

COMPETITION COMMISSION OF PAKISTAN

ENQUIRY REPORT

(Under the provisions of Section 37(2) of the Competition Act, 2010)

**IN THE MATTER OF COMPLAINT FILED BY M/S CROWN MICRO
(PVT.) LIMITED AGAINST CRLF COMPANY & M/S CROWN GREEN
POWR (PRIVATE) LIMITED FOR DECEPTIVE MARKETING
PRACTICES**

BY

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Umer Sheikh & Mehmoona Allauddin

December 10, 2025

1. FACTUAL BACKGROUND

1.1 M/s Crown Micro (Pvt.) Ltd. (the **Complainant**), filed a complaint before the Competition Commission of Pakistan (the **Commission**) dated 31st January, 2025, against Mr. Farhan Hanif also the sole proprietor of CRLF Company (Respondent No. 1) and M/s Crown Green Power Private Limited (Respondent No. 2), collectively referred to as (the **Respondents**), for alleged violation of Section 10 of the Competition Act, 2010 (the **Act**), which prohibits deceptive marketing practices.

1.2 The Complainant is a company duly registered with the SECP under registration number 0084682, dated 31/07/2013, and is engaged in the business of innovative solar inverters, hybrid inverters, batteries, AVRs, UPS systems, solar panels, computers, mobile accessories, and related products.

1.3 Respondent No. 1, Mr. Farhan Hanif, is operating the CRLF Company, which is engaged in the import of solar power equipment. Respondent No. 2, Crown Green Power (Private) Limited, is a company registered with the SECP under registration number 0163563, dated 03/12/2020, and is engaged in supplying N-type solar modules with long-term warranties; both are part of the Crown Group of Companies.

1.4 It was alleged in the complaint that the Respondents are using the registered and distinctive trademark "**CROWN**" of the Complainant, hence distorting competition in the market. The Complainant believes that by doing so, the Respondents can affect consumer buying decisions and distort healthy competition in the market.

1.5 Based on the preliminary fact-finding, the enquiry was initiated dated May 23, 2025, in accordance with subsection (2) of Section 37 of the Act by appointing an Enquiry Committee comprising Mr. Umer Sheikh, Joint Director (OFT), and Ms. Javeria Saleem, Assistant Director (OI & EA). Subsequently, the Enquiry Committee was reconstituted, and Ms. Mehmoona Allauddin, Assistant Director (OFT) replaced Ms. Javeria Saleem (collectively, the **Enquiry Officers/Enquiry Committee**).

1.6 The Enquiry Committee was directed to conduct the enquiry on the issues raised in the complaint, and to submit their enquiry report by giving their findings and recommendations, *inter alia*, on the following:

- i. *Whether the Respondents are violating Section 10 (1) of the Act, in terms of Section 10 (2) (d) of the Act, which prohibits fraudulent use of another's trademark, firm name, or product labeling or packaging; and/or*
- ii. *Whether the Respondents are disseminating false and misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods, prima facie, in violation of Section 10(1) in general and in particular, Section 10 (2)(b) of the Act.*
- iii. *Whether the conduct of the Respondents is capable of harming the business interest of other undertakings in, prima facie, violation of Section 10 (2)(a) of the Act?*
- iv. *Whether there is a spillover effect of the conduct of the Respondents?*

2. THE COMPLAINT

- 2.1 This section summarizes the contentions raised in the complaint.
- 2.2 In 2006, M/s. SADITA Holdings LTD, a Kuwaiti Holding Company, acquired the business of Crown Micro Ltd, a US-based Company well known for its diverse IT & Power Products. It also acquired Crown Micro Ltd.'s trademark/logo "CROWN/Crown Micro", and expanded its business in 23 countries.
- 2.3 In 2013, it extended its business in Pakistan and incorporated a company under the name and style of Crown Micro (Pvt.) Limited. (Copy of incorporation of the complainant company is attached as Annexure-C in the complaint). Since then, it has been manufacturing and selling innovative solar inverters, hybrid inverters, batteries, AVR, UPS and solar panels, Computers, and mobile accessories, etc.
- 2.4 For over a decade, the Complainant has been dealing in solar/Electric inverters, solar panels, solar electric batteries, and UPS products under the trademark/trade name "CROWN/ Crown Micro" either alone or in conjunction with any logo/symbol/slogan. And the said mark has become a symbol of quality and reliability, and has attained colossal goodwill and brand reputation as a source identifier of Complainant's aforementioned solar products.
- 2.5 The Complainant is extremely vigilant and eager in building up the brand image of its above-mentioned solar products, hence, left no serrated ends aside to protect its valuable Intellectual Property Rights in trademark "CROWN" either alone or in conjunction with any other words/prefix or suffix i.e., "CROWN Micro" or exhibiting any variation thereof, in logo form, phrase, or slogan i.e.,
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- "CROWN", and applied for its registration in respect of the assortment of goods falling in classes 9, 11, and 37. (Detail of goods falling under these classes are attached as Annexure A).
- 2.6 Thus, the Complainant asserts exclusive rights to the use of trademark/tradename "CROWN" either alone or in conjunction with any other word/prefix or suffix, particularly for classes 9 and 11.
- 2.7 The Complainant's predecessor, i.e., SADITA Holding, holds and manages the international IP rights, and has acquired many subsisting registrations as well as pending applications in various countries. The relationship between SADITA and the Complainant adds value to the reputation of the Complainant in respect of the goods and services so marketed.
- 2.8 Due to good quality, rigorous sales, marketing, promotion, and publicity, their products have always been in high demand in the market. The Complainant also submitted yearly gross sales and advertisement expenses from 2014 to 2024. (Copies of sales and advertisement figures are attached as annexure F along with the complaint).

