

**COMPETITION COMMISSION OF PAKISTAN**

**ENQUIRY REPORT**

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

**IN THE MATTER OF COMPLAINT FILED BY M/S THE NEW YORK PIZZA  
AGAINST M/S NEW YORKER PIZZA FOR DECEPTIVE MARKETING PRACTICES**

**BY**

Marryum Pervaiz/ Riaz Hussain

**Dated: 11/02/2020**

## 1. BACKGROUND

- 1.1 M/s The New York Pizza (hereinafter referred to as the ‘**Complainant**’) filed a complaint with the Competition Commission of Pakistan (the ‘**Commission**’) against M/s New Yorker Pizza (hereinafter referred to as the ‘**Respondent**’) for alleged violation of Section 10 of the Competition Act, 2010 (the ‘**Act**’).
- 1.2 The Complainant alleged that the Respondent is disseminating false & misleading information and fraudulently using its trademark, which is capable of harming the business interest of the Complainant, and amounts to deceptive marketing practices in violation of Section 10 of the Act.
- 1.3 Keeping in view the above, the Competent Authority of the Commission has initiated an Enquiry in accordance with sub-section (2) of Section 37 of the Act by appointing Ms. Marrayum Pervaiz, Joint Director and Mr. Riaz Hussain, Assistant Director as the enquiry officers. The undersigned Enquiry Officers were directed to conduct the enquiry on the issues raised in the complaint and to submit the enquiry report by giving findings and recommendations *inter alia* on the following:
- (i) *Whether the Respondent is disseminating false/misleading information to the consumers, in violation of Section 10 of the Act in term of the allegations and relief claimed in the instant complaint?*
  - (ii) *Findings with respect to violations of Section 10 of the Act (if any) committed by the Respondent or other undertakings regarding the allegations made in the complaint and subject matter of the enquiry.,*

## 2. THE COMPLAINT

- 2.1 The Complainant is a sole proprietor business, having address at Plot No. 26/c, 5<sup>th</sup> Badar Commercial Street, DHA Phase-5, Karachi. ‘The New York Pizza’ is a registered trademark bearing registration no. 311581 in class-29 pursuant to Trademark Ordinance 2001. Below are the images of the Complainant registered trademark:





- 2.2 The Respondent has been operated all over the Pakistan in similar type of business as of the Complainant. The Complainant submitted that the Respondent has not registered his trademark in any class whatsoever.
- 2.3 The Complainant holds a registered trademark since 2011, and has been operating in pizza business since 2012. The said trademark has developed the reputation and goodwill since it was entered the market.
- 2.4 The Complainant alleged that the Respondent carrying a similar pizza business all over the Pakistan by fraudulently using its registered trademark. The Respondent's identical mark has not been registered in any class and its identical mark is clearly violating the law and fair trade practices, which amounts to unfair competition. Image of the Respondent's trademark is depicted below:



- 2.5 It was further alleged that the high reputation and goodwill of the Complainant's trademark which exclusively belongs to the Complainant, the use of same, similar or deceptively similar trademark by the Respondent would result in misrepresentation made during the course of trade to its potential customers. The act of the Respondent would amount to infringement of the Complainant's rights which are guaranteed under the Trade Mark Ordinance 2001 and would be able to injure the business and goodwill of the Complainant.
- 2.6 The Complainant submitted that the Respondent has been misguiding the general public by expressing/adopting its registered trademark with a nominal change therein by adding 'er' as

suffix in its trademark in their business transactions, products, brochures, print materials, cards, outlets and in their marketing material.

- 2.7 The Complainant alleged that the Respondent's deceptively similar trademark 'NEW YORKER PIZZA' was bound to deceive and cause confusion in the minds of the unwary customers who would be induced to believe that the Respondent's business originate from the Complainant. The customers may draw inference that the Respondent's pizza business is associated in some manner or the other or have some nexus or connection with the Complainant's business, thereby amounting to infringement of trademark and common law rights of the Complainant as well Passing Off the goods.
- 2.8 It was submitted that the Complainant had served legal notice to the Respondent to settle the dispute amicably, however, the Respondent has not only denied all the allegations but have not acknowledged the efforts made by it.
- 2.9 The imitated trademark of the Respondent is similar to that of the registered trademark of the Complainant and due to such similarity the confusion and deception would not be possible to avoid in the course of trade and the innocent consumers shall be deceived as to the source and origin of the goods.
- 2.10 It was submitted that the Section 10(2) (d) of the Act prohibits undertakings from entering into deceptive marketing practices by fraudulent use of another's trademark.
- 2.11 The Complainant submitted that it qualifies as an aggrieved person would be seriously prejudiced, and it would also be against the public interest, if the Respondent is not stopped from using and selling its products under the imitated trademark "NEW YORKER PIZZA" in any manner whatsoever. It is cardinal principle of law and fair commercial business that deceptive measures should not be adopted to adversely affect the goodwill and recognition, earned by the undertaking in same business or services.
- 2.12 It was preyed in the complaint that the action against the Respondent pursuant to Section 10 of the Act may be initiated and restrain it from using similar/identical mark to that of its registered trademark, i.e., "THE NEW YORK PIZZA".

### **3. INITIAL SUBMISSIONS OF THE RESPONDENT**

- 3.1 The complaint along-with its annexures was forwarded to the Respondent for comments vide letter dated November 22, 2018.
- 3.2 The Respondent, through its legal counsel M/s JS CHAMBERS, vide its letter dated December 05, 2018 requested for an extension in time of three weeks to collect all the relevant facts and to file the comments to the complaint. However, considering the requested, the Respondent was allowed to file its comments on or before December 21, 2018.
- 3.3 Furthermore, the Respondent drew the attention of the Commission that the Complainant has concealed some important information while filing the complaint that a Civil Suit titled "Muhammad Junaid Khatri *versus* New Yorker Pizza is pending adjudication before the Intellectual Property Tribunal Sindh and Balochistan at Karachi (the '**IP Tribunal**').

