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WINZO GAMES PVT LTD V. GOOGLE LLC: TRADEMARK INFRINGEMENT IN THE GAMING INDUSTRY

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ABSTRACT

The aim of this paper is to examine and analyze the legal dispute in the gaming industry concerning trademark infringement and its relation to upcoming technology. The paper seeks to delve into the specific case involving Winzo Games Private Limited and the defendants, Google LLC, where the plaintiff alleges trademark infringement due to a warning message displayed during the application download process. Through a comprehensive examination of the arguments presented by both parties, the paper aims to explore the legal justifications for the warning and its potential impact on trademark rights and user security. Furthermore, the paper intends to assess the application of existing laws and regulations, such as the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, in the context of emerging technology in the gaming industry. By doing so, it seeks to understand the implications of evolving technology on trademark protection strategies and user experiences. Additionally, the paper aims to highlight the broader significance of this case, shedding light on the intricate relationship between trademark rights, user security, and technology advancements in the digital era. It seeks to offer valuable insights into the challenges faced by stakeholders in the gaming industry and other digital domains, encouraging a nuanced approach to navigating trademark issues in a rapidly evolving technological landscape. In conclusion, the aim of this paper is to provide a comprehensive analysis of the legal dispute, enabling a deeper understanding of the complexities and implications arising from the intersection of trademark infringement, gaming industry dynamics, and upcoming technology.

Keywords: Apk, Google, Infringement, IT Act, Trademark, Winzo.

INTRODUCTION

Trademark infringement is a critical issue that often arises in the gaming industry, especially with the advent of upcoming technologies. Trademarks serve as essential identifiers of a company's products and services, representing its goodwill and reputation in the market. Infringement of trademarks can lead to confusion among consumers and dilution of the original brand's distinctiveness. The case of Winzo Games Private Limited versus Google LLC, it sheds light on a dispute arising from the display of a warning related to the plaintiff's

gaming application, bringing trademark infringement concerns to the forefront.

As technology continues to advance, the gaming industry experiences a continuous evolution, offering players innovative and immersive experiences. With online gaming platforms becoming increasingly popular, protecting trademarks in this dynamic landscape is of utmost importance.

The case, however, goes beyond traditional trademark infringement scenarios. It intertwines with the realm of upcoming technology,

particularly concerning the warning displayed by the defendants, Google LLC, upon attempting to download the plaintiff's gaming application. It becomes imperative to analyse the legal justifications and implications of the defendant's warning and its impact on the plaintiff's trademarks. Moreover, the case raises pertinent questions about how upcoming technology influences trademark protection strategies, user perceptions, and the overall gaming industry landscape.

This case analysis delves into the complexities of the case, examining the arguments presented by both parties, the relevant laws, and the court's analysis and findings. By exploring the interplay between trademark infringement, the gaming industry, and emerging technology, we seek to gain a comprehensive understanding of the legal and technological challenges faced by stakeholders in the ever-evolving world of online gaming.

FACTS

The plaintiff Winzo Games Private Limited operates an online gaming platform. It owns the trademarks of "WinZO"/"WinZO Games" under class 38, 41 and 42- which was introduced in February 2017 and provides over 70 games in various formats and languages. These trade marks enjoy considerable goodwill and reputation in the industry. The application of the plaintiff was available on Google Play Store until it was converted by the plaintiff into a paid gaming platform. Thereafter, the plaintiff had to remove its application from Google Play Store.⁸³⁰ If a user needed to download the gaming application, they would have to do it through the website called "www.winzogames.com" which is owned by the plaintiff. 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. It displayed: "This type of file may harm your device. Do you want to keep Winzo.apk

anyway?". The plaintiffs filed for a permanent injunction along with other ancillary reliefs.

ISSUES

- Whether the warning placed by the defendants in relation to the plaintiff is legally justified?
- Whether the aforementioned warning goes beyond the mandate of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021?
- Whether the warning placed by the defendants amounts to infringement/tarnishment of the plaintiff's trade marks?

SUBMISSIONS OF THE PLAINTIFF

The plaintiff submitted that the warning placed by the defendants related to the plaintiff's services under "WinZo"/ "WinZo Games" trademarks are devoid of any legal justification. This warning was against the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules, 2021). The plaintiffs claimed to have suffered a breach of contract. The plaintiffs also mainly focused on the claim that the defendants had infringed their trademarks.

