* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 14th February, 2023.

\+ **CS(COMM) 176/2022**

WINZO GAMES PRIVATE LIMITED..... Plaintiff
Through: Mr.Abhishek Malhotra and Ms.Atmja Tripathy, Advocates.

versus

GOOGLE LLC & ORS..... Defendants
Through: Mr.Arun Kathpalia, Sr.Advocate with Ms. Mamta Rani Jha, Mr.Rohan Ahuja, Ms.Shrutima Ehersa, Mr.Vatsalya Vishal and Ms.Amishi Sodani, Advocates.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

AMIT BANSAL, J. (Oral)

I.A. 4439/2022 (O-XXXIX R-1 & 2 of the CPC)

1. The present application has been filed on behalf of the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) seeking to restrain the defendants from displaying any warning against the use of the gaming platform/application 'WinZO Games' of the plaintiff on the Android Operating System/s.

2. Notice was issued in the application on 22nd March, 2022 and reply thereto has subsequently been filed on behalf of the defendant no.1. Plaintiff has also filed a rejoinder to the reply filed by the defendant no.1.

3. Arguments in the application were heard on 8th February, 2022 and both sides have filed a brief note of their submissions.

FACTUAL MATRIX

4. The case set up by the plaintiff is as under:

4.1 The plaintiff is a digital gaming and technology company that operates an online digital gaming platform/application under the marks 'WinZO'/ 'WinZO Games'.

4.2 The plaintiff has registrations/has applied for registrations in respect of the marks WinZO' and 'WinZO Games' in Classes 38, 41 and 42, details of which are given in paragraph 5 of the plaint.

4.3 The plaintiff enjoys considerable goodwill and reputation associated with its trademarks 'WinZO'/ 'WinZO Games'.

4.4 The aforesaid application under the marks 'WinZO'/ 'WinZO Games' of the plaintiff was introduced in February, 2017 and offers over seventy games in five formats to its users, in over twelve regional languages.

4.5 The application of the plaintiff was available on the Google Playstore until it was converted by the plaintiff to a paid gaming platform. Thereafter, the plaintiff had to remove its application from the Google Playstore.

4.6 The plaintiff owns and operates the website 'www.winzogames.com/' through which consumers can download the gaming application of the plaintiff. The said website can be accessed by searching for the keywords 'WinZO Games' on any search engine.

4.7 In November, 2021, the plaintiff was informed of the defendants displaying a disclaimer/warning to users upon an attempted download of the plaintiff's application. The text of the warning is as under:

"This type of file may harm your device. Do you want to keep WinZO.apk anyway?"

5. Accordingly, the present suit was filed seeking a decree of permanent injunction along with other ancillary reliefs.

SUBMISSIONS ON BEHALF OF THE COUNSELS

6. Counsel appearing on behalf of the plaintiff makes the following submissions:

i. The warning placed by the defendants in relation to the plaintiff's services under the 'WinZO'/ 'WinZO Games' marks is devoid of any legal justification.

ii. The aforesaid warning goes beyond the mandate of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules 2021).

iii. The warning placed by the defendants amounts to infringement/tarnishment of the plaintiff's trademarks.

iv. The warning of the defendants disparages the plaintiff's digital gaming services under the 'WinZO'/ 'WinZO Games' marks

v. The defendants are inducing breach of contract between the plaintiff and its users by displaying the aforesaid warning.

7. Senior counsel appearing on behalf of the defendants makes the following submissions:

i. The warning is being used on a non-discriminatory basis in respect of all third-party APK format files/applications, which can be downloaded from the internet.

ii. Several other browsers also display such warning while downloading

other third-party APK format files/applications and therefore, the same constitutes an industry practice.

iii. The warning is a security feature so as to protect consumers from any possible malware.

iv. The defendants are not using the plaintiff's trademarks '*in the course of trade*', which is a *sine qua non* for trademark infringement/tarnishment action.

v. There is no disparagement as there is no comparison of the plaintiff's application with any of the defendants' products or services.

vi. There cannot be any tort of inducement of breach of contract as there is no contract in place between the plaintiff and its users till the time the application of the plaintiff is installed by a potential user.