- 3.4 In addition thereto, the Respondent has pointed out that “Mr. Junaid Khatri” was claimed to be the proprietor of the “THE NEW YARK PIZZA” however, the certificate of registration of trademark dated March 08, 2018 has purportedly been registered in the name of one “Mr. Farhan Khatri” who is admittedly not the Complainant before the Commission.
- 3.5 The Respondent further has submitted that on the face of it, a person who is not the owner of the purported trademark has filed a complaint before the Commission hence, it would be imperative to seek clarification from the Complainant as to under what authority he was claiming to be the proprietor of the purported trademark on the basis of which he has lodged the complaint.
- 3.6 The Respondent submitted that it has used and continues to use its trademark, tradename/logo “NEW YORKER PIZZA” and its slogan ‘WE JUST MADE YOUR DAY’ since year 2012 without any let or hindrance and currently operating branches in Islamabad, Rawalpindi, Peshawar, Quetta, Lahore and Abbottabad.
- 3.7 On 20<sup>th</sup> December, 2018, the Respondent once again requested for another extension of further (14) days to file its comments to the complaint due to the unavailability of the relevant record, requested by the Respondent from the IP Tribunal Karachi, pertains to the Civil Suit titled “Mr. Junaid Khatri versus New Yorker Pizza”.
- 3.8 The Respondent, once again, drew attention of the Commission to issue at hand regarding the ownership of the purported trademark which is, in this case, claimed by the Complainant namely Mr. Junaid Khatri. However, the certificate shows that Mr. Farhan Khatri was the owner of the purported trademark.
- 3.9 The Complainant also submitted that it is critical to submit a reply to the complaint hence, the Commission has requested to procure such clarification from the Complainant so that it can be made as part of the record and they can accurately respond to the complaint.
- 3.10 Meanwhile, the Respondent invited the Enquiry Committee to visit its Facebook page (<https://www.facebook.com/NewYorkerPizza/>) to understand and evaluate its nature of business and the medium they have used to advertise and promote its products when they originally started in Islamabad in year 2012.
- 3.11 The Facebook page of the Respondent has reflected a following of over 254,000 individuals and enjoy a formidable reputation in its area of trade. The first post on the page was made on July 10<sup>th</sup> 2012 being the period when the Respondent with its distinct logo and trademark was launched in Islamabad. On the other hand, the Complainant have only 91,000 followings on its Facebook page (<http://www.facebook.com/TheNewYorkPizza/>).
- 3.12 The Respondent submitted that the Facebook has been used as the sole medium to advertise and promote businesses and the Facebook pages of both the Complainant and the Respondent reflects the distinction of the trademark and logo in their customers mind. The Facebook page of the Complainant was made on December 3<sup>rd</sup> 2011, i.e. merely 7 months prior to the establishment of the Respondent’s business.
- 3.13 On December 27, 2018, the Respondent once again requested for another extension of time to file its reply to the complaint due to the unavailability of its legal counsel. Accordingly, the final extension was communicated to the Respondent.

#### 4. INITIAL REJOINDER BY THE COMPLAINANT

- 4.1 The initial reply of the Respondent was forwarded to the Complainant vide letter dated December 26, 2018 for its rejoinder and was requested to respond over the queries raised by the Respondent.
- 4.2 The Complainant, through email dated December 27, 2018, requested to extend the time period due to the family arrangements and grant extension of two weeks to submit its rejoinder. Considering the current circumstances and by granting two weeks time period, the Complainant was asked to submit its rejoinder on or before January 10, 2019.
- 4.3 Meanwhile, the Complainant, vide letter dated January 02, 2019, submitted its initial rejoinder wherein, the following submissions were made:
- (i) It is an admitted fact that Mr. Junaid Khatri is an absolute owner of registered trademark and have submitted a copy of the trademark certificate with its complaint to the Commission. The Complainant also admitted that it has filed a Civil Suit No: 28 of 2018 before the IP Tribunal for Sindh in July. 2018, titled “*Suit for Grant of Permanent Injunction Restraining the Defendant from Using the Imitated Trademark of the Plaintiff and Damages, Accounts of Profit*”
  - (ii) The IP Tribunal, on July 03, 2018, has passed an order in favor of the Complainant whereby restraining the Respondent from illegal use of the trademark and selling and marketing of its products or any similar close variation thereof in any manner whatsoever. The Respondent has closed down its franchise in Karachi after the contempt application was moved by the Complainant for noncompliance of the stay order (**Copy of the Stay Order passed by the IP Tribunal is attached as Annex-A**).
  - (iii) Furthermore, on a question that under what authority the Complainant filed a complaint with the Commission, it was submitted that Mr. Junaid Khatri is a proprietor of the business namely, ‘The New York Pizza’ which is clearly evident from the FBR Tax Certificate. It was admitted by the Complainant that the trademark certificate was issued in favor of Complainant’s elder brother, Mr. Farhan Khatri as he applied for registration of trademark back in 2011 when the business was established and was run as a family business (**Copy of the family registration certificate of Mr. Junaid Khatri is attached as Annex-B**). Mr. Farhan Khatri was passed away in December 2013 hence it was not possible to lodge a complaint with his name. Being as a family business, Mr. Junaid Khatri took the responsibility after the death of his brother and hold over its administrative control, hence as proprietor he has rightly filed a complaint with the Commission (**Copy of the death certificate of Mr. Farhan Khatri is attached as Annex-C**).
  - (iv) The Complainant has been continuously and extensively selling its goods under said trademark since its adoption, since in year 2011, with any let and hindrance from any quarter long with its get-up, color scheme and trade dress. In view of said use, good quality of products (pizza) of the Complainant under the said trademark has exclusively become associated with the Complainant and non-else.
  - (v) The Respondent has been misguiding the general public by expressing/adopting Complainant’s registered trademark with a nominal change therein by adding “er” as suffix

in trademark of the Complainant in its business transactions, products, brochures, print materials, menu cards and on outlet board.

- (vi) That all the assertion made by the Respondent are frivolous, baseless and misconceived hence vehemently denied. The Respondent did not provide any documentary evidence to show that they did not infringe the registered trademark of the Complainant nor denied it. It is irrelevant as to how many followers they have on the Facebook page and how many branches they have in Pakistan. The cornerstone of this matter is a violation of Section 10 of the Act for which the Respondent has failed to produce any evidence in its support.

