

# 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 KENNOL  
PERFORMANCE OIL FOR DECEPTIVE MARKETING PRACTICES  
AGAINST**

- (I) M/S KENNOL PETROLEUM (PRIVATE) LIMITED
- (II) M/S JAPAN LUBE PETROLEUM
- (III) M/S TECHNOLUBE LLC
- (IV) M/s DEWAN OIL STORE

BY

S.2  
M. Salman Zafar, Marryam Pervaiz and Riaz Hussain

Dated: January 04, 2021

## 1. BACKGROUND

- 1.1. M/s KENNOL Performance Oil, a subsidiary of Produits Petroliers Organisation S.A.S. (hereinafter referred to as the '**Complainant**') filed a complaint against M/s KENNOL Petroleum (Pvt.) Limited (the "**Respondent No. 1**"), M/s Japan Lube Petroleum (the "**Respondent No. 2**"), M/s Techno Lube LLC (the "**Respondent No. 3**"), and M/s DEWAN Oil Store (the "**Respondent No. 4**") (hereinafter collectively referred to as the '**Respondents**') for alleged violation of Section 10 of the Competition Act, 2010 (the '**Act**') i.e., deceptive marketing practices.
- 1.2. The Complainant alleged that the Respondent is disseminating false and misleading information to consumers by distributing counterfeit packs of KENNOL Brands (the '**Product**') in the market and fraudulently using its trademark, which is capable of harming the business interest of the Complainant.
- 1.3. Keeping in view the above, the Competent Authority of the Competition Commission of Pakistan (the '**Commission**') has initiated an Enquiry in accordance with sub-Section (2) of Section 37 of the Act by appointing Ms. Marryum Pervaiz, Joint Director (OFT) and Mr. Riaz Hussain, Assistant Director (OFT), as the enquiry officers (hereinafter referred to as the '**Enquiry Committee**'). Further the Competent Authority has reconstituted the enquiry committee by adding Mr. Salman Zafar as an enquiry officer in addition to the previous officers. The Enquiry Committee was directed to conduct the enquiry on the issues raised within the complaint and to submit the enquiry report by giving their findings and recommendations *inter alia* on the following:
  - (i). *Whether the Respondents are disseminating false/misleading information to the consumers and are using the trademark of the Complainant fraudulently and without any authorization, which is also capable of harming the business interest of the Complainant?*
  - (ii). *Findings and recommendations with respect to violations of Section 10 of the Act (if any) committed by the Respondents or other undertakings regarding the allegations made in the complaint and subject matter of the enquiry.*


## 2. THE COMPLAINT

The Complainant is a "French based company and was created to lead the destiny of KENNOL in 1991. In the early 1980's, the first generation chose to specialize in the lubricants industry, and built a very modern manufacture setup in Cholet, France. Other branches of the group helped in creating a very high-quality net of people and skills inside the group, so that every need could be fulfilled in no time and exclusively with in-house talents". It was submitted that the Complainant is an official and lawful owner of the trademark "KENNOL" in France. However, in Pakistan the Complainant has applied for registration of "KENNOL" trademark under trademark no 511352 with the Trade Mark Registry, Intellectual Property Organization (IPO), Government of Pakistan.

- 2.1 The allegations levelled in the complaint are stated as under:



- i. That the Respondent No. 1, located at 7<sup>th</sup> floor, Executive Towers, Dolman Mall, Clifton Saddar Town, Karachi, Sindh, is responsible for the distribution of counterfeit packs of the Product in the Pakistani market.
- ii. That the Respondent No. 1 has exactly copied one of its famous brand 'KENNOL ULTIMA 20W60'. The Respondent No. 1 used KENNOL logo on barrels of oil and delivery vans. The use of the Complainant's logo can be accessed from <http://kennol.pk/>. The Complainant further submitted that a legal notice was also served to the Respondent No. 1 after which they have closed the website. To support its allegation, the Complainant has submitted a copy of booking form used by the Respondent No. 1, containing the Complainant's trademark KENNOL, which is given hereunder for reference:



7th Floor, Executive Towers, Dolman Mall, Clifton, Karachi, Pakistan.

Customer code:  Customer Name:

Company Name:

Address:

Tehsil:  Dist:

Contact:

Email:

**Order Booking Form**

OB Form No:

Date:

S/O Name:

S/O Code:

Region:

Zone:

Sr#	Product Code	Product Description	Packing	Qty	Unit Price	Gross Amount	Discount Amount / Ltr	Net Amount	Remarks
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
Total									

Amount in words:

Outstanding (if any):

Credit Limit:  Credit Days:

Remarks:

OB Form LTRs:

Sales Office

Total Monthly Vol. In Scheme:

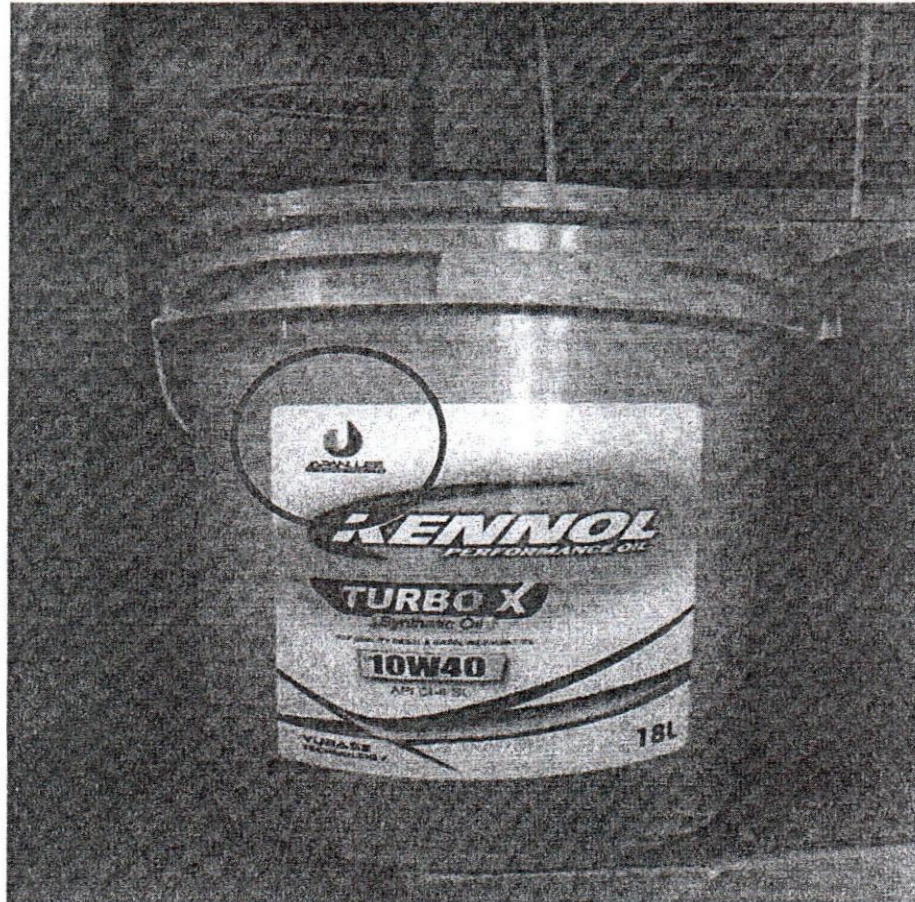
General Manager Marketing Operation

Vol. Without Scheme:

- iii. The Complainant submitted that the Respondent No. 2 is also a company, located at Office no. 18, Badezai Plaza, Chormal Road, Quetta, involved in the use of KENNOL trademark in Pakistan. The Complainant further submitted that, apparently, the Respondent No. 2 has



registered KENNOL trademark in Pakistan. The use of the Complainant's logo can be accessed from <http://sahartech.com/work/japanlube/>. Moreover, the images of product labelling containing the logo of the Respondent No. 2 is given below:



- iv. That the Respondent No. 3 is a manufacturer of KENNOL products. The Respondent No. 3 is also involved in the use of KENNOL trademark and logo.
- v. That the Respondent No. 4 (likely to be a distributor of the Product) using the KENNOL logo on its delivery vans and advertising the Product through its Facebook page: <http://www.facebook.com/MudassirDWN/posts/1479506852132984>. Moreover, the images of the delivery van under the use of Respondent No. 4 containing the trademark of the Complainant is given below:





- vi. That two brothers, namely, Mr. Mudassir Dewan and Mr. Saqib Dewan were found involved in use of KENNOL logo, however, after initiation of legal proceedings the Respondent No. 4 stopped to use KENNOL trademark on its Facebook Page.
  - vii. That the counterfeit product has significantly damaged the Complainant's business reputation. The Complainant faced a real brand usurpation, misrepresentation of logo and graphics.
- 2.2 In the spirit of fair business practices and to protect the rights of consumer, the Complainant, humbly requested the Commission to take action against the Respondent for violation of the Act.

