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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CS(COMM) 118/2016, CC(COMM) 2/2018 & I.A. 1046/2018**

MOBILE TELESYSTEMS OJSC & ANR Plaintiffs
Through: Mr. Pravin Anand and Mr. Aasish
Somasi, Advocates. (M:9798483681)

versus

MAHESH BHATTI & ORS Defendants
Through: Mr. Sumit Nagpal, Advocate for
Counter Claimant. (M:9911995000)

CORAM:
JUSTICE PRATHIBA M. SINGH

ORDER
% **07.09.2018**

I.A. 14913/2016

1. The present application has been moved by the Plaintiffs seeking stay of the present suit, under Section 124 of the Trade Marks Act, 1999, on the ground that the Plaintiffs wish to pursue their remedy before the IPAB seeking cancellation of the Defendants' registered trademark.
2. The stand of the Plaintiffs is that the Plaintiffs adopted the trademark 'MTS' in Russia in 1993 and it became a globally well-known mark. The Plaintiffs also claim that the mark has acquired trans-border reputation in India. The present suit was filed against the Defendants claiming that the Defendants' use of trademark 'MTS' which according to the Defendants has a full form of 'Manisha Tele Sanchar' is violative of the Plaintiff's rights. In paragraph 6 of the written statement, the Defendants claimed that they had filed an application for registration bearing No.1541228. It is the admitted



position on record that the said mark is in fact a registered trademark. The use claimed by the Defendants in the said application is 1st October, 2006. The application is registered as of 19th March, 2007. According to the Plaintiffs, the said trademark is invalid and is liable to be cancelled in view of Sections 47 and 57 of the Trade Marks Act, 1999. The Plaintiffs had moved an application before the IPAB seeking cancellation, however, the same was abandoned due to a technical mistake. The said abandonment was challenged by the Plaintiffs before this Court in W.P.(C) 10382/2017. In the said petition, the following order was passed: -

“1. At the outset, Mr. Ahluwalia, the learned counsel appearing for respondent nos. 1 and 2 submits that the Intellectual Property Appellate Board (hereafter ‘IPAB’) is now functional and there is no impediment in IPAB taking up and considering the petitioner’s miscellaneous petition filed on 14.02.2017.

2. The petitioner is, essentially, aggrieved by an order dated 08.10.2016 (which is also confirmed on 13.10.2016), whereby the petitioner’s application for cancellation of the Trademark registered in favour of respondent no.7 was considered as abandoned. The petitioner had filed a miscellaneous petition challenging the said orders (which are also impugned in the present petition) before the IPAB. However, the same could not be considered as the IPAB was not functional. This had led the petitioner to file the present petition.

3. Since the IPAB is fully functional and the petitioner has an equally efficacious remedy of pursuing its miscellaneous petition before the IPAB, it would be apposite to relegate the petitioner to the said remedy.

4. In view of the above, the petition is disposed of by requesting the IPAB to consider the petitioner’s



miscellaneous petition as expeditiously as possible and preferably within a period of six weeks from today.

5. Order dasti.”

3. The Court has perused the documents of the Plaintiffs and that of the Defendants. The most important question that arises is as to whether the Plaintiffs are the prior user of the mark and has trans-border reputation in India. These issues will, however, be decided in the present suit.

4. Insofar as the cancellation petition is concerned, the question as to whether the Defendants’ mark is liable to be cancelled either on the ground of non-distinctiveness or non-user would have to be decided by the IPAB.

5. The marks are identical i.e. ‘MTS’. The Plaintiffs have a registration for the mark ‘MTS’ in class 38 and in multiple other classes for telecommunication services. The Defendants have a registered trademark in class 9. According to the Defendants, the Plaintiffs’ mark in class 9 has been refused. This is disputed by the Ld. Counsel for the Plaintiff.

6. In view of the legal position as per the judgement of the Supreme Court in ***Patel Field Marshal Agencies and Anr. vs. P.M. Diesels Ltd. and Ors. 2018 (2) SCC 112***, the exercise of the jurisdiction by the IPAB is contingent on the finding of this Court as to the prima facie tenability of the plea of invalidity. The suit for passing off is pending before this Court and the parties have already agreed for an expedited trial by appointment of a Local Commissioner. However, insofar as the cancellation petition is concerned, it cannot be said at this stage that the same lacks merit. The evidence and the pleas of either party would have to be examined in detail before the IPAB. However, the allegation that the mark is liable to be rectified cannot be said to be prima facie untenable. The plea of the



Plaintiffs in respect of the validity of the Defendants' registered trademark would have to be gone into detail by the IPAB. Accordingly, it is directed that the Plaintiffs' cancellation petition may be proceeded to be heard by the IPAB on merits.

7. With the consent of the parties, the trial of the suit is not stayed, however, the Plaintiffs are permitted to pursue the cancellation petition. With these observations the present application is disposed of.

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8. Since the parties have agreed that the trial of the suit can proceed with, Mr. Shohit Chaudhry Advocate (9999091964) is appointed as a Local Commissioner to record the evidence between the parties. The fee of the Local Commissioner shall be fixed initially at Rs.1,00,000/- each for the Defendants' and Plaintiffs' evidence respectively. The fee shall be paid by the respective parties at the commencement of the recordal of their respective oral evidence. list of witnesses shall be filed by the parties within four weeks. Evidence by way of affidavit shall be filed by the Plaintiffs within eight weeks.

9. List before Joint Registrar for marking of exhibits on the date already fixed i.e. 13th November, 2018.

10. List for case management hearing on 28th November, 2018.

PRATHIBA M. SINGH, J.

SEPTEMBER 07, 2018

Rekha