SUBMISSIONS OF THE DEFENDANTS

The defendants claim that the warning displayed was used on a non-discriminatory basis in respect of all third-party APK format files/applications, which can be downloaded from the internet. They also claimed that such a warning is displayed by several other browsers when downloading other third-party APK format files or applications, therefore doing so is standard practise and the warning is a security feature that guards users against potential viruses. In the legal dispute, the defendants were not using the plaintiff's trademarks "in the course of trade," which was considered essential for any trade mark infringement or tarnishment action. Additionally, there was no disparagement since no comparison was made between the plaintiff's application and any of

⁸³⁰ ¶ 9, Winzo Games Private Limited v. Google Llc. & Ors., 2023 SCC OnLine Del 907.

the defendants' products or services. Moreover, the argument was put forth that there could not be a tort of inducement of breach of contract because there was no contract in place between the plaintiff and its users until the plaintiff's application was installed by a potential user.

ANALYSIS AND FINDINGS

The plaintiff has not refuted the defendants' assertion that Defendant 1, Google LLC, applies the aforementioned warnings to all third-party programmes downloaded from the internet. The acknowledged position is that the aforementioned warning is not discriminatory because it applies to all downloads of certain files and applications, not just the plaintiff's application.

The defendant's notice is more of a disclaimer and does not forbid or restrict the download. By selecting the "Download anyway" option, users can continue to download and install the APK files. It should be highlighted that since the plaintiff's APK files and programmes are not a part of the "Google Play" ecosystem, they are not subject to the numerous security checks and safeguards. The defendants are only advising the user to wait before downloading the application, in this case.

The defendants have also emphasised that such warnings are not exclusive to Defendant 1's Google Chrome browser. When visitors or potential users download third-party APK files or applications from their websites, several other browsers also show the same warning. This seems to be standard practise in the sector, at least initially.

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 (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").⁸³¹

LAWS USED

1. Rules 3(1)(i) and (k) of the 2021 IT Rules⁸³² 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 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;

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

2. Rule 8 of the 2011 Security Rules⁸³³ 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

⁸³¹ The Information Technology Act, § 8, No. 21, Acts of Parliament, 2021.

⁸³² Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, § 3(1)(i), No. 21, Acts of Parliament, 2021.

⁸³³ The Information Technology Act, § 8, No. 21, Acts of Parliament, 2021.

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 out 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."

3. The counsel for the plaintiff has vehemently contended that the trade mark 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 29⁸³⁴, 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.*

⁸³⁴ The Information Technology Act, § 29, No. 21, Acts of Parliament, 2021.

(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.”

JUDGEMENT

The defendants’ argument that the plaintiff’s trade mark is not a “mark likely to be taken as being used as a trade mark” as defined by Section 29(1) of the Trade Marks Act, 1999, has some merit. Furthermore, a reading of Section 29(6) of the Trade Marks Act, 1999 would demonstrate that none of its subclauses (a), (b), (c), or (d) apply to the defendants’ use of the contested marks in their warning. When reading the warning, it becomes clear that the reference to the APK file/application name “WinZO” solely serves to identify the file that is being downloaded for the warning’s purposes.

It is established law that all three requirements of Section 29(4) of the Trade Marks Act, 1999 must be satisfied in order to establish a cause for infringement. The criteria in sub-clause (b) of Section 29(4) is not satisfied because Defendant 1, Google LLC, is not offering any products or services under the contested trademarks. Because of this, it does not qualify as “use of the trademark in the course of trade” under Section 29(4). Furthermore, there is no case established for infringement under Section 29(8) of the Trade Marks Act, 1999, as Defendant 1 is not advertising products or services in any way while utilising the plaintiff’s marks. 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.

Unquestionably, the defendants’ products and services cannot be compared to the plaintiff’s products and services on the basis of

disparagement. Additionally, there is no advertising for products or services. Since the defendants’ goods and services have no competing interests, there isn’t a case for disparagement, at least not in my opinion.

The act of a user choosing to download an application from the plaintiff’s website would not result in a contract as it relates to the ground of inducement of breach of contract between a user and the plaintiff. Once the application is put in place, a contract can at most be created. There can be no discussion of motivation to breach the contract as there is none in force at the time the warning is displayed. In reality, the plaintiff has acknowledged in Paragraph 21 of the plaint that when a user clicks on the download link on the plaintiff’s website, they are 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.

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

The judge did not find any merit in the application and dismissed the same.

CONCLUSION

This case underscores the importance of considering evolving technology and user experiences when addressing trademark issues in the rapidly evolving gaming industry. It also highlights the significance of adhering to existing laws and regulations, such as the IT Rules, 2021, to ensure the protection of trademarks and user security.

This judgment provides valuable insights into the complexities arising from the intersection of trademark rights, gaming industry dynamics,



and upcoming technology. It serves as a precedent for stakeholders in the gaming and digital domains to navigate trademark challenges responsibly and adapt to the ever-changing technological landscape. As technology continues to shape the gaming industry, a nuanced approach to trademark protection strategies becomes imperative to safeguard both user experiences and intellectual property rights.