### 3. SUBMISSIONS OF THE RESPONDENTS

#### (I) RESPONDENT NO.1 - M/S KENNOL PETROLEUM (PRIVATE) LIMITED

- 3.1 In order to proceed further, the complaint was forwarded to the Respondent No. 1 dated July 3<sup>rd</sup>, 2019, for its comments. However, the letter sent to the Respondent No. 1 was returned undelivered. The telephonic conversation was made with the management of Respondent No. 1 for delivery of the notice served by the Enquiry Committee. The Respondent No. 1 informed the Enquiry Committee that the notice couldn't deliver on a given address as it is a virtual mailing address.



- 3.2 However, the Respondent No. 1 has refused to share its mailing address and informed the enquiry committee that it has received a copy of the complaint from the Respondent No. 2. Reply of the Respondent No. 1 was received on August 22, 2019 which was written in Urdu language, therefore, the whole content of the reply is reproduced hereunder:

جناب عالی : عرض ہے کہ میں نے کینول موٹر آئل برانڈ کے ٹریڈ مارک کے حصول کے لئے ٹریڈ مارک رجسٹری آئی پی او کراچی کو مورخہ 2019-07-18 کو درخواست جمع کروائی تھی، جس کی کاپی ہمراہ ہے۔ آپ کی طرف سے موصول ہونے والے نوٹس کے بعد میں اپنا کام عارضی طور پر بند کر رہا ہوں اور ٹریڈ مارک رجسٹری سے فیصلہ میرے حق میں آنے تک اس کام کو بند رکھوں گا۔

**(II) RESPONDENT NO.2 - M/S JAPAN LUBE PETROLEUM.**

- 3.3 The complaint was also forwarded to the Respondent No. 2 dated July 03, 2019, for its comments. The Respondent No. 2 was asked to submit its comments/reply to the complaint no later than July 19, 2019, however, no reply was received from the Respondent No. 2. Before writing a reminder letter, dated July 22, 2020, to the Respondent No. 2, a telephonic conversation was made with its management. The Respondent No. 2 has informed the Enquiry Committee that it has discontinued the sale of alleged brand since the last two years and currently has nothing to do with sales and marketing of the alleged product. Moreover, the Respondent No. 2 has also informed that currently Respondent No. 1 is engaged in sales and marketing of the KENNOL brand. Therefore, the Respondent No. 2 has refused to submit its written reply to the Commission.

**(III) RESPONDENT NO.3 - M/S TECHNOLUBE LLC.**

- 3.4 The complaint was also forwarded to the Respondent No. 3 for its comments/reply however, no reply was received from it on or after the due date, i.e., February 20, 2020.

**(IV) RESPONDENT NO.4 - M/S DEWAN OIL STORE.**

- 3.5 The complaint along with its annexures was also forwarded to the Respondent No. 4 for its comments/reply. Upon receiving no reply, a reminder letter dated February 27, 2020, was sent to the Respondent No. 4 however, no reply was received on or after due date, i.e., March 05, 2020.

**4. REJOINDER BY THE COMPLAINANT.**

- 4.1 The reply dated 22<sup>nd</sup> of August, 2019, of the Respondent No. 1 was shared with the Complainant for rejoinder on September 06, 2019 via email. The rejoinder of the Complainant was also received via email dated 9<sup>th</sup> of September, 2019.
- 4.2 The Complainant in its rejoinder submitted that they are unable to personally verify the statement made by the Respondent No. 1 in its reply as they are too far from Pakistan. Moreover, they do not believe on Respondent No. 1 and agreed to pursue until complete stop of infringement by the Respondents.

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- 4.3 Moreover, the Complainant has submitted an independent third party investigation report conducted by M/s Ali & Associates Pakistan, on a matter of 'availability of KENNOL counterfeit products in Karachi, Pakistan'.

## 5. ANALYSIS

- 5.1 As mentioned in Para 1.3. *ibid* the undersigned enquiry officers are directed to conduct the enquiry on the issues raised in the complaint and to submit the Enquiry Report by giving their findings and recommendations on the TORs. In the preceding paragraphs the facts and evidence against each Respondent is discussed in order to reach the conclusion regarding the issues in hand.

- 5.2 The term 'Trademark' is defined under the Trademark Act, 1940, as,

*"trade mark" means a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person."*<sup>1</sup>


Therefore, a trademark is a distinguishable sign, mark, design or expression which differentiates goods and services of the producer from that of its competitors.

- 5.3 For the purposes of this Enquiry Report, the trade dress shall be taken in the meanings of product labelling and packaging, in accordance with Section 10 of the Act.
- 5.4 The Unfair Commercial Practices Directive 2005 (UCPD), defines prohibited commercial practices as also *"Promoting a product similar to a product made by a particular manufacturer in such a manner as to deliberately mislead the consumer into believing that the product is made by the same manufacturer when it is not."*<sup>2</sup>
- 5.5 Now in order to form an analysis it would be crucial to draw a comparison between the Respondents' product packaging and the Complainant's 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>3</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.*"

<sup>1</sup> [http://www.acif.org.pk/Files/TradeMarkAct\\_1940.pdf](http://www.acif.org.pk/Files/TradeMarkAct_1940.pdf)

<sup>2</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016SC0163>,

<sup>3</sup> <http://www.cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%2029-09-09%20.pdf>

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- 5.6 Due to the fact that Section 10 of the Act defines deceptive marketing practices as statements which are “false and misleading” the Commission has defined the term misleading in the **Zong Order** in the following manner<sup>4</sup>:

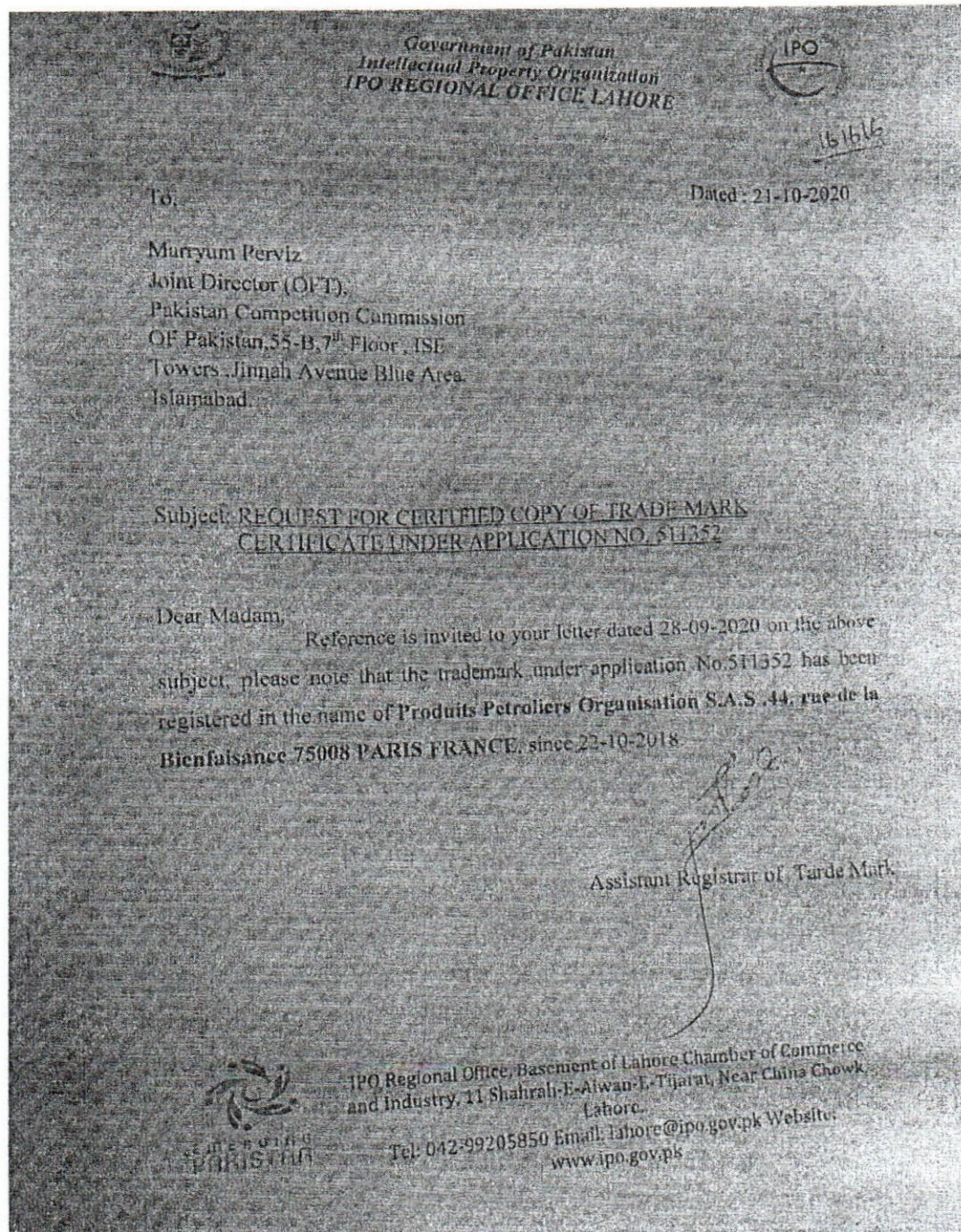
*“Whereas ‘misleading information’ may essentially include oral or written statements or representations that are: (a) capable of giving wrong impression or idea, (b) likely to lead into error of conduct, thought, or judgment, (c) tends to misinform or misguide owing to vagueness or any omission, (d) may or may not be deliberate or conscious and (e) in contrast to false information, it has less onerous connotation and is somewhat open to interpretation as the circumstances and conduct of a party may be treated as relevant to a certain extent.”*