8. I have heard the rival submissions.

ANALYSIS AND FINDINGS

9. The submission of the defendants that the defendant no.1, Google LLC uses the aforesaid warnings in respect of all third-party applications that are downloaded from the internet has not disputed by the plaintiff. Therefore, the admitted position is that the said warning is in respect of all such file/application downloads and not confined to the plaintiff's application, and is not discriminatory.

10. The warning given by the defendants is in the nature of a disclaimer and does not prohibit or block the download. The users can continue to download and install the APK files by clicking on the option of *'Download anyway'*. It may be noted that APK files/applications like that of the plaintiff are not part of the 'Google Play' ecosystem and therefore, the same do not

undergo the various security checks and measures. Therefore, the defendants are only cautioning the user before the user proceeds to download the application.

11. The defendants have also provided details that such warnings are not unique to the Google Chrome browser of the defendant no.1. Several other browsers also display such warning when viewers/potential users download third-party APK files/applications from their websites. On a *prima facie* view, this appears to be the industry practice.

12. In terms of the prevailing legal regime, the defendants are required to put in place such warnings so as to guard the user against potential threats. In this regard, reference may be made to Rules 3(1)(i) and 3(1)(k) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 [hereinafter '2021 IT Rules'] as well as Rule 8 of The Information Technology (Reasonable Security Practices And Procedures And Sensitive Personal Data or Information) Rules, 2011 [hereinafter '2011 Security Rules'].

13. Rules 3(1)(i) and 3(1)(k) of the 2021 IT Rules are as under:

> *"**3. (1) Due diligence by an intermediary:** An intermediary, including social media intermediary and significant social media intermediary, shall observe the following due diligence while discharging its duties, namely:—*
>
> ***(i) the intermediary shall take all reasonable measures to secure its computer resource and information contained therein following the reasonable security practices and procedures as prescribed in the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Information) Rules, 2011;***
>
> *xxx* *xxx* *xxx*

(k) <u>the intermediary shall not knowingly</u> deploy or install or modify technical configuration of computer resource or <u>become party to any act that may change or has the potential to change the normal course of operation of the computer resource</u> than what it is supposed to perform thereby circumventing any law for the time being in force:"

14. Rule 8 of the 2011 Security Rules is set out below:

*"**8. Reasonable Security Practices and Procedures.— (1) A body corporate or a person on its behalf shall be considered to have complied with reasonable security practices and procedures, if they have implemented such security practices and standards and have a comprehensive documented information security programme and information security policies that contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected with the nature of business.** In the event of an information security breach, the body corporate or a person on its behalf shall be required to demonstrate, as and when called upon to do so by the agency mandated under the law, that they have implemented security control measures as per their documented information security programme and information security policies.*

(2) The international Standard IS/ISO/IEC 27001 on "Information Technology - Security Techniques - Information Security Management System – Requirements" is one such standard referred to in sub-rule (1).

(3) Any industry association or an entity formed by such an association, whose members are self-regulating by following other than IS/ISO/IEC codes of best practices for data protection as per sub-rule(1), shall get its codes of best practices duly approved and notified by the Central Government for effective implementation.

(4) The body corporate or a person on its behalf who have implemented either IS/ISO/IEC 27001 standard or the codes of best practices for data protection as approved and notified

> ***under sub-rule (3) shall be deemed to have complied with reasonable security practices and procedures provided that such standard or the codes of best practices have been certified or audited on a regular basis by entities through independent auditor, duly approved by the Central Government.*** *The audit of reasonable security practices and procedures shall be carried cut by an auditor at least once a year or as and when the body corporate or a person on its behalf undertake significant upgradation of its process and computer resource."*

15. The counsel for the plaintiff has vehemently contended that the trademark of the plaintiff is infringed/tarnished by the defendants when naming the APK file/application 'WinZO' in the warning displayed for its users. At this stage, reference may be made to the relevant provisions of Section 29, which are set out below:

> *"**29. Infringement of registered trade marks**.—(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, **uses in the course of trade**, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in **such manner as to render the use of the mark likely to be taken as being used as a trade mark**.*
>
> *...*
>
> *(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, **uses in the course of trade**, a mark which—*
>
> *(a) is identical with or similar to the registered trade mark; **and***
>
> *(b) **is used in relation to goods or services which are not similar to those for which the trade mark is registered;** and*
>
> *(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character*

or repute of the registered trade mark.

…

(6) ***For the purposes of this section, a person uses a registered mark, if, in particular, he—***

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

…

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising—

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark."