4.4 The Complainant once again prayed to take necessary action to restrain the Respondent from illegal use of the Complainant registered trademark till the disposal of the matter.

## **5. FINAL SUBMISSIONS OF THE RESPONDENT**

5.1 The Respondent, vide letter dated January 08, 2019 submitted its final comments to the complaint. The para wise reply of the Respondent is given below:

- (i) That, *prima facie*, the complaint was not maintainable and could not have been entertained by the Commission without seeking a clarification in respect of the legal right/title on the basis of which one Muhammad Junaid Khatri claims to be the owner of purported trademark “THE NEW YORK PIZZA” bearing registration No: 311581 in class-29 allegedly registered. Vide the prior correspondences, the Respondent had called upon the Commission to seek a clarification from the Complainant as to under what right or authority he claims to be the owner of the purported trademark which has allegedly been registered in favor of one “Farhan Khatri” however, unfortunately such repeated requests for clarification have not been addressed to date.
- (ii) That the Complainant had not approached the Commission with clean hands in that he had deliberately concealed the factum of pendency of a suit No. 28 of 2018 which is pending adjudication before the IP Tribunal at Karachi. In addition thereto, the Complainant had failed in placing on record the reply to the legal notice issued by the Respondent, which would have resulted in refusal of the Commission to entertain the instant complaint.
- (iii) That the present forum has been used by the Complainant with the sole agenda to coerce and blackmail the Respondent which he had achieved due to the failure on the part of the Commission to properly scrutinize the complaint. Prior to initiation of any inquiry, the Commission is obligated under the law to satisfy itself that there is a case to answer which has not been done in the instant matter, which action may graciously be rectified in order to safeguard the rights and interests of the relying Respondent.
- (iv) That in addition thereto, it was submitted that the Complainant ought to have been required to dispose on oath and submit a sworn affidavit so as to enable the Respondent to initiate appropriate proceedings against the Complainant for having filed a false and frivolous complaint before the Commission. Given that the complainant has filed no such affidavit, the contents of its complaint cannot be taken to be true and accurate.
- (v) The Complainant has asserted that he holds a registered trademark since 2011 whereas in the same breathe claims that it has only operated pizza business since 2012. The Respondent set up its business at Islamabad in July 2012i.e. within 7 months of the alleged setting up of the Complainant’s business. By no stretch of one’s imagination can it be said that a business that



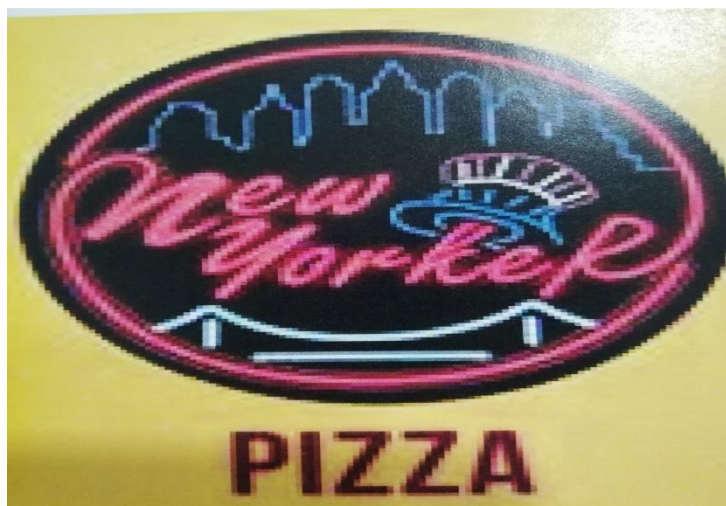
was only setup 7 months prior to the launch of the Respondent's business could have acquired goodwill which the Respondent could have wanted to take advantage of.

- (vi) The setting up of the Respondent's business has always been in the knowledge of the Complainant and the public at large given that the matters pertaining to its launch were published in the leading daily newspaper of Pakistan. In particular, an item published on August 4<sup>th</sup> 2012 by the Express Tribune also contained the trademark logo of the Respondent which can be accessed by visiting the following link:- <https://tribune.com.pk/story/417251/get-a-slice-of-this-empire-state-for-taste-of-authentic-new-york-style-pizza/>
- (vii) That the medium which both the Complainant and the Respondent have launched, promoted and acquired goodwill for their respective business is Facebook where the Respondent has 254,000 followings which reflects its own goodwill. However, the Complainant has merely 91,000 individuals following on its Facebook page.
- (viii) The Comparison of two businesses is of utmost importance for the purposes of determining and concluding that both the respective businesses enjoy their own distinct goodwill whereas admittedly, the Respondent has a much large operation than the Complainant who operates and distributes its products to limited parts of Karachi. It is pertinent that the Respondent has set up its business at Islamabad in July 2012 and at present, operates branches at Quetta, Lahore, Gujranwala, Abbottabad, Peshawar, Rawalpindi and Islamabad.
- (ix) Hence, neither did the Respondent attempt to deceive the public at large nor would it gain any advantage by using the trademark of the Complainant. To the contrary, it is the trademark of the Respondent which requires immediate protection from the vicious design of the Complainant who has ventured onto a course of seeking a free ride on the enormous goodwill of the Respondent. It appears that the Complainant wishes to set up its operations in Islamabad and has the agenda of creating hurdles in the smooth operations of the Respondent's business so as to enable the Complainant to represent itself to be 'New Yorker Pizza' which cannot be allowed.
- (x) That in order to distinguish its goods and services from other competitors, the Respondent uses, amongst others, the trademark, service mark, tradename, business name "NEW YORKER PIZZA" and trade/service mark New Yorker Pizza Logo and its slogan "We Just Made Your Day" which the Respondent has adopted and used since 2012 without any let or hindrance or objections from any person or authority.
- (xi) The Consumers have always associated the products and services and New Yorker Pizza trademarks as those origination from the Respondent and a connection in the course of trade has always been established between the Respondent and the services provider and business conducted by using 'New Yorker Pizza' trademarks.
- (xii) The Complainant's claim of exclusive right over the term 'NEW YORK' is totally flawed misconceived and has no basis in the eyes of law. It is common knowledge that New York style pizza is a popular type of pizza that originated in the New York City, USA. As such, the term "New York" cannot be monopolized by any single entity and is available for use by pizza restaurants. In fact, there are several restaurants in Pakistan that are selling "New York Style Pizza" and using the term New York for this particular style of pizza. History of New York Style Pizza can be accessed from the following link: - [https://en.wikipedia.org/wiki/New\\_York-style\\_pizza](https://en.wikipedia.org/wiki/New_York-style_pizza).
- (xiii) That in addition thereto, it has submitted that the Complainant has blatantly committed fraud on the Commission by claiming exclusivity over the trading name style "THE NEW YORK