- 5.7 The above reference suggests that any information distributed via marketing campaign can mislead consumers if it is vague in any way or has omitted certain information, even if such a conduct is not deliberate. Consequently, distribution of misleading information is capable of giving a wrong impression with respect to a good or service which could induce a consumer into distorted decision making, hence, causing consumer injury. Therefore, if the Respondent’s conduct is proven misleading, it would amount to deceptive marketing practices in terms of Section 10 of the Act.
- 5.8 In addition to this, if the Respondent’s conduct is proven misleading, it would also be capable of harming the business interests of other undertakings; as in terms of Section 10(2) (a) of the Act. For the purposes of the Act, the Honorable Commission has held in its Zong Order that “actual deception need not be shown to carry the burden of proof. It is sufficient to establish that the advertisement has the tendency/potential to deceive and the capacity to mislead”.
- 5.9 On the basis of information presented above and in light of submissions made by the Complainant and the Respondents’, the Enquiry Committee will analyze whether the act of the Respondent has violated Section 10 (1) of the Act.
- 5.10 The Complainant’s products include lubricant products, i.e., Kennol ULTIMA, Kennol Revolution, Kennol Hybrid, Kennol Ecology, Kennol Additives and Biofluid by Kennol. The Complainant has specifically filed the complaint in terms of its product Kennol ULTIMA 20W60, since the Respondents are only indulged in the manufacture and sales of this product and not the entire range of Kennol products. The Complainant has further highlighted the alleged use of its trademark ‘KENNOL’ by the Respondents on their various lubricant products.
- 5.11 It is pertinent to mention here that the Complainant has not submitted the registration status of its trademark in Pakistan in its complaint. Therefore, the Enquiry Committee vide letter dated September 28, 2020 requested the IPO to clarify the registration status of the

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



Complainant's trade mark. The IPO, vide letter dated October 21, 2020 clarified that the trade mark under application no. 511352 has been registered in the name of Produits Petroliers Organisation S.A.S. 44 rue de la beneficence 75008 PARIS FRANCE, since October 26, 2020. Copy of IPO letter is given hereunder;





- 5.12 The trademark of the Complainant include the word KENNOL with word '*Performance Oil*' contained with half of ellipsis, underneath the brand name. The Complainant's product, Kennol ULTIMA20W60 is available in a plastic container. The container/gallon of the product is colored gray with the brand name Kennol Performance Oil, ULTIMA 20W60 appearing in a white color on the face of the container/gallon. The brand name has the alphabet 'R' at its end in hypertext displaying the fact that the name has been registered and protected under relevant laws. The text '*Fully Synthetic Engine Oil, Hule Motor 100% Syntheses*' and '*Ultimate Performance*' appears under the brand name in white and yellow color, respectively.



(Complainant's Product Packaging)

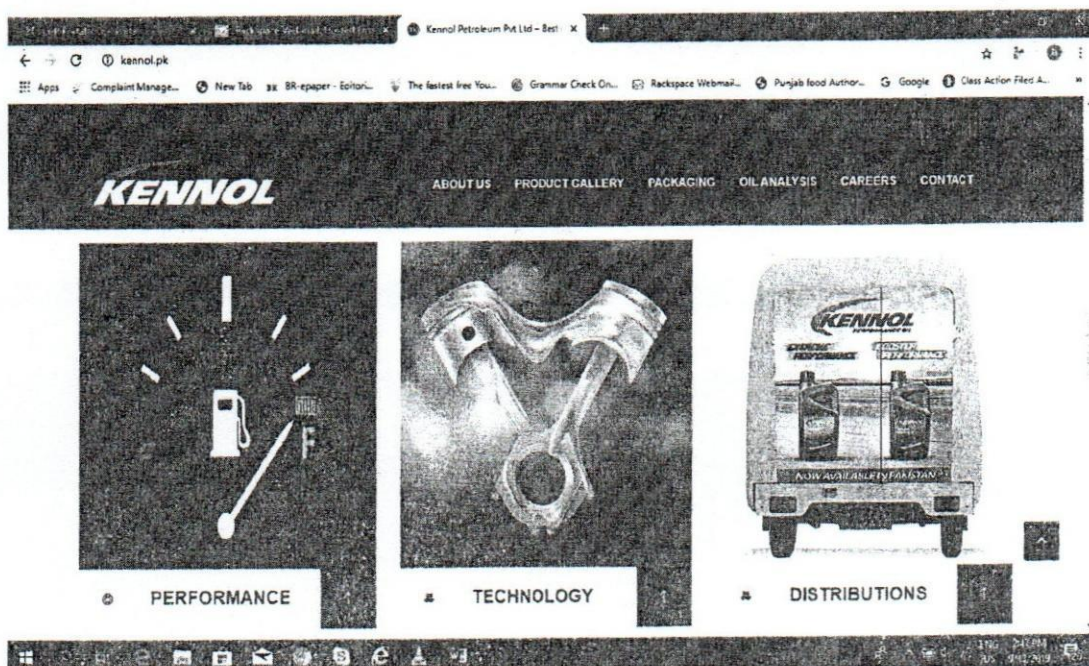
- 5.13 For ease of reference, the Complainant's '*Kennol Performance Oil*' logo, its shape, font type, size, and colors symbolized will be denoted as '*trademark*' in this Enquiry Report. Whereas, the color combination, images, shapes, texts and their locations on the packaging will be referred to as '*product labelling and packaging*' in this Enquiry Report.



5.14 Therefore, the comparison of the packaging of the Respondents and the Complainant is drawn hereunder keeping in mind the perspective of an ordinary consumer.

(1) IN THE MATTER OF THE RESPONDENT NO.1 - M/S KENNOL PETROLEUM (PRIVATE) LIMITED.