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- 2.9 The Complainant alleged that the Respondents is using an identical/deceptively similar trademark "CROWN/CROWN SOLAR" for identical goods under the International Nice Classification of goods and services in class 9, including solar/electric inverters, solar panels, solar electric batteries and UPS, for which the Complainant's "CROWN" is registered since 2016. Such unauthorized use constitutes flagrant infringement of the Complainant's registered and prior-used trademark.
- 2.10 The Complainant further submitted that the Respondents primarily deals in classes 4, 7, 12 & 17, of the International Nice Classification of goods and services, (details of goods falling under these classes are attached as Annexure A), holding registrations only in those classes, and has no prior use or registrations in class 9, where the Complainant has been operating since 2013. It was alleged that the Respondents began using "CROWN/CROWN SOLAR" for solar products in 2023. Until 2018, the Respondents had not manufactured solar products, and its profile shows no milestone of entering the solar sector until 2022-2023.
- 2.11 The Complainant's predecessors adopted trademark "CROWN" in 2006 for solar goods, with a strong international presence. The mark's goodwill has been associated with the Complainant since 2013 and reinforced by the 2016 registration in class 9. The Respondents' use of the offending mark allegedly tarnishes this goodwill, infringes Intellectual Property Rights, risks confusion and deception, and could diminish the distinctive quality of the Complainant's mark.
- 2.12 The Complainant uses "CROWN" alone or with prefixes/suffixes (e.g., "CROWN Micro") in classes 9 & 11. Trademark rights are gained by first use or registration, and the Complainant claims to have priority in both.
- 2.13 The "prior user" rule is emphasized as giving the Complainant exclusivity over "CROWN/CROWN" in class 9, acquired through sales and usage without competitors. The Respondent's adoption of the mark is claimed to be motivated by intent to mislead and falls within deceptive marketing and unfair competition under Section 10 of the Competition Act, 2010.
- 2.14 The Respondents' use of an identical/deceptively similar mark for identical goods in class 9 would mislead purchasers into believing they are buying the Complainant's superior quality products.
- 2.15 The Respondents cannot claim proprietary rights in "CROWN/CROWN SOLAR" in class 9, where the Complainant has operated since 2016. Any attempt to obtain registration is *mala fide*, dishonest, and inappropriate.
- 2.16 The Respondents filed three applications for "CROWN/CROWN SOLAR" in classes 9, 35 & 37, claiming user since 2023. All were opposed by the Complainant and remain pending before the Intellectual Property Registrar.
- 2.17 The unauthorized adoption and use of the Complainant's mark for similar products is illegal and deceptive, targeting the same market and persuading customers to buy duplicitous products. Such acts are capable of harming the Complainant's business interests, contravening Section 10 of the Competition Act, 2010.

- 2.18 The Respondents are deliberately using the offending mark for identical goods, taking unfair advantage of the Complainant's distinctiveness and reputation built through long and continuous use. (Product packaging bearing trademarks of Complainant and Respondents are attached along with the complaint as Annexure H & H1).
- 2.19 The Complainant stated that the cause for filing the instant Complaint arises from the Respondents' continued acts of imitation, copying, and replication of the Complainant's prior-adopted and registered trademark CROWN, which has been used uninterruptedly in respect of solar products since 2013. The Complainant stated that the Respondents, despite primarily being engaged in the automobile, lubricants and spare-parts sector, has ventured into the solar industry by using an identical/deceptively similar trademark/logo/label in relation to substandard and contravening solar products. By falsely denoting, representing, advertising, and marketing such products under the impugned mark, the Respondents are misleading customers into believing that the goods originate from, or are associated with, the Complainant. The Complainant stated that these acts constitute parasitic copying, calculated to ride upon its goodwill and reputation, thereby causing serious damage to its brand equity and consumer trust.
- 2.20 The Complainant further stated that such conduct falls squarely within the mischief of Section 10(2)(a), (b), and (d) of the Act, amounting to deceptive marketing practices, spreading misleading information, and misrepresentation in the course of trade. The Complainant stated that the Respondents' actions not only harm its legitimate business interests, but also distort free competition and prejudice consumers who rely on the reputation of the Complainant's genuine solar products. The Complainant also stated that reliance may be placed on the settled principle, as endorsed by this Honorable Commission in earlier pronouncements that even potential harm to business interests suffices to constitute a violation (2015 CLD 1638).
- 2.21 The Complainant sought for the following Relief (s):
- a. The Complainant requests the Commission to conduct an inquiry under Regulation 16 of the Competition (General Enforcement) Regulations, 2007 against the Respondents for Deceptive Marketing Practices, violating Section 10(1) and Section 10(2)(a), (b), and (d) of the Competition Act, 2010. They also seek contravention proceedings under Section 30 of the Act.
 - b. The Complainant seeks a cease-and-desist order restraining the Respondents from manufacturing, selling, distributing, marketing, advertising, or exporting products under an identical or deceptively similar trademark. This includes preventing the Respondents from copying labeling, packaging, or any other branding elements associated with the Complainant's trademark.
 - c. The Complainant requests an order for the removal of all promotional and advertising materials (print, digital, social media, billboards, and electronic media) that display the imitated or duplicated trademarks and packaging of the Respondents' products.
 - d. To prevent the destruction or concealment of evidence, the Complainant seeks authorization for Commission's officers to conduct an unannounced search and seizure at the Respondents' premises. They request impoundment of

documents, invoices, marketing materials, records, and product samples under Section 35 of the Act.

- e. The Complainant seeks an order directing the Respondents to submit a compliance report within 60 days, ensuring adherence to the provisions of Section 10 of the Competition Act, 2010.
- f. The Complainant also requests any other appropriate orders under Section 31(c) of the Competition Act, 2010 to enforce compliance and protect their trademark rights.

3. SUBMISSIONS OF THE RESPONDENTS:

- 3.1 The complaint was forwarded to the Respondents for comments on June 16, 2025. The Respondents, through a letter dated June 27, 2025, requested an extension in time to furnish a response. Therefore, a two-week extension was granted through letter dated July 21, 2025.
- 3.2 The Respondents' reply was received dated August 05, 2025, through their legal counsel, which is summarized below:
- 3.3 The Respondents' stated that the Complaint is misconceived, frivolous, and instituted in bad faith; it is contended that the Complainant lacks *locus standi* and that the Complaint is a transparent attempt to harass the Respondents and gain commercial advantage rather than to vindicate any legitimate public interest under Section 10 of the Act. The Respondents asserts that the Complaint rests on deliberate misrepresentations and concealment of material facts calculated to mislead this Honorable Commission, in particular the false averment that the Complainant is the prior user of the mark "CROWN"/"CROWN MICRO" in the solar products sector since 2016.
- 3.4 The Respondents emphasized that the use of the mark "CROWN" predates the Complainant's asserted first use by a substantial period: the Crown Group's commercial operations trace back to a family legacy from the 1960s, and its contemporary adoption and use of the "CROWN" mark in Pakistan dates to the early 2000s. This long-standing use is said to have created extensive goodwill, market distinctiveness, and a public association between "CROWN" and the Respondents across numerous industries, and the core allegation of the Complainant that the Respondents are engaging in deceptive marketing practices is entirely unfounded and factually untenable. Moreover, it is an admitted position that the Complainant adopted the mark "CROWN" and/or "CROWN MICRO" only after the Respondents' mark "CROWN" had become a well-recognized and established name in the Pakistani market, which it has been using in various industries along with its stylized logos,