PIZZA” which is absolutely false, incorrect and misleading. The Complainant has conveniently disregarded the disclaimer condition which provides ‘REGISTRATION OF TRADEMARK SHALL GIVE NO RIGHT TO THE EXCLUSIVE USE OF THE TRADING STYLE THE NEW YORK PIZZA SEPARATELY AND APART FROM THE MARK AS WHOLE.’ Hence, it has submitted that the Complainant has no exclusive right over the term “NEW YORK PIZZA” as no such exclusive right has been granted in the alleged trademark registration No. 311581.

- (xiv) That under section 42 of the Trademark Ordinance 2001 use of the disclaimed part of any registered trademark does not fall within the preview of infringement therefore, the subject complaint is liable to be dismissed.
- (xv) That without prejudice to the forgoing, it has submitted that Complainant does not have any registration of trademark on respect of trade relating to ‘pizzas’ as the goods namely pizzas fall in class 30 of the International Classification of Goods and Services (NICE Classification) and not in class 29 therefore the Complainant could not be said to have any registration at all for pizzas in class 30 for New York Pizza. (NICE Classification can be accessed from the following link: - [http://www.ipo.gov.pk/uploads/CMS/\(333\)NiceClassification.pdf](http://www.ipo.gov.pk/uploads/CMS/(333)NiceClassification.pdf) ).
- (xvi) Moreover, “THE NEW YORK PIZZA” is generic term referring to the common “The New York Style Pizza” and the Respondent, in 2012 adopted a distinctive and distinguished mark “NEW YORKER PIZZA” and uses the trademarks in relation to its high quality products and services. It has been reiterated that the Respondent is the proprietor of New Yorker Pizza trademark, which have been adopted and continuously used by the Respondent since 2012 and therefore considered to be well known marks, as a result of which, the Respondent enjoys enormous goodwill and reputation throughout Pakistan.
- (xvii) That the trade name “THE NEW YORK PIZZA” is being used by numerous entities all over the world. A few samples are being shared for the purposes of benefit of the Commission which are as follows:-
- (i). New York Pizza and Pasta – <https://www.nypizzausa.com>
  - (ii). New York Pizza (Love At First Slice) – <http://www.newyorkpizzalover.com>
  - (iii). N.Y Pizza – Quality if Our Recipe) - <http://www.nypizza.com.in>
  - (iv). New York Pizza - <http://www.ny-pizza.com.uk>
  - (v). New York Pizzeria - <http://www.newyorkpizzeriachino.com>
  - (vi). New York Pizza Department - <http://www.aznypdpizza.com/order-online>
- (xviii) That artistic work which includes expressions/style/getup of the work used by the Respondent is completely different from the Complainant and is incapable of causing confusion in the mind of the ordinary consumer. Logo of the Respondent is depicted below:



(xix) It has submitted that the pizza is a perishable product, the targeted consumer has to be such that is closely situated to where a business operates. In this regard it has submitted that the targeted consumer of the Complainant since its inception has been the residents of such parts of Karachi where the Complainant is able to deliver its pizza. To the contrary, the targeted consumer of the Respondent are based in Islamabad, Rawalpindi, Abbottabad, Peshawar, Gujranwala and Quetta. Hence, at no given time did the Respondent ever attempt to target the same consumer as those who have been targeted by the Complainant. It is pertinent to state here that in 2018, the Respondent did desire to set up its branch in Karachi however due to the frivolous ligation that has been instituted by the Complainant, such plans had been postponed for until the matter is decided by the IP Tribunal Karachi.

(xx) That the Respondent has not been contravened Section 10 of the Act or engaged in deceptive marketing practices. Be that as it may, the Complainant has however conducted itself in a manner and constitutes to engage in deceptive marketing practices by holding itself out to be a multi-national enterprise as compare to a small business enterprise that operates and distributes its goods and services to residents of parts of Karachi only.

*“...We want the whole world to love our pizza as much as we do. That’s why we are all about the attention to details, the focus on quality, the refusal to compromise on delivering the best pizza (and the best pizza experience) that we possibly can. And all around the world, the tens of thousands of great people who work with New York Pizza’s share that vision<sup>1</sup>”*

(xxi) Such false representation on its website reflects that the Complainant has previously and continues to emit false information to its targeted consumers deliberately in order to mislead the average consumer into buying its products. The commission is fully empowered to take cognizance of such practice and may be pleased to initiate immediate action against the Complainant under the Act of 2010.

(xxii) In view of forgoing, the Respondent hereby vehemently denies the contents of para 1-10 of the complaint and the contents of the instant reply may be treated as to response to allegations as contained in the complaint which are not being repeated for the sake of brevity.

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<sup>1</sup> <http://nyp.com.pk/about.aspx>

(xxiii) The Respondent submitted that the instant complaint may graciously be dismissed forthwith and the appropriate action may be initiated against the Complainant under the Act for reasons detailed in above Paras.