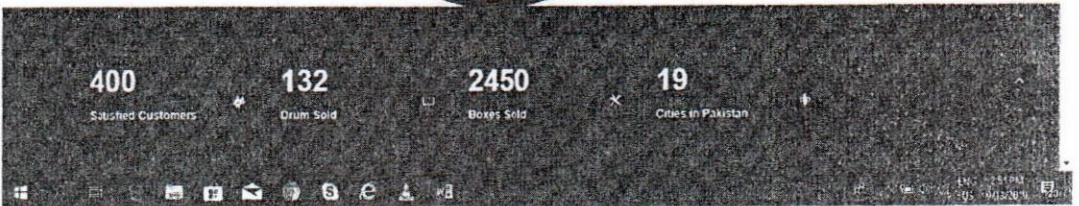
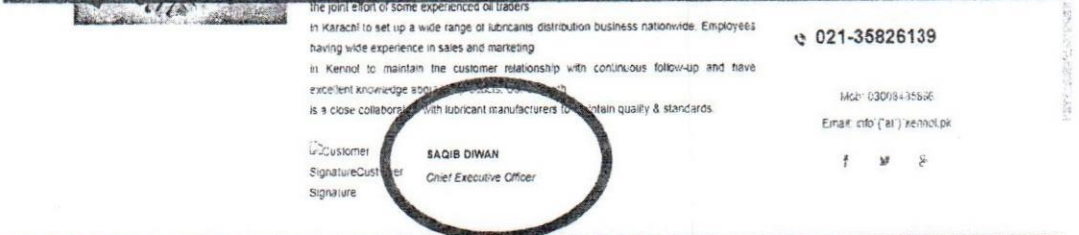
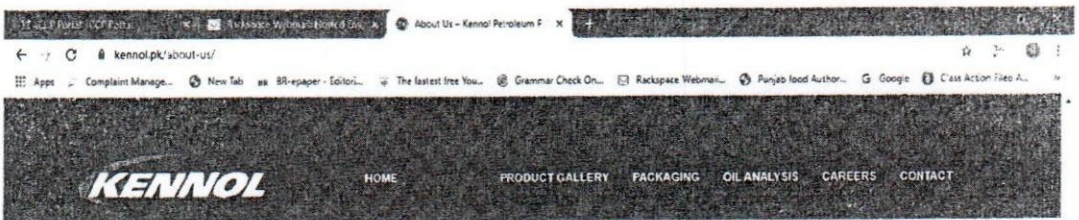
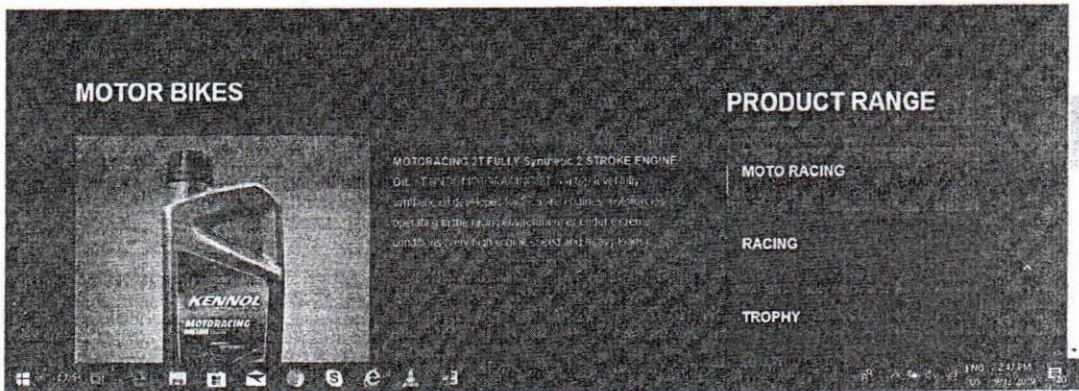
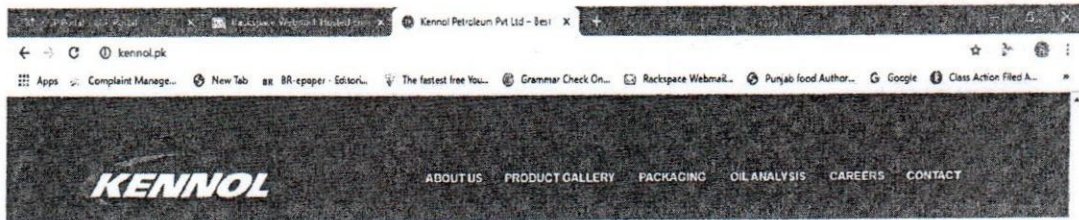
5.15 As mentioned in Para 2.2 above, the primary allegation against Respondent No. 1 is that it has exactly copied the packaging of one of its famous brand 'ULTIMA 20W60' with the intent to mislead the ordinary consumer regarding the source of the product. Moreover, the Respondent No. 1 has been involved in unauthorized use of the Complainant's famous trademark 'KENNOL'. The pictures of product packaging are displayed on its website, along with its booking form clearly bearing the trademark and logo 'KENNOL'. It has been alleged that such use is unauthorized, fraudulent, malafide which constitutes acts of "deceptive marketing practices" within the meanings of Section 10 of the Act. The screenshots of Respondent No. 1's website are given below for reference:



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*[Handwritten signature]*





5.16 In response, Respondent No. 1 submitted its comments/reply to the complaint, the summary whereof is mentioned in Para 3.2, above. In principle Respondent No. 1 has admitted the use of **KENNOL** trademark and has also asserted that its trademark **KENNOL** is not registered but pending for registration. In addition to the above, the Respondent No. 1 also claimed that it has stopped sales of Kennol brand till the final decision pending with the IPO.

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- 5.17 In response to the comments/reply of Respondent No. 1 regarding stop of sales, the Complainant filed a rejoinder, expressing mistrust on Respondent No. 1 because of the Complainant's non-existence in the geographical market. The Complainant stated that "*We do not believe Kennol Petroleum (Pvt.) Ltd is honest and we are too far to verify their words*".
- 5.18 After reviewing the documents and the contents of the replies filed before us, we appreciate that the Respondent No. 1, in its reply, has not denied the authenticity of product pictures and booking form submitted along with the complaint.
- 5.19 The documents received from IPO suggested that the Complainant has a registered trademark in Pakistan with the IPO. However, the Respondent, do not possess the registered trademark but has applied for registration. Therefore, the application of the Respondent is still pending.
- 5.20 It is pertinent to point out that the copy of trademark application submitted by Respondent No. 1 was filed with the Registrar of trademarks on 18<sup>th</sup> of July, 2017 under application no. 463888. It has been observed that the said trademark under application no. 463888 was applied in favor **M/s Japan Lube Petroleum Products**. (Respondent No, 2 in the instant case). The trademark under the application no. 463888 is as follows:

**TM-1**

This Form is to be accompanied by a duplicate of this Form and by six additional representations affixed on a durable paper of size 15 x 8 cm. See entry No. 1 of the First Schedule.

Trade Mark No. 463888

Application for registration of trade mark for goods or services and to register a domain name under section 22(1), section 84(2); rule 12

# KENNOL

## MOTOR OIL

One representation to be fixed within this space and. See rule 17.

Application is hereby made for registration in the register of the accompanying trade mark in class \* 04. \_\_\_\_\_

in respect of \*, MOTOR OIL, GEAR OIL, INDUSTRIAL OIL AND GREASES, LUBRICANTS, FUELS,

in the name(s) of MUHAMMAD SAQIB, SOLE PROPRIETOR, PAKISTANI NATIONAL

trading as M/S JAPAN LUBE PETROLEUM PRODUCTS, (PAKISTANI

COMPANY)

whose trade or business address is \* PLOT NO-207, STREET NO 59, SECTOR-G, MANZOOR

COLONY, MEHMOODABAD, KARACHI EAST, JAMSHED TOWN, (PAKISTAN).

who claim(s) to be the proprietor(s) thereof and by whom the said mark is proposed to be used / being used

since 2017 in respect of said goods or services \* \_\_\_\_\_

If colour is claimed, indicate here and state the colour(s) \* \_\_\_\_\_

Address for service in Pakistan to which all correspondence should be sent \* \_\_\_\_\_

Dated this 18<sup>th</sup> day of 07 2017.

