

DELHI HIGH COURT RULES THAT OFFERING PRODUCTS THROUGH ACCESSIBLE GOOGLE PLAY STORE AND E-COMMERCE PORTALS AMOUNTS TO “CARRYING ON BUSINESS WITHIN TERRITORIAL JURISDICTION”

In a trademark infringement suit filed by US based ICON Health and Fitness Inc in relation to “iFit” brand of fitness devices the Delhi High Court¹ passed an ex-parte decree of injunction against UAE residents. The fact that defendants put up their infringing products in Google Play Store and E-commerce portals which were accessible from Delhi, was considered by the High Court as establishing its territorial jurisdiction as it amounted to “carrying on business within territorial limits of the court.”

The Delhi High Court held as follows:

“The issue which arises for consideration is whether this Court has territorial jurisdiction to try the suit since the defendants are residing in United Arab Emirates and whether there is material to establish that the defendants are carrying on business from Delhi. Though the defendants are not residing in Delhi, however, the defendants are offering their fitness apps and bands through App Store, Google Play Store and e-commerce portals like www.amazon.in which can be accessed and operated from all over the country, including from Delhi. Thus, it can be said that the defendants are carrying on business or working for gain at Delhi and this Court has territorial jurisdiction to try and decide the present suit.

The law on trans-border reputation was discussed by the Division Bench of this Court in the decision reported as (2017) 236 DLT 343 Prius Auto Industries Ltd. & Ors. v. ToyotaJidosha Kabushiki Kaisha wherein it was held that to prove trans-border reputation plaintiff is required to establish two facts. The first is reputation in foreign jurisdictions of the trade mark and the second is knowledge of the trade mark due to its reputation abroad in a domestic jurisdiction. If its reputation spills over beyond the territories of its operation, the benefit thereof can be claimed in an action of passing off.

Plaintiff owns and operates the website www.ifit.com which provides information regarding the plaintiff’s IFIT branded devices and software since the year 1999. Plaintiff’s IFIT branded apps are available on mobile stores such as the App Store and Google Play. Plaintiff’s software under the trademark IFIT was made available in India at least as far back as the year 18th October, 2011. Since November, 2011 IFIT branded mobile apps has had hundreds of thousands of logins and thousands of downloads by users with IP addresses in India. The plaintiff’s IFIT branded fitness devices are also available on popular e-commerce portals such as www.amazon.in thereby making these products instantly available to millions of users who visit such e-commerce portals.”

¹Icon Health and Fitness Inc. v. Sheriff Usman, CS (COMM) 216/2016 (Date 12.09.2017).