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including but not limited to



- 3.5 The Respondents contends that the Complaint's factual premise collapses in the face of their prior and continuous rights, and that the Complainant's omission of these historical facts reveals mala fide intent. They submitted that the Complaint therefore merits outright dismissal, and that exemplary costs should be awarded for the misuse of the process of this Honorable Commission by filing a claim that is devoid of substance and unsupported by law.
- 3.6 The Respondents submitted that the Complaint's true intent is not to address any violation of Section 10 of the Act but to maliciously harass and undermine them. It is a retaliatory measure against their legitimate claims over the Complainant's unauthorized adoption of "CROWN" in which Respondent No.1 holds exclusive rights through prior and extensive use. Over nearly thirty years, Respondent No.1 has built substantial goodwill, brand recognition, and consumer trust in "CROWN" consistently used and promoted across Pakistan, giving it a secondary meaning uniquely linked to the Respondents. This reputation predates the Complainant's business, and the Complainant's own admission of prior use makes its claims contradictory and unsustainable.
- 3.7 The Complainant has failed to provide any credible or substantive evidence to support its alleged reputation in the mark "CROWN" that could in any way negate the longstanding goodwill and reputation of the Respondents and the Crown Group, which has been built through continuous, bona fide use for nearly three decades. The Complainant's own evidence shows small-scale operations and much irrelevant or non-probative material, leaving its assertions of reputed status wholly unsubstantiated.
- 3.8 Considering the above, it is evident that the Complainant has failed to establish the essential element under Section 10(2)(d), "fraudulent adoption of another's mark", since the Respondents, adopted "CROWN" even before the Complainant's start. The Complaint therefore merits immediate dismissal.
- 3.9 The Respondents further submitted that the Complainant has disregarded the applicable legal framework and binding precedent of the Supreme Court of Pakistan on Section 10(2)(a) of the Act, which requires clear evidence of direct misrepresentation or dissemination of false or misleading information about a competitor's goods or services. The Complainant has failed to provide any such instance, making its allegations under this provision misconceived, legally untenable, and liable to dismissal in limine.

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- 3.10 It was stated that no issue of unfair competition arises from the Respondents' lawful and continuous use of "CROWN" and/or its logo  long before the Complainant's adoption of the variation. Instead, the Complainant has sought to encroach on the Respondents' established trademark rights. No deceptive marketing or unfair competition can be attributed to the Respondents, and the issues in dispute, trademark ownership, infringement, and passing off, fall within the Intellectual Property Tribunal's jurisdiction under the Trademarks Ordinance, 2001. The Commission should therefore dismiss the Complaint as misconceived and meritless.
- 3.11 The Respondents further submitted that the Commission should not only dismiss the Complaint but also consider initiating proceedings against the Complainant for engaging in unfair trade practices and deceptive marketing by wrongfully adopting "CROWN" constituting a violation of Section 10 of the Competition Act intended to protect market integrity and consumer interest.
- 3.12 In addition to the above, the Reply of the Respondents expressly pleaded that the Complaint is retaliatory: the Complainant purportedly filed the Complaint to frustrate the Respondents' enforcement steps against the Complainant's alleged unauthorized adoption of "CROWN", a dispute already the subject of cross-litigation before the Intellectual Property Tribunal. The Respondents stress that the Complaint functions as a strategic attempt to derail the Respondents' pending infringement and passing-off proceedings.
- 3.13 The Reply then set out in detail the factual background concerning the Crown Group and its use of the "CROWN" mark. It identifies Respondent No. 1 (Crown Lifan / CRLF) and Respondent No. 2 (Crown Green Power Pvt. Ltd.) as principal operating entities within the "Crown Group of Companies," a group said to have grown from a small Karachi shop into a diversified industrial conglomerate through joint ventures, decades of trade, and regional export activity.
- 3.14 The Group's corporate structure and principal operating units are summarized as Crown Lifan (CRLF) is described as the flagship engaged in supply and export of motorcycle and automotive spare parts; Crown Motor Company supervises assembly of two- and three-wheelers; Crown Electric Mobility evidences the Group's pivot to EVs (including a joint venture with a Chinese partner for graphene battery technology); Crown Solar Energy represents the renewable energy division supplying N-type solar modules with institutional enlistments noted; Crown One is a B2B digital and loyalty platform connecting mechanics and retailers; Crownsoft International is the software arm; and Crown Tyre and component units provide vertical integration for critical parts. Each of these enterprises is said to have contributed to the "CROWN" mark's diffusion across sectors and geographies.
- 3.15 The Response further listed the Group's industrial partnerships and manufacturing affiliates (Hysen Engineering; Crown Metal; Three Gold Engineering; Xinda Control Cable; Yushi Motors; Hualong Machinery; Yuchi Pakistan; Zhenlong; Chengdu

Shuangliu Huacheng), together with exports, capacity figures, and other operational details, to demonstrate scale and continuity of use. Certificates of incorporation and registration for various entities are identified as annexed evidence. (Annexure E & F along with the Respondents reply). The material is relied upon to show that the "CROWN" business identity is not a narrow, isolated use but a group-wide trade name with substantial infrastructural and commercial presence.

- 3.16 The Respondents further described the Group's investments in marketing and branding: a distinctive logo, colour scheme, and label design adopted in various permutations across industries; sustained advertising campaigns using social media and Google Ads; participation in trade exhibitions; CSR initiatives; and recognition by national awarding bodies, including FPCCI export awards and FBR taxpayer listings. And stated that in light of these facts, it is evident that the Crown Group established the mark's reputation and secondary meaning in the relevant public and trade circles.
- 3.17 The Respondents asserted that they have taken affirmative steps to protect their intellectual property: multiple trademark registrations at the Trademarks Registry and copyright registrations for artistic works, logos, and label designs are produced as evidence. The Reply pointed to product certifications (PSQCA; Engineering Development Board) and contractual arrangements (e.g., a MoU with Total Parco in 2020 for co-branded lubricant products) as additional indicia of bona fide, quality-oriented commerce under the "CROWN" marks.
- 3.18 The Respondents stated that a focal contention is that the Complainant's addition of the suffix "MICRO" to "CROWN" is legally insufficient to avoid confusion or to defeat the Respondents' prior rights, and that the Complainant's adoption of "CROWN MICRO" amounts to an unlawful appropriation of the Respondent's trade name and trade dress in circumstances where the dominant element remains identical. The Respondents rely on the settled proposition that addition of a prefix or suffix to a dominant, well-known mark does not immunize a junior user from liability.
- 3.19 The Reply denied allegations that the Respondents opportunistically entered the solar market in response to the Complainant's success; rather, the Respondents assert bona fide adoption across industries and that the Complainant's suggestion that the Respondents adopted "CROWN SOLAR" opportunistically is baseless and reveals ulterior motives.
- 3.20 In sum, the Respondents' Reply advances a coherent legal and evidential case that (i) the "CROWN" mark has been used by the Crown Group and the Respondents long prior to the Complainant's asserted use; (ii) the Complaint is an impermissible attempt to litigate trademark ownership through the Commission and to obstruct pending IP proceedings; (iii) the Complainant's evidentiary material is insufficient, irrelevant or unprobative as to reputation in the solar sector; (iv) the matters raised are principally questions of trademark infringement, passing off and trade name rights properly before the Intellectual Property Tribunal; and (v) accordingly, dismissal with costs and other relief is warranted.