Signature: Gail

MUHAMMAD SAQIB, SOLE PROPRIETOR, PAKISTANI NATIONAL,

CNIC NO. 35302-3384157-1

TO: THE REGISTRAR,  
TRADE MARKS REGISTRY,  
IPO, KARACHI

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- 5.21 In order to establish own findings and conclusions regarding allegations of the Complainant and comments of the Respondent, it was deemed necessary that an independent and unbiased survey be done for the verification of claims of either parties. Consequently, one of the Enquiry Officer visited the major lubricants' markets of Lahore, Karachi, Rawalpindi and Islamabad to verify the availability of the alleged brand, i.e., 'KENNOL' manufactured and/or marketed by Respondent No. 1. However, the Enquiry Officer was unable to find the alleged brand in the above mentioned cities. Hence, reliance had to be placed on submitted evidence from the Complainant where the Complainant has provided the printed booking form and the website link used by the Respondent No. 2 which are depicted below:

**KENNOL**  
7th Floor, Executive Towers, Dolmen Mall, Clifton, Karachi, Pakistan.

Customer code: \_\_\_\_\_ Customer Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Tehsil: \_\_\_\_\_ Dist: \_\_\_\_\_

Contact: \_\_\_\_\_

Email: \_\_\_\_\_

**Order Booking Form**

OBF No: \_\_\_\_\_

Date: \_\_\_\_\_

S/O Name: \_\_\_\_\_

S/O Code: \_\_\_\_\_

Region: \_\_\_\_\_

Zone: \_\_\_\_\_

Sl. No.	Product Code	Product Description	Packing	City	Unit Price	Gross Amount	Discount Amount/Ltr	Net Amount	Remarks
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
Total									

Amount in words

Outstanding (if any) \_\_\_\_\_

Credit Limit: \_\_\_\_\_ Credit Days: \_\_\_\_\_

Remarks \_\_\_\_\_

OBF Vol. LTRs \_\_\_\_\_ Total Monthly Vol. Vol. In Scheme \_\_\_\_\_ Vol. Without Scheme \_\_\_\_\_

Sales Office \_\_\_\_\_ General Manager Marketing Operation \_\_\_\_\_

- 5.22 In addition to the above depicted booking form, print screen of the website of Respondent No. 1 was submitted by the Complainant. The same is displayed hereunder for ease of reference:

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- 5.23 Moreover, the Enquiry Committee also viewed the website of the Complainant<sup>5</sup> and confirmed that the **KENNOL** trademark has been displayed on its website, the print screen of which is given below:



- 5.24 Perusal of the above print screen further reveals that a simple KENNOL trademark and logo has been used on its website, which is in isolation is as follows:


<sup>5</sup> <http://kennol.com/gamme/ultima>

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- 5.25 The above mentioned trademark and logo has been used by the Complainant across the globe and well recognized all over the world. This trademark and logo is one of the most popular brand identities, especially in formula-1 race in the world.
- 5.26 Moreover, it is pertinent to mention that the trademark application of KENNOL used by the Complainant, across the world, was filed with the IPO on October 26, 2018 under application no. 511352 which was granted to the Complainant accordingly. Copy of IPO letter confirming the status of Complainant's registered trade mark has already been enclosed in Para 5.11 above whereas, copy of trademark application is as follow:



Government of Pakistan  
Intellectual Property Organisation  
Trade Marks Registry


3010412



Original

No. index/08/237507  
Trade Marks application number: **511352** 26/10/2018

Filing Date: 22/10/2018

Description of mark: KENNOL PERFORMANCE OIL (logo) 

Period of Use: proposed to be used in Pakistan.

Application in Class: 4

Received from: HAMAYUNS, Legal & IP Consultants

Applied Goods / Services: 4 Automotive engine oils; oil based lubricants; gear oils; fine oils for motors; lubricating fluids; being goods included in class 4.

Owner: Produits Petroliers Organisation S.A.S.

Fee: Two Thousand Only

The application(s) has (have) been serially numbered and dated as shown above. This number should be quoted in all future correspondence related to this application.

For Registrar of Trade Marks

M/S. HAMAYUNS, Legal & IP Consultants,  
66 Commercial Area, Cavalry Ground, , Lahore

Note: THIS IS AN ACKNOWLEDGEMENT RECEIPT OF APPLICATION AND NOT REGISTRATION CERTIFICATE.  
IN CASE OF ANY DISCREPANCY IN THIS ACKNOWLEDGEMENT, PLEASE INFORM TRADE MARKS REGISTRY WITHIN 21 DAYS.



IPO Regional Office, Basement of Lahore Chamber of Commerce and Industry, 11 Shalimar Road,  
Alwani-E-Tijarat, Near China Chowk, Lahore.  
Tel: 042-99205850 Email: lahore@ipo.gov.pk Website: www.ipo.gov.pk

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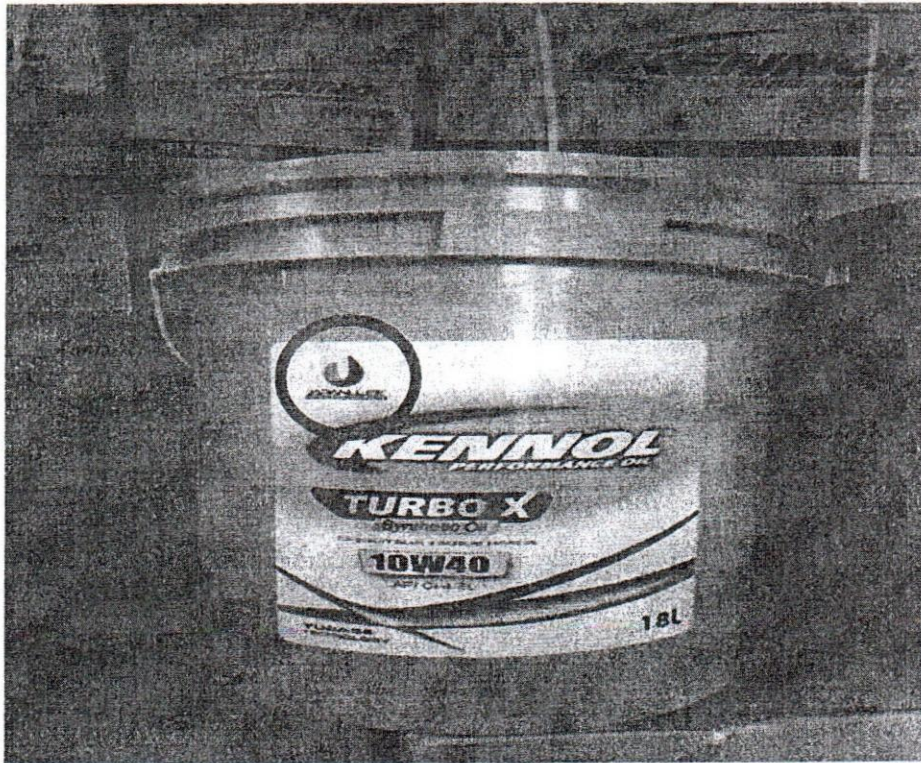


- 5.27 When the images depicted above in Para 5.23, 5.24 & 5.26 above are compared with the images displayed on the website of the Respondent No. 1, it appears that the trademark used by the Complainant worldwide and the trademark registered in Pakistan has been used thereon. It is important to mention here that Mr. Saqib Dewan Chief Executive Officer of Respondent No. 1 had also applied for registration of trademark in the name and style of '**KENNOL MOTOR OIL**' under application no. 463888. However, the said trademark application was not in favor of the Respondent NO. 1.
- 5.28 It has also been observed that the trademark "KENNOL MOTOR OIL" under application no. 463888 was applied for registration in favor of M/s Japan Lube Petroleum Products (**Respondent No. 2**) by Mr. Mohammad Saqib Dewan, which proves that the Respondent No. 1&2 are owned by Mr. Mohammad Saqib Dewan.
- 5.29 It has also been observed that Respondent No. 1, with their ill intentions, have contorted the facts and submitted that it has nothing to do with the operations of Respondent No. 2, however, the fact states that Mr. Saqib Dewan was also the actual owner of Respondent No. 2.
- 5.30 Regarding the authorization from the Complainant for use of its trademarks, no contention has been made by Respondent No. 1 and the Complainant has categorically denied that they have not given any authorization to the Respondent No. 1 regarding the use of KENNOL trademark.
- 5.31 Furthermore, we appreciate that part of any business's identity is the goodwill it has established with consumers, while part of a product's identity is the reputation it has earned for quality and value. Therefore, the goods so sold or services so provided under a specific trademark would create goodwill in the mind of an ordinary person and that the goodwill owned by the trademark owner on account of the use of similar trademark by the other undertaking may mislead the consumers regarding the original owner but is also capable of causing a substantial damage to the trademark owner's business and goodwill.
- 5.32 In light of Para 5.15 to 5.30, it appears that Respondent No. 1 was found involve in unauthorized use of the Complainant trademark and product labelling. Moreover, Respondent No. 1 has not even applied for registration of trademark.
- 5.33 In view of the above, it appears that the act of using the trademark of the Complainant by Respondent No. 1, *prima facie*, was without any authorization, misleading and capable of harming the business interest of the Complainant in violation of Section 10 of the Act.
- (II) IN THE MATTER OF THE RESPONDENT NO.2 - M/S JAPAN LUBE PETROLEUM
- 5.34 As mentioned in Para 2.2 above, the primary allegation against Respondent No. 2 is that it has registered the alleged trademark and logo in Pakistan with the intent to mislead the ordinary consumer regarding the source of the product. Such use is unauthorized, fraudulent and malafide and constitute acts of 'deceptive marketing practices' within the meanings of Section 10 of the Act.