## **6. FINAL REJOINDER BY THE COMPLAINANT**

6.1 The Respondent's reply/comments was forwarded to the Complainant on January 14, 2019 for their rejoinder if any. The Rejoinder was filed by the Complainant on February 02, 2019. The summarized submission of the rejoinder are as follows:

- (i) That the Complainant has already submitted the clarification of the query, raised by the Respondent regarding the authority of the complainant to file a complaint, through its letter, dated January 02, 2019.
- (ii) That the complainant has already been conveyed to the Commission regarding the stay order passed by the IP Tribunal in favor of the Complainant.
- (iii) That the Respondent is continuously trying to dodge the Commission and finding an excuse to subvert the actual complaint that they have infringed the Complainant's trademark by using the suffix "er" which is clear violation of Section 10 of the Act. It is settled law that in case, where anybody adopts and/or uses the same or identical trademark in relation to similar goods for which the Complainant's trademark has been registered amount to dishonesty and breach of Complainant's trademark and would not be titled to claim any rights therein. Therefore, the Commission under the legal obligation to direct the Respondent to refrain from using identical trademark and penalize it for such violation of the Act.
- (iv) That there is no such requirement laid down in the Act where the Complainant is duty bound to submit an affidavit for lodging a complaint. Further, it is clearly evident from the fact that the Respondent is in clear violation of Section 10(d) of the Act by using similar/identical trademark as one of the Complainant's trademark.
- (v) That it has an established fact that Complainant holds a registered trademark since December 2011 and the Respondent does not have a registered trademark by any means. Hence, in case where anyone uses the Complainant's registered trademark would trigger violation of Section 10(2) (d) of the Act. The said trademark stands as a symbol of quality, dependability and reliability of the products upon which they used and enjoyed tremendous reputation and goodwill in favor of the Complainant.
- (vi) That the Complainant is prior user of the trademark as operating since 2011 and the Respondent has established its business in July, 2012 and have copied the Complainant's name, theme, menu, and style of business for which the evidence has already been submitted with the Commission.
- (vii) That the Respondent has not provided any documentary evidence to support its assertions made in the reply hence, they are put to strict proof thereof. It is irrelevant that as to how many followers they have on the Facebook page and how many branches they have in Pakistan. The cornerstone of this matter is a violation of Section 10 of the Act for which they have failed to produce any evidence in its support with the Commission. The Complainant has also quoted a settled law that *two wrongs do not make a right*.

- (viii) That the Complainant has been continuously and extensively selling its goods under the said trademark since its adoption without any let or hindrance from any quarter along with its get-up, color scheme and overall trade dress since its adoption in year 2011. In view of the said use, good quality of products (pizza) of the Complainant under the said trademark has exclusively become associated with the Complainant and none else.
- (ix) The Complainant submitted that the Respondent has been misguiding the general public by expressing/adopting Complainant's registered trademark with a nominal changes therein by adding "er" as suffix in trademark of the Complainant in its business transactions, products, brochures, print materials, menu cards, outlets and on its marketing material.
- (x) That it has always claimed the rights dedicated to him under the Trademark Ordinance 2001 and the Complainant has the right to protects its interest in case where its registered trademark has been infringed and causes confusion in the minds of the general public that the use of the same, similar or deceptively similar trademark by another manufacturer or trade would result in misrepresentation made during the course of trade to Complainant's potential customers.
- (xi) That the Respondent based on its size of franchise/outlets is not allowed under any law to infringe anyone's legal rights and uses its registered trademark which is clearly the case here and amount to deceptive marketing practices. The Complainant mentioned that it is trying to expand its pizza business in Islamabad, Lahore and other parts of the country, however, the Complainant is restricted due to deceptive marketing practices and illegal use of its trademark by the Respondent.

## 7. ANALYSIS

- 7.1 As mentioned in Para 1.3. *ibid*, the mandate of this enquiry is to determine whether there is a violation of Section 10 in terms of the allegation and relief claimed in the complaint.
- 7.2 In the instant matter, the Complainant filed a complaint with the Commission for grant of relief under Section 10 in term of Section 10(2)(d) of the Act specifically. Therefore, the Enquiry Committee will analyze the facts of the matter keeping in mind the allegation and relief claimed in the complaint. For ease of reference relevant Sections of the Act are reproduced below.

*Deceptive marketing practices.*-(1) *No Undertaking shall enter into deceptive marketing practices.*

(2) *The deceptive marketing practices shall be deemed to have been resorted to or continued of an Undertaking resorts to -*

- (a) *the distribution of false or misleading information that is capable of harming the business interests of another undertaking ;*
- (b) *the distribution of false or 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;*

*(c) false or misleading comparison of goods in the process of advertising;*  
*or*

*(d) Fraudulent use of another's trademark, firm name, or product labeling or packaging.*

7.3 In order to determine the above, various matters pertinent to significance of trademarks and their association with Section 10 of the Act would subsequently be discussed.

7.4 A word, phrase, symbol, and/or design which is used to classify and distinguish goods and services in general and from those of its competitors is known as a trade or service mark.

7.5 The term, “*mark*” has been defined in Section 2(xxiv) of the Trade Marks Ordinance, 2001 (the ‘**Ordinance**’)<sup>2</sup> as:

*(xxiv) "mark" includes, in particular, a device, brand, heading, label, ticket, name including person name, signature, word, letter, numeral, figurative elements, colour, sound or and combination thereof ;*

7.6 In addition, Section 2(xlvii) of the Ordinance defines the term “*trade mark*”<sup>3</sup>as:

*(xlvii) "trade mark" means any mark capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings;*

7.7 Additionally, the International Trademark Association defines trade dress as, “*Trade dress is the overall commercial image (look and feel) of a product that indicates or identifies the source of the product and distinguishes it from those of others. It may include the design or shape/configuration of a product; product labeling and packaging; and even the décor or environment in which services are provided. Trade dress can consist of such elements as size, shape, color and texture, to the extent that such elements are not functional. In many countries, trade dress is referred to as ‘get-up’ or ‘product design’.*”

7.8 For the purposes of this Enquiry Report, the trade dress shall be taken in the meanings of product labeling and packaging, in accordance with Section 10 of the Act.