3.21 The Respondents in the end made the following prayers:

- (a) The Respondents prayed for dismissal of the Complaint filed under Section 10 of the Act, on the grounds of being misconceived, baseless and devoid of merit.
- (b) The Respondents further sought imposition of exemplary costs on the Complainant for abuse of process, concealment of material facts, and instituting proceedings in bad faith, along with costs of litigation.
- (c) The Respondents also requested any other relief deemed just and appropriate in the circumstances.

4. REJOINDER:

- 4.1 The replies of the Respondents were forwarded to the Complainant for its comments/rejoinder vide letters dated April 17, 2024, May 08, 2024, and May 31, 2024. The Complainant submitted its rejoinder vide letters dated Nil, and June 03, 2024, respectively, the contents of which are reproduced in the following paragraphs.
- 4.2 The Respondents' reply is misleading, contradictory, and filed with mala fide intent to misguide the Commission. It attempts to prevent appropriate orders under Section 10 of the Competition Act, 2010, against their deceptive marketing practices.
- 4.3 The Respondents falsely linked the use of "CROWN/CROWN SOLAR" to their automobile-related businesses but failed to prove prior use of the mark in solar goods (Class 9) before 2016. The Complainant's trademark "CROWN MICRO/CROWN (logo)" was already registered in Class 9 since 2016.
- 4.4 The Respondents wrongly attempted to complicate the matter by connecting the impugned mark to their automobile sector (Classes 4, 7, 12 & 17). Any goodwill in those sectors cannot extend to solar products (Class 9), where the Complainant is the prior user and registered proprietor.
- 4.5 The Respondents only entered the solar sector in 2023, whereas their recognition was limited to automobiles. Their adoption of an identical mark in solar goods constitutes misleading representation, harming competition, and diluting Complainant's established reputation.
- 4.6 Evidence annexed by Respondents shows they began marketing solar products in 2024. Respondent No. 2 was incorporated in August 2023 and obtained regulatory approvals only in 2025, confirming their late entry. Meanwhile, Complainant's solar products had long-established goodwill in the market.
- 4.7 Respondents failed to provide any credible evidence proving prior use of "CROWN/CROWN SOLAR" in solar goods before 2013 or 2016. Their documents pertain only to automobile-related goods, not solar/inverter products in Class 9.
- 4.8 Respondents' company profile shows no solar-related business, marketing, or structural entity within their group prior to 2023. The complaint is specifically against Respondent

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No. 1 and No. 2, whose conduct falls squarely within deceptive marketing practices under Section 10.

- 4.9 Respondents wrongly argues forum shopping. The Competition Act, 2010, addresses anti-competitive practices, whereas the Trade Marks Ordinance, 2001, is limited to trademark rights. Given Section 59's overriding effect and Supreme Court precedents, this Commission has exclusive jurisdiction to adjudicate deceptive marketing complaints under Section 10.

5. ANALYSIS:

5.1 As mentioned in para 1.3 above, the mandate of this enquiry is to find out, *prima facie*:

- i. *Whether the Respondents are violating Section 10 (1) of the Act, in terms of Section 10 (2) (d) of the Act, which prohibits fraudulent use of another's trademark, firm name, or product labeling or packaging; and/or*
- i. *Whether the conduct of Respondents are disseminating false and misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods, prima facie, in violation of Section 10(1) in general and in particular, Section 10 (2)(b) of the Act.*
- ii. *Whether the conduct of the Respondents are capable of harming the business interest of other undertakings in, prima facie, violation of Section 10 (2(a)) of the Act?*
- iii. *Whether there is a spillover effect of the conduct of the Respondents?*

I. **Whether the conduct of the Respondents pertains to the fraudulent use of another's trademark, firm name, or product labelling or packaging, prima facie, in violation of Section 10 (2)(d) of the Act.**

5.2 The Complainant submitted copies of its trademark registration certificates (attached as **Annexure B**) and evidence of use in the form of marketing material, product packaging, and invoices showing long-standing commercial use of the "Crown Micro" brand in Pakistan. The Complainant also provided photographs of the Respondents' products and promotional materials bearing the word "Crown Solar," which, according to the Complainant, closely resemble its own mark and are likely to cause confusion in the market.

5.3 On the other hand, the Respondents in their reply denied any deceptive intent or

fraudulent use of the trade name, contending that they have been using the  **CROWN** logo prior to the Complainant, in connection with different businesses, and that the logo has long been associated with its identity and reputation in the market.

5.4 The Enquiry Committee, after perusal of the material placed on record, observed that both the undertakings operate in the same or closely related product categories (solar

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and power equipment). The products of both carry the word “Crown” as the dominant feature of their branding, though used with different suffixes, i.e., “Micro” and “Solar”. The details of trademarks are depicted in the table below:

Undertakings	Trademark	Class of Registration	Status	Registration date
Complainant (Crown Micro)		Class 9 and 11	Registered	29/12/2016
				29/12/2016
Respondent (Crown Solar Energy)		Class 9	Pending	N/A
				N/A

- 5.5 According to the Complainant, Crown Micro is an international enterprise engaged in the manufacturing and marketing of electronic power products, including inverters, UPS systems, and computer accessories. The brand has a global presence and has been operating in several regions under the mark “Crown Micro”. As an internationally used trademark, the protection of the mark is also supported by broader intellectual property frameworks such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and The Paris Convention (1883) for Industrial Property Protection, which provide minimum standards and principles for trademark protection among member states. In Pakistan, the Complainant commenced its operations around 2013, distributing and marketing power-related equipment under its registered trademark. Since then, the brand has established a commercial footprint through a network of distributors and retailers across major cities.
- 5.6 As per the evidence submitted by the Respondents (attached as annexure C with the Respondents reply), they are operating as Crown Group, and have been engaged in diverse business activities in Pakistan since 1963¹, including the trade and distribution of electronic and power products. As per the information available on record, the Respondents entered the solar energy sector in 2022, introducing a range of solar inverters and related equipment under the mark “Crown Solar”. The Respondents assert

¹ <https://crowngroup.com.pk/about-us/>

that this expansion represented a diversification of its business portfolio in response to the growing demand for renewable energy solutions in the country.