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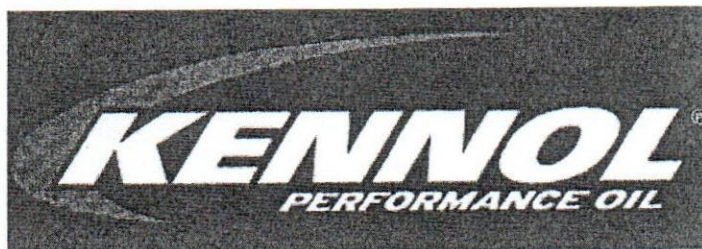
- 5.35 The Respondent No. 2 has not submitted its comments/reply, however, through a verbal communication, it has neither denied nor accepted the allegation leveled by the Complainant in its complaint. The Respondent No. 2 submitted that it had been involved in use of KENNOL trademark and logo, however, since last two years it had discontinued the sale of 'Kennol' brand. It has also pointed out by the Respondent No. 2 that currently the Respondent No. 1, i.e., M/s Kennol Petroleum (Pvt) Ltd has been involved in the sale of Kennol brand in Pakistan.
- 5.36 As discussed in detail in Para 5.21, *ibid*, one of the enquiry officer also visited the major lubricants markets of Lahore, Karachi, Rawalpindi and Islamabad to verify the availability of the alleged brand, i.e., 'KENNOL' manufactured and/or marketed by the Respondent No. 2. However, the Enquiry Officer was unable to find the alleged brand in the above mentioned cities. Hence, reliance had to be placed on the submitted evidence from the Complainant whereas the Complainant had provided the pictures of Kennol brand marketed by Respondent No. 2 which are depicted below:







- 5.37 The Complainant's simple KENNOL trademark which has been used on its website is as follow:



- 5.38 Upon comparison of above images, the Enquiry Committee is of the view that the images provided by the Complainant corroborate with products of Respondent No. 2, however, it has neither accepted nor denied the authenticity of the above mentioned product pictures. It is clearly visible that Respondent No. 2 has been involved in an unauthorized use of the **KENNOL** trademark on its product packaging. The encircled areas show the use of Respondent No. 2's own logo beneath with the word '*JAPANLUBE Petroleum Products*' which is a part of Respondent No. 2's firm name, i.e., JAPANLUBE Petroleum.
- 5.39 Copy of the trademark application submitted by Mr. Saqib Dewan is under question as it was applied in favor of Respondent No. 2, which is depicted below:



TM-1

One accompanied by a duplicate of this Form and by six additional representations affixed on a durable paper of size 13 x 20. Fee: See entry No for the First Schedule.

Application for registration of trade mark for goods or services and to register a domain name under section 22(1), section 84(2); rule 12

# KENNOL

## MOTOR OIL

One representation to be fixed within this space and. See rule 17.

Application is hereby made for registration in the register of the accompanying trade mark in class " 04. in respect of " MOTOR OIL, GEAR OIL, INDUSTRIAL OIL AND GREASES, LUBRICANTS, FUELS.

in the name(s) of MUHAMMAD SAQIB, SOLE PROPRIETOR, PAKISTANI NATIONAL trading as " M/S.JAPANLUBE PETROLIUM PRODUCTS. (PAKISTANI COMPANY)

whose trade or business address is: PLOT NO-207, STREET NO.59, SECTOR-G, MANZOOR COLONY, MEHMOODABAD, KARACHI EAST, JAMSHEED TOWN (PAKISTAN).

who claim(s) to be the proprietor(s) thereof and by whom the said mark is proposed to be used / being used since 2017 in respect of said goods or services "

If colour is claimed, indicate here and state the colour(s) "

Address for service in Pakistan to which all correspondence should be sent "

Dated this 19<sup>th</sup> day of 07 2017.

Signature: Gaib

MUHAMMAD SAQIB, SOLE PROPRIETOR, PAKISTANI NATIONAL,  
CNIC NO. 35302-3384157-1

TO THE REGISTRAR,  
TRADE MARKS REGISTRY  
IPO, KARACHI

- 5.40 The trademark applied by Respondent No.2 under application no. 463888 is different to the trademark used by Respondent No. 2 on its marketing material. The applied trademark of Respondent No, 1 was '**KENNOL MOTOR OIL**' whereas, it has displayed the Complainant's trademark, '**KENNOL**' followed by the text '*Performance Oil*' on its product packaging.
- 5.41 In regards to the registration aspect of the trademark under question, we are of the view that where an application is pending and no proof regarding objections are being filed; unauthorized use of such trademark would also constitute a *prima facie* violation of Section 10; as in terms of Section 33(3) of the Trade Marks Ordinance, 2001<sup>6</sup> (the 'TMO'). The said section of TMO clearly provides that the certificate of registration of trademark would bear the date of application and the rights under the certificate would also take effect from the date of filing of application.
- 5.42 Regarding the authorization from the Complainant for use of its trademarks, no assertion has been made by Respondent No. 2 and the Complainant has categorically denied that they have not given any authorization to Respondent No. 2 regarding the use of KENNOL trademark. Furthermore, we appreciate the fact that part of any business's identity is the goodwill it has established with consumers, while part of a product's identity is the reputation it has earned for quality and value. Therefore, the goods so sold or services so provided under a specific trademark would create goodwill in the mind of ordinary person

<sup>6</sup> [http://www.ipo.gov.pk/system/files/Trade\\_Mark\\_Ordinance\\_2001\\_0.pdf](http://www.ipo.gov.pk/system/files/Trade_Mark_Ordinance_2001_0.pdf)

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and that the goodwill owned by the trademark owner on account of the use of similar trademark by the other undertaking may mislead the consumers regarding the original owner but is also capable of causing a substantial damage to the trademark owner's business and goodwill.

- 5.43 In view of the above, it appears that the act of using the trademark of the Complainant by the Respondent No. 2, *prima facie*, was without any authorization, misleading and capable of harming the business interest of the Complainant in violation of Section 10 of the Act.

(III) IN THE MATTER OF THE RESPONDENT NO.3 - M/S TECHNOLUBE LLC.

- 5.44 As mentioned in Para 2.2 above, the primary allegation against the Respondent No. 3 is that it has been involved in production of lubricants in the name of KENNOL. It has been alleged that such use of KENNOL trademark and logo is unauthorized, fraudulent, malafide and constitutes acts of "deceptive marketing practices" within the meanings of Section 10 of the Act.

- 5.45 The complaint along with its annexures was sent to Respondent No. 3 dated February 06, 2020, however, no reply/comments have been received till the conclusion of enquiry.

