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Intellectual Property - Pakistan

LUMINARC deemed well-known trademark in passing-off dispute

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July 22 2013

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Introduction

A high court decision (2012 CLD 226) has accorded protection to a well-known trademark under Section 86 of the Trademarks Ordinance 2001 and granted an injunction restraining use of the infringing mark. The court also observed the corresponding provision relating to well-known trademarks in the Agreement on Trade-Related Aspects of IP Rights and the Paris Convention.

Facts

ARC International, a French company and owner of the LUMINARC and archer device trademark since 1948, initiated an action against Ahmer Mansoor and two others for adoption and use of the confusingly similar mark LUNIMARC with archer device.

The plaintiff claimed that the defendants had used the trademark LUNIMARC with archer device, which was deceptively similar to its well-known LUMINARC ARC and archer device trademark, thereby causing confusion among the public. Further, the plaintiff contended that the defendants were trying to pass off their product by using the well-known trademark, thus misleading consumers into thinking that the product was produced in France by the plaintiff.

The plaintiff contended that:

- it was the owner of the well-known LUMINARC and archer device trademark and had exclusive rights to use the mark in countries around the world, including Pakistan, on account of its prior adoption, worldwide use and promotion of the mark;
- it had applied for registration of the trademark in Pakistan and claimed copyright for the artistic representation of the LUMINARC ARC and archer device;
- the LUMINARC ARC and archer device trademark has been used worldwide for decades, including in Pakistan, through worldwide sales, promotions and advertisements; and
- as a result, the plaintiff had acquired a substantial reputation and goodwill with the LUMINARC and archer device trademark/product, which originated from and belonged to the plaintiff.

The defendants rebutted the plaintiff's contentions on the grounds that the plaintiff's LUMINARC and archer device trademark was not entitled to protection as a well-known trademark because the mark was not registered or used in Pakistan. Further, the defendants' trademark – LUNIMARC with device (of a swordsman) – had been used in Pakistan for more than a decade and the plaintiff had no proprietary rights in the absence of registration and use in Pakistan. Moreover, the defendants claimed that the plaintiff had acquiesced to the defendants' use of the trademark LUNIMARC for a continuous period of five years and, as such, Section 81 of the Trademarks Ordinance (which deals with the effect of acquiescence) applied.

Decision

The court ruled in favour of the plaintiff and restrained the defendants from using the imitated word 'Lunimarc', which was deceptively similar to LUMINARC, the plaintiff's well-known trademark. The court made the following observations:

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- For the purposes of the injunction, the plaintiff had shown *prima facie* that its trademark was well known worldwide, and had satisfied the criteria set forth in Section 86 of the Trademarks Ordinance, with supporting proof thereof.
- The defendants' imitated trademark LUNIMARC was deceptively similar to the
 plaintiff's trademark LUMINARC and was an attempt to dilute the distinctive quality of
 the plaintiff's well-known mark, and the ordinance's provisions on unfair competition
 therefore applied.
- The defendants were trying to pass off their goods by using the plaintiff's well-known trademark and were also trying to mislead consumers into thinking that the defendants' product was made in France.
- The plaintiff's acquiescence was inapplicable, since the plaintiff had filed opposition proceedings in 2007, immediately after the defendants' mark was published in the Trademarks Journal.

The ex parte injunctive order granted previously was confirmed by the court.

With the introduction of the relatively new provisions of the ordinance that extend protection to well-known trademarks, Pakistan's judiciary has taken a more proactive role in protecting IP rights for trademarks.

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