- 5.7 For the purpose of comparison, the Enquiry Committee examined the trademarks and branding materials submitted by both the parties, including product packaging, and online marketing visuals. The marks are reproduced below for reference:

Complainant's mark	Respondents' mark
	

- 5.8 A visual assessment of the marks indicates that, although both include the word "Crown," there are notable differences in their overall presentation. In the Complainant's mark, the term is combined with "Micro," while in the Respondents, it is paired with "Solar". The suffixes, as well as variations in font style, size, and layout, contribute to distinctions in the overall visual appearance of the marks.
- 5.9 In terms of font style and color composition, the Complainant's mark "Crown Micro" generally employs a bold sans-serif typeface, rendered predominantly in red and black tones. A distinctive feature of this mark is the treatment of the alphabet "W", which is stylized to resemble a crown, thereby creating a visual cue that reinforces the brand name concept. The overall layout is compact and horizontally aligned, giving a professional and technology-oriented impression.
- 5.10 The Respondents' mark "Crown Solar," by contrast, adopts a rounded font style with a blue and yellow color palette. It is accompanied by a sun-shaped graphical symbol, consistent with the solar energy theme. The suffix "Solar" is presented in a smaller font below or alongside the dominant word "Crown", distinguishing it from the Complainant's mark. The Enquiry Committee observed that:

- The stylization is different (one has a spiked 'W,' the other uses normal letters).
- The Respondents adds SOLAR ENERGY and a yellow/orange arc, giving it a different overall impression.
- Red is a common branding colour, however using it doesn't automatically imply imitation or deception.

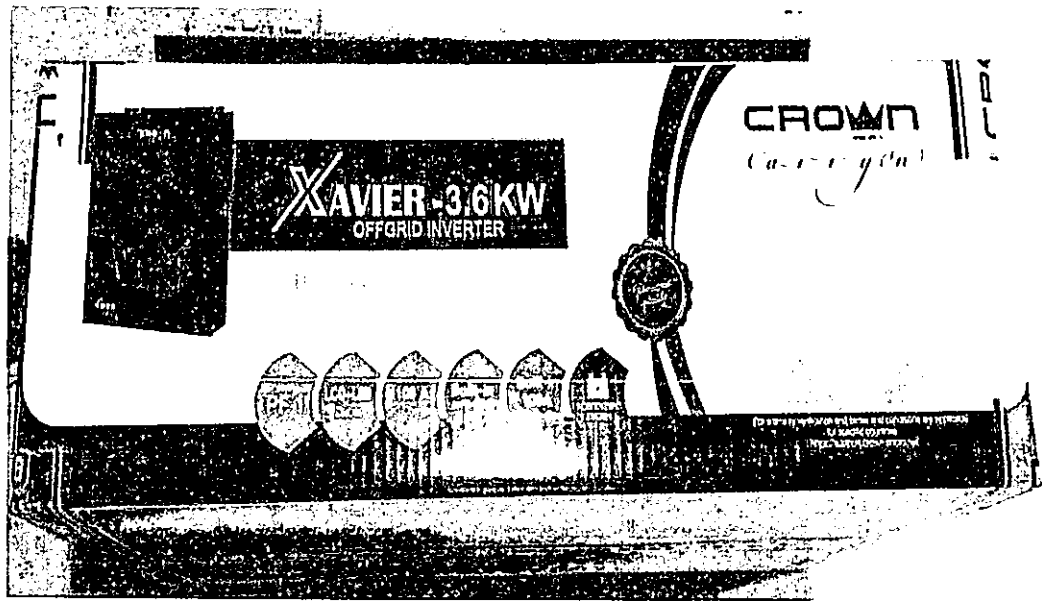
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- The Complainant also uses the trademark  on its packaging, where the phrase 'carry on' appears as an additional distinctive element.

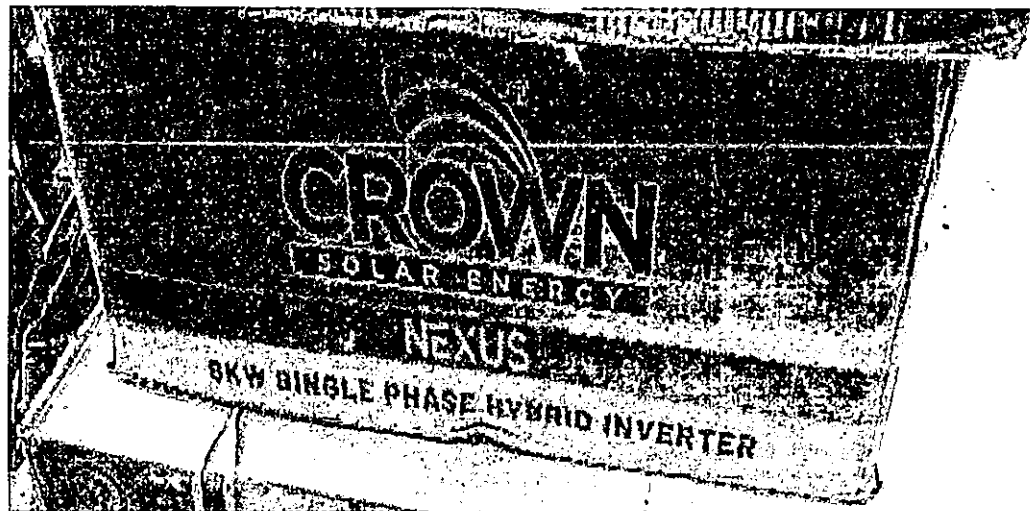
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Complainant's Packaging