7.9 Such uniquely developed trade or service marks and trade dress are created and adopted by undertakings to assist consumers in quick identification of their brands of varied products. One of the major purposes of these trade/service marks is also to separate them from those of its competitors. These creative works then represent a certain perception about the respective products in terms of the status, price, unique characteristics, method or place of production/origin of service providers, properties, quality, etc., of the relevant goods and

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<sup>2</sup> [http://www.ipo.gov.pk/uploads/CMS/Trade\\_Mark\\_Ordinance\\_2001.pdf](http://www.ipo.gov.pk/uploads/CMS/Trade_Mark_Ordinance_2001.pdf)

<sup>3</sup> [http://www.ipo.gov.pk/uploads/CMS/Trade\\_Mark\\_Ordinance\\_2001.pdf](http://www.ipo.gov.pk/uploads/CMS/Trade_Mark_Ordinance_2001.pdf)

services. Consequently, they also become one of the most important aspects of the undertaking's goodwill.

- 7.10 Therefore, in order to form their unique identity, firms invest significantly in creating and promoting their brands through the medium of trademarks. These creative works, hence, become a prominent aspect of the brand image and goodwill of their owners, as they not only represent the producers/providers of these products, but also symbolize the unique features and quality of the said products.
- 7.11 These creative works are also termed as intellectual property of their owners. However, in order to gain exclusive rights for their use, they have to be registered with the relevant authorities, such as the Intellectual Property Organization (IPO) of Pakistan. By registering intellectual property such as trade/service mark, intellectual property rights extend monopolistic use of the registered trade/service mark to its owners.
- 7.12 Furthermore, owing to its properties, significant efforts have been made across the country, to protect such property rights. Whereas fraudulent use of these rights constitutes a clear violation of law including Section 10(2) (d) of the Act, which prohibits “*fraudulent use of another's trademark, firm name, or product labeling or packaging*”
- 7.13 Consequently, it can be concluded that the Commission also observes that trade/service mark infringement must be prevented to avoid consumer injury. Furthermore, their curtailment is necessary to safeguard the overall brand equity of an undertaking as trade/service marks not only affect the perception and good will of the product, but also have a significant impact on its sales. Therefore, in order to protect consumers from anti-competitive behavior and to make provisions to ensure free and fair competition in the market, intellectual property rights must be protected and Section 10 of the Act must be enforced, in this case particularly through the mandate outlined above.
- 7.14 Now in order to form an analysis it would be crucial to draw a comparison between the Respondent's trade mark and product packaging and the Complainant's trade mark and packaging. However, before moving on, it is important that the analysis be formed keeping in mind a consumer. For the purposes of the Act, the Honorable Commission has held in its order In the Matter of M/s China Mobile Pak Limited and M/s Pakistan Telecom Mobile Limited<sup>4</sup> (hereinafter referred to as the ‘**Zong Order**’) that the term consumer, as referred to in Section 10 of the Act, has to be construed in the widest sense so as to refer to the ‘ordinary consumer,’ which is distinct from the concept of the ‘ordinary prudent man,’ as evolved under Contract Law. The Zong Order further holds that unlike the “ordinary prudent man” the thrust on ordinary diligence, caution/ duty of care and ability to mitigate (possible inquiries) on the part of the consumer would not be considered relevant factors “when looking at a deceptive commercial practice.”
- 7.15 Subsequently, the facts of the matter under consideration in this enquiry report, i.e., submissions of the Complainant and the Respondent as well as the material discovered during the process of market survey conducted by the Enquiry Committee, will be analyzed in light of the foregoing discussion to determine whether Section 10 has been, *prima facie*, violated by the Respondent or not.

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<sup>4</sup> <http://cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%202029-09-09%20.pdf>

- 7.16 The primary allegation raised by the Complainant is that the Respondent is involved in fraudulent use of its trademark, including the word “**The New York Pizza**” as “**New Yorker Pizza**”. The unauthorized, illegal and continued use of the Complainant’s trademark with nominal change thereby adding “er” as suffix can be seen in the Respondent’s, brochures, print material, menu cards, outlets and packaging, etc. with an intention to deceive the consumers.
- 7.17 The Complainant submitted that it has been in the business of making ‘pizza’ since 2012 and has a registered trademark, bearing no. 311581 in class-29, with the Trade Mark Registry since December 21, 2011. It is evident from the information provided by the Complainant that its trademark was registered prior to the inception of the Respondent. **(Copy of trademark registration certificate is attached as Annexure-D)**
- 7.18 Prior to the registration of the Complainant’s business as partnership firm in year 2018, under the Partnership Act, 1932, it was operated as sole proprietor business. The Complainant has started its business in Karachi in 2012 and since that it has never set up its own branch network in other cities of the country. Whereas, the Respondent set up its business as a partnership firm at Islamabad and has been using its trademark/logo “**New Yorker Pizza**” and its slogan “**we just made your day**” since July 2012 and at present operates branches in Quetta, Lahore, Gujranwala, Abbottabad, Peshawar, Rawalpindi and Islamabad. **(Copy of the firm registration certificate of the Respondent is attached as Annexure-E).**
- 7.19 A Civil Suit No: 28 of 2018, before the IP Tribunal Sindh, against the Respondent was filed by the Complainant in year 2018. The IP Tribunal has passed an interim order in favor of Complainant whereby restraining the Respondent from illegal use of the trademark, after which the Respondent has closed down its franchise in Karachi.
- 7.20 The Respondent submitted that the term “New York Pizza” is a generic term referring to the common “The New York Style Pizza” and in year 2012, it has adopted a distinctive and distinguishable mark “New Yorker Pizza” in relation to its high quality products and services. The Respondent also submitted that the trade name “New York Pizza” is being used by various entities in many countries including U.K and USA.
- 7.21 For the verification of the allegations, the Enquiry Committee deemed it fit to visit the premises of the Respondent on June 21, 2019. The images of the marketing material collected by the Enquiry Committee during the visit and submitted by the Complainant as evidence to prove that the Respondent fraudulently using the registered trade/services mark are given below:





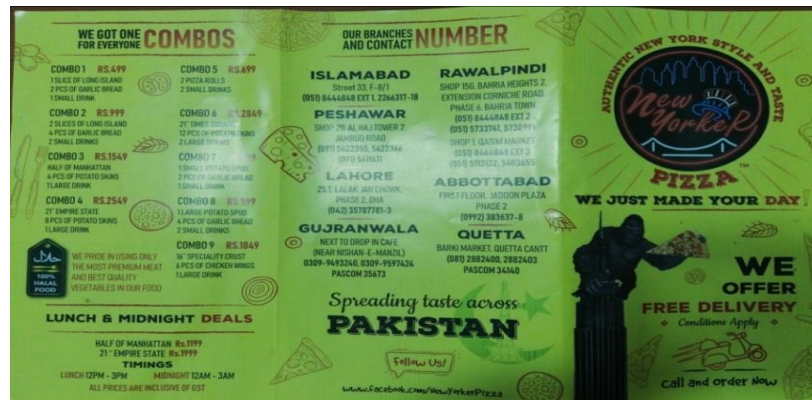
**Respondent's Outlet in Islamabad**



**Respondent's Outlet in Islamabad**



**Respondent's Packaging/Pizza Box**



### Respondent’s Brochure

- 7.22 It is noticeable in the images above that the Respondent has been using a trademark with the name and style of “New Yorker Pizza” on its outlets, marketing material and packaging.
- 7.23 In order to establish whether the Respondent is involved in the fraudulent use of the Complainant’s trademark, it is pertinent to compare both the trademarks used by the Complainant and Respondent in its marketing material keeping in mind the perspective of an ordinary consumer.
- 7.24 The Comparison of Complainant’s and Respondent’s trademark is depicted below:

#### Complainant’s Trademark

#### Respondent’s Trademark



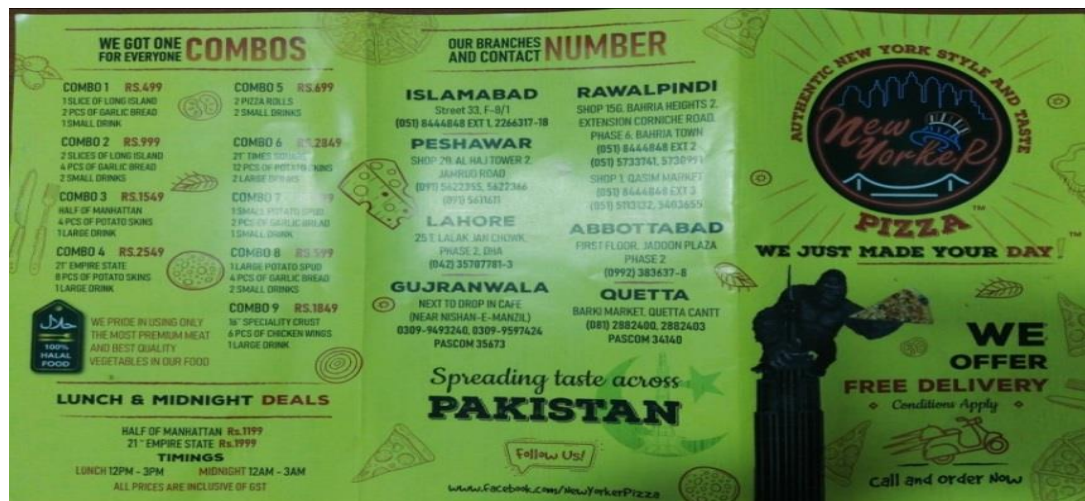
- 7.25 The whole trademark of the Complainant consists of an abbreviation of New York Pizza as “NYP”, which is written in a special font style. Y is written in orange color while N and P are written in maroon color. Size of Y is larger as compare to N and P and a slice of pizza is placed on the top of it. In the Complainant’s trademark, the name of the Complainant’s firm “The New York Pizza” is written in maroon color with white background and its slogan “Fall in love with pizza again” is written in white color with black background in an arc shaped ribbon beneath the trademark.



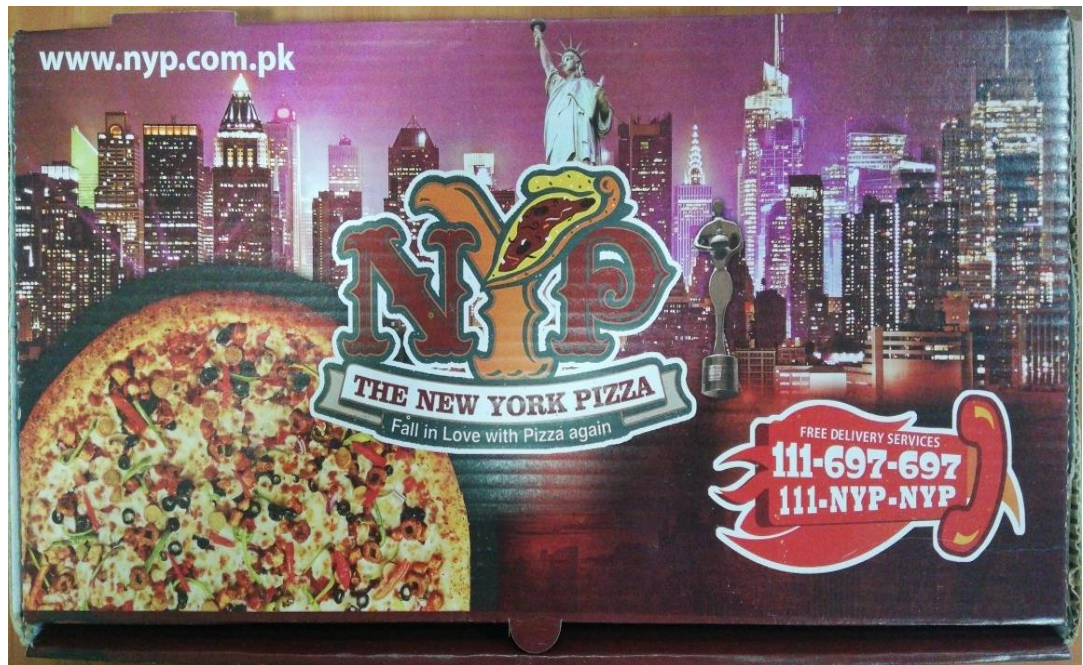
- 7.26 Whereas, the Respondent's trademark consist of circle with black background and Pink outline. The term "New Yorker" is written in the circle with pink color and an image of a hat is placed on the alphabet "k". Furthermore, blue colored lines in the shape of buildings have been placed on the top of the circle. Some straight and curved lines with white color have been placed below the trade name inside the circle. Word "Pizza" is written below the circle with maroon color. On some of the marketing material of the Respondent, the circle of the trademark has been labeled with the phrase "Authentic New York Style and Taste".
- 7.27 In a thorough comparison of both the trademarks of the Complainant and the Respondent it is clearly evident that both of the trademarks are entirely different from each other in respect of Color scheme & background, font style and size, shape and overall get-up.
- 7.28 The packaging and marketing material of both the Complainant and Respondent is depicted below:



Complainant's Brochure



Respondent's Brochure



**Complainant's Packaging/Pizza Box**



**Respondent's Packaging/Pizza Box**

- 7.29 Now if we take a look at the packaging of the Respondent and the Complainant, it has been observed that the color schemes, font styles and size and images used by both the entities are entirely different from each other. Major colors used by Complainant in the packaging are maroon, orange, purple and red. The Complainant is using its trademark at the center of the packaging and the image of New York City is displayed in the background of the trademark. On the left corner of the packaging, the Complainant has used the image of pizza and right corner of the packaging is followed by the contact details.
- 7.30 Whereas, major colors used by the Respondent are yellow and black. The Respondent's slogan "we just made your day" is followed by the trademark at the center. On the top left



corner of the packaging of the Respondent, “Half Manhattan” is written with white color in maroon box. The Respondent has used the picture of “Statue of Liberty” in the background of the packaging.

- 7.31 The Complainant alleged that the Respondent has been misguiding the general public by expressing/adopting its registered trademark with a nominal change therein by adding “er” as suffix in its trademark in their business transactions, product brouchers, printing materials, menu card, product packaging, outlets and on other marketing material.
- 7.32 The Complainant also submitted that it has been continuously and extensively selling its goods under the said trademark since its adoption without any let or hindrance from any quarter along with its get-up, color scheme and overall trade dress since its adoption in year 2011. Therefore, the use of said trademark with quality products (Pizza’s) has exclusively become associated with the Complainant and non-else.
- 7.33 It is pertinent to mention that the Enquiry Committee has analyzed the trademark certificate of the Complainant carefully and revealed that the relevant authority (IPO) has not granted the right to use the term “New York Pizza” exclusively. The disclaimer, given on the trademark certificate, is written as: “**Registration of the Trade mark shall give no right to the exclusive use of trading style The New York Pizza separately and apart from the mark as a whole**”. The image of the trademark certificate is depicted below:



- 7.34 In light of para 7.33 *ibid*, it can be establish that the Complainant has no exclusive right over the term “New York Pizza” separately without using the mark as whole. The New York Style Pizza is a popular type of pizza that originated in the New York City, USA. It is also important to mention that the word “Pizza” is also generic term and can be used by any of the pizza restaurant. Similarly, the term “New York” cannot be monopolized by any single entity as it is a name of a famous city of USA. Whereas the term “New Yorker” means ‘a native or inhabitant of the US city of New York’.
- 7.35 In light of the above, we are of the view that the trademark, trade dress and packaging of the Complainant and the Respondent does not appears to be similar. Furthermore, the artistic work which includes expressions/style/getup of the work used by the Respondent is also entirely different from the Complainant and causes no confusion in the mind of an ordinary consumer. The Complainant does not have an exclusive right on the trade name, ‘New York Pizza’ separately. The Respondent has been using its own trade name, ‘New Yorker’ on its marketing material which is different from the Complainant’s registered trade name. It is pertinent to consider that Consumers base their purchasing decisions on first impressions of the product exterior and do not engage in a considered examination of the product in detail. This suggests that even an undiscerning consumer would be able to differentiate between the Complainant and Respondent’s packaging and trademark at a cursory glance.
- 7.36 Based on the available facts, it can be establish that the term “New York Pizza” used by the Complainant as a part of its trademark was not its own creation. The New York Style Pizza was initially introduced in the city of New York by Gennaro Lombardi in early 19’s<sup>5</sup>. Now a day’s New York Style Pizza has been offered by many pizza restaurants all over the world. The New York Style Pizza is made with a characteristically large hand-tossed thin crust, often sold in wide slices to go. The Complainant as well as the Respondent have been made large hand-tossed thin crust pizza and both have also designed their packaging material accordingly.
- 7.37 If we look into the deception regarding the use of trademark, it has been observed that both the trademark have many distinguished features discussed in para 7.28 to 7.30 above. The trade/firm name of both the Complainant and Respondent is a part of their own distinguished trademarks and both the firm are registered under the Partnership Act, 1932. So the allegation of the Complainant, that the Respondent is fraudulently using its registered trademark, is out of question. Although, the main idea or silent features of both the trademarks are same, i.e. “New York Style Pizza”, however, IPO has not granted exclusive right to the Complainant to use the term “New York Pizza” separately. Therefore, it seems that, *prima facie*, the complainant is indirectly making an effort to obtain a relief from the Commission which infact is beyond the preview of the Act.
- 7.38 In view of the above, it can be safely concluded that the allegations made against Respondent have not been proven and the Complainant is not found involved in fraudulent use of the Complainant’s registered trademark, product labeling, packaging and the overall trade dress. In this case, it is apparent that the Respondent has created a unique trademark

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<sup>5</sup> [https://en.wikipedia.org/wiki/new\\_york-style\\_pizza](https://en.wikipedia.org/wiki/new_york-style_pizza)

and trade dress which has no resemblance with the Complainant's trademark and trade dress.

## **8. CONCLUSION & RECOMMENDATION**

- 8.1 Based on the information available on record and the submissions made before us, we the undersigned enquiry officers have reached on the conclusion that the, prima facie, allegation made against the Respondent have not been made out as, the Respondent has created a distinguished trademark, trade dress in term of labeling & packaging which is different from the Complainant's labelling & packaging, so there is no point of confusion between the two graphically different trademarks.
- 8.2 It is therefore, recommended that the complaint against M/s New Yorker Pizza may be dismissed in accordance with law.

Marryum Pervaiz  
(Enquiry Officer)

Riaz Hussain  
(Enquiry Officer)