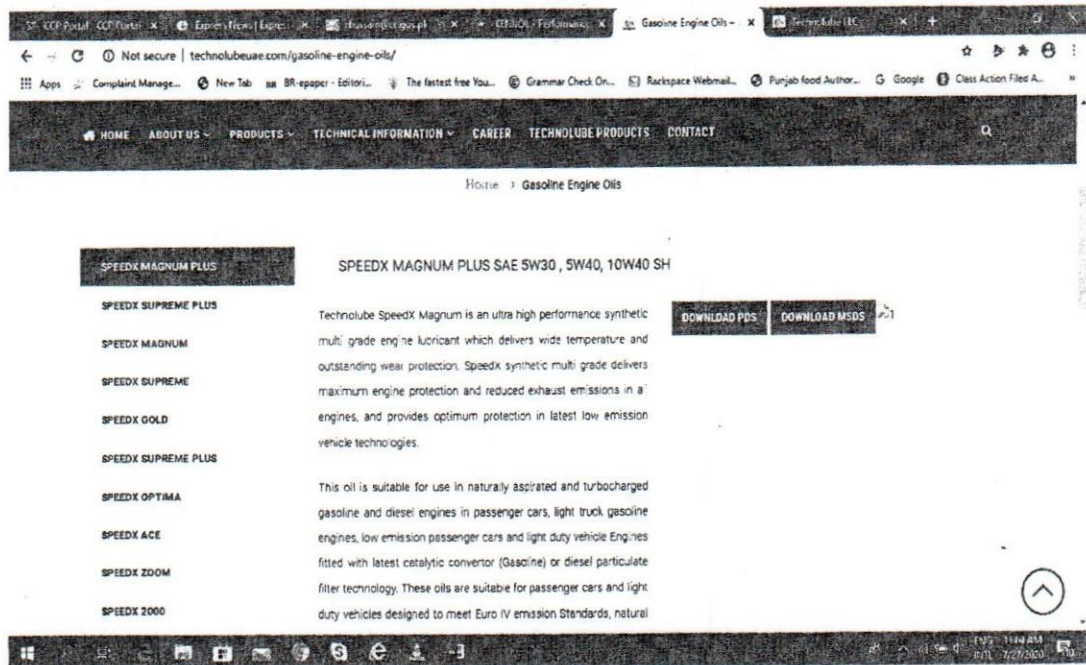
- 5.46 Moreover, the Complainant has not submitted any documentary evidence to support its allegations against Respondent No. 3. The Complainant was the under impression that Respondent No. 3 is involved in manufacturing of lubricants under the brand name 'KENNOL'. However, the Complainant has failed to produce any concrete evidence to prove that Respondent No. 3 was involved in unauthorized use of the Complainant's registered trademark and product packaging in Pakistan. Moreover, the Enquiry Officers also viewed the official website of Respondent No. 3 (<https://technolubeuae.com/>), the print screen of which is given below:



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5.47 From the above website screen images, it is clear that none of the products of Respondent No. 3 have been manufactured and sold under the brand name and or trademark 'KENNOL'. The products of Respondent No. 3 have its own unique identity under brand name: Speed-X, Performa-X and ATF-Dexron, in the international market. The trademark and logo being used by Respondent No. 3 is different from those of the Complainant's trademark and logo.

5.48 It is also pertinent to mention here that we have also visited various lubricant markets to find out the brands named 'KENNOL', manufactured by Respondent No. 3, however, we

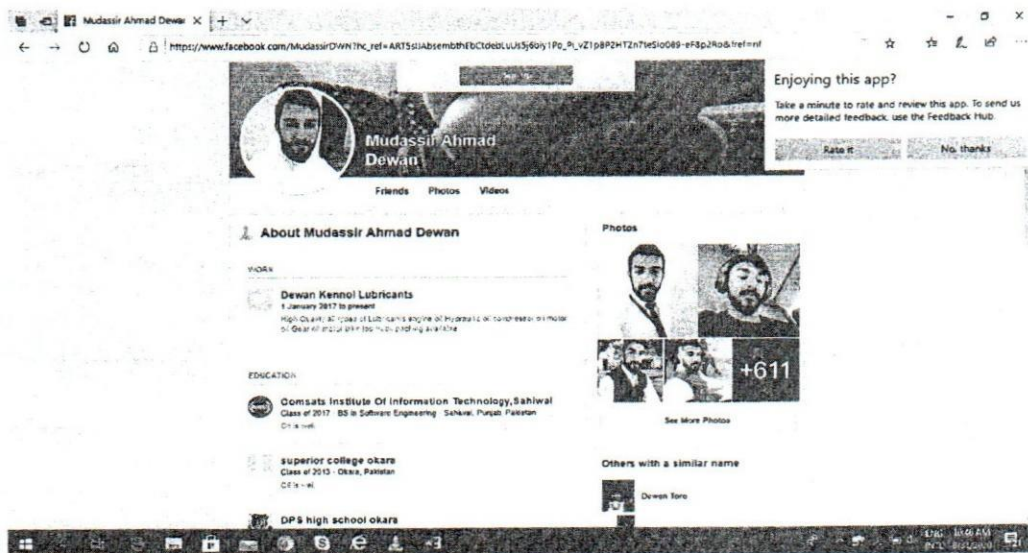
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failed to find any such products. Therefore, it can be established that Respondent No. 3 has not been found involved in use of the Complainant's trademark. In light of the above, it is safe to conclude that the allegation against Respondent No. 3 has not been made out.

(IV) IN THE MATTER OF THE RESPONDENT NO.4 - M/S DEWAN OIL STORE.

- 5.49 The basic allegation against the Respondent No. 4 is that it has been involved in distribution of KENNOL brand in Pakistan and carrying out the business openly using the KENNOL trademark. Such use of the **KENNOL** trademark is unauthorized, fraudulent and constitutes acts of "deceptive marketing practices" within the meanings of Section 10 of the Act.
- 5.50 An opportunity, to respond over the complaint, was given to Respondent No. 4 wide letter dated February 06, 2020, however, no reply was submitted by the Respondent No. 4 even after serving a reminder notice to it.
- 5.51 The Complainant, in its complaint, submitted that apparently two brothers, Mr. Mudassir Ahmed Dewan and Mr. Saqib Dewan, resident of Okara, east of Punjab were engaged in use of Kennol trademark. It was further submitted that Mr. Mudassir Ahmed Dewan is only a distributor of the Kennol products in east of Punjab, nonetheless, there is a manufacturer behind all of it.
- 5.52 The Complainant referred a Facebook Page link<sup>7</sup> of Respondent No. 4, wherein the use of KENNOL trademark has displayed. The Enquiry Committee also viewed the above mentioned Page to verify the allegations made by the Complainant. The print screen images of Facebook page are given hereunder:



<sup>7</sup> <http://www.facebook.com/MudassirDWN/posts/1479506852132984>

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(Print screen recorded on 21-07-2020)

- 5.53 Upon review of the submission made by the Complainant and the available content on Facebook Page [www.Facebook.com/MudassirDWN/posts/1479506852132984](https://www.Facebook.com/MudassirDWN/posts/1479506852132984), it seems that the distribution network in the name of M/s Dewan Oil Store (Respondent No. 4) was owned by Mr. Mudassir Ahmed Dewan. Interestingly, the above print screen not only bears the contact details of Mr. Mudassir Ahmed Dewan (**Owner of Respondent No. 4**) but also have a contact details of Mr. Saqib Dewan (**the CEO of Respondent No. 1**), reference Para 5.15 above. This, *prima facie*, establishes the fact that Respondent No. 4 is either an associate of Respondent No. 1 or Mr. Mudassir Ahmed Dewan is representing the Respondent No. 1. Moreover, the KENNOL trademark used on the delivery van is the same trademark which is being used on the website of the Complainant which also supports the view that, *prima facie*, the KENNOL trademark is being infringed by Respondent No. 4.
- 5.54 Furthermore, we appreciate that part of any business's identity is the goodwill it has established with consumers, while part of a product's identity is the reputation it has earned for quality and value. Therefore, the goods so sold or services so provided under a specific trademark would create goodwill in the minds of an ordinary consumer and that the goodwill owned by the trademark owner on account of the use of similar trademark by the other undertaking may mislead the consumers regarding the original owner but is also capable of causing a substantial damage to the trademark owner's business and goodwill.
- 5.55 In view of the above, the use of the Complainant's trademark by Respondent No. 4, *prima facie*, is without any authorization, misleading in nature and capable of harming the business interest of the Complainant and in violation of Section 10 of the Act.
- 5.56 It is pertinent to note here that the Complainant is not currently operational in Pakistan, nonetheless, it has fulfilled the requirements necessary to protect its KENNOL trademark



in Pakistan as the said mark has been registered with the IPO. In this reference, as per the Article 6<sup>bis</sup>, [Marks: Well-Known Marks,] of the Paris Convention<sup>8</sup> – a treaty administered by the World Intellectual Property Organization (WIPO)<sup>9</sup>, a well-known mark is defined and to be protected, *inter alia*, in the following manner;