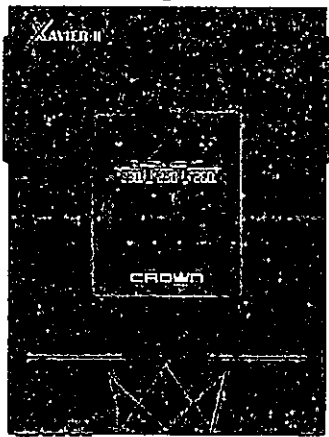
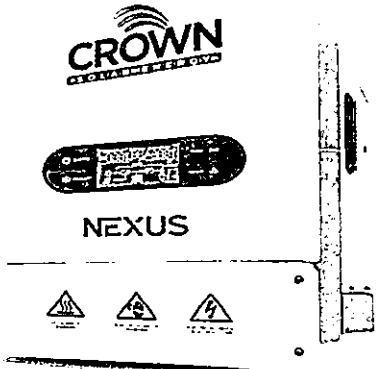
Respondents' Packaging



- 5.11 Upon examining the packaging of the Complainant and the Respondents, as shown above, certain differences can be observed in their overall design and presentation. The Complainant's packaging prominently displays the "CROWN" trademark accompanied by a crown-shaped device. The box features a white background accented with red and black design elements, product images, and specifications. The layout appears modern and detailed, with multiple icons and technical information presented in a structured manner. The overall appearance gives a refined and professional impression, emphasizing the product's technical features and warranty details.
- 5.12 The Respondents' packaging, on the other hand, also displays the "CROWN" mark but with different stylistic treatment. It features a brown cardboard background with a red horizontal band and additional descriptive text such as "SOLAR ENERGY" and

“NEXUS.” The presentation is simpler and more utilitarian, lacking the graphic complexity and color contrast seen in the Complainant’s packaging.

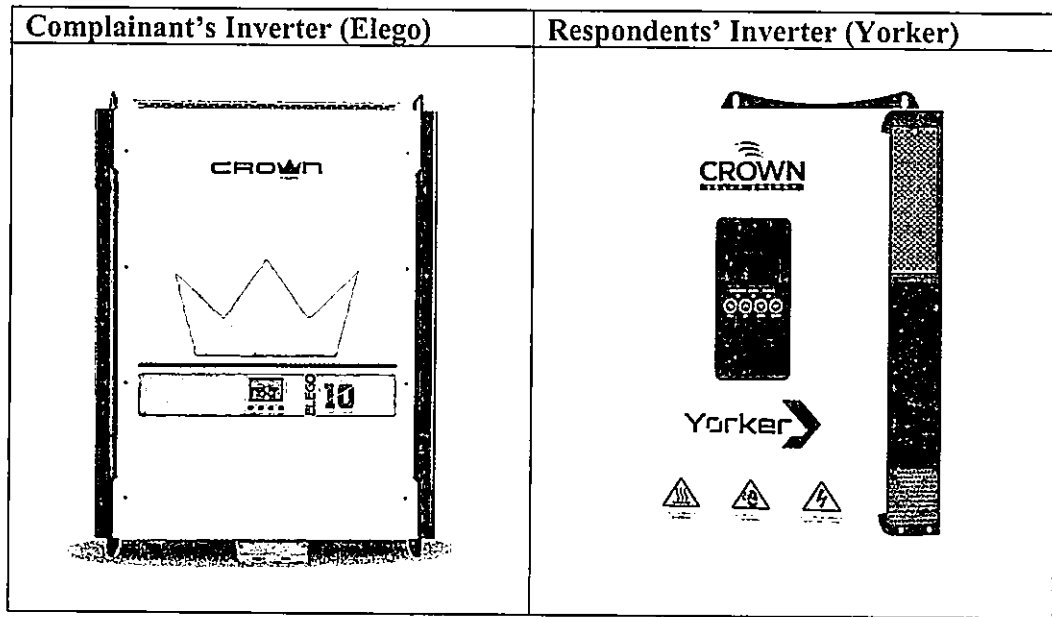
- 5.13 Overall, while both packages display the “CROWN” name, the visual design, color scheme, and layout differ notably, reflecting distinct approaches in branding and market presentation. The shared red “CROWN” (in mark and in words) does increase the risk of confusion, especially when the goods overlap. Though, supporting the argument, it does not conclusively prove that the Respondents’ mark could mislead consumers by creating an impression of association with the Complainant. As mentioned above, the Enquiry Committee notes that there are differences, since Complainant’s mark has stylized black word CROWN with a red “W” that looks like three spikes, plus the small word MICRO underneath. Whereas the Respondents’ mark contains word CROWN in bold red letters, with a yellow/orange arc graphic above it and the words SOLAR ENERGY below in green.

Complainant’s Inverter (Xavier-II)	Respondents’ Inverter (Nexus)
	

- 5.14 A comparison of the inverters themselves reveals differences in design and visual elements. The Complainant’s inverter, as depicted in the table above, features a predominantly black body with a digital display centered on the front panel, and the brand name positioned below the display in a clear, light-colored font. Notably, there is a red geometric crown shape near the bottom, which adds a distinctive design element. The model name “Xavier 6KW IP21” is displayed prominently above the unit. In contrast, the Respondent’s inverter features a predominantly white body with rounded corners and a rectangular digital display. Below the display, the brand name appears alongside the model name “NEXUS.”