16. There is merit in the submission of the defendants that the use of the plaintiff's trademark in the aforesaid warning shall not constitute as a *'mark likely to be taken as being used as a trade mark'* in terms of Section 29(1) of the Trade Marks Act, 1999. Further, a perusal of Section 29(6) of the Trade Marks Act, 1999 would show that the use of the impugned marks by the defendants in their warning is not covered in any of the sub-clauses (a), (b), (c) or (d) of Section 29(6). A perusal of the warning would show that the reference to the name of the APK file/application 'WinZO' is only for identifying the file being downloaded for the purpose of the warning.

17. It is a settled position of law that to make out a case for infringement under Section 29(4) of the Trade Marks Act, 1999, all three conditions under the said provision have to be met. Since the defendant no.1, Google LLC is

not providing any goods or services using the impugned trademarks, the condition in sub-clause (b) of Section 29(4) is not satisfied. Hence, it does not constitute *'use of the trademark in the course of trade'* within the meaning of Section 29(4). Further, since the defendant no.1 is not advertising goods/services by using the plaintiff's marks in any manner, there is no case made out for infringement under Section 29(8) of the Trade Marks Act, 1999.

18. Therefore, in my *prima facie* view, the reliance placed by the plaintiff on Section 29 of the Trade Marks Act, 1999 to make out a case for infringement/tarnishment of its 'WinZO'/ 'WinZO Games' marks, is misplaced.

19. As regards the ground of disparagement, indisputably, there is no comparison between the products/services of the defendants with that of the goods/services of the plaintiff. Nor is there any advertising for any goods or services. Therefore, there is no competing interest of the products/services of the defendants involved and in my *prima facie* view, no case of disparagement is made out.

20. Insofar as the ground of inducement of breach of contract between a user and the plaintiff is concerned, the act of a user opting to download an application from the website of the plaintiff would not result in a contract. At best, a contract can come into place once the application is installed. Since there is no contract in place at the time the warning is displayed, there cannot be any question of inducement to breach the same. In fact, in paragraph 21 of the plaint, the plaintiff has admitted that when a user clicks on the download link on the plaintiff's website, the user is only 'willing to execute' a contract with the plaintiff. It is further stated that the warning

deters 'willing' users from entering into a contract with the plaintiff. Therefore, there is no contract at the stage when the warning appears. Paragraph 21 of the plaint is set out below:

> *"21.* ***It is further pertinent to note that <u>when an internet user searches 'WinZO Games' on any search engine or clicks on any paid/promoted links on any other social media platform or other internet-based platform and accesses the Plaintiff's Website to download the Application, and ultimately clicks on the download link on the Website, the said user is willing to execute a contract with the Plaintiff</u> by demonstrating a willingness to download the Application.*** *However, the Warning displayed on Defendants' owned AOS device/platform deters such willing users from executing the contract with the Plaintiff. The Plaintiff, therefore, states that the Defendants' unwarranted and baseless Warning amounts to tort of inducement for breach of contract."*

21. The submission that the warning of the defendants has resulted in decline of downloads from the plaintiff's website is also speculative. At this stage, the plaintiff is yet to establish a case on the aforesaid ground. This aspect can only be established in the trial.

22. Accordingly, I do not find any merit in the application and the same is dismissed.

23. Needless to state, any observations made herein are only for the purposes of adjudication of the present application and would have no bearing on the final outcome of the suit.

<u>I.A. 18256/2022 (for condonation of delay of 93 days in filing replication)</u>

24. Counsel for the plaintiff fairly admits that the replication has been filed beyond maximum permissible period of 45 days as mandated in Rules 5 and 7 of Chapter VII of the Delhi High Court (Original Side) Rules, 2018.

Therefore, in view of the judgment dated 19th October, 2020 of the Division Bench in FAO(OS) 47/2020 titled ***Ram Sarup Lugani & Anr.* v. *Nirmal Lugani & Ors.***, if the replication is filed beyond 45 days, the delay cannot be condoned.

25. In view thereof, the present application is dismissed and the replication filed on behalf of the plaintiff is directed to be taken off the record.

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26. List before the Joint Registrar for marking of exhibits on 22nd March, 2023.

AMIT BANSAL, J

FEBRUARY 14, 2023
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