

* Correspondence: sabanoor204511@gmail.com

Keywords: copyright; intellectual property; music law; multinational companies; Nestlé; Lahore High Court

In 2019, Nestle Pakistan Limited (Petitioner) allegedly copied the song without seeking permission including behind-the-scene footage and aired it on TV channels, satellite, and other media. It was sold in Pakistan and the rest of the world and uploaded on You Tube, Everyday Motion, and Facebook under the name of the original artists under a commercial basis. The plaintiffs alleged that Nestle had done this without their license or consent, which led to the tarnishing of their reputation. They required damages and apology. The defamation and commercial misuse damages were 14 million rupees. Nestle petitioned a return of the complaint under Order VII, Rule 10 of the Code



<https://iprtrends.com>

of Civil Procedure 1908 (C.P.C.)⁴ on the grounds that the case was one that the IP Tribunal had the jurisdiction over. The Trial Court granted the application and sent back the complaint. The plaintiffs took the case to the Additional District Judge in Lahore that reversed the ruling and sent the case back to trial. The Nestle petitioned the Lahore High Court to review.

2. Key Legal Issues

The Court identified a number of legal issues that were interconnected which were under review:

- 1) The issue of whether or not copyright registration under the Copyright Ordinance, 1962 is a compulsory requirement in the institution of infringement suit.
- 2) The question was whether the claim made by the respondents was actually a passing off action (tort) or a claim based on infringement of copyright in disguise.
- 3) The question is whether the Intellectual Property Tribunal or a civil court has the authority to hear cases that are brought against a party on the grounds of infringement of copyright?

3. Background and Procedural History Facts

The plaintiffs underlined that the activities of Nestle were associated with copyright infringement: the unauthorized reproduction, broadcasting, and marketing, which resulted in the confusion and reputation harm. They claimed that the law of passing off was applicable to unregistered works as well and that only the IP Tribunal has the prerogative. Registration was not obligatory as protection ensued automatically on creation. Nestle claimed that the suit included claims of infringement and thus it was under the jurisdiction of IP Tribunal. The claims of unauthorized use, failure to license were not tort claims, but direct copyright infringements under the Copyright Ordinance 1962. There was no jurisdiction in civil courts.

The court of Lahore High Court listened and heard the arguments and discussed the documents. It discovered that the case rested on copyright infringement since the plaintiffs asserted ownership of the musical work. The remedies were provided in Chapter XIII of the Copyright Ordinance regardless of registration. Judge of the Lahore High Court Mr. Justice Muhammad Sajid Mehmood Sethi reversed the June 24, 2022 decision of the Additional District Judge, Lahore and made it clear that copyright cases are subject to the jurisdiction of the intellectual property special tribunals, and issues of authorship and infringement should not be adjudicated on during a simple review of jurisdiction (Bharucha and Co. 2024). The court overturned the preliminary ruling of the Civil Judge and cited the preamble of IPO Act 2012 that seeks to streamline the IP regime and give exclusive jurisdiction to the tribunal. The application to review was granted, overruled the ruling of the Additional District Judge dated June 24, 2022, and remanded the petition to the IP Tribunal. The case was thus sent back to the competent tribunal to reconsider.

4. Legal Analysis

The interpretation of Section 39 of the Copyright Ordinance, 1962 is one of the most important points of the judgment. The respondents had not registered their copyright, thus, there was an implied question of whether their claim was correct or not. The Court dictated that the use of the word may in Section 39 is not binding. Registration will be a matter of choice on the part of the author or owner. Copyright exists automatically after the generation of a unique work. Failure to register makes no right or bar an infringement action. Section 42 of the Ordinance makes it clear that registration is just a prima facie evidence of ownership in court. It does not generate the right itself. This reading would bring Pakistani copyright law into conformity with international norms (as would be the case with the Berne Convention) and existing Indian and other jurisprudence, which are based on registration being a declaratory, but not a constitutive, act.

According to the respondents, their assertion was founded on passing off, a tort under common law, but not on infringement of the statutory copyright, and therefore subject to the jurisdiction of the civil court. The Court disallowed this argument following a critical examination of this plaint. The gist of the complaint was that it was an illegal reproduction, broadcasting and commercial use of a musical work. These activities are specifically addressed as the exclusive right of a copyright holder of the Copyright Ordinance in Section 3 (e.g., reproduction, publication, public performance, broadcasting).

The Court made a difference between trademark based passing off and infringement of copyright. Music works are neither goods nor services under the Trade Marks Ordinance, 2001⁵. The case therefore affirmed that a case filed on grounds of unauthorized copying and broadcasting is essentially a copyright law case, not a passing off case as understood in trademark law.

The focal jurisdictional decision of the case is exclusive jurisdiction of the Intellectual Property Tribunal. The Court interpreted the preamble and the Sections 17 and 18 of Intellectual Property Organization of Pakistan Act 2012 (IPO Act) and Section 9 of the CPC where a special law (as the IPO Act) is available as an alternative forum, and therefore concluded that any suit based on copyright infringement must be brought to the Intellectual Property Tribunal, not a civil court.