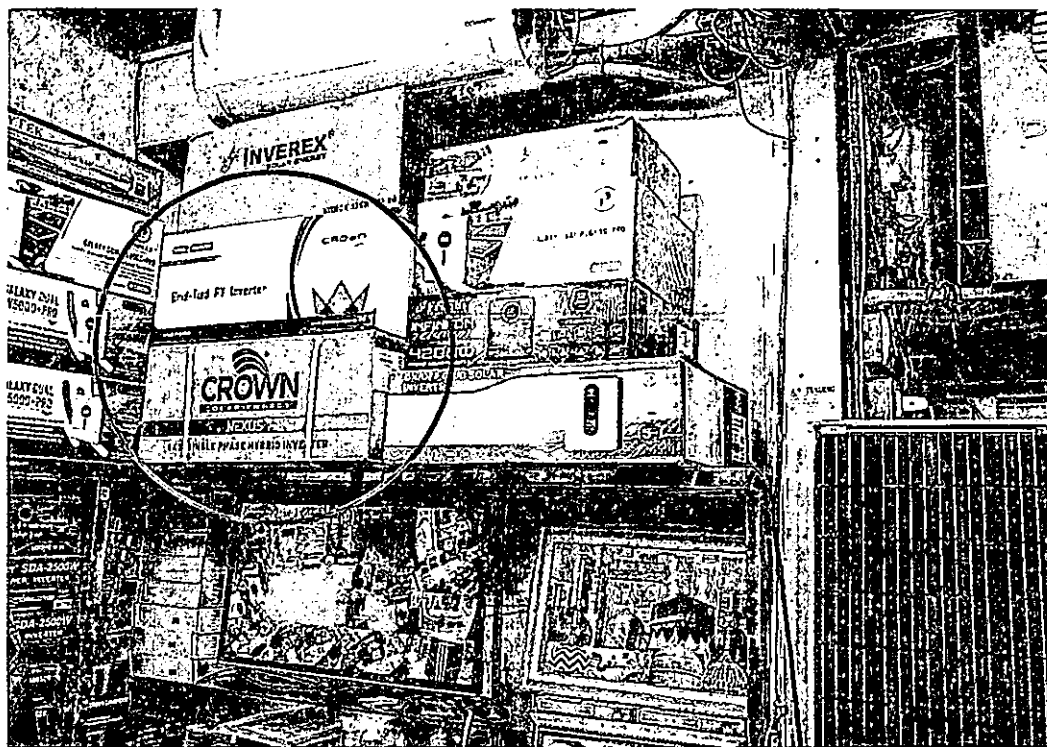
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- 5.15 The Elego 10, another product under Crown Micro, as shown in the image above, features a white front panel but is distinguished by a large yellow stylized crown graphic across the center, making the brand instantly recognizable. The brand name "CROWN Micro" appears at the top, while the model name "ELEGO 10" is displayed vertically beside the digital screen. In the Yorker series, the crown logo is smaller and located toward the top of the front panel. The brand name "CROWN Solar" is displayed at the top in a standard font, and the model name is positioned horizontally near the digital panel, which displays information in a single-color interface.
- 5.16 Consumers could be misled, but not strongly, based on the marks alone. Confusion becomes likely depending on whether the Respondents intended to imitate the Complainant's stylized identity, and how commonly the term CROWN is used in the relevant field. It is observed that the term "CROWN" is commonly used in commercial settings and appears in the names of various brands across different industries. It is not inherently distinctive on its own and is typically combined with additional elements to form a specific brand identity. In the present case, the Complainant and the Respondents have used the suffixes "Micro" and "Solar", respectively, to differentiate their marks.
- 5.17 In the solar-inverter market, the nature of the purchase itself requires more thorough consideration than fast-moving consumer goods. Unlike simple off-the-shelf items, solar inverters demand clarification of key factors such as power capacity, efficiency, and compatibility with systems. As a result, retailers and installers often raise essential questions about the consumer's home setup, energy usage, and installation conditions to ensure proper product selection.
- 5.18 Furthermore, warranty provisions, expected lifespan, and after-sales service availability also become important, not because the consumer may be technically inclined, but because these elements directly influence long-term performance and reliability. Recommendations from trusted installers or service providers play a significant role in guiding the final choice. Ultimately, the purchase is shaped by cost, reliability, and support requirements, making it a more informed and structured decision compared to typical FMCG purchases.

- 5.19 Both marks use red colour to represent "CROWN": Complainant as a symbol , and the Respondents in words **CROWN**. It is noted that the colour plays a meaningful role in how consumers recognize a brand. When two marks use the same dominant word "CROWN", and present that word in the same standout colour (red). Then, the likelihood of consumers associating the two brands increases, even if the rest of the design differs. Also, it might contribute to confusion. The reason being that the "CROWN" appears in bold red in both logos, making it the main element consumers notice. As the companies operate in related markets, consumers could think the brands are connected.
- 5.20 Therefore, to better understand how the trademarks are perceived in the market, the Enquiry Committee conducted surveys of solar markets in three cities: Rawalpindi, Gujranwala and Lahore. During the surveys, the Enquiry Committee presented themselves as ordinary consumers intending to purchase a solar inverter and engaged retailers in general discussions regarding available brands, features, and pricing. In the course of these interactions, the distinction between the two "CROWN" brands became evident, as retailers mentioned that 'CROWN MICRO' and the other 'CROWN' (associated with Crown Group) are separate companies.
- 5.21 Details of these visits are provided in Annexure C. As seen in the image below, the products of Complainant and Respondent are placed on the same shelf. There is a distinct and observable difference between the two products in terms of appearance.



- 5.22 Considering that both the companies operate in the same line of business, and both use the word "Crown," the key issue under Section 10 of the Act is whether consumers are likely to be misled about the commercial origin of the goods. However, as depicted above, the companies are using clearly different trademarks, logos, packaging, colour schemes and the overall get-up. Therefore, the consumer confusion becomes unlikely,

and the general basis for a deceptive marketing finding i.e., the similarity in presentation that leads to "passing off", is hereby not satisfied. Section 10 focuses on the effect of the marketing on the ordinary consumer, and when the visual identity of the products is distinct, consumers can differentiate between the two sources without difficulty.

- 5.23 In any case, the shared use of the word "Crown" can still raise questions if that word functions as a distinctive identifier in the market or is already strongly associated with one of the companies. Even where the visual presentation differs, liability may arise if the word is used so prominently that consumers could reasonably assume the products come from the same source or that the brands are connected. This is more likely if "Crown" is a unique or highly distinctive term in the relevant industry, or if one company can demonstrate significant goodwill tied specifically to that word. In the instant case, the trademarks and overall get-ups are clearly different, and the word "Crown" does not imply association between the companies. Therefore, the use of the same word alone does not amount to deceptive marketing. The decisive factor remains whether an ordinary consumer is actually likely to be misled, and without similarity in presentation or a strong association of the word with one business, that likelihood is not present, as confirmed by a series of market surveys.
- 5.24 Having evaluated the visual presentation and market context, the Enquiry Committee finds that the differences in mark styling, suffix, colour scheme, graphic treatment, and the deliberative nature of the purchasing process in this segment reduce the potential for confusion. Therefore, a, *prima facie*, violation of Section 10(2)(d) cannot be established.
- ii. Whether the conduct of Respondents are disseminating false and misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods, prima facie, in violation of Section 10(1) in general and in particular, Section 10 (2)(b) of the Act.
- 5.25 The Enquiry Committee also examined whether the Respondents' use of the mark "CROWN SOLAR" could, in itself, amount to dissemination of misleading information about origin or association of goods. As discussed earlier, both trademarks share the word "CROWN" but differ in suffix, graphic design, and color scheme. The overall presentation of the Respondents' packaging, which includes distinct colors, fonts, and the "SOLAR ENERGY" tagline, provides differentiation from the Complainant's "CROWN MICRO." Therefore, the Enquiry Committee did not find evidence that the Respondents attempted to mislead consumers regarding the source or manufacturer of the goods through its branding or packaging.
- 5.26 Upon a thorough review of the Respondents' marketing and promotional activities, the Enquiry Committee found no evidence of campaigns, materials, or communications that could be construed as creating a false association with the Complainant, or as making misleading claims regarding technical superiority, product origin, or certification. The Enquiry Committee observed that the Respondents' promotional efforts were primarily directed toward strengthening brand recognition, enhancing product visibility, and ensuring consistent presence across their extensive distribution network. Furthermore, there was no indication that the Respondents engaged in comparative advertising or made statements that could be interpreted as disparaging or

denigrating other brands in the market. The Enquiry Committee's assessment considered both the content and the context of the promotional materials, as well as the overall marketing strategy employed, which appeared to focus on legitimate brand positioning rather than on competitive disparagement.

