

Trademark | Case Law Update

Delhi High Court grants interim relief in money scam involving the use of Reliance's trademark AJIO

By Anooja Padhee

Reliance Industries Limited (Reliance) claims to be the largest retailer in India in terms of revenues. It has outlets offering food, groceries, apparel, footwear, toys, home-improvement products, electronic goods, and farm implements. It owns the business-to-consumer (B2C) e-commerce platform www.ajio.com which was launched in 2016 along with a corresponding mobile app 'AJIO'. Reliance claims that 'AJIO' is one of the most popular brands in India, supporting this assertion with information that they have three million customers and numerous downloads of the mobile app.

The genesis of the instant case, *Reliance Industries Limited & Anr. v Ajo Online Shopping Pvt. Ltd. and Ors.*, involved an elaborate scam wherein Reliance and its AJIO brand were at the receiving end of the scam. AJIO Online Shopping Pvt. Ltd (Ajo online), falsely claiming association with Reliance using the AJIO mark, deceived the public with letters and scratch card coupons, suggesting they had won substantial prize money.

These letters further claimed that in order to claim the cash prize, the recipients must make payments of advance government taxes and processing fees. In some versions of the scam, the perpetrators also made the recipient deposit INR 5000 (~USD 60) and claimed that once the deposit was made, they would be able to encash the scratch card to the tune ranging from INR 7, 50, 000 (~USD 9000) to INR 10, 00, 000 (~USD 12000). The employees of Reliance received some of these letters.

Reliance's investigations uncovered that the individuals were conducting fraud through various mobile numbers and bank accounts. Accordingly, Reliance filed a suit against the perpetrators, Ajo Online's banks, telecom service providers, the Department of Telecom, and unidentified parties involved in the scam.



Reliance sought restraint orders against the fraudulent persons/ company from using the mark AJIO in any manner and sending any further communication using the said mark. Further, they also sought an order to freeze the relevant bank accounts and block the mobile numbers used in the fraudulent operations.

The Court observed that this was a large-scale operation carried out by unscrupulous individuals with the intention of collecting money under the name AJIO. It noted that owing to the familiarity and reputation of the AJIO name and brand, it would be natural for consumers to believe that the communications were genuine.

Accordingly, the Court found it to be a fit case for grant of an *ex-parte* injunction and passed the following orders against the Ajoio online and the other defendants:

- Injunction restraining Ajoio Online from using the mark AJIO or sending any further communication seeking money including into any new bank accounts that they may open in future;
- Freeze the bank accounts associated with the scam;
- Block all the mobile numbers provided and to place on record all available documentation regarding the identity of the registrants; and
- Issue blocking orders against all phone numbers making them non-operational with immediate effect.

Furthermore, Reliance was allowed to move an application should they identify any new numbers or bank accounts. Making an exception from the usual norm, the Court also ordered that Ajoio Online be served the suit papers through the available mobile numbers. On Reliance's application, the Cyber Cell, Delhi Police was directed to investigate the issue to identify exact details of the perpetrators, to investigate the entire matter and provide a status report by the next date of hearing urgently and expeditiously.

In an age of sophisticated online scams being perpetrated by numerous parties using famous brands, the wide-ranging orders passed by the Court in this case would certainly pave the way for coming up with more stringent and up to date laws and regulations to overcome this persistent issue.