In the appeal petition, High Court of Lahore (Justice Muhammad Sajid Mehmood Sethi) ordered the petitioners (Nestle Pakistan Limited and another) to be released (C.R. No. 43193 of 2022 heard on 18th October 2023). The Lahore High Court granted the revision petition by Nestle Pak Limited that a judgment by the Additional District Judge (which had remanded the case to the civil court), be set aside in case the plaintiffs decided to continue with the case in the competent Intellectual Property Tribunal.

The court emphasized more on binding decisions of the Supreme Court and other decisions including the one of Muhammad Multazam Raza v. Muhammad Ayub Khan⁶, which repeatedly affirm the exclusive power of the Intellectual Property Tribunal to

⁴ Civil Procedure Code, 1908. <https://www.ma-law.org.pk/pdflaw/CODE%20OF%20CIVIL%20PROCEDURE%201908.pdf>

⁵ Trade Marks Ordinance, 2001. <https://pakistancode.gov.pk/english/UY2FqaJw1-apaUY2Fqa-cp%2BUY2Fx-sg-iiiiiiiiiiii>

⁶ Muhammad Multazam Raza v. Muhammad Ayub Khan, 2022 SCMR 979.

civil proceedings involving infringement of rights safeguarded under the Acts which are included in the Schedule to the Intellectual Property Organization of Pakistan Act 2012 (such as the Copyright Ordinance).

5. Impact and Criticism

This ruling overturns the myth that copyright can only be protected or enforced in Pakistan when the registration has already been done (Khalil 2024). This empowers and strengthens the role of creators, particularly in the case of informal or collaborative creative industries. The decision offers a welcome respite to the issue of IP dispute forum choice. It requires that all the copyright, trademarks, patents etc. cases should be presented to the IP Tribunal that facilitates litigation and guarantees that the cases are expertly adjudicated. Ruling out the possibility of a copyright claim being treated as a passing off action by the respondents to obtain access to the civil courts, the judgment is a deterrent of creative pleading with the intention to shop around. The ruling upholds the power and monopoly of the IP Tribunal, as it enhances the specialization of the IP judicial system stipulated by the IPO Act, 2012 (Qayyum), which could raise the IP judicial governance ratings of the country.

Although the argument is highly convincing and philosophically viable, there are aspects that one may want to consider. There are factual situations like in the case of unauthorized use of a distinct artistic style or character that is yet to be registered, and in such cases, passing off and claims of copyright infringement can come into conflict with each other. The categorization provided by the Court may be disputed in the future by more complex facts. Referring all IP cases to one tribunal also brings concerns of case backlog, geographical accessibility by the plaintiffs who are not in major cities, and the ability of the tribunal to manage a diverse docket. The ruling restates the tribunal's exclusive criminal jurisdiction to IP crimes (Section 18(2)) which was quite different compared to the earlier structure where magistrates had the jurisdiction to prosecute the crimes. This could need greater prosecutorial and investigative specialization.

6. Conclusions

Nestlé Pakistan Limited v. Shehryar Kureshi highlights the strength of the Pakistani copyright law and the role of the IP Tribunal as the central one. It demystifies non-mandatory registration and tribunal jurisdiction, which proceeds with IP enforcement in Pakistan. It safeguards the rights of creators, which encourages innovation and warns multinationals about compliance. It helps to safeguard the artists against their unauthorized use and predetermines the occurrence of similar disputes in the future. More reforms can enhance enforcement during the digital age. It harmonizes the jurisdictional structure in the IPO Act, confirms the automatic protection of copyright and establishes a clear boundary on copyright infringement and the passing off on the basis of trademarks. The ruling increases the predictability of the law on the side of the rights holders and also to the alleged offenders so that legal cases on IP disputes are heard by a specialized court capable of handling the technicality of such cases. In creative professions, the case highlights that they enjoy their rights once they have been created and not necessarily after registration but they need to exercise their rights by taking the matter to the established IP Tribunal. With Pakistan still in the process of building the knowledge economy, this verdict provides a solid procedural framework of the successful protection of intellectual property rights.

References

- Bharucha & Co. 2024. Revision petition allowed against order passed by Addl. District Judge, Lahore. <https://www.bharuchaco.com/wp-content/uploads/2024/10/Hello-10-2024-20241010.pdf>
- Khalil, Osama. 2024. Understanding Copyright Law in Pakistan: A Case Study of Nestle vs. Shehryar Kureshi. Osama Khalil Law. <https://osamakhalillaw.com/copyright-law-pakistan-nestle-shehryar-kureshi-case>
- Qayyum, Mian Abdul. 2024. The Crisis of Intellectual Property Enforcement in Pakistan. <https://www.linkedin.com/pulse/crisis-intellectual-property-enforcement-pakistan-legal-qayyum-lssvf>