*"(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith."*

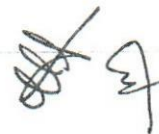
- 5.57 Article 6<sup>bis</sup> provides an exception to the territoriality principle for well-known marks: if a trademark is well-known in a member country, it is entitled to protection even though the mark is not registered or used in that country. The protection of the well-known trademark results not from the registration or use in the country in question, but from the mere fact of its reputation. The rationale for protection of well-known trademarks is based on the idea that the use of a trademark that is the same or similar to a well-known trademark would amount to an act of unfair competition and be prejudicial to the interests of the public, who would be misled by the use of a conflicting trademark.
- 5.58 Under the Paris Convention, what constitutes a well-known mark, and the degree of proof required to show that the mark has achieved sufficient notoriety, is up to the trademark office and the courts of each member country according to their domestic laws and regulations.
- 5.59 Whereas it is essential to note that Pakistan is also a signatory of the Paris Convention<sup>10</sup> since 2004, which has been originally developed for and "applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition."<sup>11</sup> Therefore, it is absolutely crucial that all necessary steps are taken to ensure protection of all types of property rights not only to promote domestic competition and investment, but also to encourage foreign investment in Pakistan.
- 5.60 It is pertinent to mention here that a similar case has been experienced in Russia where the Complainant did not have its operations, however, the Russian Federation protected rights

<sup>8</sup> [https://www.unido.org/sites/default/files/2014-04/Paris\\_Convention\\_0.pdf](https://www.unido.org/sites/default/files/2014-04/Paris_Convention_0.pdf)

<sup>9</sup> <http://www.wipo.int/treaties/en/ip/paris/>

<sup>10</sup> [http://www.wipo.int/treaties/en/remarks.jsp?cnty\\_id=288C](http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=288C)

<sup>11</sup> <http://www.wipo.int/treaties/en/ip/paris/>

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of the Complainant when they were being infringed upon.<sup>12</sup> Therefore, similar international best practices need to be exercised in Pakistan to not only encourage investment, but to improve the overall image of Pakistan around the world.

- 5.61 In addition to the above, two similar case have also been experienced in South Africa and India. One of the first major cases decided after TRIPS became effective was in South Africa for the MCDONALD'S trademark<sup>13</sup>. About the same time as the South African decision, the courts in India were reviewing a well-known trademark case in which the largest appliance manufacturer in the world, U.S. based Whirlpool Corporation, had filed suit against an Indian company that was using WHIRLPOOL for washing machines. Whirlpool Corporation had originally registered the WHIRLPOOL mark in India in the late 1950s but had not renewed the registration since 1977. In 1986, a company known as Chinari Trust filed an application to register the trademark WHIRLPOOL in India, and eventually such application was granted despite Whirlpool Corporation's opposition. Whirlpool Corporation then filed a suit in the Delhi High Court, seeking an injunction to prevent Chinari Trust from using the WHIRLPOOL name. At that time, Whirlpool Corporation was selling its appliances in a large number of countries around the world but not directly in India<sup>14</sup>.

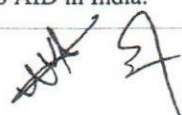
## 6 CONCLUSION AND FINDINGS

- 6.1 This enquiry report is aimed at examining whether the allegations of the Complainant against the Respondents for unauthorized and fraudulent use of its registered trademark, product labelling and packaging constitute, *prima facie*, is a violation of Section 10(1) of the Act or not.
- 6.2 Based on the information available on record and the submissions made before us, we the undersigned enquiry officers have reached the following conclusions:
- 6.2.1 In regards to Respondent No. 1, the use of the Complainant's trademark on the booking form, website and product packaging for advertisement purposes, *prima facie*, gives an impression that the said product belongs to the Complainant. However, in view of the facts stated above, it appears that no authorization has been obtained from the Complainant for such use; hence such use of the Complainant's registered trademark, *prima facie*, is false/misleading and/or fraudulent and also capable of harming the business interest of the Complainant in violation of Section 10 of the Act;
- 6.2.2 In the matter of Respondent No. 2, the use of Complainant's trademark by it on its product packaging and other promotional material for advertisement purposes, *prima facie*, gives an impression that Respondent No. 2 is either an authorized representative of the Complainant. However, in view of the facts stated above, it appears that no authorization has been obtained from the Complainant for such use; hence such use of the Complainant's

<sup>12</sup> "The Coming of Age of the Global Trademark: The Effect of TRIPS on the Well-Known Marks Exception to the Principle of Territoriality" By James E. Darnton. Page 25.

<sup>13</sup> McDonald's Corp. v. Joburgers Drive-Inn Restaurant (Pty.) Ltd. 1997 (1) SA 1 (SCA) (S. Afr.).

<sup>14</sup> Whirlpool Corporation was able to show some sales to the U.S. embassy and US AID in India.

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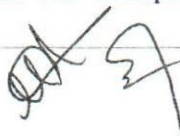


registered trademark, *prima facie*, is false/misleading and/or fraudulent and also capable of harming the business interest of the Complainant in violation of Section 10 of the Act;

- 6.2.3 In the matter of Respondent No. 3, *prima facie*, the allegations made against Respondent No. 3 have not been made out as the Complainant has not provided any concrete evidence against Respondent No. 3 and the undersigned enquiry officers were also unable to find out any evidence to establish the case. Therefore, no, *prima facie*, violation of Section 10 of the Act on part of the Respondent No. 3 has been made out;
- 6.2.4 In the matter of Respondent No. 4, the use of the Complainant's trademark by Respondent No. 4 on its official Facebook Page and delivery van for advertisement purposes, *prima facie*, give an impression that it is an authorized distributor of the Complainant's product. However, in view of the facts stated above, it appears that no authorization has been obtained from the Complainant for such use; hence such use of the Complainant's registered trademark, *prima facie*, is false/misleading and/or fraudulent and also capable of harming the business interest of the Complainant in violation of Section 10 of the Act.
- 6.3 The undertakings develop a relationship with its customers/consumers by building up its reputation and spend extensively in making the goods and/or services distinct from that of other competitors. Therefore, the goods so sold or services so provided would create goodwill in the minds of an ordinary consumer and the goodwill owned by the trademark owner on account of the use of similar trademark by the other undertaking would cause a substantial damage to the trademark owner's business and goodwill. Usually, using for a commodity/service without authorization any of these unique marks or names of another's famous commodity, or counterfeiting or using similar ones of another's famous commodity, thereby misleading the consumers would ultimately have a direct impact on the business of the undertaking whose mark is used without authorization and also on the consumers who may be deceived to purchase the inferior goods or get an inferior service.
- 6.4 The three (3) Respondents in this case, i.e., M/s. Kennol Petroleum (Pvt.) Ltd, M/s. Japan Lube Petroleum and M/s. Dewan Oil Store are located in 3 distinct provinces of Pakistan, i.e., Sindh, Baluchistan and Punjab, respectively. It is clear, therefore, that any violation of Section 10 by either one of the Respondents will have an effect on the Complainants business interests in the respective provinces where the Respondents are located. There is no bar, however, on any consumer traveling from another province from purchasing counterfeit copies of the Complainants products from any of the three Respondents in any of the above mentioned provinces. Any effects of anticompetitive behavior on part of the Respondents, therefore, may not necessarily be restricted to their respective provinces, and are capable of harming the business interests of the Complainant, and consumer welfare, across the country.

## 7. RECOMMENDATIONS

- 7.1 The deceptive marketing practices as discussed in this enquiry report have a direct impact on the public at large. It is in the interest of the general public that the undertakings should be stopped to advertise their products/services in an unfair and misleading manner and be encouraged to resort to the advertising practices which are transparent and gives

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consumers/customers true and correct information. *Prima facie* violations under the Act in terms of the findings of this enquiry report warrant initiation of proceedings against M/s Kennol Petroleum (Pvt.) Limited, M/s Japan Lube Petroleum and M/s Dewan Oil Store, under Section 30 of the Act and the complaint against M/s Techno Lube LLC may be dismissed in accordance with law.



M. Salman Zafar  
(Enquiry Officer)



Marryum Pervaiz  
(Enquiry Officer)



Riaz Hussain  
(Enquiry Officer)