- 5.27 As discussed in para 5.11 to 5.13 the packaging of both parties further reflects this differentiation. And these differences in design and labeling indicate that the Respondents did not attempt to imitate the Complainant's trademark or mislead consumers about the identity of the products.
- 5.28 The Enquiry Committee also took into account the overall market structure. In the solar-inverter sector, consumers typically rely on installers, technical specifications, and after-sales service information rather than on impulsive impressions. The purchasing process involves consultation and comparison of models from different brands, which reduces the likelihood that similarities in naming could mislead buyers regarding origin or quality.
- 5.29 As stated in para 5.20, during market visits, the interaction reinforced that, at the retail level, the products are perceived as originating from separate sources and are not promoted through misleading representations.
- 5.30 Based on these observations, the Enquiry Committee did not find any material or conduct indicating that the Respondents disseminated false or misleading information concerning the price, nature, quality, suitability, or origin of its products. Accordingly, on the record available, no *prima facie* violation of Section 10(1) in general, or Section 10(2)(b) in particular, is established.
- iii. **Whether the conduct of the Respondents is capable of harming the business interest of other undertakings in, *prima facie*, violation of Section 10 (2)(a) of the Act?**
- 5.31 The Complainant, in its complaint, has submitted that a fraudulent adoption of another's trademark is in clear contravention of the Act. In fact, the said adoption by the Respondents is to cause grave injury to the Complainant's established reputation in the market and to grab the general public's attention to create undue damage for its offerings. Hence, the unauthorized and blatant use of the Complainant's trademark/trade name by the Respondents violates Section 10 of the Act and clearly has the potential to further harm the business interest of the Complainant in violation of Section 10(2)(a) of the Act.
- 5.32 The Complainant has provided sales data (attached as Annexure C) for the period between January 2024 and June 2025 to substantiate its claim of business harm allegedly caused by the Respondent's conduct. An examination of the data reveals that high sales figures were recorded between March 2024 and July 2024, followed by a noticeable decline around September 2024. A subsequent recovery in sales performance is evident in the early 2025. However, based on the information provided, there is insufficient evidence to conclusively attribute the temporary decline in sales to the Respondents' use of the impugned mark. Other market factors, seasonal variations, or internal business considerations may also account for the fluctuation observed. It is further noted that a number of other brands, including but not limited to LONGi Solar, Jinko Solar, Canadian Solar, JA Solar, Trina Solar, Inverex, Homage, and SkyElectric

etc., are also active in the Pakistani solar market. The presence of these and other competing brands contributes to increased market competition, which may reasonably have influenced the Complainant's sales performance. Therefore, the decline in sales cannot be solely or directly attributed to the Respondents' activities.

- 5.33 The assessment of whether the Respondents' mark constitutes deceptive marketing depends on the likelihood that consumers might believe the two brands are connected. Both parties use the word CROWN prominently and rely on bold typography, creating an initial point of similarity. However, their marks differ in several important aspects: the Complainant employs a distinctive angular, spiked "W," while the Respondents uses conventional lettering, adds the descriptive phrase SOLAR ENERGY, incorporates a sun-like graphic, and uses a different colour scheme consisting of red, yellow, and green, compared to the Complainant's black and red. These differences lessen the potential for mistaken association, though the shared dominant word still creates a meaningful overlap.
- 5.34 Overall, there may be likelihood of confusion, as both parties present the identical word CROWN as the dominant feature of their marks. The Respondents' sun graphic and additional wording reduce similarity but not enough to eliminate the overlap, especially where the parties' goods intersect. Nonetheless, trademark law does not grant exclusive rights over generic or descriptive terms, and the Complainant cannot prevent others from using the word CROWN unless distinctiveness has been acquired. If the Complainant does not hold exclusive rights to the term, then the Respondents' use of CROWN SOLAR ENERGY, particularly given its visual differences, does not amount to deceptive marketing or misuse of the Complainant's registered mark that is capable of harming its business interests.
- 5.35 Accordingly, the available data does not substantiate a direct causal link between the Respondents' alleged conduct and any quantifiable harm to the Complainant's business interests. Therefore, a *prima facie* violation of Section 10(2)(a) of the Act is not established.

iv. **Whether there is a spillover effect of the Respondents' conduct?**

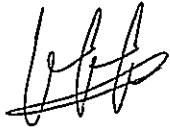
- 5.36 The Respondents maintain a nationwide presence, not only through their operations in multiple major cities but also through an extensive digital footprint. Their marketing and promotional content is widely disseminated across social media platforms such as Facebook, Instagram, and other digital channels, where they maintain highly active and well-followed accounts. In addition, the Respondents operate an official website, enabling consumers from any province to view product details.
- 5.37 The Respondents' branding, advertising strategy, and online activities are crafted to target a nationwide audience rather than consumers of any single region. As a result, both their physical operations and their strong online presence collectively create a countrywide market impact, thereby giving rise to a clear spillover effect beyond any specific provincial jurisdiction.

6. CONCLUSION & RECOMMENDATIONS

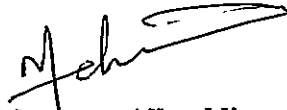
- 6.1 Based on the information available on record and the submissions made before the Enquiry Committee, the undersigned enquiry officers have concluded that, *prima facie*,

the allegation against the Respondents, under Section 10 of the Act, has not been made out. The reasons include that the Respondents' trademark is significantly different from the Complainant's. Furthermore, the significant differences in marketing of the trademark', and the general consumer behavior in the relevant industry make it possible to safely conclude that chances of confusion or deception among the general public are unlikely.

- 6.2 Thus, the Respondent's actions are not found to be, *prima facie*, in violation of Section 10 (1) in general and Section 10 (2)(a), (b), and (d) in particular of the Act.
- 6.3 It is, therefore, recommended that the complaint against CRLF Company and M/s Crown Green Power Private Limited, be dismissed as per law.



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(Enquiry Officer)



Mehmbona Allauddin
Assistant Director (OFT)
(Enquiry Officer)