the Judge that the context and structure of the TMA are consistent with “import” covering goods brought into Singapore only for the purpose of transit. First, the plain meaning of s 27 and its context in the TMA support the view that goods can be considered to be imported even if they are not intended for the Singapore market. This is because the acts considered as “use” for the purposes of trade mark infringement do not explicitly contemplate that the goods must be intended for sale here or to be placed on the Singapore market. Putting the goods on the Singapore market is only one of the possible infringing uses (see s 27(4)(b)). Applying the infringing sign on the goods or the packaging does not require that the goods be intended for the Singapore market (see s 27(4)(a)). The author of *Law of Trade Marks and Passing off in Singapore* (Sweet & Maxwell, 3rd Ed, 2014) states that as long as any of the infringing uses in s 27(4) of the TMA takes place in Singapore, it does not matter whether the goods are eventually intended for a foreign market (at para 11.090).<sup>40</sup> On this basis, even if goods in transit are not intended for the Singapore market, as long as they were brought into Singapore, they would be considered to be imported under s 27(4)(c). For example, in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Alexir Packaging Limited* [1999] ETMR 912, the application of the sign on goods in the UK was held to be infringement even though the goods were intended to be shipped overseas. In *Waterford Wedgwood Plc v David Nagli Ltd* [1998] FSR 92,<sup>41</sup> the transshipment of counterfeit Waterford crystals was held to be trade 40 ABOA vol III Tab 23. 41 ABOA vol III Tab 22 pp 89 and 99. *Burberry Ltd v Megastar Shipping Pte Ltd* [2019] SGCA 01 24 mark infringement by way of importing and re-exporting. It was no answer that the goods were only temporarily in England while in transit (at 104).

The above judgments thus concludes that interpretation of word “use” even if not meant for a country but only to enter the port for onwards journey, would mean the use of mark within jurisdiction.

This question whether goods in transit are considered to be imported under the law referred above would be taken accordingly unless the law (Trade Mark Ordinance, 2001) suggest otherwise. Para 3 of above judgment provide clarity that unless goods in transit are defined otherwise, only aforesaid meaning is deducible. Construction of our Trade Mark Ordinance, 2001 is also based on same scheme and there is no inconsistency as far as framing of relevant provision trade mark is concerned.

The word import or export (exclusively or inclusively) not defined under the law in hand differently that is dealing with goods in transit.

The case of the appellant is on better footing since the attempt is made to export the goods from the territory where the mark is registered.

In so far as the additional documents are concerned which are placed by appellant and respondents as well in support of their respective contention, needless to say in view of applicability of law and admitted facts, the absence of documents, subsequently filed by appellant as well as respondents would not take away the tentative assessment and determination of the infringement of mark .

Since plaintiff/appellant established their rights over proprietary marks, they would suffer irreparable loss if such mark is infringed and their reputation will be at stake unless injunctive order is passed.

In view of the applicability of law to these admitted facts, even if such additional documents are ignored, the tentative assessment, on basis of the fact and law would lead to lawful conclusion and determination for passing of an injunctive order during pendency of main lis, as prayed in the application before tribunal.

Thus I would summarize the above discussion within the frame of Trade Mark Ordinance 2001 as under:-

1. Section 15-16 of Customs Act, 1969 empowers the director IPR to initiate action in respect of the good being exported with reference to allegations of counterfeit/Infringement .
2. In terms of amendment to section 3CC and 3E being carried out under SRO 768(I)/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 IPR 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(I)/2017 was misapplied in the instant case.
5. Once it is established that appellant is registered proprietor of a trade Mark, Prime facie case, balance of inconvenience and irreparable loss leaned in favor of appellant.
6. The word “use” as explained above is also applicable to goods “for export only” and hence Section 5(2) and 40 of Trade Mark ordinance 2001 would be interpreted accordingly as use within territory of Pakistan.

Hence impugned order is set aside and the appeal as such is allowed, the application for injunction filed by appellant before tribunal is accordingly granted. Miscellaneous applications are also disposed off accordingly.

**Date:** 03-06-2020

**Judge**